



新創建集團有限公司*
NWS Holdings Limited
(incorporated in Bermuda with limited liability)
(stock code: 0659)

GENERAL DISCLOSURE UNDER RULE 13.09(1)

**LETTER OF INTENT IN RELATION TO
THE PROPOSED SETTING UP OF
A SINO-FOREIGN EQUITY JOINT VENTURE COMPANY**

On 15 September 2005, NWS Ports entered into the Investment LoI with CRCTC and other independent third parties in relation to the proposed setting up of the JV Enterprise for carrying on the businesses of developing, operating and managing a total of 18 large scale pivotal rail container terminals, one in each of the 18 Cities.

Save for the Investment LoI, no formal agreement has been entered into or made upon by the LoI Parties. The Investment LoI is not legally binding and may or may not lead to any agreement, and the transactions contemplated under the Investment LoI may or may not proceed. Should the possible investment proceed and should such investment constitute such type of transaction which will be discloseable under Chapter 14 of the Listing Rules, a further announcement will be made by the Company in compliance with the Listing Rules.

Shareholders and potential investors in the Company are advised to exercise caution when dealing in shares of the Company.

THE INVESTMENT LOI

Date of the Investment LoI: 15 September 2005

Parties to the Investment LoI: CRCTC, NWS Ports (a direct wholly-owned subsidiary of the Company) and other Independent Third Parties. CRCTC is a limited company established in the PRC by the Ministry of Railways, the principal business of which is operation and management of railway container transportation. To the best knowledge of the directors of the Company, each of the LoI Parties and its beneficial owner is an Independent Third Party.

Proposed establishment of the JV Enterprise and its businesses

Under the Investment LoI, the LoI Parties expressed their common intention to set up the JV Enterprise for carrying on the businesses of developing, operating and managing a total of 18 large scale pivotal rail container terminals, one in each of the 18 Cities. Some of the principal terms as set out in the Investment LoI are as follows:

Business objective: The business objective of the JV Enterprise is to construct and operate an efficient rail container terminal network by applying advanced management expertise to accommodate the requirements for a fast-growing and sustainable economy in China.

Scope of business: The JV Enterprise is proposed to be engaged in principally container handling, storage, repair, customs declaration and clearance, container transportation, distribution, logistics and other related business.

Registered capital and total investment: The estimated total investment of the JV Enterprise is RMB20 billion (equivalent to approximately HK\$19.2 billion), and its registered capital will represent 35% of such total investment. The remaining 65% of the total investment is planned to be raised through project financing or commercial loans.

Joint venture period: The joint venture period is of 50 years.

Time of joint venture establishment: It is intended by the LoI Parties that the formal documentation, such as the formal joint venture agreement, will be finalised and (if so agreed) signed before 28 February 2006.

Shareholding: Under the Investment LoI, it is planned that NWS Ports will be interested in 22% of the registered capital of the JV Enterprise.

Preparatory working group: A working group comprising representatives from each of the LoI Parties will be formed after the signing of the Investment LoI, which will be mainly responsible for carrying out preparatory work for setting up the JV Enterprise.

Construction: It is expected that the construction of the 18 large scale pivotal rail container terminals will be completed before 31 December 2008.

GENERAL

Save for signing of the Investment LoI, no formal agreement has been agreed upon or made by the LoI Parties. The Investment LoI may or may not lead to any agreement and the transactions contemplated under the Investment LoI may or may not proceed. Should the possible investment proceed and should such investment constitute any type of transaction which will be discloseable under Chapter 14 of the Listing Rules, a further announcement will be made by the Company in compliance with the Listing Rules.

Shareholders and potential investors in the Company are advised to exercise caution when dealing in shares of the Company.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

DIRECTORS

As at the date of this announcement: (a) the executive directors of the Company 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 and Mr. Cheung Chin Cheung; (b) the non-executive directors of the Company 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 Company are Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“18 Cities”	Shanghai, Kunming, Xian, Wuhan, Qingdao, Zhengzhou, Chongqing, Shenzhen, Harbin, Dalian, Lanzhou, Shenyang, Guangzhou, Chengdu, Urumqi, Tianjin, Beijing and Ningbo in the PRC
“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange
“CRCTC”	中鐵集裝箱運輸有限責任公司 (China Railway Container Transport Corp. Ltd., for identification purposes only), a company established in the PRC by the Ministry of Railways
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	such party who is independent of the Company, the directors, chief executives or substantial shareholders (within the meaning of the Listing Rules) of the Company or its subsidiaries or their respective associates
“Investment LoI”	the letter of intent of equity investment, of a non-legally binding nature, dated 15 September 2005 and made between NWS Ports, CRCTC and other Independent Third Parties for the proposed establishment of the JV Enterprise
“JV Enterprise”	a sino-foreign equity joint venture enterprise which may be established in the PRC pursuant to the terms of the Investment LoI (if realised)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“LoI Parties”	the parties to the Investment LoI

“NWS Ports”	NWS Ports Management Limited, incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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:

$$HK\$1 = RMB1.04$$

No representation is made that any amount in RMB or HK\$ could have been or could be converted at the above rate or at any other rates at all.

By Order of the Board
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 26 September 2005

** For identification purposes only*

Please also refer to the published version of this announcement in South China Morning Post.