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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)

**COMPLETION OF THE GROUP B DISPOSAL
AND
CONTINUING CONNECTED TRANSACTIONS**

COMPLETION OF THE GROUP B DISPOSAL

The Board announces that the Group B Disposal as contemplated under the Group B SP Agreement was completed on 30 June 2011.

EXISTING CONTINUING TRANSACTIONS

In the ordinary course of their businesses prior to completion of the Group B Disposal, members of the Group have regularly entered into the Existing Continuing Transactions with members of Group B. As a result of completion of the Group B Disposal, members of Group B have become associates of Mr. Doo, who is a connected person of the Company, and are regarded as connected persons of the Company upon completion of the Group B Disposal. The Existing Continuing Transactions therefore become continuing connected transactions of the Company upon completion of the Group B Disposal. Pursuant to Rule 14A.41 of the Listing Rules, the Company has to comply in full with all applicable reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules in respect of the Existing Continuing Transactions.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 7 May 2010 in relation to the Existing Master Services Agreement entered into between the Company and CTF Enterprises on 7 May 2010 regarding certain contracting services, and other general and rental related services provided by subsidiaries of the Group to subsidiaries and/or associates of the CTF Enterprises and vice versa. Upon completion of the Disposal, the scope of services to be provided by members of the Group to members of the CTF Enterprises Group and/or members of the NWD Group and vice versa has been narrowed and the annual caps in relation to such continuing connected transactions would be correspondingly reduced.

On 30 June 2011, (i) the Company and CTF Enterprises entered into the CTF Master Services Agreement whereby each of the Company and CTF Enterprises agrees to procure that members of the Group or the CTF Enterprises Group (to the extent practicable) engage relevant members of the CTF Enterprises Group or the Group to provide the Operational Services to relevant members of the Group or the CTF Enterprises Group; (ii) the Company and NWD entered into the NWD Master Services Agreement whereby each of the Company and NWD agrees to procure that members of the Group or the NWD Group (to the extent practicable) engage relevant members of the NWD Group or the Group to provide the Operational Services to relevant members of the Group or the NWD Group; and (iii) the Existing Master Services Agreement shall be terminated upon the commencement of the CTF Master Services Agreement and the NWD Master Services Agreement.

As NWD holds approximately 59.79% of the total issued share capital of the Company, it is a substantial shareholder of the Company, and hence a connected person of the Company. As CTF Enterprises holds approximately 40.51% of the total issued share capital of NWD, it is a controlling shareholder of NWD and is considered a connected person of the Company. Accordingly, the CTF Master Services Agreement, the NWD Master Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

As each of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the maximum aggregate annual value in respect of the Continuing Connected Transactions contemplated under the CTF Master Services Agreement is more than 0.1% but less than 5%, the entering into of the CTF Master Services Agreement is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the Independent Shareholders' approval requirement.

As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the maximum aggregate annual value in respect of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement is more than 5%, the entering into of the NWD Master Services Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement. ICAL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement.

A circular containing, among other things, a notice convening the SGM, further details of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement, a letter from the Independent Board Committee and a letter from ICAL will be dispatched to the Shareholders as soon as practicable.

COMPLETION OF THE GROUP B DISPOSAL

Reference is made to the Joint Announcement in relation to, among others, the Group B Disposal. Unless otherwise defined in this announcement, all capitalized terms as defined in the Joint Announcement have the same meanings when used in this announcement.

The Board announces that the Group B Disposal as contemplated under the Group B SP Agreement was completed on 30 June 2011. As disclosed in the Joint Announcement, pursuant to and as part of the transactions contemplated under the Group B SP Agreement and for the purposes of facilitating a smooth handover and transition of businesses of the Disposal Group following completion of the Group B SP Agreement, the Bank Guarantee provided by a member of the Group to a Group B Member that was subsisting on completion of the Group B SP Agreement would remain in place for a period of six months from the date of completion of the Group B SP Agreement. As at the date of this announcement, the Bank Guarantee provided by the member of the Group to the Group B Member amounted to approximately MOP38.0 million (equivalent to approximately HK\$37.0 million).

EXISTING CONTINUING TRANSACTIONS

In the ordinary course of their businesses prior to completion of the Group B Disposal, members of the Group have regularly entered into the Existing Continuing Transactions with members of Group B. As a result of completion of the Group B Disposal, members of Group B have become associates of Mr. Doo, who is a connected person of the Company, and are regarded as connected persons of the Company upon completion of the Group B Disposal. The Existing Continuing Transactions therefore become continuing connected transactions of the Company upon completion of the Group B Disposal. Pursuant to Rule 14A.41 of the Listing Rules, the Company has to comply in full with all applicable reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules in respect of the Existing Continuing Transactions.

Principal Terms of the Existing Continuing Transactions

The principal terms of the Existing Continuing Transactions are set out as follows:–

1. *Parties involved:*

- (i) relevant members of the Group
- (ii) relevant members of Group B

2. *Nature of transactions:*

The Existing Continuing Transactions involved the provision of the following categories of services from members of Group B to members of the Group:

- (a) Mechanical and electrical engineering services – provision of mechanical and electrical 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 and related services;
- (b) Property management services – provision of property management, pre-marketing consultancy services, technical services and related services; and
- (c) Cleaning services – provision of general cleaning, vessel and vehicle cleaning, office and facility cleaning and related services.

3. *Number of agreements involved:*

Not exceeding 20 agreements

4. *Remaining term of the agreements:*

Not exceeding 3 years

5. *Pricing basis:*

As a general principle, the prices and terms with respect to the Existing Continuing Transactions were determined in the ordinary course of business 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 from independent third parties to the Group.

6. *Aggregate Transaction Values:*

The aggregate transaction values in respect of the Existing Continuing Transactions for the remaining term of the relevant agreements in respect of the provision of services by members of Group B to members of the Group amount to approximately HK\$428.1 million.

Reasons for and Benefits of Entering into the Existing Continuing Transactions

The Group B Companies are principally engaged in the provision of services including property management in Hong Kong, cleaning, and electrical and mechanical engineering.

The Existing Continuing Transactions are of recurrent nature and occur on a regular and continuing basis in the ordinary and usual course of business of the Group. The agreements governing the Existing Continuing Transactions were agreed on arm's length basis, on normal commercial terms and comparable with terms available from independent third parties to the Group. For the purpose of maintaining operational continuity to assure the fulfilment of any existing contractual obligations or any contracted commitments, such agreements shall continue in full force and effect until their termination in accordance with the terms of the relevant agreements.

As far as the Directors are aware, the Directors are of the view that the terms of the Existing Continuing Transactions are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Listing Rules Implications

Mr. Doo is a non-executive Director and a director of a subsidiary of the Company and hence a connected person of the Company under the Listing Rules. Since members of Group B have become associates of Mr. Doo upon completion of the Group B Disposal, members of Group B have become connected persons of the Company and the Existing Continuing Transactions become continuing connected transactions of the Company upon completion of the Group B Disposal. Pursuant to Rule 14A.41 of the Listing Rules, the Company has to comply in full with all applicable reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules in respect of the Existing Continuing Transactions.

CONTINUING CONNECTED TRANSACTIONS

Background

Pursuant to the Engagement Undertaking, NWD has, subject to certain qualifications, undertaken to engage the Group for the provision of the Operational Services for a period of 15 years from 29 January 2003.

On 7 May 2010, the Company and CTF Enterprises entered into the Existing Master Services Agreement whereby each of the Company and CTF Enterprises agreed to procure the subsidiaries of the Group to engage the subsidiaries and/or associates of the CTF Enterprises Group to provide the relevant services (as described in the Existing Master Services Agreement) and vice versa during the term of the Existing Master Services Agreement.

The continuing connected transactions contemplated under the Existing Master Services Agreement were approved by the Independent Shareholders at the special general meeting held on 8 June 2010.

Upon completion of the Disposal, the scope of services to be provided by members of the Group to the CTF Enterprises Group and/or the NWD Group and vice versa has been narrowed, and the annual caps in relation to such continuing connected transactions would be correspondingly reduced.

On 30 June 2011, (i) the Company and CTF Enterprises entered into the CTF Master Services Agreement whereby each of the Company and CTF Enterprises agrees to procure that members of the Group or the CTF Enterprises Group (to the extent practicable) engage relevant members of the CTF Enterprises Group or the Group to provide the Operational Services to relevant members of the Group or the CTF Enterprises Group; (ii) the Company and NWD entered into the NWD Master Services Agreement whereby each of the Company and NWD agrees to procure that members of the Group or the NWD Group (to the extent practicable) engage relevant members of the NWD Group or the Group to provide the Operational Services to relevant members of the Group or the NWD Group; and (iii) the Existing Master Services Agreement shall be terminated upon the commencement of the CTF Master Services Agreement and the NWD Master Services Agreement.

As NWD holds approximately 59.79% of the total issued share capital of the Company, it is a substantial shareholder of the Company, and hence a connected person of the Company. As CTF Enterprises holds approximately 40.51% of the total issued share capital of NWD, it is a controlling shareholder of NWD and is considered a connected person of the Company. Accordingly, the CTF Master Services Agreement, the NWD Master Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

Continuing Connected Transactions under the CTF Master Services Agreement

Date: 30 June 2011

Effective Date: 1 July 2011

Parties: (1) CTF Enterprises
(2) the Company

Duration: An initial term of three years commencing from 1 July 2011 to 30 June 2014 (both days inclusive). Subject to re-compliance with the reporting, announcement and Independent Shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules and/or any other applicable requirements under the Listing Rules at the relevant time, the CTF Master Services Agreement may be renewed for a further term of three years.

Nature of Transactions: Provision of the Operational Services by members of the Group to members of the CTF Enterprises Group and vice versa, excluding transactions with the NWD Group.

Pricing: On normal commercial terms and at rates no less favourable than the rates charged and provided to Independent Third Parties which are customers of the Group or the CTF Enterprises Group (as the case may be).

1. Provision of the Operational Services

Under the CTF Master Services Agreement, each of the Company and CTF Enterprises agrees to, and agrees to procure that members of the Group or the CTF Enterprises Group (to the extent practicable), engage relevant members of the CTF Enterprises Group or the Group to provide the Operational Services to relevant members of the Group or the CTF Enterprises Group during the term of the CTF Master Services Agreement.

The Operational Services include provision of services as main contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, computer aided drafting services and related services, provision of information technology services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, food processing, trading and supply, merchandise sourcing, procurement and supply, property management, property sales and letting agency services, provision of car parking management and related services and rental of properties, spare spaces, vehicles and vessels.

The abovementioned engagement is subject to the following qualifications:

- (a) the engagement only applies to services required for businesses, projects and premises for which the relevant members of the Group or the CTF Enterprises Group (as the case may be) have the right to select providers of the relevant services;
- (b) the engagement is not contrary to the terms of contracts governing the relevant businesses, projects or premises or any applicable laws, regulations or administrative directives promulgated by competent authorities to which the businesses, projects and/or premises of the relevant members of the Group or the CTF Enterprises Group (as the case may be) relate; and

- (c) in the event that the relevant members of the Group or the CTF Enterprises Group (as the case may be) are required to select the providers of particular services through auction tenders, the engagement shall only become effective as and when the relevant members of the CTF Enterprises Group or the Group (as the case may be) have been selected by the relevant members of the Group or the CTF Enterprises Group (as the case may be) to provide the relevant services as a result of the relevant auction tenders.

2. *Terms and pricing policies*

Pursuant to the CTF Master Services Agreement, members of the CTF Enterprises Group and members of the Group shall, from time to time during the term of the CTF Master Services Agreement, enter into separate CTF Operational Agreements in respect of the provision of the Operational Services provided that such separate agreements shall always be subject to the CTF Master Services Agreement. In this connection, the Company and CTF Enterprises have agreed that:

- (a) the prices and terms of the Operational Agreements with respect to the Operational Services shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis and at prices and terms no less favourable than those charged and provided to Independent Third Party customers of the Group or the CTF Enterprises Group (as the case may be); and
- (b) the term of each CTF Operational Agreement shall be fixed and in any event shall not exceed three years. If the term of a CTF Operational Agreement extends beyond 30 June 2014 (that is, the date on which the initial term of the CTF Master Services Agreement ends), the Company will re-comply with the applicable requirements under the Listing Rules at the relevant time.

In pricing its services to Independent Third Party customers, the Group will take into consideration factors which are common and reasonable for providers of similar services such as market conditions, competition, profit margin, direct and indirect costing, opportunity cost, project duration and all relevant risk factors including client risk.

Continuing Connected Transactions under the NWD Master Services Agreement

Date:	30 June 2011
Effective Date:	1 July 2011
Parties:	(1) NWD (2) the Company
Duration:	An initial term of three years commencing from 1 July 2011 to 30 June 2014 (both days inclusive). Subject to re-compliance with the reporting, announcement and Independent Shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules and/or any other applicable requirements under the Listing Rules at the relevant time, the NWD Master Services Agreement may be renewed for a further term of three years.
Nature of Transactions:	Provision of the Operational Services by members of the Group to members of the NWD Group and vice versa.
Pricing:	On normal commercial terms and at rates no less favourable than the rates charged and provided to Independent Third Parties which are customers of the Group or the NWD Group (as the case may be).

1. Provision of the Operational Services

Under the NWD Master Services Agreement, each of the Company and NWD agrees to, and agrees to procure that members of the Group or the NWD Group (to the extent practicable), engage relevant members of the NWD Group or the Group to provide the Operational Services to relevant members of the Group or the NWD Group during the term of the NWD Master Services Agreement.

The Operational Services include provision of services as main contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, computer aided drafting services and related services, provision of information technology and telecommunications services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, food

processing, trading and supply, merchandise sourcing, procurement and supply, property management, property sales and letting agency services, provision of car parking management and related services and rental of properties, spare spaces, vehicles and vessels.

The abovementioned engagement is subject to the following qualifications:

- (a) the engagement only applies to services required for businesses, projects and premises for which the relevant members of the Group or the NWD Group (as the case may be) have the right to select providers of the relevant services;
- (b) the engagement is not contrary to the terms of contracts governing the relevant businesses, projects or premises or any applicable laws, regulations or administrative directives promulgated by competent authorities to which the businesses, projects and/or premises of the relevant members of the Group or the NWD Group (as the case may be) relate; and
- (c) in the event that the relevant members of the Group or the NWD Group (as the case may be) are required to select the providers of particular services through auction tenders, the engagement shall only become effective as and when the relevant members of the NWD Group or the Group (as the case may be) have been selected by the relevant members of the Group or the NWD Group (as the case may be) to provide the relevant services as a result of the relevant auction tenders.

2. *Terms and pricing policies*

Pursuant to the NWD Master Services Agreement, members of the NWD Group and members of the Group shall, from time to time during the term of the NWD Master Services Agreement, enter into separate NWD Operational Agreements in respect of the provision of the Operational Services provided that such separate agreements shall always be subject to the NWD Master Services Agreement. In this connection, the Company and NWD have agreed that:

- (a) the prices and terms of the NWD Operational Agreements with respect to the Operational Services shall be determined in the ordinary course of business on normal commercial terms, negotiated on arm's length basis and at prices and terms no less favourable than those charged and provided to Independent Third Party customers of the Group or the NWD Group (as the case may be); and

- (b) the term of each NWD Operational Agreement shall be fixed and in any event shall not exceed three years. If the term of a NWD Operational Agreement extends beyond 30 June 2014 (that is, the date on which the initial term of the NWD Master Services Agreement ends), the Company will re-comply with the applicable requirements under the Listing Rules at the relevant time.

In pricing its services to Independent Third Party customers, the Group will take into consideration factors which are common and reasonable for providers of similar services such as market conditions, competition, profit margin, direct and indirect costing, opportunity cost, project duration and all relevant risk factors including client risk.

Historical Aggregate Transaction Values

For the purposes of providing the comparable historical aggregate transaction values in respect of (i) the Operational Services provided by members of the Group (excluding members of the Disposal Group) to members of the CTF Enterprises Group and vice versa, and (ii) the Operational Services provided by members of the Group (excluding members of the Disposal Group) to members of the NWD Group and vice versa, for the financial years ended 30 June 2009 and 2010 and the six months ended 31 December 2010, the aggregate transaction values set out below were computed without taking into account the services provided by members of the Disposal Group to the CTF Enterprises Group or the NWD Group and vice versa during the relevant period.

Categories	Aggregate transaction values		
	Financial year ended 30 June 2009 (HK\$ million)	Financial year ended 30 June 2010 (HK\$ million)	Six months ended 31 Dec 2010 (HK\$ million)
Operational Services by members of the Group (excluding members of the Disposal Group) to members of the CTF Enterprises Group	146.1	180.4	69.2
Operational Services by members of the CTF Enterprises Group to members of the Group (excluding members of the Disposal Group)	3.6	3.9	1.9
Total	<u>149.7</u>	<u>184.3</u>	<u>71.1</u>

Categories	Aggregate transaction values		
	Financial	Financial	Six months
	year ended	year ended	ended
30 June 2009	30 June 2010	31 Dec 2010	
	(HK\$ million)	(HK\$ million)	(HK\$ million)
Operational Services by members of the Group (excluding members of the Disposal Group) to members of the NWD Group	2,042.1	1,521.8	1,036.1
Operational Services by members of the NWD Group to members of the Group (excluding members of the Disposal Group)	26.6	33.6	15.4
Total	<u>2,068.7</u>	<u>1,555.4</u>	<u>1,051.5</u>

Reasons for, and Benefits of, Entering into the CTF Master Services Agreement and the NWD Master Services Agreement

The transactions contemplated under the CTF Master Services Agreement and the NWD Master Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group, the CTF Enterprises Group and the NWD Group. The abovementioned CTF Operational Agreements and NWD Operational Agreements will be agreed on arm's length basis and on normal commercial terms.

The Board (including the independent non-executive Directors) is of the view that the terms of the CTF Master Services Agreement and the NWD Master Services Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole, and that it is beneficial to the Company to enter into the CTF Master Services Agreement and the NWD Master Services Agreement because the Continuing Connected Transactions contemplated thereunder will continue to facilitate the business of the Group in general.

Maximum Aggregate Annual Values

The Company expects that the maximum aggregate annual value (the “Annual Cap”) in respect of the Operational Services contemplated under the CTF Master Services Agreement will be as follows:

Operational Services categories	Annual Cap for each of the financial years ending 30 June		
	2012	2013	2014
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Operational Services by members of the Group to members of the CTF Enterprises Group	156.5	180.0	207.0
Operational Services by members of the CTF Enterprises Group to members of the Group	4.3	5.0	5.7
Total	<u>160.8</u>	<u>185.0</u>	<u>212.7</u>

The Company expects that the Annual Cap in respect of the Operational Services contemplated under the NWD Master Services Agreement will be as follows:

Operational Services categories	Annual Cap for each of the financial years ending 30 June		
	2012	2013	2014
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Operational Services by members of the Group to members of the NWD Group	4,895.1	6,767.1	6,027.0
Operational Services by members of the NWD Group to members of the Group	39.4	41.4	44.3
Total	<u>4,934.5</u>	<u>6,808.5</u>	<u>6,071.3</u>

Each of the Annual Caps has been determined by reference to: (i) the historical annual or annualized amounts in respect of the Operational Services provided by the relevant members of the Group (excluding members of the Disposal Group) to the relevant members of the CTF Enterprises Group or the NWD Group and vice versa during the past three financial years; and (ii) the projected annual or annualized amounts in respect of the Operational Services (a) to be provided by the relevant members of the Group to the relevant members of the CTF Enterprises Group and vice versa; and (b) to be provided by relevant members of the Group to the relevant members of the NWD Group and vice versa, in the next three financial years.

The above-mentioned projected figures are determined based on the relevant historical figures, taking into account the business growth of the Group, the CTF Enterprises Group and the NWD 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: (i) 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; and (ii) the service industries in which the Group operates will have steady growth.

The proposal of the new set of the projected Annual Caps for the Operational Services by members of the Group to members of the CTF Enterprises Group and the NWD Group and vice versa is due to the restructuring of the Group which resulted in the completion of the Disposal. As announced by the Company on 27 July 2010 and stated in this announcement, the Group has completed the Disposal. It is noted that certain services (including property management, laundry, landscaping, cleaning, security and guarding, trading of building materials and electrical and mechanical engineering) were used to be provided by members of the Disposal Group to the relevant members of the CTF Enterprises Group and/or the NWD Group and/or vice versa. Since members of the Disposal Group ceased to be members of the Group, the scope of the services to be provided pursuant to the CTF Master Services Agreement and the NWD Master Services Agreement, and the corresponding Annual Caps, would be considerably reduced.

The Board is of the opinion that the proposed Annual Caps as stated above are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company will make a further announcement in the event that any of the Annual Caps set out above is exceeded.

Listing Rules Implications

As at the date of this announcement, NWD holds approximately 59.79% of the total issued share capital of the Company and is a substantial shareholder of the Company, and hence a connected person of the Company. CTF Enterprises holds approximately 40.51% of the total issued share capital of NWD and is a controlling shareholder of NWD and is considered a connected person of the Company.

The CTF Master Services Agreement, the NWD Master Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

As each of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the maximum aggregate annual value in respect of the Continuing Connected Transactions contemplated under the CTF Master Services Agreement is more than 0.1% but less than 5%, the entering into of the CTF Master Services Agreement is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the Independent Shareholders' approval requirement.

As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the maximum aggregate annual value in respect of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement is more than 5%, the entering into of the NWD Master Services Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules.

At the SGM, NWD and its associates shall abstain from voting on the resolution(s) regarding the NWD Master Services Agreement and the relevant Annual Caps. The vote taken at the SGM to seek approval of the NWD Master Services Agreement and the relevant Annual Caps will be taken by poll.

In the event that any of the Annual Caps is exceeded or the CTF Master Services Agreement or the NWD Master Services Agreement is renewed or materially varied, the Company will re-comply with the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rules 14A.45 to 14A.48 of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement and the relevant Annual Caps. ICAL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement and the relevant Annual Caps.

A circular containing, among other things, a notice convening the SGM, further details of the Continuing Connected Transactions contemplated under the NWD Master Services Agreement, a letter from the Independent Board Committee and a letter from ICAL will be dispatched to the Shareholders as soon as practicable.

Information Regarding CTF Enterprises, the NWD Group and the Group

CTF Enterprises

The principal activity of CTF Enterprises is investment holding. CTF Enterprises holds approximately 40.51% of the total issued share capital of NWD and is a controlling shareholder of NWD.

Information on the NWD Group

The NWD Group is principally engaged in investments in the areas of property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology. NWD is the ultimate holding company of the Company and is, together with certain of its subsidiaries, interested in approximately 59.79% of the total issued share capital of the Company as at the date of this announcement.

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.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the meanings set out in this announcement:

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	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
“Continuing Connected Transactions”	the transactions contemplated under the CTF Master Services Agreement or the transactions contemplated under the NWD Master Services Agreement (as the case may be)
“CTF Enterprises”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability which holds approximately 40.51% of the total issued share capital of NWD and approximately 2.65% of the total issued share capital of the Company as at the date of this announcement
“CTF Enterprises Group”	CTF Enterprises, its subsidiaries, any other company in the equity capital of which CTF Enterprises and/or any of its subsidiaries taken together are 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 from time to time or to control the composition of a majority of the board of directors, and/or the subsidiaries of such other companies, but excluding members of the NWD Group
“CTF Master Services Agreement”	the master services agreement in relation to the Operational Services entered into between the Company and CTF Enterprises on 30 June 2011

“CTF Operational Agreements”	the individual agreements in respect of the provision of any of the Operational Services which may from time to time be entered into between a member of the CTF Enterprises Group and a member of the Group pursuant to the CTF Master Services Agreement, and “CTF Operational Agreement” means any of them
“Director(s)”	the Director(s) of the Company
“Engagement Undertaking”	the deed of non-competition and engagement undertaking dated 29 January 2003 entered into between NWD and the Company
“Existing Continuing Transactions”	the continuing transactions entered into between members of the Group and members of Group B prior to completion of the Group B Disposal which are subsisting as at the date of completion of the Group B Disposal
“Existing Master Services Agreement”	the master operational services agreement entered into between the Company and CTF Enterprises on 7 May 2010
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“ICAL”	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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the Continuing Connected Transactions contemplated under the NWD Master Services Agreement (including the relevant Annual Caps)

“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors for the purpose of advising the Independent Shareholders in connection with the Continuing Connected Transactions contemplated under the NWD Master Services Agreement
“Independent Shareholders”	Shareholders other than NWD and its associates
“Independent Third Party”	person or company which is independent of any member of the Group, the Directors, the chief executives, the substantial shareholders of the Company or any of its subsidiaries, and their respective associates
“Joint Announcement”	the announcement dated 11 June 2010 jointly issued by the Company and NWD in relation to the Disposal
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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). Mr. Doo is a connected person of the Company.
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange. As at the date of this announcement, it holds approximately 59.79% of the total issued share capital of the Company

“NWD Group”	NWD, its subsidiaries, any other company in the equity capital of which NWD and/or any of its subsidiaries taken together are 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 from time to time or to control the composition of a majority of the board of directors, and/or the subsidiaries of such other companies, but excluding members of the Group
“NWD Master Services Agreement”	the master services agreement in relation to the Operational Services entered into between the Company and NWD on 30 June 2011
“NWD Operational Agreements”	the individual agreements in respect of the provision of any of the Operational Services which may from time to time be entered into between a member of the NWD Group and a member of the Group pursuant to the NWD Master Services Agreement, and “NWD Operational Agreement” means any of them
“Operational Services”	construction services, and other general and rental related services to be provided by member(s) of the Group to members of the CTF Enterprises Group or the NWD Group (as the case may be) or vice versa, during the term of the CTF Master Services Agreement or the NWD Master Services Agreement (as the case may be), and such other types of services as the parties may agree upon from time to time in writing
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving, among other things, the Continuing Connected Transactions contemplated under the NWD Master Services Agreement
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“MOP” Macau pataca, the lawful currency of Macau

“%” per cent.

For the purpose of this announcement and for illustration purposes only, amounts denominated in MOP have been translated into HK\$ using the following rate:

$$MOP 1 = HK\$0.97591$$

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

Hong Kong, 30 June 2011

As at the date of this announcement, (a) the executive Directors 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 are Mr. Doo Wai Hoi, William, Mr. Wilfried Ernst Kaffenberger (alternate Director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

* *For identification purposes only*