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JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

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

Reference is made to the announcement of NWS dated 14 June 2011 and the joint announcement of NWD and NWS dated 27 July 2011 in relation to the CFC Sale and Purchase Agreement regarding the First Stage Acquisition, being 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 Widefaith Sale and Purchase Agreement regarding, among other things, the Second Stage Acquisition, being the acquisition by Moscan of 25% of the total issued shares in Widefaith from Kaiming at the consideration of US\$145,205,000 (equivalent to approximately HK\$1,132.60 million).

Unless otherwise defined in this announcement, terms defined in the announcement jointly made by NWD and NWS on 27 July 2011 shall have the same meaning when used herein.

The respective boards of directors of NWD and NWS are pleased to announce that the transactions contemplated under the Widefaith Sale and Purchase Agreement have been completed on 29 July 2011. On 9 September 2011, Moscan entered into the TCI Sale and Purchase Agreement with TCI in relation to the Third Stage Acquisition, being the acquisition of approximately 26.32% of the total issued shares in CFC at the purchase price of US\$280,000,000 (equivalent to approximately HK\$2,184.00 million) together with interest at a rate of 8% per annum on the purchase price for the period from and including 1 July 2011 up to and including 31 August 2011. CFC currently owns 95% indirect equity interest in the Project Company, which is principally engaged in the operation of Hangzhou Ring Road. Upon completion of the TCI Sale and Purchase Agreement, Moscan's effective interest in the Project Company will increase from approximately 33.66% to approximately 58.66%.

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 Third Stage Acquisition are less than 5%, but when aggregated with the First Stage Acquisition and the Second Stage Acquisition, 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 Third Stage Acquisition, when aggregated with the First Stage Acquisition and the Second Stage Acquisition, 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.

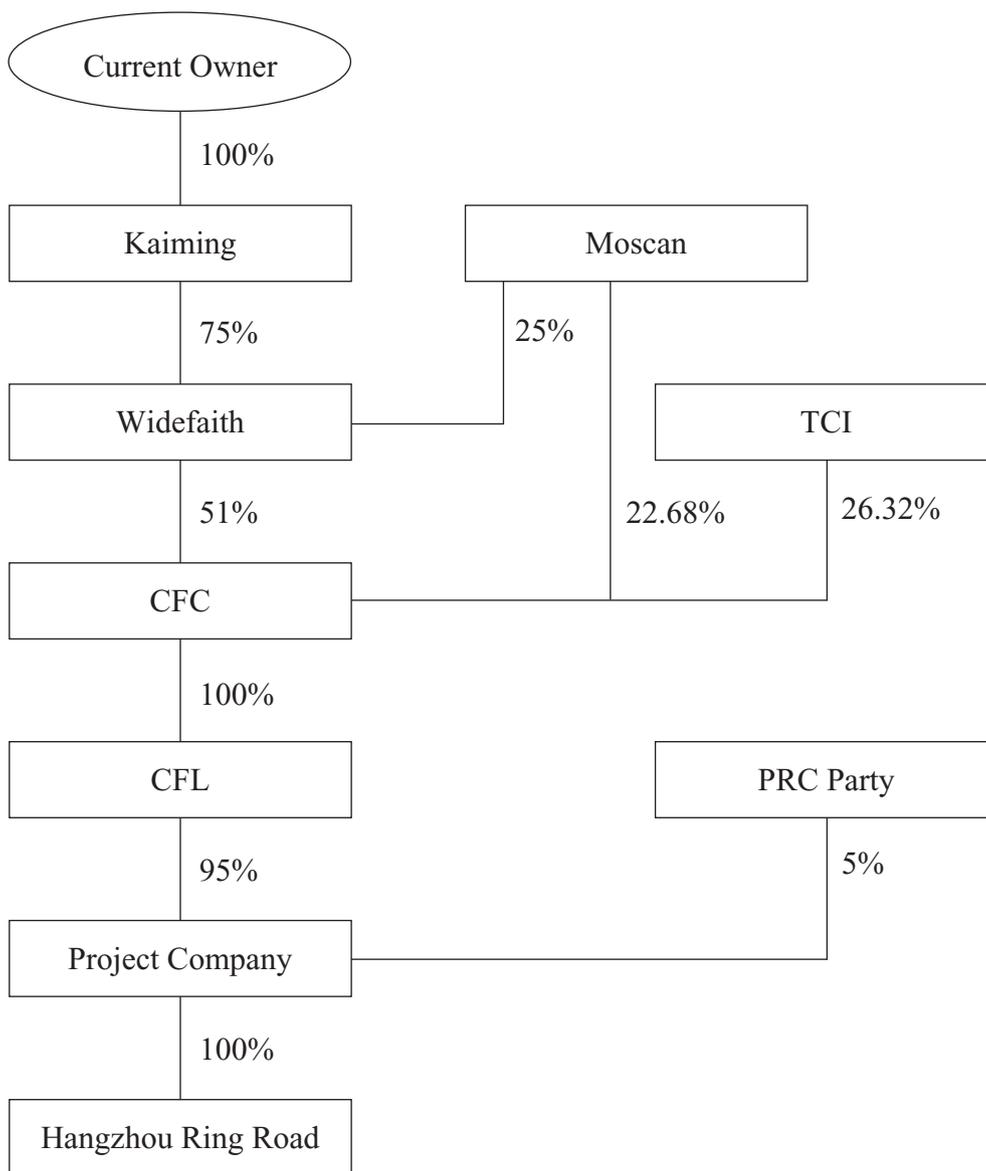
INTRODUCTION

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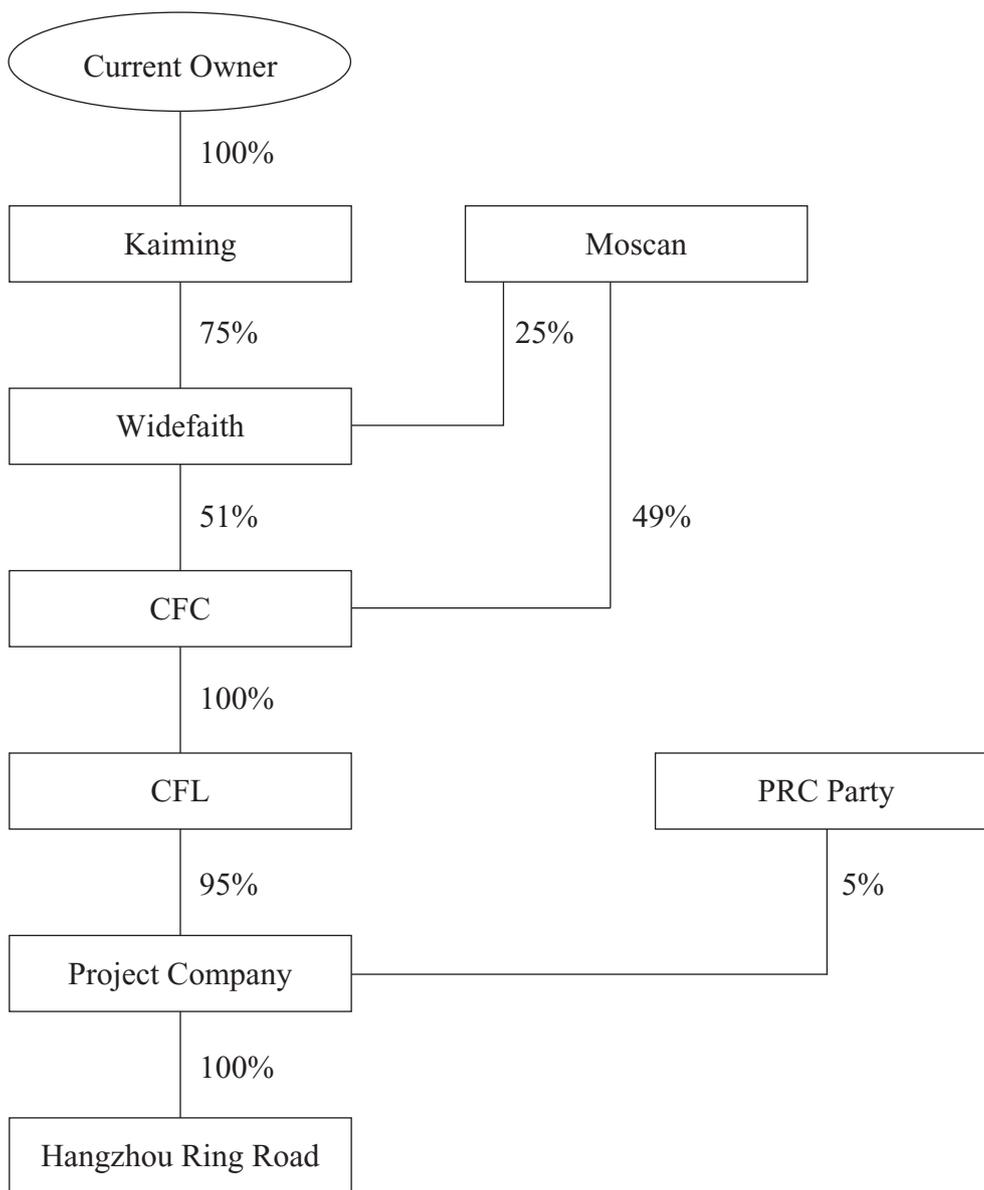
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The following chart sets out the shareholding structure of the Project Company immediately prior to the signing of the TCI Sale and Purchase Agreement:



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



Upon completion of the TCI Sale and Purchase Agreement, Moscan will directly own 25% of the total issued shares in Widefaith and 49% of the total issued shares in CFC, which together represent approximately 58.66% effective interest in the Project Company. According to the Widefaith Shareholders' Agreement to be entered into among Kaiming, the Current Owner, Moscan, NWSI, Widefaith and CFC upon completion of the TCI Sale and Purchase Agreement, a majority of the members of the board of directors of CFC shall be nominated by Moscan and accordingly CFC will become a subsidiary of NWD, NWS and Moscan upon completion of the TCI Sale and Purchase Agreement.

MAJOR TERMS OF THE TCI SALE AND PURCHASE AGREEMENT

Date

9 September 2011

Parties

1. Seller: TCI
2. Buyer: Moscan
3. Guarantor of Moscan: NWSI

Consideration

Moscan entered into the TCI Sale and Purchase Agreement with TCI in relation to the Third Stage Acquisition at the purchase price of US\$280,000,000 (equivalent to approximately HK\$2,184.00 million), together with interest at a rate of 8% per annum on the purchase price for the period from and including 1 July 2011 up to and including 31 August 2011. The purchase price and the interest are payable by Moscan in cash to TCI upon completion of the TCI Sale and Purchase Agreement and will be funded by internal cash resources and bank financing.

The consideration was determined after arm's length negotiations between the parties having regard to the assets and liabilities of the CFC 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.

Conditions precedent to Completion

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

- (a) on or before the date of the TCI Sale and Purchase Agreement, TCI obtaining a letter of waiver and consent from Widefaith and the other parties to the shareholders' agreement relating to CFC with respect to its right of first offer in relation to the approximately 26.32% of the total issued shares in CFC;
- (b) the resolution approving CFC's financial statements for the year ended 31 December 2010 having been passed by the board of directors of CFC, and an unqualified opinion on such financial statements having been issued by CFC's auditors and such unqualified opinion having been delivered to either Moscan or CFC; and

- (c) the resolutions approving the declaration of the dividend in the sum of US\$11,886,000 (equivalent to approximately HK\$92.71 million) and the payment of the outstanding dividend of US\$3,128,000 (equivalent to approximately HK\$24.40 million) by CFC to TCI no later than the date of completion of the TCI Sale and Purchase Agreement having been passed by the directors of CFC.

Completion

Completion of the TCI Sale and Purchase Agreement will be subject to the satisfaction (or joint waiver, as the case may be) of the abovementioned conditions precedent. It is expected that the conditions precedent will be satisfied on or before 15 September 2011 and completion of the TCI Sale and Purchase Agreement will take place on the fifth business day following satisfaction of the conditions or such other date as TCI and Moscan may agree. If TCI has not received the outstanding dividend of US\$3,128,000 (equivalent to approximately HK\$24.40 million) before the date of which completion of the TCI Sale and Purchase Agreement is scheduled to take place, TCI may waive such condition and proceed to completion or terminate the TCI Sale and Purchase Agreement.

Redemption of the Notes by CFC

According to the TCI Sale and Purchase Agreement, should CFC exercise its right of redemption of the Notes or if CFC redeems or is required to redeem or repay the Notes where such redemption or repayment is accelerated for any reason other than certain exemption, Moscan shall pay or procure payment to TCI of an amount equal to a mark up of up to 2% on the principal value of the Notes held by TCI as at the date of such redemption or repayment.

Termination

Moscan may by written notice to TCI terminate the TCI Sale and Purchase Agreement at any time prior to completion where (1) TCI fails to comply with its obligations under the TCI Sale and Purchase Agreement; (2) TCI fails to comply with its undertakings not to sell or create any encumbrance over any of its 26.32% of the total issued shares in CFC and not to approve any resolution to issue any share in any member of the CFC Group, or to cause any change in the ownership structure of the CFC Group, or to alter the share capital of any member of the CFC Group; or (3) it becomes aware of or if TCI notifies Moscan of any fact which constitutes a breach of a warranty given by TCI under the TCI Sale and Purchase Agreement.

TCI may by written notice to Moscan terminate the TCI Sale and Purchase Agreement at any time prior to completion where (1) Moscan fails to comply with its obligations under the TCI Sale and Purchase Agreement; or (2) it becomes aware of or if Moscan or NWSI notifies TCI of any fact which constitutes a breach of a warranty given by Moscan or NWSI under the TCI Sale and Purchase Agreement.

MAJOR TERMS OF THE WIDFAITH SHAREHOLDERS' AGREEMENT

Date

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

Parties

1. Kaiming
2. Current Owner
3. Moscan
4. NWSI
5. Widefaith
6. CFC

Management

Pursuant to the Widefaith Shareholders' Agreement, Moscan will be entitled to nominate three directors to the board of directors of each member of the CFC Group. Neither Moscan nor Widefaith is required to provide any funding under the Widefaith Shareholders' Agreement. Only when the shareholders of Widefaith or the shareholders of CFC 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 of Widefaith or the shareholders of CFC unanimously agree.

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

POSSIBLE EXERCISE OF THE CALL OPTION OR THE PUT OPTION

Upon completion of the Widefaith Sale and Purchase Agreement, Kaiming has granted Moscan a Call Option over the Option Shares, being 65% of the total issued shares in Widefaith, and Moscan has granted Kaiming a Put Option over the same Option Shares, on the terms and conditions set forth in the Widefaith Sale and Purchase Agreement. 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 TCI ceases to be a shareholder of CFC, which is a period of three months after the completion of TCI Sale and Purchase Agreement. The Call Option or the Put Option may only be exercised in respect of the whole but not part of

the Option Shares 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. Reference is made to the joint announcement of NWD and NWS dated 27 July 2011 in relation to the details of the Call Option and the Put Option.

Upon completion of the TCI Sale and Purchase Agreement, CFC will become a subsidiary of each of NWD and NWS. In such case, Widefaith, being a substantial shareholder of CFC, will become a connected person of each of NWD and NWS. As Kaiming holds 75% of the total issued shares in Widefaith as of the date of this announcement, Kaiming will be an associate of Widefaith and will become a connected person of each of NWD and NWS at that time. Acquisition of the Option Shares by Moscan will constitute a connected transaction for each of NWD and NWS. Both NWD and NWS will comply with the applicable reporting, disclosure, and/or independent shareholders' approval requirements of the Listing Rules in the event of exercise of the Call Option or the Put Option, as the case may be.

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 plan of the NWS Group to increase the stake in Hangzhou Ring Road and 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 TCI 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, TCI, CFC 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.

TCI is a London-based hedge fund found in 2003 which manages long-term investments in companies globally. TCI currently owns approximately 26.32% of the total issued shares in CFC.

CFC currently owns 95% indirect interest in the Project Company which is principally engaged in the operation of Hangzhou Ring Road.

According to the audited financial statements of CFC for the year ended 31 December 2010, the net asset value of CFC as of 31 December 2010 amounted to US\$367.12 million (equivalent to approximately HK\$2,863.54 million); and the net profit before and after taxation and extraordinary items of CFC for the financial years ended 31 December 2009 and 31 December 2010 are as follows:

	For the financial year ended 31 December		2010	
	2009		2010	
	US\$	Equivalent to	US\$	Equivalent to
	(million)	HK\$	(million)	HK\$
		(million)		(million)
Net profit before taxation and extraordinary items	68.54	534.61	82.14	640.69
Net profit after taxation and extraordinary items	51.91	404.90	62.11	484.46

To the best of the knowledge, information and belief of the directors of NWD and NWS having made all reasonable enquiries, each of TCI and the ultimate beneficial owner(s) of TCI is a third party independent of NWD, NWS, the directors, chief executives and substantial shareholders of any member of the NWD Group and the 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 Third Stage Acquisition are less than 5%, but when aggregated with the First Stage Acquisition and the Second Stage Acquisition, 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 Third Stage Acquisition, when aggregated with the First Stage Acquisition and the Second Stage Acquisition, 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, capitalised terms used in this announcement shall have the following meaning:

“Acquisitions”	the First Stage Acquisition, the Second Stage Acquisition and the Third Stage Acquisition;
“associate”	has the meaning ascribed thereto in the Listing Rules;
“Call Option”	the call option over the Option Shares granted by Kaiming to Moscan upon completion of the Widefaith Sale and Purchase Agreement;
“CFC Group”	CFC and its subsidiaries;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“Current Owner”	an independent third party being the current owner of the entire issued shares in Kaiming;
“First Stage Acquisition”	acquisition by Moscan of approximately 22.68% of the total issued shares in CFC pursuant to the CFC Sale and Purchase Agreement;
“Put Option”	the put option over the Option Shares granted by Moscan to Kaiming upon completion of the Widefaith Sale and Purchase Agreement;
“Second Stage Acquisition”	acquisition by Moscan of 25% of the total issued shares in Widefaith pursuant to the Widefaith Sale and Purchase Agreement;

“subsidiary”	has the meaning ascribed thereto in the Listing Rules;
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules;
“TCI”	The Children’s Investment Master Fund, an independent third party which currently holds approximately 26.32% of the total issued shares in CFC and certain amount of the outstanding Notes;
“TCI Sale and Purchase Agreement”	the sale and purchase agreement in relation to the Third Stage Acquisition entered into among TCI, Moscan and NWSI on 9 September 2011;
“Third Stage Acquisition”	acquisition by Moscan of approximately 26.32% of the total issued shares in CFC pursuant to the TCI Sale and Purchase Agreement; and
“Widfaith Shareholders’ Agreement”	the shareholders’ agreement relating to Widfaith and CFC to be entered into among Kaiming, the Current Owner, Moscan, NWSI, Widfaith and CFC upon completion of the TCI Sale and Purchase Agreement.

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, 9 September 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 Bui, 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.

** For identification purposes only*