



新創建集團有限公司\*  
NWS Holdings Limited  
(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

PROPOSED DISPOSAL OF WUHAN BRIDGE COMPANY

The Board is pleased to announce that NWD(C) has entered into the Agreement in Principle with Wuhan Fund Office for the disposal of the Group's effective interest in Wuhan Bridge Company to Wuhan Fund Office at a consideration of RMB1.18 billion (approximately HK\$1.10 billion).

The Board considers the information in relation to the Proposed Disposal as information discloseable under paragraph 2 of the Listing Agreement and accordingly makes this announcement.

**BACKGROUND**

The Group is currently effectively interested in approximately 48.86% of the issued shares of Wuhan Bridge Company. Wuhan Bridge Company is a sino-foreign joint stock company incorporated in the PRC and principally engaged in the construction, operation and management of bridges in Wuhan Municipal City, Hubei Province, the PRC. Its issued share capital is owned as to approximately 51.14% by Sanzhen and approximately 48.86% by NWD(C).

In September 2002, the Wuhan Municipal Government announced that the toll collection right of five bridges in Wuhan, including Yangtze River Bridge No. 2, a toll bridge operated by Wuhan Bridge Company, would be ceased with effect from 1 October 2002 and that the Wuhan Municipal Government has undertaken to compensate investors of such bridges on mutually acceptable terms. NWD(C) has recently reached an agreement with Wuhan Fund Office in relation to the Proposed Disposal and the parties accordingly signed the Agreement in Principle on 12 December 2003. Save for Wuhan Bridge Company, no other toll roads and bridges currently operated by the Group have been affected by the above mentioned policy of the Wuhan Municipal Government.

**AGREEMENT IN PRINCIPLE**

The principal terms of the Agreement in Principle are as follows:

**Date**

Date of the Agreement in Principle : 12 December 2003

**Parties**

The parties to the Agreement in Principle are:

Vendor : NWD(C)

Purchaser : Wuhan Fund Office

**Consideration**

The consideration payable by Wuhan Fund Office to the Group is RMB1.18 billion (equivalent to approximately HK\$1.10 billion), RMB590 million (equivalent to approximately HK\$551.4 million) of which is payable on or before 31 December 2003 and the remaining RMB590 million (equivalent to approximately HK\$551.4 million) of which shall be payable in four instalments and in any event the entire consideration must be settled on or before (i) 31 December 2004 or (ii) the 15th day after the approval of the Proposed Disposal by the relevant PRC governmental authorities, whichever is the later. In the event that the consideration or any part thereof is not paid by the relevant due date, interest penalty will be imposed against Wuhan Fund Office.

Payment for the consideration shall be made in cash in Renminbi.

The consideration for the Proposed Disposal is arrived at after arm's length negotiations between Wuhan Fund Office and the management of the Group by reference to an internal assessment of the expected income generated by Wuhan Bridge Company through the mediation of the relevant PRC governmental authority.

**Completion**

As Wuhan Bridge Company is a sino-foreign joint stock company incorporated in the PRC, the transfer of its shares is subject to the approval by the relevant PRC governmental authorities. Completion of the Proposed Disposal will take place upon the obtaining of all necessary approvals from the relevant PRC governmental authorities.

**Assets being realised**

The assets being realised under the Proposed Disposal are the Group's effective interests in Wuhan Bridge Company, the nature of business of which is more particularly described in the paragraph headed "Background" above. Such effective interests were acquired by the Group from NWTMT pursuant to the transactions more particularly described in the Reorganisation Circular.

As also set out in the Reorganisation Circular, the consideration for the acquisition of the effective interest from NWTMT by the Group is subject to adjustment depending on the Compensation Amount. If the Compensation Amount exceeds the Book Value, the Company is required to pay to NWTMT an amount equivalent to half of the amount by which the Compensation Amount exceeds the Book Value. If the Compensation Amount is less than the Book Value, NWTMT is required to pay to the Company an amount equivalent to the amount by which the Book Value exceeds the Compensation Amount.

It is estimated that the net proceeds to be received by the Group from the Proposed Disposal will be approximately HK\$1.05 billion. Subject to the finalisation of the Compensation Amount (which is equal to the actual net proceeds), the Group will be required to pay NWTMT approximately HK\$150 million under the above circumstances. The payment schedule of the excessive Compensation Amount is to be agreed between the Company and NWTMT.

**EFFECTS OF THE PROPOSED DISPOSAL**

The Company intends to apply the proceeds to be received from the Proposed Disposal to repay certain of its bank borrowings and to explore new investment opportunities and as general working capital of the Group. As at the date of this announcement, the Group has not yet determined in which proportion the net proceeds from the Proposed Disposal (after deducting the portion of the net proceeds payable to NWTMT) should be applied to such intended uses. The repayment of the bank borrowings is expected to enhance the financial position of the Group and reduce the finance costs of the Group in future.

**RELATIONSHIPS BETWEEN THE PARTIES**

Sanzhen, being a substantial shareholder of Wuhan Bridge Company, is indirectly under the auspices of the Wuhan Municipal Government.

As confirmed by Wuhan Fund Office, it is an entity under the auspices of the Wuhan Municipal Government and is independent from and not connected with any of the existing shareholders of Wuhan Bridge Company. To the best knowledge of the Board after making reasonable enquiry, Wuhan Fund Office is independent from and not connected with any of the Directors, Chief Executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as such term is defined in the Listing Rules).

\* For identification purposes only

**GENERAL**

The Group's businesses include: (i) facilities, contracting, transport, financial and environmental services businesses; (ii) the development, investment, operation and/or management of and in toll roads, expressways, bridges and tunnel, power plants, water treatment and waste management plants and (iii) the development, investment, operation and management of container handling, logistics and warehousing businesses.

The Board considers the information in relation to the Proposed Disposal as information discloseable under paragraph 2 of the Listing Agreement and accordingly makes this announcement.

**TERMS USED IN THIS ANNOUNCEMENT**

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

"Agreement in Principle"	the agreement in principle dated 12 December 2003 and made between NWD(C) and Wuhan Fund Office in relation to the Proposed Disposal
"Board"	the board of directors of the Company
"Book Value"	the book value of the unaudited consolidated net asset value of Stalagmite Investments Limited (through which the effective interest in the Wuhan Bridge Company is held) as at 30 June 2002, being approximately HK\$751 million
"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
"Compensation Amount"	the amount of cash compensation (net of reasonable expenses) which may be received by the Company as a result of the Wuhan Municipal Government requiring the Yangtze River Bridge No. 2 to cease toll collection from 1 October 2002 and/or the proceeds, if any, from the sale of the effective interest in the Wuhan Bridge Company to the PRC shareholders or the Wuhan Municipal Government
"Group"	collectively, the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Agreement"	the listing agreement made between the Company and the Stock Exchange
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"NWD(C)"	New World Development (China) Limited, a fellow subsidiary of the Company the interest of which in Wuhan Bridge Company are held in trust for Stalagmite Investments Limited, an indirect wholly-owned subsidiary of the Company. New World Development (China) Limited is a wholly-owned subsidiary of New World China Land Limited, of which New World Development Company Limited holds approximately 69.72% interest
"NWTMT"	New World TMT Limited (formerly known as New World Infrastructure Limited), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
"PRC"	The People's Republic of China
"Proposed Disposal"	the proposed disposal by the Group of its approximately 48.86% effective interest in the issued shares of Wuhan Bridge Company to Wuhan Fund Office as contemplated under the Agreement in Principle
"Reorganisation Circular"	the circular of the Company dated 18 November 2002 in relation to, among other matters, the reorganisation of various companies involving, among others, the Company and NWTMT
"Sanzhen"	武漢三鎮實業控股股份有限公司 (Wuhan San Zhen Industries Holdings Co. Ltd.), a joint stock company incorporated in the PRC and whose shares are listed on the Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Wuhan Bridge Company"	武漢橋樑建設股份有限公司 (Wuhan Bridge Construction Co., Ltd.), a sino-foreign joint stock company incorporated in the PRC
"Wuhan Fund Office"	武漢市城市建設基金管理辦公室 (Wuhan City Construction Fund Management Office), being the purchaser named in the Agreement in Principle
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

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

$$HK\$1 = RMB1.07$$

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.

English translations of the Chinese names of the PRC entities in this announcement are for identification purposes only.

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

Hong Kong, 12 December 2003