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新創建集團有限公司*
NWS Holdings Limited

(incorporated in Bermuda with limited liability)
(stock code: 0659)

DISCLOSEABLE TRANSACTION

**ACQUISITION OF INTEREST IN A COMPANY
ENGAGED IN THE OPERATION OF THE GUANGZHOU DONGXIN EXPRESSWAY**

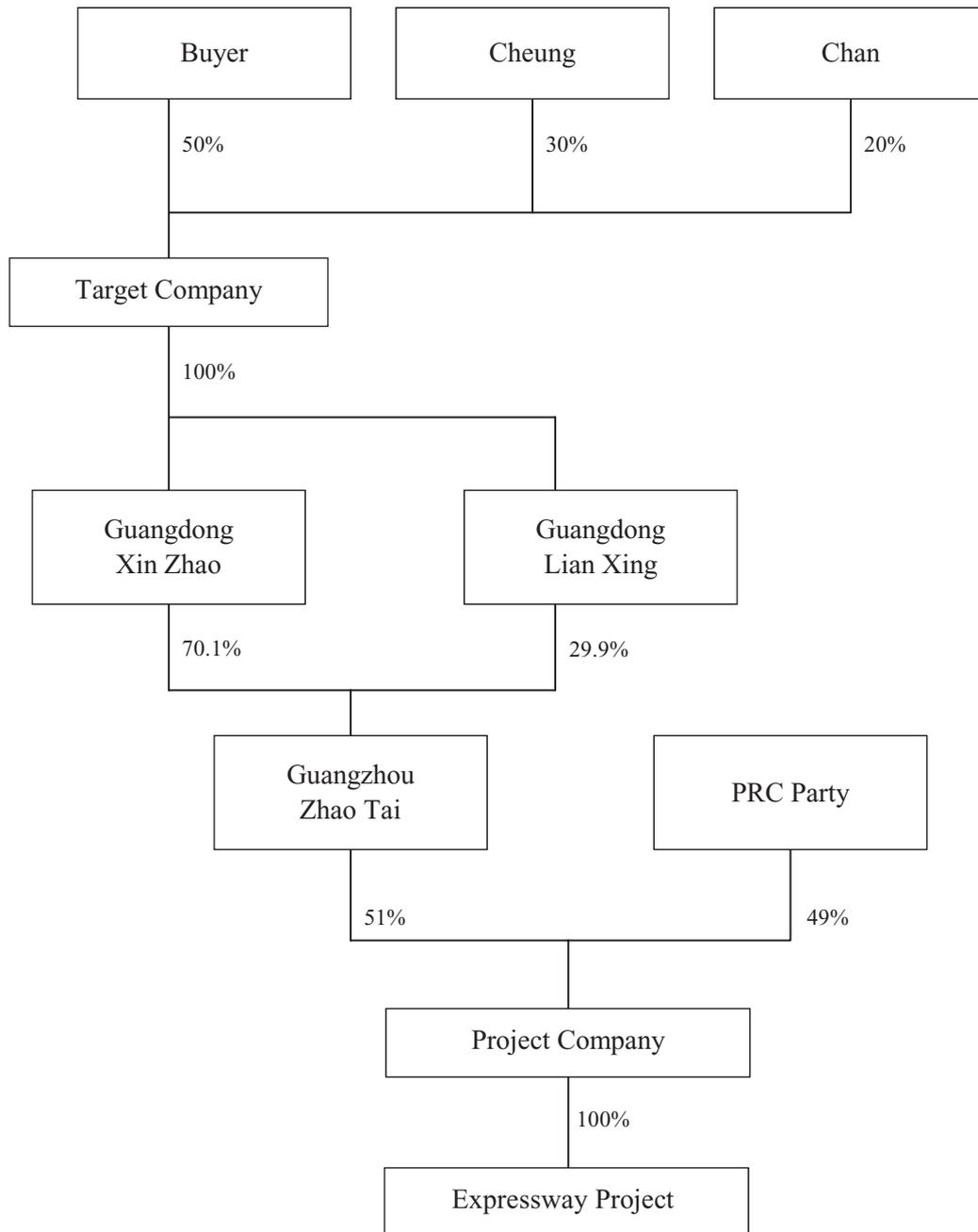
The Board is pleased to announce that on 23 July 2007, the Buyer, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Sellers in relation to the acquisition of 30% of the issued shares in the Target Company at a cash consideration of HK\$133,571,428. The Buyer is currently holding 50% of the issued shares in the Target Company and accordingly, upon Completion, will be holding 80% of the issued shares in the Target Company. The Target Company is currently the indirect beneficial owner of 51% equity interest in the Project Company, a company principally engaged in the operation of the Expressway Project.

The Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and publication requirements as set out in Rules 14.34 to 14.39 under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

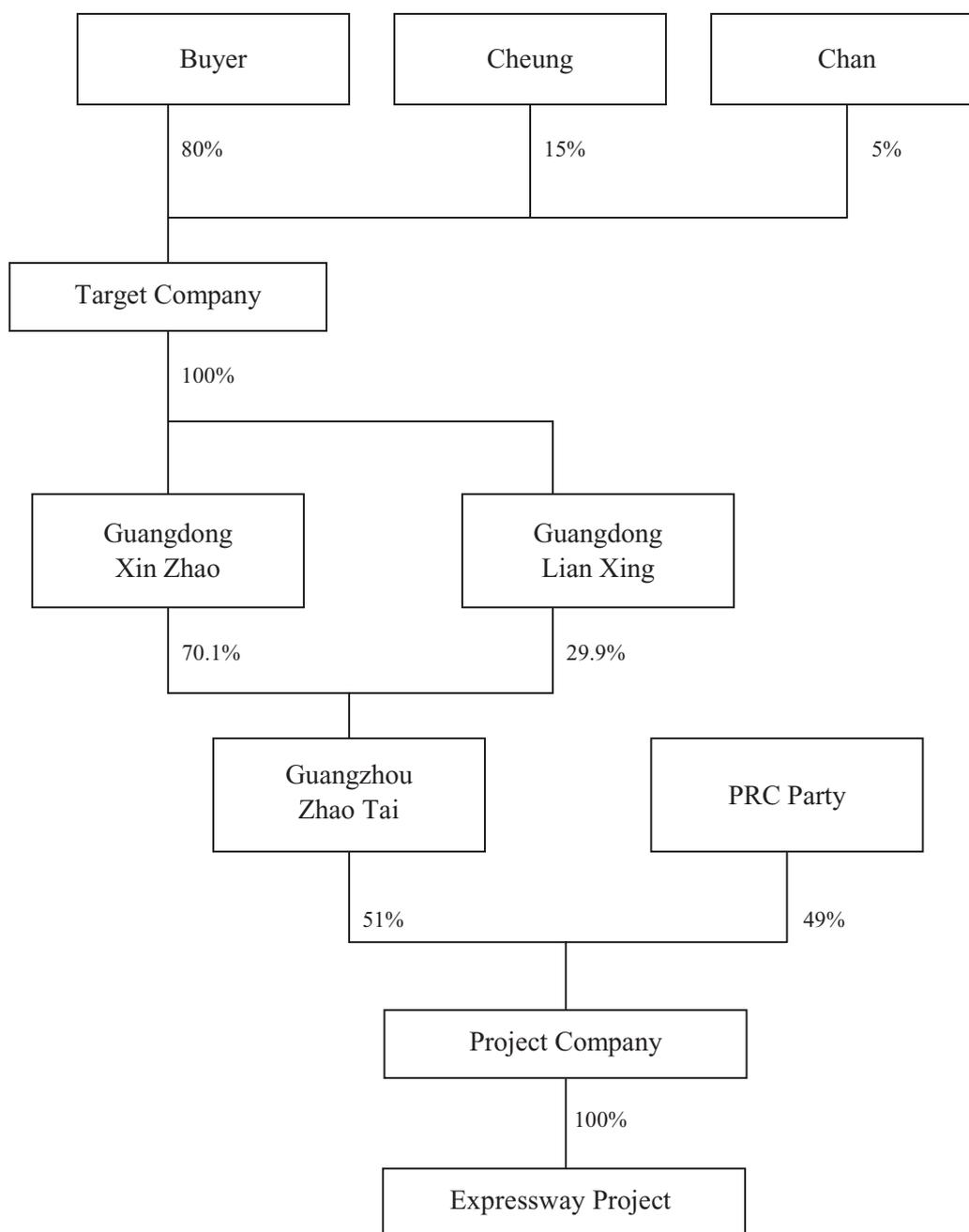
INTRODUCTION

The Board is pleased to announce that on 23 July 2007, the Buyer, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Sellers whereby the Buyer agreed to acquire 30% of the issued shares in the Target Company subject to the terms and conditions contained therein. The Buyer is currently holding 50% of the issued shares in the Target Company and accordingly, upon Completion, will be holding 80% of the issued shares in the Target Company. The Target Company is currently the indirect beneficial owner of 51% equity interest in the Project Company, a company principally engaged in the operation of the Expressway Project.

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



The following chart illustrates the shareholding structure of the Target Company upon Completion:



Prior to the Acquisition, the Target Company has been treated as a jointly-controlled entity in the books of the Company. Upon Completion, the Target Company will become a subsidiary of the Company and will be accounted for as a subsidiary of the Company and the Project Company will be regarded as a jointly-controlled entity of the Company.

THE SALE AND PURCHASE AGREEMENT

Date: 23 July 2007

The parties: The Sellers, namely, Cheung Sau Lin and Chan Yung

The Buyer, namely, Spring River International Limited (an indirect wholly-owned subsidiary of the Company)

The Guarantor, namely, NWS Infrastructure Management Limited (a direct wholly-owned subsidiary of the Company)

Consideration: HK\$133,571,428

Each of Cheung and Chan holds 20% equity interest in a jointly-controlled entity of the Company named Joy Fortune Investments Limited, in which the Company indirectly holds 50% equity interest. The remaining 10% equity interest in Joy Fortune Investments Limited is being held by Vision International Investment (Hong Kong) Limited, being a third party independent of the Company and connected persons of the Company. Such jointly-controlled entity is engaged in the business of operation and management of a toll road in the PRC.

Saved as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Sellers is a third party independent of the Group, the directors, chief executives and substantial shareholders of any member of the Group or any of their respective associates.

Conditions precedent to Completion

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

- (a) the Buyer having conducted due diligence in relation to the Target Group to its reasonable satisfaction;
- (b) delivery of a duly executed Deed of Release and Confirmation confirming the Share Charges created by the Sellers in the Target Company in favour of the Buyer;
- (c) delivery of a duly executed Amended Shareholders' Agreement and Deed of Indemnity by each of the Sellers to the Buyer;
- (d) the warranties in the Sale and Purchase Agreement remaining true and accurate and not misleading in any material respect; and
- (e) all necessary consents from third parties (if any) having been obtained by the Sellers and/or any member of the Target Group in connection with the Acquisition.

CONSIDERATION

The consideration, being HK\$133,571,428 was determined after arm's length negotiations between the parties having regard to the assets and liabilities of the Target Group and the strategic importance of the Expressway Project to the Company (the "**Consideration**"). Please refer to the section headed "Reasons for the Acquisition" below for further information.

Pursuant to the Sale and Purchase Agreement, the Consideration is payable by the Buyer to the Sellers in the following manner:

- (a) first payment of HK\$75,000,000 will be payable by the Buyer on Completion Date upon satisfaction of the conditions precedent under the Sale and Purchase Agreement (the "**First Payment**");
- (b) second payment of HK\$29,285,714 will be payable by the Buyer to the Sellers upon the satisfaction of the capital increase of Guangzhou Zhao Tai and the related formalities, including but not limited to, the issuance of the new business licence and the change of directors and management personnel of the Project Company before the expiry of the second month after the Completion Date; and
- (c) final payment of HK\$29,285,714 will be payable by the Buyer to the Sellers before the expiry of the eighth month after the Completion Date.

The total commitment of the Company towards the Project Company equals to approximately HK\$3,204.0 million, being the aggregate sum of 51% of the total investment cost of the Expressway Project (including 51% of the registered capital of the Project Company and the guarantees to be provided by the Company towards the Project Company's bank financing) and the Consideration to be paid by the Buyer, which will be fulfilled by internal funding and bank financing in approximately equal proportion. Save as disclosed above, the Company does not have any other commitment towards the Project Company as at the date of this announcement.

COMPLETION

Completion will be subject to the satisfaction (or waiver, as the case may be) of the conditions precedent set forth in the Sale and Purchase Agreement. It is expected that the conditions precedent to the First Payment will be satisfied (unless waived by the Buyer) no later than one month from the date of the Sale and Purchase Agreement.

REASONS FOR THE ACQUISITION

The Expressway is a dual three to four lane expressway and approximately 46.22 kilometers in length and is expected to be in partial operation by mid-2008 and full operation at the end of 2009. The Expressway forms a major corridor between the new Guangzhou Railway Station and the Nansha Port which is strategically situated in Guangzhou, capturing the ample growth opportunities in the region.

In view of the economic development of the PRC, the Board believes that the demand for road transport in the PRC will continue to grow substantially, and the Expressway is well positioned to benefit from the economic development of the aforesaid region. Moreover, it is the strategy of the Group to continue to explore new investment opportunities for the purpose of strengthening its infrastructure and service and rental businesses. The Board is of the view that by making the Acquisition, the infrastructure portfolio of the Group will be further expanded which will, in turn, enhance the Group's sustainable growth in the toll road market of the PRC.

The Board considers that the Sale and Purchase Agreement has been entered into on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, THE SELLERS AND THE PROJECT COMPANY

The Group is principally engaged in (i) the investment in and/or operation of facilities, contracting, transport and financial services; and (ii) the development, investment, operation and/or management of power plants, water treatment and waste management plants, roads as well as container terminals. The principal activity of the Buyer is investment holding.

The Target Company is currently the indirect beneficial owner of 51% equity interest in the Project Company. The Project Company is principally engaged in the operation of the Expressway Project.

For the two financial years ended 31 December 2005 and 2006, the audited net asset value of the Project Company amounted to RMB481.1 million (equivalent to approximately HK\$490.9 million) and RMB1,455.0 million (equivalent to approximately HK\$1,484.7 million). For the two financial years ended 31 December 2005 and 2006, the audited net profit and loss of the Project Company was zero, as the Expressway has not yet commenced operation.

LISTING RULES IMPLICATIONS

Given that the percentage ratios involved are more than 5% but less than 25% for the Company, the Acquisition constitutes a discloseable transaction for the Company and is subject to notification and publication requirements as set out in Rules 14.34 to 14.39 under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

GENERAL

As at the date of this announcement: (a) the executive Directors are Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. Chan Kam Ling, Mr. Tsang Yam Pui, Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung and Mr. William Junior Guilherme Doo; (b) the non-executive Directors are Mr. Wilfried Ernst Kaffenberger (alternate Director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

DEFINITION

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

“Acquisition”	acquisition of 30% of the issued shares in the capital of the Target Company by the Buyer pursuant to the Sale and Purchase Agreement;
“Amended Shareholders’ Agreement”	the amended shareholders’ agreement of the Target Company to be entered into by the Sellers and the Buyer;
“Board”	the board of Directors of the Company;
“Buyer”	Spring River International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Chan Yung” or “Chan”	Chan Yung alias Chan Chi Yung, the ultimate beneficial owner of 20% of the issued shares in the Target Company;
“Cheung Sau Lin” or “Cheung”	Cheung Sau Lin alias Cheung Sou Lin, the ultimate beneficial owner of 30% of the issued shares in the Target Company;
“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“Completion”	completion of the Acquisition;
“Completion Date”	the date of Completion;
“Directors”	the directors of the Company;
“Deed of Indemnity”	the deed of indemnity and undertaking to be executed by the Sellers in favour of the Buyer providing certain indemnities relating to, inter alia, the tax liabilities of the Target Group, if any;
“Deed of Release and Confirmation”	the deed of release and confirmation to be entered into by the Sellers and the Buyer;
“Expressway Project” and the “Expressway”	the project relating to Guangzhou Dongxin Expressway (廣州市東新高速公路) and “Expressway” is construed accordingly;
“Group”	the Company and its subsidiaries;

“Guangdong Lian Xing”	廣東聯興貿易有限公司, a PRC incorporated limited liability company which is 100% legally and beneficially owned by the Target Company;
“Guangdong Xin Zhao”	廣東新照貿易有限公司, a PRC incorporated limited liability company which is 100% legally and beneficially owned by the Target Company;
“Guangzhou Zhao Tai”	廣州市照泰投資有限公司, a PRC incorporated limited liability company which owns 51% of the equity interest in the Project Company as at the date of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“PRC Party”	廣州市番禺交通建設投資有限公司, a PRC incorporated limited liability company which owns 49% of the equity interest in the Project Company as at the date of this announcement;
“Project Company”	廣州市東新高速公路有限公司, a company established in the PRC which operates the Expressway;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 July 2007 entered into among, inter alia, the Sellers and the Buyer;
“Sellers”	Cheung Sau Lin and Chan Yung;
“Share Charges”	the share charges to be executed by the Sellers and the Buyer prior to the First Payment pursuant to which the issued shares held by each of the Sellers in the Target Company will be charged in favour of the Buyer to secure the obligations of each of the Sellers under, among other things, the Sale and Purchase Agreement;
“Shareholders”	the shareholders of the Company;
“Target Company”	Success Concept Investments Limited, a company incorporated in the British Virgin Islands which indirectly owns 51% equity interest in the Project Company as at the date of this announcement;

“Target Group” the Target Company and its subsidiaries including Guangdong Xin Zhao, Guangdong Lian Xing, Guangzhou Zhao Tai and the Project Company; and

“%” per cent.

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

$$RMB0.98 = HK\$1$$

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

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

Hong Kong, 24 July 2007

* *For identification purposes only*