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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)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

**ACQUISITION OF INTEREST IN A COMPANY
ENGAGED IN THE OPERATION OF HANGZHOU RING ROAD**

Reference is made to the announcement of NWS dated 14 June 2011 in relation to the CFC Sale and Purchase Agreement regarding the acquisition by Moscan, a wholly-owned subsidiary of NWS, of approximately 22.68% of the total issued shares in CFC from Widefaith at the consideration of US\$226,854,100 (equivalent to approximately HK\$1,769.46 million). The transactions contemplated under the CFC Sale and Purchase Agreement have been completed on 5 July 2011.

The respective boards of directors of NWD and NWS are pleased to announce that on 27 July 2011, Moscan entered into the Widefaith Sale and Purchase Agreement with, among others, Kaiming in relation to the acquisition of the Sale Shares at the consideration of US\$145,205,000 (equivalent to approximately HK\$1,132.60 million). Widefaith currently owns 51% of the total issued shares in CFC which in turn owns 95% indirect equity interest in the Project Company, which is principally engaged in the operation of Hangzhou Ring Road. Upon completion of the Widefaith Sale and Purchase Agreement, Moscan's effective interest in the Project Company will increase from approximately 21.55% to approximately 33.66%.

* For identification purposes only

Upon completion of the Widefaith Sale and Purchase Agreement, Kaiming will grant Moscan a call option over the Option Shares, being 65% of the total issued shares in Widefaith, and Moscan will grant Kaiming a put option over the same Option Shares, on the terms and conditions set forth in the Widefaith Sale and Purchase Agreement. An option advanced payment of US\$63,610,526 (equivalent to approximately HK\$496.16 million) is payable by Moscan to Kaiming upon completion of the Widefaith Sale and Purchase Agreement as advanced part payment of the exercise of the call option or the put option, as the case may be. The call option or the put option may only be exercised by Moscan by written notice to Kaiming or by Kaiming by written notice to Moscan (as the case may be) within a period of three months after the day the Other Shareholder ceases to be a shareholder of CFC and in any event prior to 31 December 2012.

Furthermore, Moscan, NWSI, Kaiming, Widefaith and the Current Owner will enter into the Widefaith Shareholders' Agreement at completion of the Widefaith Sale and Purchase Agreement.

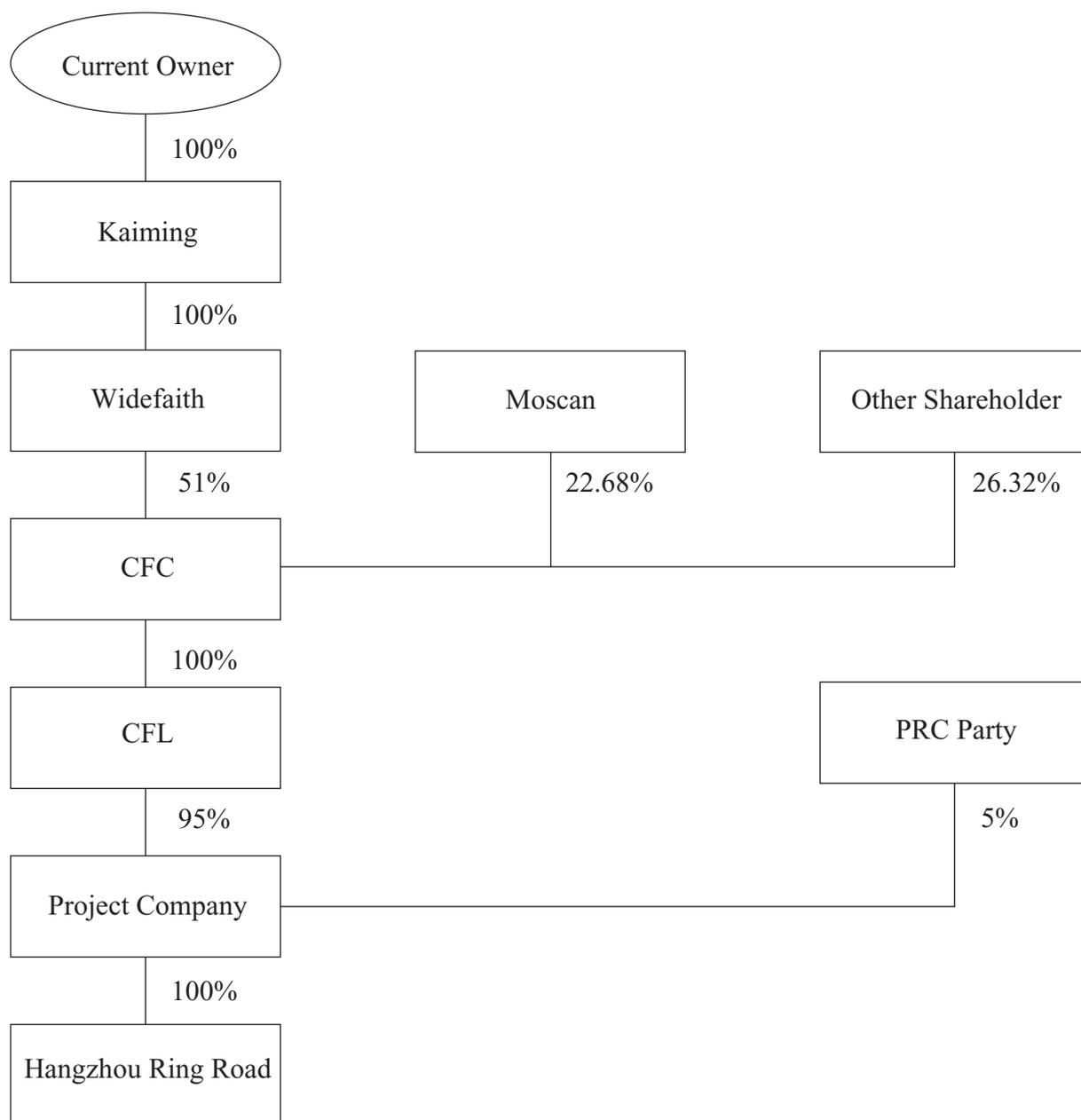
In respect of each of NWD and NWS, all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition pursuant to the CFC Sale and Purchase Agreement are less than 5%, but when aggregated with the Acquisition pursuant to the Widefaith Sale and Purchase Agreement and Moscan's commitment under the Widefaith Shareholders' Agreement in respect of the possible acquisition of the approximately 26.32% of the total issued shares in CFC from the Other Shareholder, and taking into account the possible exercise of the call option or the put option, as the case may be, are more than 5% but less than 25%. The consummation of the transactions constitutes a discloseable transaction for each of NWD and NWS and is subject to the notification and publication requirements as set out in Rules 14.34 to 14.37 under Chapter 14 of the Listing Rules.

INTRODUCTION

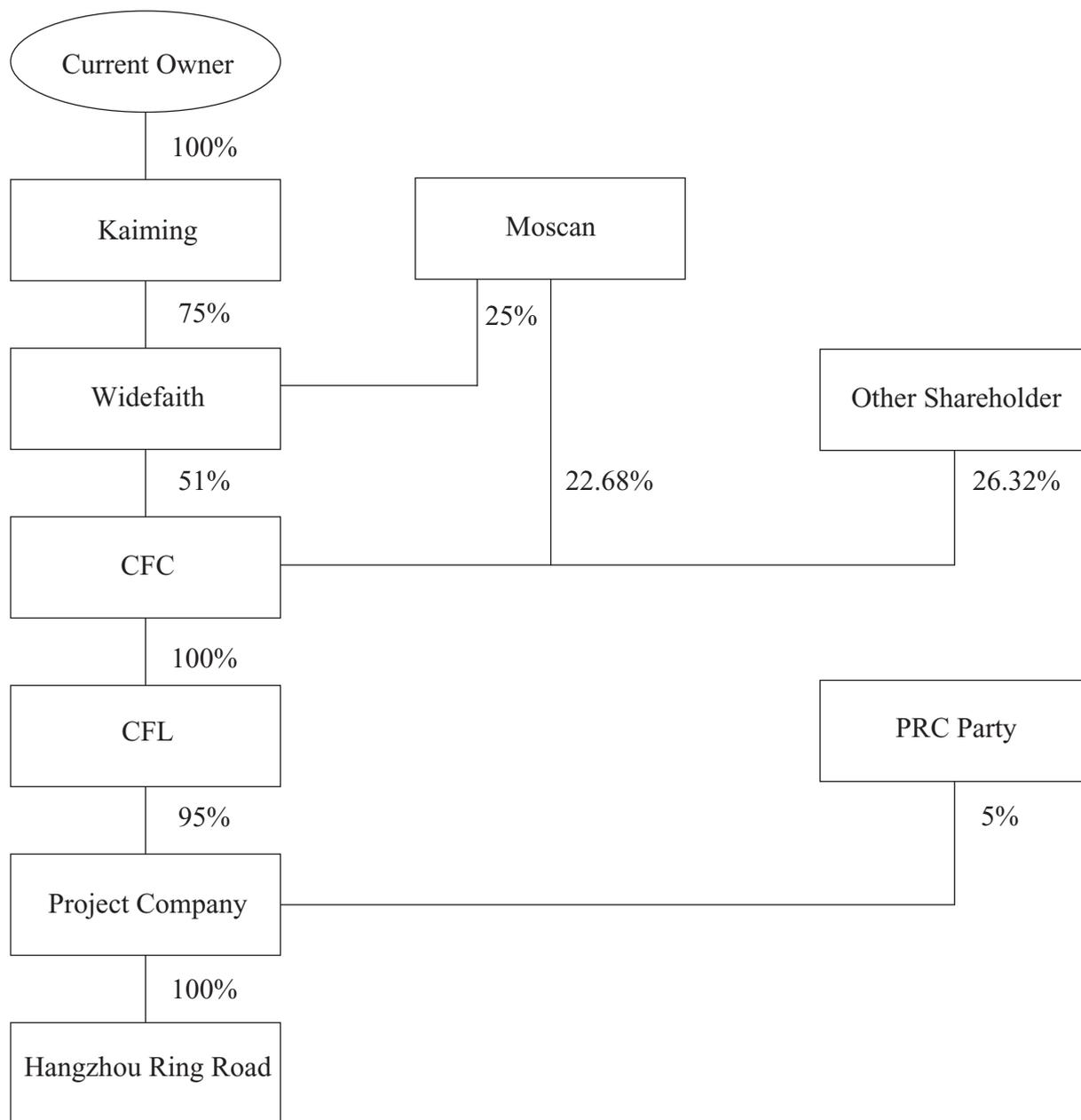
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The respective boards of directors of NWD and NWS are pleased to announce that on 27 July 2011, Moscan entered into the Widefaith Sale and Purchase Agreement with, among others, Kaiming in relation to the acquisition of the Sale Shares at the consideration of US\$145,205,000 (equivalent to approximately HK\$1,132.60 million). Widefaith currently owns 51% of the total issued shares in CFC which in turn owns 95% indirect equity interest in the Project Company, which is principally engaged in the operation of Hangzhou Ring Road. Upon completion of the Widefaith Sale and Purchase Agreement, Moscan's effective interest in the Project Company will increase from approximately 21.55% to approximately 33.66%.

The following chart sets out the shareholding structure of the Project Company immediately prior to the signing of the Widedaith Sale and Purchase Agreement:



The following chart sets out the shareholding structure of the Project Company upon completion of the Widefaith Sale and Purchase Agreement:



Upon completion of the Widefaith Sale and Purchase Agreement, Moscan will directly own 25% of the total issued shares in Widefaith and approximately 22.68% of the total issued shares in CFC, which together represent approximately 33.66% effective interest in the Project Company.

MAJOR TERMS OF THE WIDFAITH SALE AND PURCHASE AGREEMENT

Date

27 July 2011

Parties

1. Seller: Kaiming
2. Buyer: Moscan
3. Guarantors of Kaiming: Current Owner and Previous Owner

Consideration

Moscan entered into the Widefaith Sale and Purchase Agreement with, among others, Kaiming in relation to the acquisition of the Sale Shares at the consideration of US\$145,205,000 (equivalent to approximately HK\$1,132.60 million). The consideration is payable by Moscan in cash to Kaiming upon completion of the Widefaith Sale and Purchase Agreement.

The consideration was determined after arm's length negotiations between the parties having regard to the assets and liabilities of the Widefaith Group and the strategic importance of Hangzhou Ring Road to the NWS Group. Please refer to the section headed "Reasons for, and Benefits of, the Acquisitions" below for further information.

In connection with the obligations of Kaiming under the Widefaith Sale and Purchase Agreement, the Current Owner and the Previous Owner have executed a personal guarantee in favour of Moscan.

Conditions precedent to completion

Completion of the Widefaith Sale and Purchase Agreement is conditional upon the fulfilment (or, if applicable, waiver by Moscan) of, among other things, the following conditions precedent:

- (a) the warranties in the Widefaith Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respect;
- (b) all consents, approvals, permits, authorizations or clearances (as the case may be) that are necessary pursuant to applicable laws (including but not limited to the Listing Rules) for the execution, implementation and completion of the Widefaith Sale and Purchase Agreement having been obtained, and all such consents, approvals, permits, authorizations and clearances not having been revoked or withdrawn;

- (c) NWD and NWS, being the holding companies of Moscan, having obtained all necessary internal approvals and complied with their disclosure obligations under the Listing Rules;
- (d) the parties having agreed to the terms of the Widefaith Shareholders' Agreement;
- (e) the parties having agreed to the terms of the Deed of Indemnity; and
- (f) the parties having agreed to the terms of the amended and restated articles of association of Widefaith.

Completion

Completion of the Widefaith Sale and Purchase Agreement will be subject to the satisfaction (or waiver, as the case may be) of the abovementioned conditions precedent. It is expected that the conditions precedent will be satisfied and completion of the Widefaith Sale and Purchase Agreement will take place on 29 July 2011.

Granting of the put option and the call option

Upon completion of the Widefaith Sale and Purchase Agreement, Kaiming will grant Moscan a call option over the Option Shares, being 65% of the total issued shares in Widefaith, and Moscan will grant Kaiming a put option over the same Option Shares, on the terms and conditions set forth in the Widefaith Sale and Purchase Agreement. An option advanced payment of US\$63,610,526 (equivalent to approximately HK\$496.16 million) will be payable by Moscan to Kaiming upon completion of the Widefaith Sale and Purchase Agreement as advanced part payment of the exercise of the call option or the put option, as the case may be.

The call option or the put option may only be exercised by Moscan by written notice to Kaiming or by Kaiming by written notice to Moscan (as the case may be) within a period of three months after the Other Shareholder ceases to be a shareholder of CFC and in any event prior to 31 December 2012 (the "**Option Period**"). The call option or the put option may only be exercised in respect of the whole but not part of the Option Shares.

In the event neither the call option nor the put option is exercised upon the expiry of the Option Period, at the election of Moscan, the option advanced payment, together with all interest accrued thereon, shall be refunded to Moscan or the Current Owner shall procure all the equity interest in the PRC Party be transferred to Moscan on or before 31 December 2012 at a price calculated based on the Benchmark Price. For securing the refund obligation regarding the option advanced payment, Kaiming shall execute the Share Charge in favour of Moscan.

The price payable by Moscan for the Option Shares under the put option or the call option, as the case may be, will be calculated based on the Benchmark Price plus the Daily Increment and the sale and purchase of the Option Shares will be effected pursuant to a conditional sale and purchase agreement to be entered into by Moscan and Kaiming.

A further announcement will be made by NWD and NWS when the conditional sale and purchase agreement is entered into pursuant to the exercise of the call option or the put option, as the case may be.

The purchase price under the Widefaith Sale and Purchase Agreement and the option advanced payment in the aggregate amount of US\$208,815,526 (equivalent to approximately HK\$1,628.76 million) will be funded by internal cash resources and bank financing. In the event of the exercise of the call option or the put option, as the case may be, it is anticipated that the exercise price will be funded by internal cash resources and bank financing.

MAJOR TERMS OF THE WIDEFAITH SHAREHOLDERS' AGREEMENT

Date

To be entered into upon completion of the Widefaith Sale and Purchase Agreement.

Parties

1. Kaiming
2. Moscan
3. Current Owner (as guarantor of Kaiming's obligations)
4. NWSI (as guarantor of Moscan's obligations)
5. Widefaith

Management

Pursuant to the Widefaith Shareholders' Agreement, Moscan will be entitled to nominate two directors to the board of directors of Widefaith. Through Widefaith, Moscan will be entitled to nominate two directors to the board of directors of each of CFC, CFL and the Project Company. Certain matters in relation to members of the Widefaith Group shall also require the written consent of Moscan.

Matters relating to the Other Shareholder's shareholding in CFC

In relation to the approximately 26.32% of the total issued shares in CFC currently held by the Other Shareholder, the parties to the Widefaith Shareholders' Agreement will agree that in the event the Other Shareholder offers all of its CFC shares for sale and if the transfer price offered by the Other Shareholder is lower than or equal to the sum of the Benchmark Price and the Daily Increment, Moscan shall acquire all such shares or provide funding to Widefaith which shall acquire all such shares; if the transfer price offered by the Other Shareholder is higher than the sum of the Benchmark Price and the Daily Increment, such acquisition, if any, will be subject to

the agreement of Moscan and Widefaith. Other than the aforesaid, neither Moscan nor Kaiming is required to provide any funding under the Widefaith Shareholders' Agreement. Only when the shareholders of Widefaith unanimously agree that funding shall be provided for the expansion of Hangzhou Ring Road as may be required by the PRC government authority and/or the early redemption of the Notes, such funding shall be provided on such terms as the shareholders unanimously agree.

If the aforesaid transactions proceed to consummation, NWD and NWS will, at such time, make further announcement and comply with their disclosure and other relevant obligations under the Listing Rules.

Save as disclosed in this announcement, both NWD and NWS do not have any other commitment towards Widefaith or the Project Company as at the date of this announcement.

REASONS FOR, AND BENEFITS OF, THE ACQUISITIONS

Hangzhou Ring Road is an expressway which is situated in Hangzhou City of Zhejiang Province, the PRC. The expressway has a length of 103.4 kilometers with dual 2-3 lanes. It is connected to several major national expressways and links Hangzhou City and the neighbouring provinces and cities such as Shanghai, Nanjing, Ningbo and Suzhou.

In view of the economic development of the Yangtze River Delta region, the directors of NWS believe that the demand for road transport in the Yangtze River Delta region, including Zhejiang Province, in the PRC will continue to grow healthily, and Hangzhou Ring Road is well positioned to benefit from the economic development of the aforesaid region. Hangzhou Ring Road forms a loop around Hangzhou City and serves intra-city traffic and cross-province traffic. Moreover, it is the strategy of the NWS Group to continue to explore new investment opportunities for the purpose of strengthening its infrastructure business. The directors of NWS are of the view that by completing the Acquisitions, the infrastructure portfolio of the NWS Group will be further expanded which will in turn enhance the NWS Group's sustainable growth in the toll road sector of the PRC.

The respective boards of directors of NWD and NWS consider that the Widefaith Sale and Purchase Agreement has been entered into on normal commercial terms and is fair and reasonable and in the interests of NWD and NWS and their respective shareholders as a whole.

INFORMATION ON THE NWD GROUP, THE NWS GROUP, KAIMING, WIDEFAITH AND THE PROJECT COMPANY

The NWD Group (including the NWS 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 NWS and is, together with certain of its subsidiaries, interested in approximately 59.79% of the total issued share capital of NWS as at the date of this announcement.

The NWS 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.

Kaiming is an investment holding company holding the entire issued shares in Widefaith. The Previous Owner has transferred the entire issued shares in Kaiming to the Current Owner before signing of the Widefaith Sale and Purchase Agreement.

Widefaith currently owns 51% of the total issued shares in CFC which in turn owns 95% indirect interest in the Project Company. The Project Company is principally engaged in the operation of Hangzhou Ring Road.

According to the audited accounts of Widefaith, the audited net asset value of Widefaith as of 31 December 2010 amounted to US\$314.55 million (equivalent to approximately HK\$2,453.49 million); and the audited net profit before and after taxation and extraordinary items of Widefaith for the financial years ended 31 December 2009 and 31 December 2010 are as follows:

	For the financial year ended 31 December			
	2009		2010	
	Equivalent		Equivalent	
	US\$	to HK\$	US\$	to HK\$
	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>	<i>(million)</i>
Net profit before taxation and extraordinary items	68.54	534.61	82.04	639.91
Net profit after taxation and extraordinary items	51.91	404.90	62.01	483.68

To the best of the knowledge, information and belief of the directors of NWD and NWS having made all reasonable enquiries, each of Kaiming and the ultimate beneficial owner of Kaiming is a third party independent of NWD, NWS, the directors, chief executives and substantial shareholders of any member of the NWD Group and NWS Group or any of their respective associates.

LISTING RULES IMPLICATIONS

In respect of each of NWD and NWS, all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition pursuant to the CFC Sale and Purchase Agreement are less than 5%, but when aggregated with the Acquisition pursuant to the Widefaith Sale and Purchase Agreement and Moscan's commitment under the Widefaith Shareholders' Agreement in respect of the possible acquisition of the approximately 26.32% of the total issued shares in CFC from the Other Shareholder, and taking into account the possible exercise of the call option or the put option, as the case may be, are more than 5% but less than 25%. The consummation of the transactions constitutes a discloseable transaction for each of NWD and NWS and is subject to the notification and publication requirements as set out in Rules 14.34 to 14.37 under Chapter 14 of the Listing Rules.

DEFINITION

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meaning:

“Acquisitions”	acquisition by Moscan of approximately 22.68% of the total issued shares in CFC pursuant to the CFC Sale and Purchase Agreement, and acquisition by Moscan of the Sale Shares pursuant to the Widefaith Sale and Purchase Agreement, each an “Acquisition”;
“Benchmark Price”	with respect to CFC, US\$10,500,000 (equivalent to approximately HK\$81.90 million) for every 1% issued shares in CFC; with respect to Widefaith, US\$10,500,000 multiplied by Widefaith’s shareholding percentage in CFC for every 1% of the issued shares in Widefaith;
“CFC”	Chinese Future Corporation, a company incorporated in the Cayman Islands with limited liability;
“CFC Sale and Purchase Agreement”	the sale and purchase agreement dated 13 June 2011 entered into by Widefaith, the Current Owner and Moscan;
“CFL”	Chinese Future Limited, a company incorporated in Hong Kong with limited liability;
“Current Owner”	an independent third party being the current owner of the entire issued shares in Kaiming, and the previous owner of 75% of the total issued shares in Widefaith, who transferred 75% of the total issued shares in Widefaith to Kaiming before the signing of the Widefaith Sale and Purchase Agreement;
“Daily Increment”	with respect to CFC, the daily increment of US\$2,266 (equivalent to approximately HK\$17,675) for every 1% of the issued share capital in CFC on the basis of 365 days per year commencing from 1 July 2011; with respect to Widefaith, the daily increment of US\$2,266 (equivalent to approximately HK\$17,675) for every 1% of the issued share capital in CFC on the basis of 365 days per year multiplied by Widefaith’s shareholding percentage in CFC, commencing from 1 July 2011;
“Deed of Indemnity”	the deed of indemnity to be executed by the Current Owner, the Previous Owner and Kaiming in favour of Moscan providing certain indemnities relating to the liabilities of Widefaith, if any;

“Hangzhou Ring Road”	the Hangzhou Ring Road consisting of six parts, namely, the West Line, the North Line, the East Line, the shared section of Hang Jin Qu Expressway, the shared section of Hangzhou Shi Da Highway and the South Line, excluding certain shared sections;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Kaiming”	Kaiming Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Moscan”	Moscan Developments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of NWS;
“Notes”	the US\$225,000,000 12% senior notes due 2015 issued by CFC;
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“NWD Group”	NWD and its subsidiaries, for the purpose of this announcement excluding NWS Group;
“NWS”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“NWS Group”	NWS and its subsidiaries;
“NWSI”	NWS Infrastructure Management Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of NWS;
“Option Shares”	65% of the total issued shares in Widefaith;
“Other Shareholder”	an independent third party which currently holds approximately 26.32% of the total issued shares in CFC;

“PRC”	the People’s Republic of China;
“PRC Party”	a PRC company which currently holds 5% of the total equity in the Project Company;
“Previous Owner”	an independent third party being the previous owner of the entire issued shares in Kaiming, who transferred the entire issued shares in Kaiming to the Current Owner before the signing of the Widefaith Sale and Purchase Agreement;
“Project Company”	杭州國益路橋經營管理有限公司 (Hangzhou Guoyi Expressway and Bridge Management Co. Ltd.), a company established in the PRC which operates Hangzhou Ring Road;
“Sale Shares”	means 25% of the total issued shares in Widefaith to be acquired by Moscan pursuant to the Widefaith Sale and Purchase Agreement;
“Share Charge”	the share charge to be executed by Kaiming in favour of Moscan in respect of 12% of the total issued shares held by Kaiming in Widefaith to secure the obligations of Kaiming regarding its obligation to refund the option advanced payment under the call option or the put option granted pursuant to the Widefaith Sale and Purchase Agreement;
“US\$”	U.S. dollars, the lawful currency of the United States of America;
“Widefaith”	Widefaith Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Kaiming;
“Widefaith Group”	Widefaith and its subsidiaries;
“Widefaith Sale and Purchase Agreement”	the sale and purchase agreement dated 27 July 2011 entered into among, Kaiming, the Current Owner, the Previous Owner and Moscan;
“Widefaith Shareholders’ Agreement”	the shareholders’ agreement of Widefaith to be entered into by Widefaith, the Current Owner, Kaiming, Moscan and NWSI; and
“%”	per cent.

For the purpose of this announcement and for illustration purpose only, amounts denominated in US\$ have been translated into HK\$ using the following rate: US\$1= HK\$7.8. No representation is made that any amount in HK\$ or US\$ could have been or could be converted at the above rate or at any other rates at all.

By order of the board of directors of
New World Development Company Limited
Dr. Cheng Kar Shun, Henry
Managing Director

By order of the board of directors of
NWS Holdings Limited
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 27 July 2011

As at the date of this announcement, the board of directors of NWD comprises (a) six executive directors, namely Dato' Dr. Cheng Yu Tung, Dr. Cheng Kar Shun, Henry, Dr. Sin Wai Kin, David, Mr. Liang Chong Hou, David, Mr. Cheng Chi Kong, Adrian and Mr. Cheng Chi Heng; (b) five non-executive directors, namely Mr. Cheng Kar Shing, Peter, Mr. Leung Chi Kin, Stewart, Mr. Chow Kwai Cheung, Mr. Liang Cheung Biu, Thomas and Ms. Ki Man Fung, Leonie; and (c) four independent non-executive directors, namely 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, the board of directors of NWS 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.