



新創建集團有限公司\*  
NWS Holdings Limited

(incorporated in Bermuda with limited liability)  
(the "Company")

CONNECTED TRANSACTIONS

PPS and WHC, both being indirect wholly-owned subsidiaries of the Company, have respectively been providing cleaning and related services to Citybus for its daily operation pursuant to two Articles of Agreement both dated 15 May 2002.

Citybus has become a connected person of the Company since the completion of the CTF Acquisition on 23 June 2003. Therefore, the said cleaning and related services constitute connected transactions of the Company since 23 June 2003.

**BACKGROUND**

Reference is made to a joint announcement issued by NWD and the Company on 9 June 2003 in respect of the proposed acquisition by Delta Pearl Limited, an indirect wholly-owned subsidiary of CTF, of the entire issued share capital of SGC (HK Group) Limited from Stagecoach Group Plc. (the "CTF Acquisition"). SGC (HK Group) Limited is the 100% indirect holding company of Citybus, which operates public and private bus services in Hong Kong. Completion of the CTF Acquisition took place on 23 June 2003.

CTF holds approximately 39% of the total issued share capital of NWD, which in turn holds approximately 54% of the total issued share capital of the Company. Hence, CTF is a substantial shareholder of the Company. Citybus, being an associate of CTF under the Listing Rules, has become a connected person of the Company since the completion of the CTF Acquisition on 23 June 2003.

**TRANSACTIONS BETWEEN CERTAIN MEMBERS OF THE NWSH GROUP AND CITYBUS**

PPS and WHC, both being indirect wholly-owned subsidiaries of the Company, have respectively been providing cleaning and related services (including, without limitation, bus cleaning services, bus terminus cleaning services and on-call emergency cleaning services) to Citybus for its daily operation. Such services are currently provided pursuant to two Articles of Agreement entered into by PPS and WHC respectively with Citybus both dated 15 May 2002 and covering a 23-month period from 1 June 2002 to 30 April 2004 (collectively, the "Cleaning Contracts").

The Cleaning Contracts were entered into on an arm's length basis and the terms thereof (including the pricing mechanisms) were concluded in the ordinary course of business and on normal commercial terms. The service fees payable by Citybus to PPS and WHC respectively for the provision of the relevant services have been calculated based on the actual quantity of services provided and have been paid by Citybus on a monthly basis. The aggregate amount of service fees paid and expected to be paid by Citybus to PPS and WHC respectively between 23 June 2003 and 30 September 2003 is approximately HK\$2.5 million.

**REQUIREMENTS OF THE LISTING RULES**

As Citybus became a connected person of the Company on 23 June 2003, the cleaning and related services (to the extent that they have been provided to Citybus since 23 June 2003) described above constitute connected transactions of the Company under the Listing Rules.

It is anticipated that, on or about early October 2003, the aggregate cumulative amount of service fees paid or payable by Citybus to PPS and WHC respectively for the provision of cleaning and related services since 23 June 2003 will exceed 0.03% of the book value of the net tangible assets of the Company. However, it is also anticipated that the aggregate amount of service fees paid or to be paid by Citybus in any 12-month period in respect of the said cleaning and related services will not exceed 3% of the book value of the net tangible assets of the Company. The board of directors of the Company are of the view that the provision of the said cleaning and related services has been agreed on an arm's length basis and on normal commercial terms.

Under Rule 14.25(1) of the Listing Rules, the Company is required to disclose by way of a press announcement brief details of these transactions and include such details in the next annual report and accounts of the Company. This announcement is made to satisfy the first-mentioned requirement for the financial year ending on 30 June 2004.

**PRINCIPAL BUSINESS OF THE NWSH GROUP**

The NWSH Group is principally engaged in infrastructure management, ports management and service management (which includes, without limitation, facilities, transport, contracting, financial and environmental management) businesses, primarily in Hong Kong, Macau and PRC.

**DEFINITIONS**

The following expressions used in this announcement have the meanings set out below unless the context requires otherwise:

"Citybus"	Citybus Limited
"CTF"	Chow Tai Fook Enterprises Limited, which holds approximately 39% of the total issued share capital of NWD, which in turn holds approximately 54% of the total issued share capital of the Company
"CTF Acquisition"	as defined in paragraph 1 of this announcement
"Hong Kong"	the Hong Kong Special Administrative Region of PRC
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"NWD"	New World Development Company Limited
"NWSH Group"	the Company and its subsidiaries
"PPS"	Pollution & Protection Services Limited
"PRC"	the People's Republic of China
"WHC"	Wai Hong Cleaning & Pest Control Company Limited

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

Hong Kong, 30 September 2003

\* For identification purposes only