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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: 0659)

CONTINUING CONNECTED TRANSACTIONS

In the ordinary course of their business, relevant members of the Group regularly enter into continuing connected transactions with members of the CTF Enterprises Group. The Board announces that, on 24 January 2008, the Company and CTF Enterprises entered into: (i) the CTF Master Operational Services Agreement whereby the Company and CTF Enterprises agree 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 Operational Services Agreement; and (ii) the CTF Master Financial Services Agreement whereby CTF Enterprises agrees to procure that members of the CTF Enterprises Group engage the relevant members of the Group to provide Financial Services to relevant members of the CTF Enterprises Group during the term of the CTF Master Financial Services Agreement.

The Board further announces that, on 24 January 2008, the Company and Mr. Lo entered into the Mr. Lo Master Services Agreement whereby the Group agrees to provide Financial Services to the Service Receiving Parties.

As NWD holds approximately 56.37% 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 37.02% of the total issued share capital of NWD, it is a controlling shareholder of NWD, and is also considered a connected person of the Company. Accordingly, the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules. Further, given that Mr. Lo is the deputy chairman and an executive director of TFSG, a subsidiary of the Company, and hence a connected person of the Company. Accordingly, the Mr. Lo Master Services Agreement and all the transactions contemplated thereunder also constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules. As one or more of the percentage ratios in respect of the Continuing Connected Transactions contemplated under the Master Services Agreements will exceed 2.5% on an annual basis, such transactions will be 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. CIMB 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.

A circular containing, among other things, a notice convening the SGM, details of the Continuing Connected Transactions, a letter from the Independent Board Committee and a letter from CIMB will be despatched to the Shareholders as soon as practicable.

1. BACKGROUND

Pursuant to the Engagement Undertaking, NWD has, subject to certain qualifications, undertaken to engage the Group for the provision of the Operational Services and the Financial Services for a period of 15 years from 29 January 2003. On 30 May 2005, the Company and NWD entered into the 2005 Master Services Agreement whereby (a) NWD agreed to, and agreed to procure that members of the NWD Group shall (to the extent practicable), engage members of the Group to provide the Operational Services and the Financial Services to the NWD Group; and (b) the Company agreed to, and agreed to procure that members of the Group shall (to the extent practicable), engage members of the NWD Group to rent properties, vehicles and vessels to the Group, during the term of the 2005 Master Services Agreement.

The continuing connected transactions contemplated under the 2005 Master Services Agreement were approved by the independent shareholders of the Company at the special general meeting held on 30 June 2005.

As announced by the Board on 26 April 2007, the Company acquired further equity interest in TFSG, a company listed on the main board of the Stock Exchange, which became a subsidiary of the Company since 8 June 2007. Before TFSG became a subsidiary of the Company, TFSG entered into the TFSG Master Agreements with each of CTF Enterprises and Mr. Lo on 25 April 2006. Under the TFSG Master Agreements, TFSG Group will provide to CTF Enterprises and Mr. Lo and their respective associates financial advisory services for the term commencing on 25 April 2006 to 21 December 2008 (both days inclusive). The transactions contemplated under the TFSG Master Agreements constitute continuing connected transactions for TFSG under the Listing Rules and were approved by the shareholders of TFSG at the special general meeting held on 29 May 2006. Further details of the TFSG Master Agreements can be found in the announcements dated 25 April 2006 and 29 May 2006 and the circular dated 12 May 2006 published by TFSG.

In the ordinary course of their business, members of the Group (including the TFSG Group) regularly enter into continuing connected transactions with members of the CTF Enterprises Group (which includes members of the NWD Group). In order to streamline and renew such continuing connected transactions, on 24 January 2008, the Company and CTF Enterprises entered into: (i) the CTF Master Operational 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 during the term of the CTF Master Operational Services Agreement; and (ii) the CTF Master Financial Services Agreement whereby CTF Enterprises agrees to procure that members of the CTF Enterprises Group engage relevant members of the Group to provide Financial Services to relevant members of the CTF Enterprises Group during the term of the CTF Master Financial Services Agreement.

As NWD holds approximately 56.37% 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 37.02% 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 Operational Services Agreement, the CTF Master Financial Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

On 24 January 2008, the Company and Mr. Lo entered into the Mr. Lo Master Services Agreement whereby the Group agrees to provide Financial Services to the Service Receiving Parties. As Mr. Lo is the deputy chairman and an executive director of TFSG, a subsidiary of the Company, and hence a connected person of the Company. Accordingly, the Mr. Lo Master Services Agreement and all the transactions contemplated thereunder also constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

2. CONTINUING CONNECTED TRANSACTIONS UNDER THE CTF MASTER OPERATIONAL SERVICES AGREEMENT

Date: 24 January 2008

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

Duration: An initial term of three years commencing from 24 January 2008 to 23 January 2011 (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 Operational 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.

Pricing: On normal commercial terms and at rates no less favourable than the rates charged to independent third party customers of the Group or the CTF Enterprises Group (as the case may be).

Provision of the Operational Services

Under the CTF Master Operational 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 Operational Services Agreement.

The Operational Services include the following categories of services, and such other types of services as the Company and CTF Enterprises may agree upon from time to time in writing:

Operational Services categories	Description of services
(a) Contracting Services	Building and general construction, civil engineering, building exterior and interior design, building repair, renovation maintenance and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management and the 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 and computer aided drafting services.
(b) General Services	<p>Cleaning and landscaping services – general cleaning, landscaping and plant maintenance, the supply of plants and laundry services.</p> <p>Facility management services – provision of information technology and telecommunications services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services at the Hong Kong Convention and Exhibition Centre and other locations, food processing, trading and supply, and merchandise sourcing, procurement and supply.</p> <p>Property management services – property management, property sales, letting agency services, pre-marketing consultancy services, technical services and the provision of car parking, management and related services (including certain rebates to be paid by the Group).</p> <p>Security and guarding services – provision of security guards, security systems installation and maintenance services, armoured transport services and supply of security products.</p>
(c) Rental Services	Rental of properties, spare spaces, vehicles and vessels.

The above-mentioned engagement is subject to the following qualifications:

- (a) the engagement only applies to services required for business and projects 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 business or projects or any applicable laws, regulations or administrative directives promulgated by competent authorities to which the business and projects 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.

Terms and pricing policies

Pursuant to the CTF Master Operational 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 Operational Services Agreement, enter into separate Operational Agreements in respect of the provision of the Operational Services provided that such separate agreements shall always be subject to the CTF Master Operational 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 Contracting Services, the General Services and the Rental 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);
- (b) the prices and terms at which the security and guarding services as grouped under the General Services to be provided shall be determined in the ordinary course of business on a cost-plus basis at prices and terms no less favourable than those charged to and contracted with other independent third party customers of the Group. The cost element includes all direct costs incurred, such as staff costs, public liability insurance and other indirect or common costs allocated on turnover or other equitable basis; and
- (c) the term of each Operational Agreement shall be fixed and in any event shall not exceed three years. If the term of an Operational Agreement extends beyond 23 January 2011 (that is, the date on which the initial term of the CTF Master Operational 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 of 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.

3. CONTINUING CONNECTED TRANSACTIONS UNDER THE CTF MASTER FINANCIAL SERVICES AGREEMENT

Date: 24 January 2008

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

Duration: An initial term of three years commencing from 24 January 2008 to 23 January 2011 (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 Financial Services Agreement may be renewed for a further term of three years.

Nature of Transactions: Provision of the Financial Services by the relevant members of the Group to members of the CTF Enterprises Group.

Pricing: On normal commercial terms and at rates no less favourable than the rates charged to independent third party customers of the Group.

Provision of the Financial Services

Under the CTF Master Financial Services Agreement, CTF Enterprises agrees to, and agrees to procure that members of the CTF Enterprises Group engage relevant members of the Group to provide the Financial Services to relevant members of the CTF Enterprises Group during the term of the CTF Master Financial Services Agreement.

The Financial Services include the services of risk management, insurance management, global and regional management, alternate risk financing and reinsurance broking services, MPF scheme management services, financial advisory services and placing, underwriting and sub-underwriting services including but not limited to, dealing in securities, dealing in futures contracts, dealing and advising on leveraged foreign exchange trading, securities and corporate finance (as such terms are defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)), and such other types of services as the Company and CTF Enterprises may agree upon from time to time in writing.

The above-mentioned engagement is subject to the following qualifications:

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

Terms and pricing policies

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

- (a) the prices and terms of the Financial Agreements with respect to the Financial 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; and
- (b) the term of each Financial Agreement shall be fixed and in any event shall not exceed three years. If the term of a Financial Agreement extends beyond 23 January 2011 (that is, the date on which the initial term of the CTF Master Financial 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 of 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.

4. CONTINUING CONNECTED TRANSACTIONS UNDER THE MR. LO MASTER SERVICES AGREEMENT

Date:	24 January 2008
Parties:	(1) Mr. Lo (2) the Company
Duration:	An initial term of three years commencing from 24 January 2008 to 23 January 2011 (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 Mr. Lo Master Services Agreement may be renewed for a further term of three years.
Nature of Transactions:	Provision of the Financial Services by relevant members of the Group to the Service Receiving Parties.
Pricing:	On normal commercial terms and at rates no less favourable than the rates at which the relevant members of the Group charge other Independent Third Parties for the relevant services.

Provision of the Financial Services

Under the Mr. Lo Master Services Agreement, Mr. Lo agrees to, and agrees to procure that other Service Receiving Parties engage relevant members of the Group to provide the Financial Services to the relevant Service Receiving Parties during the term of the Mr. Lo Master Services Agreement.

The Financial Services include the services of risk management, insurance management, global and regional management, alternate risk financing and reinsurance broking services, MPF scheme management services, financial advisory services and placing, underwriting and sub-underwriting services including but not limited to, dealing in securities, dealing in futures contracts, dealing and advising on leveraged foreign exchange trading, securities and corporate finance (as such terms are defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)), and such other types of services as the Company and Mr. Lo may agree upon from time to time in writing.

The above-mentioned engagement is subject to the following qualifications:

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

Terms and pricing policies

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

- (a) the prices and terms of the Financial Agreements with respect to the Financial Services shall be determined in the ordinary course of business on normal commercial terms, negotiated on an 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; and
- (b) the term of each Financial Agreement shall be fixed and in any event shall not exceed three years. If the term of Financial Agreement extends beyond 23 January 2011 (that is, the date on which the initial term of the Mr. Lo Master Services Agreement ends), the Company will 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, duration and all relevant risk factors including client risk.

5. HISTORIC AGGREGATE TRANSACTION VALUES AND ANNUAL CAPS

The aggregate transaction values and the Annual Caps in respect of the Operational Services and the Financial Services with the CTF Enterprises Group and the provision of the Financial Services by the relevant members of the Group to the Service Receiving Parties for the financial years ended 30 June 2005, 2006 and 2007 were as follows:

Categories	Aggregate transaction values for each of the financial years ended 30 June		
	2005 (HK\$ million)	2006 (HK\$ million)	2007 (HK\$ million)
Contracting Services	1,230.7	2,040.3	1,462.6
General Services	126.3	130.0	140.5
Rental Services <i>(Note)</i>	25.5	34.2	33.3
Financial Services <i>(Note)</i>	27.5	21.0	6.3
Total	<u>1,410.0</u>	<u>2,225.5</u>	<u>1,642.7</u>

Note: These aggregate transaction values included the transaction values pursuant to the transactions between the TFSG Group and the CTF Enterprises Group before TFSG became a subsidiary of the Group on 8 June 2007, which should not be counted towards the Group's annual cap for the relevant financial year.

Categories	Annual cap for each of the financial years ended 30 June		
	2005 (HK\$ million)	2006 (HK\$ million)	2007 (HK\$ million)
Contracting Services	2,876	3,288	4,083
General Services	179	171	190
Rental Services	31	35	40
Financial Services	10	9	10

The historic aggregate transaction values (discounting the transaction values of the transactions between the TFSG Group and the CTF Enterprises Group before TFSG became a subsidiary of the Group on 8 June 2007, which should not be counted towards the Group's annual cap for the relevant financial year) were within the historic annual caps and the Company had complied with the relevant reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The transactions between the TFSG Group and the CTF Enterprises Group after TFSG became a subsidiary of the Group on 8 June 2007 were de minimis and were exempt from all reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. REASONS FOR, AND BENEFITS OF ENTERING INTO THE MASTER SERVICES AGREEMENTS

The transactions contemplated under the Master Services Agreements 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 and the CTF Enterprises Group. The above-mentioned Operational Agreements and Financial Agreements will be agreed on an 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 Master Services Agreements are fair, reasonable and in the interests of the Company and its shareholders as a whole, and that it is beneficial to the Company for entering into the Master Services Agreements because the continuing connected transactions contemplated thereunder will continue to facilitate the operations of the business of the Group in general.

7. MAXIMUM AGGREGATE ANNUAL VALUES

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

Operational Services categories	Annual Cap for each of the financial years ending 30 June		
	2008 (HK\$ million)	2009 (HK\$ million)	2010 (HK\$ million)
Contracting Services by members of the Group to members of the CTF Enterprises Group	4,593.8	4,135.7	6,165.2
General Services by members of the Group to members of the CTF Enterprises Group	165.1	198.4	226.4
General Services by members of the CTF Enterprises Group to members of the Group	7.8	8.3	9.2
Rental Services by members of the Group to members of the CTF Enterprises Group	46.9	63.5	71.8
Rental Services by members of the CTF Enterprises Group to members of the Group	4.5	5.0	5.5
Total	<u>4,818.1</u>	<u>4,410.9</u>	<u>6,478.1</u>

It is expected that the maximum aggregate Annual Cap in respect of the Financial Services to be provided by the Group under the CTF Master Financial Services Agreement and the Mr. Lo Master Services Agreement (which will also be categorized under the Financial Services) will be as follows:

Financial Services	Annual Cap for each of the financial years ending 30 June		
	2008 <i>(HK\$ million)</i>	2009 <i>(HK\$ million)</i>	2010 <i>(HK\$ million)</i>
Fees from the provision of the Financial Services by the Group, including the underwriting and sub-underwriting services	94.2	96.1	98.2
Value of the securities which may be acquired by the Group pursuant to the underwriting and sub-underwriting commitments under the underwriting and sub-underwriting services	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total	<u><u>3,094.2</u></u>	<u><u>3,096.1</u></u>	<u><u>3,098.2</u></u>

The underwriting and sub-underwriting services under the Financial Services provided by relevant members of the Group have two aspects. The first aspect relates to the service fees to be received by the relevant members of the Group for the provision of underwriting and sub-underwriting services, such as underwriting commission. The second aspect relates to the acquisition of securities pursuant to fulfilment of the underwriting and sub-underwriting commitments entered into by the relevant members of the Group as part of the underwriting and sub-underwriting services provided by the relevant members of the Group.

Each of the Annual Caps has been determined by reference to: (a) the historical annual or annualised amounts in respect of that category of service provided by the relevant members of the Group to the relevant members of the CTF Enterprises Group or vice versa during the past three financial years; (b) the historical annual or annualised amount in respect of the Financial Services provided by the relevant members of the TFSG Group (before they became members of the Group) to the relevant members of the CTF Enterprises Group and the Service Receiving Parties during the past three financial years; (c) the projected annual or annualised amounts in respect of that category of service to be provided by the relevant members of the Group to the relevant members of the CTF Enterprises Group or vice versa in the next three financial years; and (d) the projected annual or annualised amounts in respect of the Financial Services to be provided by the relevant members of the Group to the Service Receiving Parties 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 CTF Enterprises 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) the Contracting Services not only benefited from the potential recovery of the Hong Kong property market, but also the potential development of the land banks of the CTF Enterprises Group and the engagement in several potential construction projects in Macau and various cities in the PRC, especially Beijing; (ii) there will be significant potential growth in the Financial Services in light of the booming stock markets and services demand opportunities from the various listed vehicles of the CTF Enterprises Group; (iii) there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the Group's businesses; and (iv) the service industries in which the Group operates will have steady growth.

In addition to the above, a substantial part of the increase in the projected figures is due to the Company's acquisition of TFSG as announced by the Company on 26 April 2007. As a result of the acquisition, TFSG became a subsidiary of the Company on 8 June 2007 and connected transactions of TFSG also become connected transactions of the Company.

The Board is of the opinion that the proposed Annual Caps as stated above are fair and reasonable and are in the interests of the Company and its 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.

8. REQUIREMENTS OF THE LISTING RULES

As at the date of this announcement, NWD holds approximately 56.37% of the total issued share capital of the Company and is a substantial shareholder of the Company; CTF Enterprises holds approximately 37.02% of the total issued share capital of NWD and is a controlling shareholder of NWD. Hence, CTF Enterprises is considered a connected person of the Company.

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

As at the date of this announcement, Mr. Lo is the deputy chairman and an executive director of TFSG, a subsidiary of the Company, and hence a connected person of the Company. Accordingly, the Mr. Lo Master Services Agreement and all the transactions contemplated thereunder also constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

As one or more of the relevant percentage ratios of the Continuing Connected Transactions will exceed 2.5% on an annual basis, such transactions will be subject to the reporting, announcement and independent shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules.

Although the relevant percentage ratios of certain categories of services contemplated under the Master Services Agreements do not exceed 2.5% on an annual basis, it is intended that each of the Master Services Agreements (including all the transactions contemplated thereunder), together with the Annual Caps, will be put forward to the independent shareholders for approval. At the SGM, CTF Enterprises and its associates shall abstain from voting on the resolution(s) in connection with the Master Services Agreements and the Annual Caps. The vote taken at the SGM to seek approval of the Master Services Agreements and the Annual Caps will be taken by poll.

In the event that any of the Annual Caps is exceeded or any of the Master Services Agreements 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. CIMB 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.

A circular containing, among other things, a notice convening the SGM, further details of the Continuing Connected Transactions, a letter from the Independent Board Committee and a letter from CIMB will be dispatched to the Shareholders as soon as possible.

9. INFORMATION REGARDING CTF ENTERPRISES AND THE GROUP

CTF Enterprises

The principal activity of CTF Enterprises is investment holding.

The Group

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.

10. 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 of the Company
“CIMB”	CIMB-GK Securities (HK) Limited

“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Continuing Connected Transactions”	the transactions contemplated under the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement and the Mr. Lo Master Services Agreement
“Contracting Services”	construction, engineering and related services provided by members of the Group to members of the CTF Enterprises Group as described in Section 2 of this announcement
“CTF Enterprises”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability which holds approximately 37.02% of the total issued share capital of NWD and approximately 2.95% of the total issued share capital of the Company
“CTF Enterprises Group”	CTF Enterprises and its subsidiaries and any other company in the equity capital of which CTF Enterprises and/or any of its subsidiaries taken together are directly or indirectly interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings, and for the purposes of this announcement, excludes the Group as well as NWS Transport Services Limited and its subsidiaries
“CTF Master Financial Services Agreement”	the master financial services agreement in relation to the Financial Services entered into between the Company and CTF Enterprises on 24 January 2008
“CTF Master Operational Services Agreement”	the master operational services agreement in relation to the Operational Services entered into between the Company and CTF Enterprises on 24 January 2008
“Engagement Undertaking”	the deed of non-competition and engagement undertaking dated 29 January 2003 entered into between NWD and the Company
“Financial Agreements”	the individual agreements in respect of the provision of any of the Financial Services which may from time to time be entered into between a member of the Group and a member of the CTF Enterprises Group or any of the Service Receiving Parties pursuant to the CTF Master Financial Services Agreement or the Mr. Lo Master Services Agreement and “Financial Agreement” means any of them
“Financial Services”	financial advisory, insurance brokerage and related services provided by members of the Group to members of the CTF Enterprises Group or the Service Receiving Parties (as applicable) as described in Section 3 and Section 4 of this announcement

“General Services”	cleaning, landscaping, facility management, information technology and telecommunications, property management, security and related services provided by members of the Group or the CTF Enterprises Group to members of the CTF Enterprises Group or the Group as described in Section 2 of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising all the independent non-executive directors of the Company for the purpose of advising the Independent Shareholders in connection with the Continuing Connected Transactions
“Independent Shareholders”	Shareholders other than CTF Enterprises and its associates
“Independent Third Party(ies)”	person(s) or company(ies) which is/are 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Master Services Agreements”	the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement and the Mr. Lo Master Services Agreement
“Mr. Lo”	Mr. Lo Lin Shing, Simon, the deputy chairman and an executive director of TFSG
“Mr. Lo Master Services Agreement”	the master services agreement entered into between the Company and Mr. Lo on 24 January 2008
“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

“NWD Group”	NWD and its subsidiaries and for the purposes of this announcement, excludes the Group. For the purpose of the 2005 Master Services Agreement, NWD Group refers to NWD and its associates
“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 Operational Services Agreement, and “Operational Agreement” means any of them
“Operational Services”	Contracting Services, General Services, Rental Services and such other types of services as the Company and CTF Enterprises may agree upon from time to time in writing
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Rental Services”	the rental of properties, spare spaces, vehicles and vessels provided by members of the Group or the CTF Enterprises Group to members of the CTF Enterprises Group or the Group as described in Section 2 of this announcement
“Service Receiving Parties”	Mr. Lo and his associates, including but without limitation, New World Mobile Holdings Limited, who may receive the Financial Services provided by relevant members of the Group pursuant to the Mr. Lo Master Services Agreement
“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
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TFSG”	Taifook Securities Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange, and a subsidiary of the Company
“TFSG Group”	TFSG and its subsidiaries

“TFSG Master Agreements” the two agreements both dated 25 April 2006 entered into between TFSG on one hand and CTF Enterprises and Mr. Lo respectively on the other hand in relation to the provision by the TFSG Group of financial advisory services to CTF Enterprises and Mr. Lo and their respective associates

“2005 Master Services Agreement” the master services agreement entered into between the Company and NWD on 30 May 2005

By order of the Board
Chow Tak Wing
Company Secretary

Hong Kong, 24 January 2008

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

* *For identification purposes only*