
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **NWS Holdings Limited**, you should at once hand this Circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**REVISION TO THE APPROVED ANNUAL CAPS
FOR THE CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SGM**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the Board is set out on pages 5 to 13 of this Circular. A letter from the Independent Board Committee is set out on pages 14 and 15 of this Circular. A letter from ICAL containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 32 of this Circular.

A notice convening the SGM to be held at Meeting Rooms S226 and S227 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 6 February 2013 at 10:00 a.m. is set out on pages 41 and 42 of this Circular.

Whether or not you are able to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of NWS Holdings Limited in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish.

21 January 2013

* *For identification purposes only*

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DEFINITIONS

In this Circular, the following expressions have the meanings set out below unless the context otherwise requires:

“2011 Circular”	the circular of the Company dated 10 June 2011 in relation to the Continuing Connected Transactions
“2011 SGM”	the special general meeting of the Company held on 29 June 2011 approving, among other matters, the Continuing Connected Transactions and the Approved Annual Caps
“Announcement”	the announcement dated 4 January 2013 issued by the Company regarding the revision to the Approved Annual Caps
“Approved Annual Caps”	the annual caps in respect of the Continuing Connected Transactions which were approved at the 2011 SGM
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Circular”	this circular, including the appendix hereto
“Company” or “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 (stock code: 659)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the Master Services Agreement
“Director(s)”	the director(s) of the Company
“Group” or “NWS Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“ICAL” or “Independent Financial Adviser”	Investec Capital Asia Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the Revised Annual Caps
“Independent Board Committee”	an independent committee of the Board (which comprises Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham, all are independent non-executive Directors) established to advise the Independent Shareholders with regard to the Revised Annual Caps
“Independent Shareholders”	the Shareholders, other than Mr. Doo and his associates, who do not have any material interest in the Continuing Connected Transactions
“Latest Practicable Date”	16 January 2013, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained in this Circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Services Agreement”	the master services agreement entered into between the Company and Mr. Doo on 19 May 2011 in relation to the provision of Operational Services by members of the Group to members of the Services Group or vice versa (and, where the context requires, includes the Master Services Agreement Addendum)
“Master Services Agreement Addendum”	an addendum to the Master Services Agreement entered into between the Company and Mr. Doo on 4 January 2013 to further particularize the scope of the Operational Services as including rental services
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules

DEFINITIONS

“Mr. Doo”	Mr. Doo Wai Hoi, William, a non-executive Director and a director of a subsidiary of the Company. Mr. Doo is the father of Mr. William Junior Guilherme Doo (an executive Director), the brother-in-law of Dr. Cheng Kar Shun, Henry (an executive Director) and the uncle of Mr. Cheng Chi Ming, Brian (an executive Director)
“Operational Services”	<p>the services which are to arise from the principal categories of services under the Master Services Agreement, namely,</p> <ul style="list-style-type: none">● contracting services, cleaning and landscaping services, facility management services, property management services, security and guarding services;● after the entering into of the Master Services Agreement Addendum, rental services in addition to the above categories of services; and● such other types of services as the parties to the Master Services Agreement may agree upon from time to time in writing, <p>to be provided by members of the Group to members of the Services Group or vice versa</p>
“Percentage Ratios”	the applicable percentage ratios (other than the profits and the equity capital ratios) under Rule 14.07 of the Listing Rules
“PRC”	The People’s Republic of China (excluding, for the purpose of this Circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Revised Annual Caps”	the revised annual caps in respect of the Continuing Connected Transactions for the two financial years ending 30 June 2013 and 2014
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Services Group”	Mr. Doo and any company in the equity capital of which Mr. Doo is or will be directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held by the Company for the purpose of considering and, if thought fit, approving the Revised Annual Caps
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	any entity which falls within the definition of “subsidiary” ascribed to it under the Listing Rules or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. Cheng Kar Shun, Henry (*Chairman*)
Mr. Tsang Yam Pui
Mr. Lam Wai Hon, Patrick
Mr. Cheung Chin Cheung
Mr. William Junior Guilherme Doo
Mr. Cheng Chi Ming, Brian

Non-executive Directors:

Mr. Doo Wai Hoi, William (*Deputy Chairman*)
Mr. To Hin Tsun, Gerald
Mr. Dominic Lai

Independent non-executive Directors:

Mr. Kwong Che Keung, Gordon
Dr. Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham
Mr. Wilfried Ernst Kaffenberger
(Alternate director to Mr. Wilfried Ernst
Kaffenberger: Mr. Yeung Kun Wah, David)
Mr. Lee Yiu Kwong, Alan

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

**Principal place of business in
Hong Kong:**

28/F., New World Tower
18 Queen's Road Central
Hong Kong

21 January 2013

To the Shareholders

Dear Sir or Madam,

**REVISION TO THE APPROVED ANNUAL CAPS
FOR THE CONTINUING CONNECTED TRANSACTIONS**

1. INTRODUCTION

References are made to:

- (a) the 2011 Circular; and
- (b) the Announcement.

* *For identification purposes only*

LETTER FROM THE BOARD

As previously disclosed in the 2011 Circular and the Announcement:

- (a) pursuant to the Master Services Agreement entered into between the Company and Mr. Doo on 19 May 2011, the parties agreed to provide the Operational Services, to the extent practicable, to each other (including their respective members) for a term of three years commencing on 1 July 2011 and expiring on 30 June 2014 (both days inclusive) on and subject to its terms and conditions;
- (b) given that Mr. Doo is a connected person of the Company, the Master Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules;
- (c) the Master Services Agreement and the Approved Annual Caps of the Continuing Connected Transactions contemplated under the Master Services Agreement were both approved by the Independent Shareholders at the 2011 SGM;
- (d) by the Master Services Agreement Addendum entered into between the Company and Mr. Doo on 4 January 2013, and as permitted under the terms of the Master Services Agreement, the scope of the Operational Services was extended to cover the provision of rental services with effect from 4 January 2013; and
- (e) it is anticipated by the Board that the Approved Annual Caps for the two financial years ending 30 June 2013 and 2014 will not be sufficient to meet the Board's revised estimated volume of the Continuing Connected Transactions for the same periods. The Board therefore proposes to revise and increase the Approved Annual Caps for the two financial years ending 30 June 2013 and 2014 to the Revised Annual Caps and to seek approval from the Independent Shareholders of the Revised Annual Caps at the SGM.

The purpose of this Circular is to (i) provide you with further information relating to the revision to the Approved Annual Caps and other information required by the Listing Rules; (ii) set out the letter of advice from ICAL to the Independent Board Committee and the Independent Shareholders and the recommendation and opinion of the Independent Board Committee after having considered the advice of ICAL relating to the Revised Annual Caps; and (iii) give you notice of the SGM to consider and, if thought fit, approve the Revised Annual Caps.

2. CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER SERVICES AGREEMENT

Under the Master Services Agreement, the scope of the Operational Services may include such other types of services as the Company and Mr. Doo may agree upon from time to time in writing. By the Master Services Agreement Addendum entered into between the Company and Mr. Doo on 4 January 2013, the scope of the Operational Services was extended to cover the provision of rental services with effect from 4 January 2013.

LETTER FROM THE BOARD

Other than the extended scope of the Operational Services, which is permitted under the terms of the Master Services Agreement, the terms of the Continuing Connected Transactions as contemplated under the Master Services Agreement have not been changed or modified in any way and reference to the principal terms of which can be made to the paragraph headed “2. Continuing Connected Transactions under the New Master Services Agreement” in the section headed “Letter from the Board” of the 2011 Circular.

The Operational Services provided and/or to be provided by members of the Services Group to members of the Group (the “**Incoming Services**”) primarily include the following services: (i) contracting services; (ii) cleaning and landscaping services; (iii) property management services; (iv) security and guarding services; and (v) rental services.

The Operational Services provided and/or to be provided by members of the Group to members of the Services Group (the “**Outgoing Services**”) primarily include the following services: (i) contracting services; (ii) facility management services; and (iii) property management services.

As a general principle, the prices and terms with respect to the Operational Services (including both Incoming Services and Outgoing Services) provided and/or to be provided by members of the Services Group to members of the Group (or vice versa) was and will be determined in the ordinary course of business and on normal commercial terms, negotiated on arm’s length basis and at prices and terms no less favourable to the Group than prices and terms available to or from independent third parties to the Group.

Subject to the general principle above:

- (a) the prices and terms at which the security and guarding services are to be provided shall be determined in the ordinary course of business on a cost-plus basis on terms (including prices) no less favourable than those charged to and contracted with other independent third party customers of the Services Group. The cost element includes all direct costs incurred, such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis;
- (b) in connection with the provision of contracting services, relevant members of the Group may be engaged as the main contractor, management contractors or project managers for a particular project. There are two types of business arrangements for contracting services provided by members of the Services Group:
 - where a member of the Services Group has been designated by the ultimate employer as a nominated sub-contractor, payment(s) to such member of the Services Group will be ascertained by an independent professional quantity surveyor appointed by the ultimate employer;
 - in the case where the Group has the right to select, at its discretion, qualified provider as a domestic sub-contractor of the relevant contracting services, payment(s) to the domestic sub-contractor will be ascertained under the supervision of an in-house qualified professional quantity surveyor. The

LETTER FROM THE BOARD

Group will obtain quotations from a list of pre-authorized sub-contractors (which is subject to periodic review and update by its management to ensure quality standards of its sub-contractors) maintained by it. If the price and terms offered by the Services Group are equal to or better than those offered by the independent service providers, the Group may probably award the contract to the Services Group; and

- (c) the prices and terms at which the provision of rental services are to be provided shall be determined in the ordinary course of business with reference to the prevailing market conditions and the rental levels of similar properties (with comparable location, usable space, available facilities and building quality) of the leased properties.

3. THE APPROVED ANNUAL CAPS AND THE REVISED ANNUAL CAPS

Set out below are the Approved Annual Caps, the relevant historical transacted amounts and the Revised Annual Caps in respect of the provision of the Operational Services:

Categories	Financial years ended/ending 30 June		
	2012 <i>(HK\$ million)</i>	2013 <i>(HK\$ million)</i>	2014 <i>(HK\$ million)</i>
Outgoing Services –			
Provision of Operational Services by members of the Group to members of the Services Group			
● Approved Annual Caps	15.7	17.3	18.6
● Historical transacted amount	9.3 <i>(note 1)</i>	1.3 <i>(note 2)</i>	Not applicable
● Revised Annual Caps	Not applicable	18.1	18.4
Incoming Services –			
Provision of Operational Services by members of the Services Group to members of the Group			
● Approved Annual Caps	282.4	737.1	876.3
● Historical transacted amount	258.7 <i>(note 1)</i>	147.0 <i>(notes 2 & 3)</i>	Not applicable
● Revised Annual Caps	<u>Not applicable</u>	<u>1,249.7</u>	<u>1,944.0</u>
Total (Approved Annual Caps)	<u>298.1</u>	<u>754.4</u>	<u>894.9</u>
Total (Revised Annual Caps)	<u>Not applicable</u>	<u>1,267.8</u>	<u>1,962.4</u>

LETTER FROM THE BOARD

Notes:

- (1) The historical transacted amount was the audited amount for the financial year ended 30 June 2012.
- (2) The historical transacted amount was the unaudited amount for the three-month period from 1 July 2012 to 30 September 2012.
- (3) The historical transacted amount has taken into account those of the rental services as part of the Operational Services.

As at the Latest Practicable Date, the historical transacted amounts have not exceeded the Approved Annual Caps for the financial year ended 30 June 2012 and for the financial year ending 30 June 2013.

Each of the Revised Annual Caps for the two financial years ending 30 June 2013 and 2014 has been determined by reference to:

- (a) the historical annual or annualized amounts in respect of that category of the Operational Services provided by the relevant members of the Group to the relevant members of the Services Group or vice versa during the past two financial years;
- (b) the actual and estimated growth of the Operational Services provided or to be provided by the relevant members of the Group to the relevant members of the Services Group or vice versa since the commencement of the Master Services Agreement on 1 July 2011; and
- (c) the Company's current estimates of the market prices of the relevant Operational Services to be provided by the relevant members of the Group to the relevant members of the Services Group or vice versa.

The abovementioned projected figures are determined basing on the relevant historical figures, taking into account the current pace of business growth of the Group, the estimated future demand, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group, the Services Group or both.

Shareholders and potential investors should note that the Revised Annual Caps should not be construed as an assurance or forecast by the Company of the future revenues of the Group under the terms of the Master Services Agreement.

LETTER FROM THE BOARD

4. REASONS FOR, AND BENEFITS OF, THE REVISED ANNUAL CAPS AND THE CONTINUING CONNECTED TRANSACTIONS

The Board has been carefully monitoring the historical transacted amounts of the Continuing Connected Transactions.

In light of (i) the Hong Kong government's determination to tackle the deeply rooted problems of the property sector by introducing housing initiatives to help people achieve home ownership and to increase housing supply; (ii) the likelihood of a stable interest rate environment; and (iii) sound economic fundamentals in Hong Kong, the Board is optimistic that the demand in public and private construction works in Hong Kong will remain robust. The Board anticipates the Group's participation in an increased pipeline of construction projects which, in turn, will lead to a substantial growth in the pipeline of incoming contracting services (including both confirmed incoming contracting services contracts and anticipated incoming contracting services contracts) for the two financial years ending 30 June 2013 and 2014 as compared to the financial year ended 30 June 2012. Accordingly, there may be a surge in the volume of the provision of contracting services by members of the Services Group to members of the Group and the Revised Annual Caps for the Incoming Services are substantially related to the provision of construction projects for the financial years ending 30 June 2013 and 2014.

Having taken into account the various bases as set out above that the aggregate value of the Continuing Connected Transactions for each of the two financial years ending 30 June 2013 and 2014 would exceed the Approved Annual Caps for the same periods, the Board therefore proposes to revise and increase the Approved Annual Caps for the two financial years ending 30 June 2013 and 2014 to the Revised Annual Caps and to seek approval from the Independent Shareholders of the Revised Annual Caps at the SGM.

The Continuing Connected Transactions are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of businesses of the Group and that of the Services Group. The Master Services Agreement is intended to streamline the Continuing Connected Transactions between members of the Group on the one hand and those of the Services Group on the other hand. The Master Services Agreement provides a single basis on which the Company will comply with the reporting, announcement and independent shareholders' approval requirements under the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution or renewal of the operational agreements in respect of the provision of the Operational Services.

5. OPINION OF THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that the Revised Annual Caps for the two financial years ending 30 June 2013 and 2014 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

6. APPROVAL OF THE BOARD

Mr. Doo, who was considered as having material interest in the Master Services Agreement and the transactions contemplated thereunder, had abstained from voting on the Board resolutions for approving the revision to the Approved Annual Caps. Moreover, Dr. Cheng Kar Shun, Henry (an executive Director and the brother-in-law of Mr. Doo), Mr. Cheng Chi Ming, Brian (an executive Director and the nephew of Mr. Doo) and Mr. William Junior Guilherme Doo (an executive Director and the son of Mr. Doo), all being associates of Mr. Doo under the Listing Rules, had also abstained from voting on the relevant Board resolutions.

7. INFORMATION REGARDING MR. DOO, THE SERVICES GROUP AND THE GROUP

Mr. Doo

Mr. Doo is a non-executive Director and a controlling shareholder of the Services Group. He is the father of Mr. William Junior Guilherme Doo (an executive Director), the brother-in-law of Dr. Cheng Kar Shun, Henry (an executive Director) and the uncle of Mr. Cheng Chi Ming, Brian (an executive Director).

The Services Group

The Services Group is principally engaged in the provision of services including: (i) property management; (ii) security and guarding services; (iii) cleaning and laundry; (iv) landscaping; (v) electrical and mechanical engineering; (vi) trading of building materials; and (vii) insurance consultancy as at the Latest Practicable Date.

The Group

The 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.

8. IMPLICATIONS OF THE LISTING RULES

Mr. Doo is a non-executive Director and hence a connected person of the Company under the Listing Rules. Each of the members of the Services Group is an associate of Mr. Doo and hence a connected person of the Company. Accordingly, the Master Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

LETTER FROM THE BOARD

Given that the highest of the relevant Percentage Ratios in respect of the Revised Annual Caps for the provision of Operational Services between members of the Group on the one hand and members of the Services Group on the other hand will, on an annual basis, be more than 5%, the Company is required to re-comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in relation to the Revised Annual Caps.

The Company will comply with the continuing obligations under Rules 14A.37 to 14A.41 of the Listing Rules and/or any other applicable requirements under the Listing Rules at the relevant time and will re-comply with the applicable Listing Rules in the event that any of the Revised Annual Caps is exceeded or when the Master Services Agreement is renewed or when there is a material change to the terms of the Master Services Agreement pursuant to Rule 14A.36 of the Listing Rules.

9. RECOMMENDATION

The Independent Board Committee (consisting Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham, all are independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders in respect of the Revised Annual Caps after taking into account the advice from ICAL.

ICAL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Revised Annual Caps and whether the Revised Annual Caps are in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 14 and 15 of this Circular which contains its recommendation to the Independent Shareholders on the Revised Annual Caps; and (ii) the letter from ICAL set out on pages 16 to 32 of this Circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps and the principal factors and reasons considered by ICAL in formulating its advice.

The Independent Board Committee, having taken into account the advice of ICAL, considers that the Revised Annual Caps to be fair and reasonable in so far as the Company and the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the SGM relating to the Revised Annual Caps.

LETTER FROM THE BOARD

10. SGM

The Company will convene and hold the SGM at Meeting Rooms S226 and S227 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 6 February 2013 at 10:00 a.m. to consider and, if thought fit, approve the Revised Annual Caps. A notice of the SGM is set out on pages 41 and 42 of this Circular.

In accordance with the Listing Rules, any connected person or Shareholder and its associates with a material interest in the Master Services Agreement and the Continuing Connected Transactions contemplated thereunder must abstain from voting on the resolution to approve the Revised Annual Caps at the SGM.

Mr. Doo and his associates (who, together, were, as far as the Directors are aware, interested in approximately 4.66% of the issued share capital of the Company as at the Latest Practicable Date) are required to and will abstain from voting on the resolution to be proposed at the SGM to approve the Revised Annual Caps.

The voting at the SGM will be taken by poll.

After the conclusion of the SGM, the results of the poll will be released on the HKExnews website at www.hkexnews.hk and the Company's website at www.nws.com.hk.

A form of proxy for use in connection with the SGM is also enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

11. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this Circular.

Yours faithfully
For and on behalf of
NWS HOLDINGS LIMITED
Dr. Cheng Kar Shun, Henry
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this Circular.



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)

To the Independent Shareholders

21 January 2013

Dear Sir or Madam,

REVISION TO THE APPROVED ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 21 January 2013 (the “**Circular**”) of which this letter forms part.

Terms defined in the Circular have the same meanings when used herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the Revised Annual Caps and to advise the Independent Shareholders as to whether, in our opinion, the Revised Annual Caps are fair and reasonable in so far as the Company and the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

ICAL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Revised Annual Caps and whether the Revised Annual Caps are in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote.

We wish to draw your attention to the letter from the Board set out on pages 5 to 13 of the Circular which contains, among others, information on the Revised Annual Caps as well as the letter from ICAL set out on pages 16 to 32 of the Circular which contains its advice in respect of the Revised Annual Caps.

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of ICAL, we consider that the Revised Annual Caps are fair and reasonable in so far as the Company and the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in relation to the Revised Annual Caps.

Yours faithfully
Independent Board Committee
Mr. Kwong Che Keung, Gordon
Dr. Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham

LETTER FROM ICAL

The following is the text of the letter of advice from ICAL to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this Circular.



Investec Capital Asia Limited
Room 3609-3613, 36/F, Two International Finance Centre
8 Finance Street, Central, Hong Kong
香港中環金融街8號國際金融中心二期36樓3609-3613室
Tel/電話: (852) 3187 5000
Fax/傳真: (852) 2501 0171
www.investec.com

21 January 2013

*To the Independent Board Committee and
the Independent Shareholders of NWS Holdings Limited*

Dear Sirs,

REVISION TO THE APPROVED ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Revised Annual Caps for the two financial years ending 30 June 2013 and 2014 in respect of the Continuing Connected Transactions, details of which are set out in the “Letter from the Board” contained in the circular dated 21 January 2013 (the “**Circular**”) of which this letter forms part. Capitalized terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise specifies.

NWS announced on 4 January 2013 that the scope of the Operational Services set out under the Master Services Agreement was extended to cover the provision of rental services with effect from 4 January 2013 as confirmed by the parties by their signing of the Master Services Agreement Addendum. In addition, it is anticipated by the Board that the Approved Annual Caps for the two financial years ending 30 June 2013 and 2014 will not be sufficient to meet the Board’s revised estimated volume of the Continuing Connected Transactions for the same periods. As such, the Board proposes to revise and increase the Approved Annual Caps for the two financial years ending 30 June 2013 and 2014 to the Revised Annual Caps.

Given that the highest of the relevant Percentage Ratios in respect of the Revised Annual Caps for the provision of Operational Services between members of the NWS Group on the one hand and members of the Services Group on the other hand will, on an annual basis, be more than 5%, NWS is required to re-comply with the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in relation to the Revised Annual Caps.

LETTER FROM ICAL

II. THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of (i) 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; (ii) three non-executive Directors, namely Mr. Doo Wai Hoi, William, Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (iii) five independent non-executive Directors, namely Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David) and Mr. Lee Yiu Kwong, Alan.

The Independent Board Committee comprising three independent non-executive Directors, namely Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham, has been established to advise the Independent Shareholders on the fairness and reasonableness of the Revised Annual Caps and whether the Revised Annual Caps are in the interests of NWS and the Shareholders as a whole.

We have been appointed to advise the Independent Board Committee and the Independent Shareholders in these respects and to give our opinion in relation to the Revised Annual Caps for the Independent Board Committee's consideration when making its recommendation to the Independent Shareholders.

III. BASIS AND ASSUMPTIONS OF THE ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions and representations provided to us by NWS and/or its management staff (the "**Management**") and/or the executive Directors. We have assumed that all such statements, information, opinions and representations provided or made or given by NWS and/or the Management and/or the executive Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and accurate and valid as at the date of this letter. We have assumed that all the opinions and representations made or provided by the Management and/or the executive Directors to us have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from NWS and/or the Management and/or the executive Directors that no material facts have been omitted from the information provided.

We consider that we have reviewed sufficient currently available information and documents which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by NWS and/or the Management and/or the executive Directors or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the businesses and affairs of the NWS Group, the Services Group or any of their respective members.

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IV. PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Summary

In formulating our opinion and recommendation with regard to the Continuing Connected Transactions, we have taken into consideration principal factors and reasons including (i) information and outlook of the Hong Kong construction industry; (ii) scope of Operational Services under the Master Services Agreement and the Master Services Agreement Addendum; (iii) the internal work procedures in place governing the NWS Group's sub-contracting procedures; (iv) qualifications and experience of the Services Group in the provision of the Operational Services; (v) methodology adopted by the Management for determining the Revised Annual Caps; and (vi) the rationale for the Revised Annual Caps.

In particular, we have reviewed the recent development of the Hong Kong construction industry, and noted that the potential infrastructure projects and the expected number of private and public property units to be completed will present business opportunities for the NWS Group in the foreseeable future which may in turn result in an increase in the transaction value of Operational Services to be provided by members of the Services Group to members of the NWS Group for the two financial years ending 30 June 2013 and 2014.

We have also reviewed a set of internal work procedures governing the sub-contracting procedures for Incoming Services (as defined hereinafter), compared the price and terms of certain samples of contracts with the Services Group and independent third parties to the NWS Group (the "Independent Third Parties") and discussed with the Management for the additional procedures to be undertaken prior to awarding any contract with contract amount exceeding HK\$100 million. For Outgoing Services (as defined hereinafter), we have reviewed the relevant tender procedures of the NWS Group and the cost assessments performed by it.

In addition, we have also reviewed, among other documents, (i) a schedule (the "Schedule") which sets out the data used in determining the Revised Annual Caps (that is, the estimated contract values for awarded, tendered and/or potential contracts on a project-by-project basis by categories of services) for the two financial years ending 30 June 2013 and 2014; (ii) certain samples of awarded or tendered contracts and calculations for potential contracts; and (iii) the historical transacted amounts of the Operational Services.

Based on our analysis and work performed in relation to our assessment of the fairness and reasonableness of the Revised Annual Caps which details are set out hereinafter, we are of the opinion that the bases in determining the Revised Annual Caps are fair and reasonable in so far as NWS and the Shareholders are concerned and the Revised Annual Caps are in the interests of NWS and the Shareholders as a whole.

LETTER FROM ICAL

2. Hong Kong construction industry

Based on information provided by the Management, the Revised Annual Caps in respect of the provision of the Operational Services are substantially related to the provision of the Operational Services by members of the Services Group to members of the NWS Group and in particular, related to the provision of contracting services.

Pursuant to the Master Services Agreement, the scope of the aforesaid contracting services includes supply of construction and building equipment and materials, electrical and mechanical engineering works, supply and installation of air-conditioning, heating and ventilation systems, fire services systems, plumbing and drainage systems, lift repair and maintenance services, electrical systems and system design and consultancy, computer aided drafting services and related services, the value of which is correlated to the aggregated value of construction contracts awarded to members of the NWS Group and potentially sub-contracting to members of the Services Group or purchasing of equipments or materials from members of the Services Group. The value of construction contracts awarded to members of the NWS Group depends on, among others, construction contracts available for the NWS Group to tender for in Hong Kong. As advised by the Management, construction projects which members of the NWS Group may tender for, include (among others) residential properties projects in the private and public sectors and other construction projects including public and private hospitals. Therefore, we set out below relevant information on (i) the property sector in Hong Kong including the completion for both private and public residential property units in recent years; and (ii) the scheduled construction of public and private hospitals in Hong Kong.

Property sector in Hong Kong

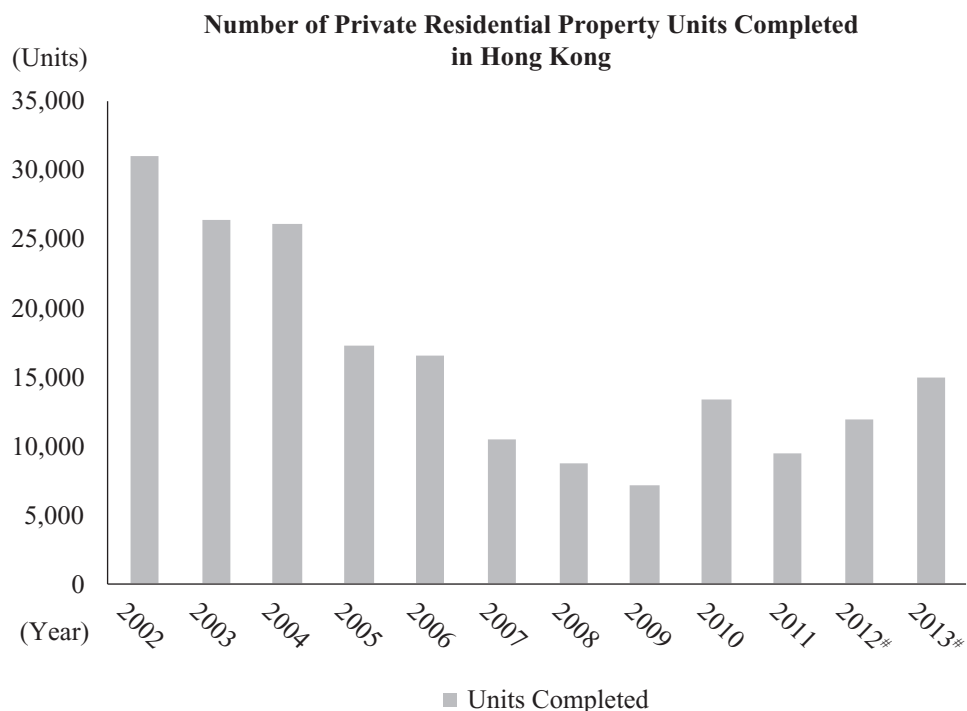
The property sector has benefited from the low interest rate environment and sound economic fundamentals in Hong Kong in recent years. The number of private residential units completed increased from 7,160 units in 2009 to 9,450 units in 2011 and is forecasted by the Rating and Valuation Department of Hong Kong to increase to 11,890 units in 2012 and 14,930 units in 2013.

Based on data published by the Census and Statistics Department, we noted that the total gross value of construction works performed by main contractors in the third quarter of 2012 increased by approximately 15.8% (in nominal terms) over the same period in the prior year to approximately HK\$38.2 billion.

LETTER FROM ICAL

A. *Private Sector Residential Properties*

We set out in the table below the completion of private residential units during the period from 2002 to 2011 and the estimated number of private residential units to be completed in 2012 and 2013:



The number of private residential property units to be completed in 2012 and 2013 is an estimate by the Rating and Valuation Department, Hong Kong

Source: *Rating and Valuation Department, Hong Kong*

In addition, we noted from the data published by the Census and Statistics Department that the gross value of construction works performed at private sector sites totalled approximately HK\$12.0 billion in the third quarter of 2012, representing an increase by approximately 30.2% (in nominal terms) over the same period in the prior year.

Looking ahead, as set out in the 2012-2013 Budget, (i) it was estimated that the housing land supply in aggregate for 2012-2013 will provide approximately 30,000 private residential flats; and (ii) the application list in the Land Sale Programme will include 47 residential sites, of which half are new sites and will provide an estimated 13,500 units.

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Furthermore, we also understand from the Management that the NWS Group will continue to tender for construction contracts related to residential property projects of New World Development Company Limited (“**NWD**”, the ultimate holding company of NWS), which if awarded to members of the NWS Group, may potentially be sub-contracted to members of the Services Group or lead to purchase of equipments or materials from members of the Services Group.

Therefore, we have also looked into the pipeline of residential property projects to be launched by NWD in Hong Kong and noted from the latest published annual report of NWD for the financial year ended 30 June 2012 that as at 30 June 2012, NWD has participated in a total of nine pipeline residential property projects providing over 6,200 residential units to the market. NWD also has a landbank of approximately 9.4 million square feet of total attributable gross floor area in Hong Kong for development as at 30 June 2012.

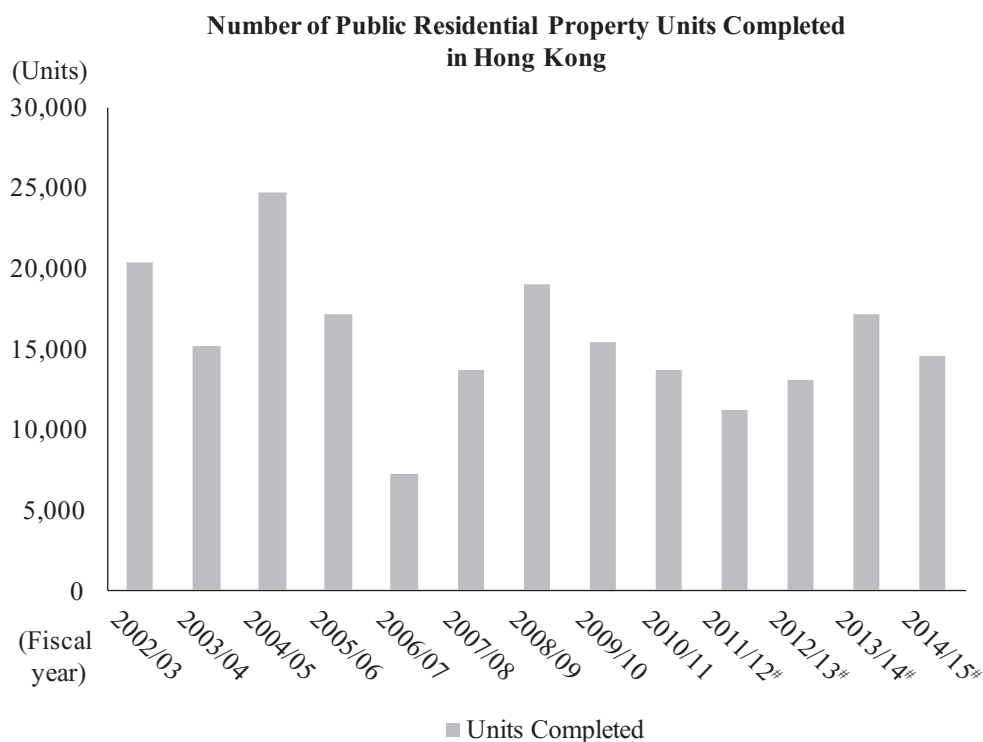
We have also discussed with the Management regarding the potential impact of the recent introduction of the flat rate Buyer’s Stamp Duty (“**BSD**”) of 15% to be charged on all residential properties acquired by non-Hong Kong permanent residents including companies, in addition to the existing stamp duty and the special stamp duty (“**SSD**”) on the NWS Group’s contracting services. We understand that despite the introduction of the BSD and SSD, the Management is confident that due to (i) the determination of the Government of Hong Kong (the “**Government**”) to tackle the deeply rooted problems of the property sector by introducing housing initiatives to help people achieve home ownership and to increase housing supply; (ii) the likelihood of a stable interest rate environment; and (iii) sound economic fundamentals in Hong Kong, the outlook for the NWS Group’s contracting services remains positive.

B. Public Sector Residential Properties

The Government provides public residential housing through the Housing Authority of Hong Kong to the low income families. The Housing Authority of Hong Kong has put in place a five-year rolling public housing construction programme to produce 75,000 public residential units which commenced in the fiscal year 2011/12.

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The table below illustrates the completion of public residential units for the fiscal years from 2002/03 to 2010/2011 and the estimated public residential units to be completed in the fiscal years from 2011/12 to 2014/15:



[#] The number of public residential property units to be completed in 2011/12 to 2014/15 is an estimate by the Housing Authority, Hong Kong

Source: Housing Authority, Hong Kong

In addition to the aforesaid data on the completion of public residential units in Hong Kong, we also noted from data published by the Census and Statistics Department that the gross value of construction works performed at public sector sites in the third quarter of 2012 increased by approximately 13.7% (in nominal terms) to approximately HK\$12.3 billion over the same period in the prior year.

Looking forward, according to the 2012-2013 Budget, (i) six sites in Shatin, Tsuen Wan, Kwai Tsing and Yuen Long have been initially identified for the first batch of developments under the new Home Ownership Scheme; and (ii) the renewal of old industrial areas will be accelerated to release more sites for residential or commercial development and the Urban Renewal Authority has been invited to launch redevelopment projects of industrial buildings in the form of a pilot scheme.

C. The scheduled construction of public and private hospitals in Hong Kong

As set out in the Hospital Authority Annual Plan 2012–2013, in order to meet the growing medical needs of the community, a total of 22 major capital works projects, which amount to a total project cost in the order of HK\$80 billion, have been initiated

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and are at various stages of planning and development. Out of the aforesaid capital works projects, five projects involving a budget of approximately HK\$7.3 billion have been approved by the Government, while six projects are given approval to progress to the next stage and the other 11 projects are under review. In addition, around 1,000 minor works projects involving improvement and maintenance of existing premises, with a total annual expenditure of approximately HK\$661 million has been scheduled.

Regarding the development of private hospitals in Hong Kong, according to the Invitation to Tender for the Development of Private Hospitals issued by the Legislative Council Panel on Health Services in April 2012, it is the Government's policy to facilitate private hospital development to address the imbalance between the public and private sectors in hospital services. In this relation, the Government has reserved four sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau Island for private hospital development which are available at different times of possession depending on the status of each site on planning procedures, site formation works or interface with other infrastructure project.

Based on information as set out above, we concur with the Management's view that the expected number of private and public residential property units to be completed and the scheduled construction of public and private hospitals will present business opportunities for the NWS Group's construction business in the foreseeable future which, in turn, may lead to a surge in the volume of the provision of contracting services by members of the Services Group to members of the NWS Group. Accordingly, the Revised Annual Caps for the Incoming Services are substantially related to the provision of construction projects for the financial years ending 30 June 2013 and 2014.

3. Scope of Operational Services under the Master Services Agreement and the Master Services Agreement Addendum

Pursuant to the Master Services Agreement, the parties agreed to provide the Operational Services, to the extent practicable, to each other (including their respective members) for a term of three years commencing on 1 July 2011 and expiring on 30 June 2014. The Master Services Agreement Addendum further particularizes the scope of the Operational Services as including rental services.

As set out in the "Letter from the Board", the Operational Services provided and/or to be provided by members of the Services Group to members of the NWS Group (the "**Incoming Services**") primarily include the following services: (i) contracting services; (ii) cleaning and landscaping services; (iii) property management services; (iv) security and guarding services; and (v) rental services. On the other hand, the Operational Services provided and/or to be provided by members of the NWS Group to members of the Services Group (the "**Outgoing Services**") primarily involve the following services: (i) contracting services; (ii) facility management services; and (iii) property management services.

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For the respective scope of each sub-category of the Operational Services, please refer to the paragraph headed “2. Continuing Connected Transactions under the New Master Services Agreement” in the “Letter from the Board” of the 2011 Circular.

We also noted from the “Letter from the Board” that as a general principle, the prices and terms with respect to the Operational Services (including both Incoming Services and Outgoing Services) provided and/or to be provided by members of the Services Group to members of the NWS Group (or vice versa) was and will be determined in the ordinary course of business and on normal commercial terms, negotiated on arm’s length basis and at prices and terms no less favourable to the NWS Group than prices and terms available to or from independent third parties to the NWS Group.

Subject to the general principle above:

- (a) the prices and terms at which the security and guarding services are to be provided shall be determined in the ordinary course of business on a cost-plus basis on terms (including prices) no less favourable than those charged to and contracted with other independent third party customers of the Services Group. The cost element includes all direct costs incurred, such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis;
- (b) in connection with the provision of contracting services, relevant members of the NWS Group may be engaged as the main contractor, management contractors or project managers for a particular project. There are two types of business arrangements for contracting services provided by members of the Services Group:
 - where a member of the Services Group has been designated by the ultimate employer as a nominated sub-contractor, payment(s) to such member of the Services Group will be ascertained by an independent professional quantity surveyor appointed by the ultimate employer;
 - in the case where the NWS Group has the right to select, at its discretion, qualified provider as a domestic sub-contractor of the relevant contracting services, payment(s) to the domestic sub-contractor will be ascertained under the supervision of an in-house qualified professional quantity surveyor. The NWS Group will obtain quotations from a list of pre-authorized sub-contractors (which is subject to periodic review and update by its management to ensure quality standards of its sub-contractors) maintained by it. If the price and terms offered by the Services Group are equal to or better than those offered by the independent service providers, the NWS Group may probably award the contract to the Services Group; and

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- (c) the prices and terms at which the provision of rental services are to be provided shall be determined in the ordinary course of business with reference to the prevailing market conditions and the rental levels of similar properties (with comparable location, usable space, available facilities and building quality) of the leased properties.

The Incoming Services

Based on information provided by the Management, the Revised Annual Caps for the Incoming Services are substantially related to contracting services. In connection with the contracting services, relevant members of the NWS Group may be engaged as the main contractor, management contractors or project managers, we understand from the Management that there are typically two types of business arrangements for contracting services provided by members of the Services Group.

The first of the two business arrangements is where a member of the Services Group has been designated by the ultimate employer as a nominated sub-contractor, payment(s) to such member of the Services Group will be ascertained by independent professional quantity surveyor appointed by the ultimate employer.

The second of the two business arrangements is where a member of the Services Group is appointed as a domestic sub-contractor by a member of the NWS Group, payment(s) to such member of the Services Group will be ascertained under the supervision of an in-house qualified professional quantity surveyor.

In connection with the above, we have reviewed the internal work procedures of the relevant members of the NWS Group governing their sub-contracting procedures (the “**Sub-contracting Procedures**”), setting out guidelines for the overall flow of the sub-contracting process, recruitment and assessment of sub-contractors, appointment of major sub-contractors, sub-contracting electrical and mechanical related works and nominated sub-contractors, measurement works, payments, contra charges, final accounts, termination and performance assessment of sub-contractors.

In addition to the above, the Management advised that the relevant member of the NWS Group has a list of pre-authorized sub-contractors which is subject to periodic review and update by its management to ensure quality standards of its sub-contractors.

We also noted from the Management that in addition to the aforesaid procedures in selecting providers for contracting services, (i) NWS will seek approval from the independent non-executive Directors before awarding any contract to member(s) of the Services Group with contract sum exceeding HK\$100 million; (ii) documentation and relevant reports of any new contracts awarded to member(s) of the Services Group will be reviewed by the internal audit department of NWS for compliance of the relevant internal procedures and guidelines; and (iii) the Continuing Connected Transactions contemplated under the aforesaid contracts will be subject to the annual review by the external auditors of NWS in accordance with the requirements of the Listing Rules.

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In connection with cleaning and landscaping services, property management services, security and guarding services and rental services, we have obtained and reviewed (i) certain samples of contracts which the NWS Group had entered into with the Services Group; and (ii) terms available from Independent Third Parties for services of similar types and nature in each of the above sub-categories of the Incoming Services from the Management. Having compared the terms, including payment terms, available from the Independent Third Parties with terms entered into between the NWS Group and the Services Group, based on the samples reviewed, the prices and terms entered into between the NWS Group and the Services Group were in line with those available from Independent Third Parties.

The Outgoing Services

In connection with contracting services, we noted from the Management that the relevant members of the NWS Group providing such outgoing services has internal work procedures for tendering in place governing the tender procedures involved by the relevant members of the NWS Group (the “**Tender Procedures**”), setting out guidelines for the overall flow of the tendering process, pre-tendering stage, tendering stage and post-tendering stage.

We understand from the Management that an assessment on cost estimation of each of the tendered project, with the Services Group members and Independent Third Parties, is carried out by the tender/business development/budget and cost management department of the relevant members of the NWS Group and the tender price is based on the aforesaid cost estimation.

We have obtained and reviewed certain samples of assessments on cost estimation for tenders with the Services Group members and Independent Third Parties and noted that prevailing market rates of the tendered project are adopted in each case from the Management. Having compared the aforesaid samples obtained by us, based on such information, we consider that the outgoing contracting services were conducted at prices and terms, including payment terms, in line with those available from Independent Third Parties.

As advised by the Management, (i) historical sales derived from the outgoing facility management services and property management services are predominantly charged on a cost-plus basis and were conducted on normal commercial terms; (ii) such Outgoing Services are expected to be immaterial to the NWS Group in terms of size of the transactions; and (iii) the bases of terms and pricing are and will be consistent with those available to Independent Third Parties.

Having considered the abovementioned factors, we concur with the Management that the aforesaid Outgoing Services are conducted on normal commercial terms.

LETTER FROM ICAL

4. Qualifications and experience of the Services Group in the provision of the Operational Services

We understand from the Management that members of the Services Group have provided Operational Services for over a decade. During this period, members of the Services Group have established a reputation in their respective industries and accumulated valuable industrial expertise. Their clientele include listed companies and multinationals across various industries. Given the qualifications and experience, the Management is of the view that members of the Services Group are capable and suitable to be considered for the continuation of provision of Operational Services to members of the NWS Group. Given the track record of members of the Services Group on the provision of the Operational Services for over a decade, we concur with the Management's view that they possess the requisite skill and experience to continue its provision of Operational Services to members of the NWS Group under the Master Services Agreement.

5. Rationale for determining the Revised Annual Caps

As set out in the "Letter from the Board", the Approved Annual Caps, the relevant historical transacted amounts and the Revised Annual Caps in respect of the provision of the Operational Services between members of the NWS Group and members of the Services Group for the financial years ended/ending 30 June 2012, 2013 and 2014 were as follows:

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Table A: The Approved Annual Caps, the relevant historical transacted amounts and the Revised Annual Caps

	Aggregate transaction values		
	Financial year ended/ending 30 June		
	2012	2013	2014
	(HK\$'m)	(HK\$'m)	(HK\$'m)
Categories			
Outgoing Services –			
Provision of Operational Services by members of the NWS Group to members of the Services Group			
– Approved Annual Caps	15.7	17.3	18.6
– Historical transacted amount	9.3 <i>(note 1)</i>	1.3 <i>(note 2)</i>	Not applicable
– Revised Annual Caps	Not applicable	18.1	18.4
Incoming Services –			
Provision of Operational Services by members of the Services Group to members of the NWS Group			
– Approved Annual Caps	282.4	737.1	876.3
– Historical transacted amount	258.7 <i>(note 1)</i>	147.0 <i>(notes 2&3)</i>	Not applicable
– Revised Annual Caps	<u>Not applicable</u>	<u>1,249.7</u>	<u>1,944.0</u>
Total (Approved Annual Caps)	<u>298.1</u>	<u>754.4</u>	<u>894.9</u>
Total (Revised Annual Caps)	<u>Not applicable</u>	<u>1,267.8</u>	<u>1,962.4</u>

Notes:

- (1) The historical transacted amount was the audited amount for the financial year ended 30 June 2012.
- (2) The historical transacted amount was the unaudited amount for the three-month period from 1 July 2012 to 30 September 2012.
- (3) The historical transacted amount has taken into account those of the rental services as part of the Operational Services.

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As stated in the “Letter from the Board”, each of the Revised Annual Caps has been determined by reference to (i) the historical annual or annualised amounts in respect of that category of the Operational Services provided by the relevant members of the NWS Group to the relevant members of the Services Group or vice versa during the past two financial years; (ii) the actual and estimated growth of the Operational Services provided or to be provided by the relevant members of the NWS Group to the relevant members of the Services Group or vice versa since the commencement of the Master Services Agreement on 1 July 2011; and (iii) NWS’ current estimates of the market prices of the relevant Operational Services to be provided by the relevant members of the NWS Group to the relevant members of the Services Group or vice versa.

The abovementioned projected figures are determined basing on the relevant historical figures, taking into account the current pace of business growth of the NWS Group, the estimated future demand, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the NWS Group, the Services Group or both.

In assessing the fairness and reasonableness of the Revised Annual Caps, we have reviewed and discussed the information provided by the Management, including (i) the Schedule which sets out the estimated contract values on a project-by-project basis by categories of services and the breakdown of the Revised Annual Caps by categories of services for the two financial years ending 30 June 2013 and 2014; (ii) the estimated contract sum calculations for certain samples of projects; (iii) certain samples of tender invitations; and (iv) the preliminary estimated transacted amount for the five months ended 30 November 2012 which demonstrated an increase from the transacted amount for the three months ended 30 September 2012.

Revised Annual Caps for the Incoming Services

The Management advised that the Revised Annual Caps for the Incoming Services are substantially related to the provision of contracting services by members of the Services Group. We also understand from the Management that in light of the expected robust growth in public and private construction works in Hong Kong, analysis of the construction industry has been set out in the section headed “Hong Kong construction industry” above, the NWS Group anticipates an increased pipeline of construction projects for the two financial years ending 30 June 2013 and 2014 and in turn, leading to a substantial growth in the pipeline of incoming contracting services which include both confirmed incoming contracting services contracts and anticipated incoming contracting services contracts (the “**Incoming Contracting Services Pipeline**”) for the two financial years ending 30 June 2013 and 2014 as compared to the financial year ended 30 June 2012. We also noted from the Schedule that the Incoming Contracting Services Pipeline includes, among others, certain sizeable residential and commercial development projects located in various sites in Hong Kong. However, it should be noted that a majority of the anticipated incoming contracting services contracts are subject to competitive tenders, which the NWS Group may or may not be awarded with the contracts.

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It is considered inappropriate to compare the Revised Annual Caps to the Approved Annual Caps as additional and more up-to-date information on the Incoming Contracting Services Pipeline was only available subsequent to the formulation of the Approved Annual Caps and there has been booming development in the construction industry in Hong Kong. The formulation of the Approved Annual Caps had not factored into these information.

In order to assess the fairness and reasonableness of the Revised Annual Caps, we have reviewed (i) the Schedule which sets out the respective estimated contract values of each of the contracting service contracts of the Incoming Contracting Services Pipeline for the two financial years ending 30 June 2013 and 2014, on a project-by-project basis; and (ii) certain samples of the confirmed incoming contracting services contracts. We noted that the aggregated value of Incoming Contracting Services Pipeline for the financial years ending 30 June 2013 and 2014 are well exceeding the Approved Annual Caps. In this connection, we also noted from the Management that the relevant members of the Services Group possess the required capacity to carry out the anticipated substantial increase in contracting service if awarded.

In relation to the anticipated incoming contracting services contract, we have selected certain samples of estimated contract amounts, obtained the information of which the Management has based their estimation on, including detailed calculations. We noted that such calculation was arrived at after taking into consideration of the Management's estimation on (i) the gross floor area of a particular project; (ii) the cost of raw materials required; and (iii) the subcontracting cost of each of the contracting service contracts with reference to the relevant tender documents (if available) and similar or related construction projects undertaken by the NWS Group historically after adjustment for inflation.

In relation to the other Incoming Services (the “**Other Incoming Services**”) including property management services; cleaning and landscaping services; security and guarding services; and rental services, we understand that the Management has taken into account of (i) the estimated contract values on a project-by-project basis for the two financial years ending 30 June 2013 and 2014; and (ii) the historical transacted amount of the Other Incoming Services, as the bases of the Revised Annual Caps related to the Other Incoming Services. We also noted from the Schedule that the growth rates of the Revised Annual Caps related to the Other Incoming Services for the two financial years ending 30 June 2013 and 2014 as compared to the annualised transacted amounts for the three-month period from 1 July 2012 to 30 September 2012 are in line with the growth rate of the historical transacted amount of the Other Incoming Services. On the basis that the Other Incoming Services are comparatively more recurring by nature, we consider that it is reasonable for the Management to make reference to the aforesaid factors when determining the Revised Annual Caps related to the Other Incoming Services for the two financial years ending 30 June 2013 and 2014.

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Furthermore, the historical transacted amount for the Incoming Services for the three-month period from 1 July 2012 to 30 September 2012 of HK\$147.0 million as shown in Table A, when annualised would equal to approximately HK\$588.0 million which represents an increase of approximately 127.3% as compared to the historical transacted amount of HK\$258.7 million for the financial year ended 30 June 2012. Taking into consideration of the substantial growth in the Incoming Contracting Services Pipeline as anticipated by the Management, we concur with the Management's view that the aforesaid substantial increase in historical transacted amount for the three-month period from 1 July 2012 to 30 September 2012 together with the anticipated substantial growth in the Incoming Contracting Services Pipeline supports the Board's positive view / estimation on the transaction value of the Incoming Services for the two financial years ending 30 June 2013 and 2014.

Having considered (i) the anticipated robust growth in construction works in Hong Kong; (ii) the substantial growth of the Incoming Contracting Services Pipeline; and (iii) the historical transacted amount of the Incoming Services provided by the Management, we consider that the bases for the Revised Annual Caps for the Incoming Services to be fair and reasonable.

Revised Annual Caps for the Outgoing Services

As advised by the Management, the Revised Annual Caps for the Outgoing Services are substantially related to the provision of contracting services by members of the NWS Group to members of the Services Group and given the ad hoc nature of the contracting services, it is difficult to predict with certainty as and when contracts will be awarded to members of the NWS Group, if at all. Therefore, we are of the view that the relatively low transacted amount for the three-month period from 1 July 2012 to 30 September 2012 of HK\$1.3 million which when annualised equals to approximately HK\$5.2 million does not necessarily indicate a relatively low transaction amount for the two financial years ending 30 June 2013 and 2014.

We also noted that the Management has taken into consideration the cost increments when determining the Revised Annual Caps, which was estimated with reference to, among others, the costs of labour and materials (where relevant). In relation to the cost increments, we have reviewed the composite consumer price index (the "CPI") published by the Government between 2009 and 2012 (up to October) and noted that the year on year increase of the CPI ranged from approximately 2.3% to 5.7% per annum. Based on information provided by the Management, when determining the Revised Annual Caps, the Management's estimation of the cost increments are within the aforesaid range.

In addition, as shown in Table A, the changes in the Revised Annual Caps for the Outgoing Services for the two financial years ending 30 June 2013 and 2014 as compared to that of the Approved Annual Caps of approximately HK\$0.8 million and HK\$0.2 million, respectively are insignificant.

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Taking into account (i) the historical transacted amount of the Outgoing Services provided by the Management; (ii) the Revised Annual Caps for the Outgoing Services are substantially related to the provision of contracting services by members of the NWS Group to members of the Services Group; and (iii) the project based nature of contracting services, we consider that the basis for the Revised Annual Caps for the Outgoing Services to be fair and reasonable.

Shareholders should be aware that the actual utilization and sufficiency of the Revised Annual Caps would depend on a host of factors, including but not limited to, the relevant contracts may or may not be granted to the Services Group or the NWS Group, the progress of the scheduled projects and the scope of work. In this regard, we understand from the Management that NWS will actively monitor the progress and utilization of the Revised Annual Caps to ensure compliance with the Listing Rules from time to time.

V. RECOMMENDATION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the above principal factors and reasons, in particular, the following:

- (i) the prospect of the Hong Kong construction industry;
- (ii) the qualifications and experience of the Services Group in the provision of the Operational Services;
- (iii) the Continuing Connected Transactions will be conducted in the ordinary and usual course of businesses of the NWS Group and on normal commercial terms; and
- (iv) the value of, and the bases for determining, the Revised Annual Caps are reasonable, details of which are set out in the section headed “Rationale for determining the Revised Annual Caps”.

Based on the above considerations, we are of the opinion that the bases in determining the Revised Annual Caps are fair and reasonable in so far as NWS and the Shareholders are concerned and the Revised Annual Caps are in the interests of NWS and the Shareholders as a whole. Accordingly, we would advise the Independent Board Committee and the Independent Shareholders that the Independent Shareholders to vote in favour of the ordinary resolution to approve the Revised Annual Caps at the SGM.

Yours faithfully
For and on behalf of
Investec Capital Asia Limited
Alexander Tai
Managing Director
Head of Corporate Finance

1. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests of Directors in the shares, underlying shares and debentures (within the meaning of Part XV of the SFO) of the Company and its associated corporations (within the meaning of Part XV of the SFO) which would be required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which a Director or chief executive of the Company would be taken or deemed to have under such provisions of the SFO); (ii) entered into the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

2.1 Interests in shares

	Number of shares			Total	Approximate percentage of the relevant issued share capital
	Personal interests	Family interests	Corporate interests <i>(Note)</i>		
The Company					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar Shun, Henry	18,349,571	–	12,000,000	30,349,571	0.83%
Mr. Doo Wai Hoi, William	3,527,834	–	8,330,782	11,858,616	0.33%
Mr. Tsang Yam Pui	180,000	–	–	180,000	0.00%
Mr. Lam Wai Hon, Patrick	1,305,207	–	7,608	1,312,815	0.04%
Mr. William Junior Guilherme Doo	450,260	–	103,308	553,568	0.02%
Mr. Kwong Che Keung, Gordon	1,652,077	–	–	1,652,077	0.05%
Dr. Cheng Wai Chee, Christopher	2,367,154	–	–	2,367,154	0.06%
Mr. Wilfried Ernst Kaffenberger	723,372	–	–	723,372	0.02%

	Number of shares			Total	Approximate percentage of the relevant issued share capital
	Personal interests	Family interests	Corporate interests (Note)		
Associated corporations					
New World Development Company Limited (“NWD”)					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar Shun, Henry	–	450,000	–	450,000	0.01%
Mr. Doo Wai Hoi, William	–	–	1,500,000	1,500,000	0.02%
Mr. Cheung Chin Cheung	93,300	–	–	93,300	0.00%
Mr. William Junior Guilherme Doo	–	30,000	–	30,000	0.00%
Mr. Kwong Che Keung, Gordon	30,000	–	–	30,000	0.00%
New World China Land Limited (“NWCL”)					
(Ordinary shares of HK\$0.10 each)					
Dr. Cheng Kar Shun, Henry	29,985,826	4,387,500	117,610,200	151,983,526	1.75%
Mr. Doo Wai Hoi, William	755,961	–	1,317,000	2,072,961	0.02%
Mr. William Junior Guilherme Doo	–	112,500	405,000	517,500	0.01%
Mr. Cheng Chi Ming, Brian	106,400	–	–	106,400	0.00%
Dr. Cheng Wai Chee, Christopher	387,448	–	–	387,448	0.00%
Newton Resources Ltd					
(Ordinary shares of HK\$0.10 each)					
Mr. Cheung Chin Cheung	7,154	–	–	7,154	0.00%
Mr. Kwong Che Keung, Gordon	11,307	–	–	11,307	0.00%
Wai Kee Holdings Limited					
(Ordinary shares of HK\$0.10 each)					
Mr. Lam Wai Hon, Patrick	300,000	–	–	300,000	0.04%
Mega Choice Holdings Limited (In liquidation)					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar Shun, Henry	–	–	420,585,070	420,585,070	34.61%

Note: These shares are beneficially owned by a company/companies in which the relevant Director is deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its/their general meeting.

2.2 Interests in underlying shares – share options

Under the respective share option schemes of NWD, NWCL and New World Department Store China Limited (“NWDS”), all of them are the associated corporations of the Company within the meaning of Part XV of the SFO, options may be granted to their respective directors and employees and also to certain eligible participants of these companies as defined in their respective share option schemes to subscribe for their shares. As at the Latest Practicable Date, the following Directors had personal interests in the following share options granted to them to subscribe for shares in NWD, NWCL and NWDS:

	Date of grant	Exercisable period <i>(Note)</i>	Number of the relevant share options outstanding
Associated corporations			
NWD			
(Exercise price of HK\$9.764 per share)			
Dr. Cheng Kar Shun, Henry	19 March 2012	(1)	10,006,895
NWCL			
(Exercise price of HK\$3.036 per share)			
Dr. Cheng Kar Shun, Henry	18 January 2011	(2)	2,077,922
Mr. Doo Wai Hoi, William	18 January 2011	(2)	831,169
Dr. Cheng Wai Chee, Christopher	18 January 2011	(2)	311,688
NWDS			
(Exercise price of HK\$8.660 per share)			
Dr. Cheng Kar Shun, Henry	27 November 2007	(3)	1,000,000

Notes:

- (1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.
- (2) Divided into 5 tranches exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015 respectively to 18 February 2016.
- (3) Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012 respectively to 26 November 2013 provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forwarded from the previous anniversary years.

2.3 Interests in debentures

As at the Latest Practicable Date, the following Directors had interests in the debentures issued by Rosy Unicorn Limited (“**RUL**”), NWCL and Fita International Limited (“**FITA**”), all of them are the associated corporations of the Company within the meaning of Part XV of the SFO:

	Amount of debentures				Approximate percentage of the relevant total amount of debentures in issue
	Personal interests	Family interests	Corporate interests	Total	
Associated corporations					
RUL					
Mr. Doo Wai Hoi, William	-	US\$51,500,000	US\$22,840,000	US\$74,340,000	14.87%
Mr. William Junior Guilherme Doo	-	-	US\$4,500,000	US\$4,500,000	0.90%
NWCL					
Mr. Doo Wai Hoi, William	-	RMB106,000,000	RMB45,600,000	RMB151,600,000	3.53%
Mr. Tsang Yam Pui	RMB3,500,000	-	-	RMB3,500,000	0.08%
Mr. Lam Wai Hon, Patrick	RMB1,000,000	-	-	RMB1,000,000	0.02%
Mr. William Junior Guilherme Doo	-	-	RMB8,000,000	RMB8,000,000	0.19%
FITA					
Mr. Doo Wai Hoi, William	-	US\$2,900,000	US\$1,240,000	US\$4,140,000	0.55%

2.4 Interests in qualifying shares

As at the Latest Practicable Date, none of the Directors had any interest in the shares of the Company or any of its subsidiaries solely held in a non-beneficial capacity and for the purpose of holding the requisite qualifying shares.

Other than the interests in shares, underlying shares and debentures set out above, as at the Latest Practicable Date, none of the Directors had any interest or short position in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which a Director or chief executive of the Company would be taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following parties had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Name	Number of shares			Approximate percentage of the issued share capital of the Company
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited (“CYTFH”)	–	2,317,814,868 ⁽¹⁾	2,317,814,868	63.61%
Cheng Yu Tung Family (Holdings II) Limited (“CYTFH-II”)	–	2,317,814,868 ⁽²⁾	2,317,814,868	63.61%
Chow Tai Fook Capital Limited (“CTFC”)	–	2,317,814,868 ⁽³⁾	2,317,814,868	63.61%
Chow Tai Fook (Holding) Limited (“CTFH”)	–	2,317,814,868 ⁽⁴⁾	2,317,814,868	63.61%
Chow Tai Fook Enterprises Limited (“CTF”)	97,034,424	2,220,780,444 ⁽⁵⁾	2,317,814,868	63.61%
NWD	1,490,129,197	730,651,247 ⁽⁶⁾	2,220,780,444	60.95%
Mombasa Limited	669,736,008	–	669,736,008	18.38%

Notes:

- (1) CYTFH holds approximately 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC. Dr. Cheng Kar Shun, Henry is also a director of CYTFH.
- (2) CYTFH-II holds approximately 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC. Dr. Cheng Kar Shun, Henry is also a director of CYTFH-II.
- (3) CTFC holds approximately 74.07% direct interest in CTFH and is accordingly deemed to have an interest in the shares deemed to be interested by CTFH. Dr. Cheng Kar Shun, Henry is also a director of CTFC.
- (4) CTFH holds 100% direct interest in CTF and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF. Dr. Cheng Kar Shun, Henry is also a director of CTFH.
- (5) CTF, together with its subsidiaries, hold more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWD. Dr. Cheng Kar Shun, Henry is also a director of CTF.

- (6) NWD holds 100% indirect interest in Mombasa Limited and is accordingly deemed to have an interest in the shares held by Mombasa Limited in the Company. NWD is also deemed to be interested in 2,979,975 shares held by Financial Concepts Investment Limited, 28,967,632 shares held by Hing Loong Limited and 28,967,632 shares held by Fine Reputation Incorporated, all of them are subsidiary companies of NWD. Dr. Cheng Kar Shun, Henry is also a director of NWD.
- (7) All the interests stated above are long positions.

Save as disclosed above, as at the Latest Practicable Date and so far as is known to any Director or chief executive of the Company, no other person had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, the following Directors are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules as set out below:

Name	Entity whose business is considered to compete or likely to compete with the businesses of the Group	Description of business of the entity which is considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Dr. Cheng Kar Shun, Henry	CTF group of companies	Investment in transport services business	Director
	HKR International Limited group of companies	Construction and property management	Director
Mr. Lam Wai Hon, Patrick	Wai Kee Holdings Limited	Construction, investment in toll roads and infrastructure businesses and sale of general merchandised goods	Director
	Road King Infrastructure Limited	Development, operation and management of toll roads	Director
Mr. To Hin Tsun, Gerald	Mongolia Energy Corporation Limited	Investment in coal mining	Director

5. ADDITIONAL DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (a) save for Mr. Doo's interest in the Master Services Agreement as disclosed in this Circular, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this Circular which is significant in relation to the businesses of the Group;
- (b) none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation; and
- (c) none of the Directors had any direct or indirect interest in any asset which, since 30 June 2012 (the date to which the latest published audited financial statements of the Group were made up), had been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. MATERIAL ADVERSE CHANGE

The Board is not aware of any material adverse change in the financial or trading position of the Group since 30 June 2012 (the date to which the latest published audited financial statements of the Group were made up).

7. QUALIFICATION AND CONSENT OF EXPERT

ICAL is a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO.

ICAL has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter and the reference to its name and its letter in the form and context in which they respectively appear.

As at the Latest Practicable Date, ICAL did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, ICAL did not have any interest, direct or indirect, in any assets which since 30 June 2012 (the date to which the latest published audited financial statements of the Group were made up) had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MISCELLANEOUS

The English text of this Circular will prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company in Hong Kong at 28/F., New World Tower, 18 Queen's Road Central, Hong Kong during normal business hours from the date of this Circular up to and including 6 February 2013 and at the SGM:

- (a) the Master Services Agreement;
- (b) the Master Services Agreement Addendum;
- (c) the "Letter from the Independent Board Committee", the text of which is set out on pages 14 and 15 of this Circular;
- (d) the "Letter from ICAL", the text of which is set out on pages 16 to 32 of this Circular;
- (e) the consent letter of ICAL referred to in the section headed "Qualification and Consent of Expert" in this appendix; and
- (f) this Circular.



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of NWS Holdings Limited (the “**Company**”) will be held at Meeting Rooms S226 and S227 (Harbour Road Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 6 February 2013 at 10:00 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the Revised Annual Caps in respect of the provision of Operational Services under the Master Services Agreement (as supplemented by the Master Services Agreement Addendum) by members of the Group to members of the Services Group or vice versa be and are hereby approved and the Directors acting together or by committee, or any Director acting individually, be and is/are hereby authorized to take all steps necessary on behalf of the Company whatever he or they may, in his/their absolute discretion, consider necessary, desirable or expedient for the purpose of, or in connection with, the implementing and/or giving effect to the above matter (terms defined in the circular to the shareholders of the Company dated 21 January 2013 have the same meanings when used in this resolution).”

By order of the board of
NWS HOLDINGS LIMITED

Chow Tak Wing

Company Secretary

Hong Kong, 21 January 2013

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the appointed time for holding of the Meeting or at any adjournment thereof.

* *For identification purposes only*

NOTICE OF SGM

3. A form of proxy for use at the Meeting is enclosed. Completion and return of the form of proxy will not preclude you from attending and voting at the Meeting or any adjournment thereof.
4. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint registered holders are present at the Meeting personally or by proxy, then one of the registered holders so present whose name stands first on the Company's register of members in respect of such share will alone be entitled to vote in respect thereof.
5. Voting on the above resolution will be taken by poll.
6. As at the date of this notice, (a) the executive directors of the Company are 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) the non-executive directors of the Company are Mr. Doo Wai Hoi, William, Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) the independent non-executive directors of the Company are Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham, Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David) and Mr. Lee Yiu Kwong, Alan.