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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**  
**DISPOSAL OF WUHAN BRIDGE COMPANY**

Reference is made to the announcement made by the Company on 12 December 2003 in relation to the Agreement in Principle entered into between NWD(C) and Wuhan Fund Office and pursuant to which the Group will dispose of its interest in Wuhan Bridge Company to Wuhan Fund Office subject to the entering into by NWD(C) and Wuhan Fund Office of the formal sale and purchase agreement.

On 28 February 2005, NWD(C) and Wuhan Fund Office entered into the S&P Agreement whereby NWD(C) has agreed to sell and Wuhan Fund Office has agreed to buy the Group's effective interests of 48.86% in Wuhan Bridge Company at the consideration of RMB1.18 billion (equivalent to approximately HK\$1.10 billion).

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 its associates.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. The Company will issue a circular containing details of the Disposal which will be dispatched to the shareholders of the Company as soon as practicable.

**BACKGROUND**

Reference is made to the announcement made by the Company on 12 December 2003 in relation to the Agreement in Principle entered into between NWD(C) and Wuhan Fund Office and pursuant to which the Group will dispose of its interest in Wuhan Bridge Company to Wuhan Fund Office subject to the entering into by NWD(C) and Wuhan Fund Office of the formal sale and purchase agreement.

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 (an independent third party to the Company) and approximately 48.86% by NWD(C).

## **S&P AGREEMENT**

**Date:** 28 February 2005

### **Parties**

**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), of which approximately RMB1.13 billion (equivalent to approximately HK\$1.06 billion) was received by the Group during the years of 2003 and 2004 by several instalments pursuant to the Agreement in Principle and the remaining RMB50 million (equivalent to approximately HK\$47 million) shall be payable on or before the 15th day after the approval of the Disposal by the relevant PRC governmental authorities. Payment for the consideration shall be made in cash in Renminbi.

The consideration for the 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 authorities.

### **Assets to be disposed of**

Pursuant to the S&P Agreement, NWD(C) has agreed, subject to certain conditions, to sell and Wuhan Fund Office has agreed to buy the Group's interests in Wuhan Bridge Company. The nature of business of Wuhan Bridge Company is more particularly described in the section headed "Background" above. Such interests were acquired by the Group from NWTMT pursuant to the transactions more particularly described in the Reorganization Circular dated 18 November 2002.

As also set out in the Reorganization Circular, the consideration for the acquisition of the effective interest from NWTMT by the Group is subject to adjustment depending on the Compensation Amount, being RMB1.18 billion (equivalent to HK\$1.10 billion) net of all reasonable expenses. If the Compensation Amount exceeds the Book Value, being approximately HK\$751 million, 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 Compensation Amount to be received by the Group from the Disposal will be approximately HK\$1.05 billion. Subject to the finalization of such amount, 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.

The Board expects that by reference to its carrying value in the accounts of the Company, an estimated gain in the amount of approximately HK\$190 million will arise as a result of the disposal of the Group's interest in Wuhan Bridge Company.

### **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 Disposal will take place upon the obtaining of all necessary approvals from the relevant PRC governmental authorities.

### **REASONS FOR THE DISPOSAL**

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. The Company therefore reached an agreement with Wuhan Fund Office in relation to the Disposal and accordingly, the Agreement in Principle was signed by NWD(C) and Wuhan Fund Office on 12 December 2003.

The Board believes that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The net proceeds from the Disposal, after payment of approximately HK\$150 million to NWTMT as mentioned in the section headed "Assets to be disposed of" above, are intended to be utilized to repay certain bank borrowings, 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 amount should be applied to such intended uses. To the extent that the net amount received by the Group are not immediately applied for the above purposes, it is the present intention of the Board that they will be deposited with licensed banks in Hong Kong.

### **BACKGROUND INFORMATION OF WUHAN FUND OFFICE**

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 its associates (as such term is defined in the Listing Rules).

## **BACKGROUND INFORMATION OF WUHAN BRIDGE COMPANY**

Wuhan Bridge Company, which was established in 1994, is engaged in the construction, operation and management of bridges in Wuhan Municipal City, Hubei Province, the PRC. Based on the unaudited management accounts of Wuhan Bridge Company as at 30 June 2004 (prepared in accordance with the generally accepted accounting principles in Hong Kong), its net asset value amounted to approximately RMB2.1 billion (approximately HK\$2.0 billion). There was no profit attributable to the Group's interests in Wuhan Bridge Company for the two years ended 30 June 2003 and 2004 since the toll collection right of a toll bridge operated by the Wuhan Bridge Company was ceased with effect from 1 October 2002.

### **GENERAL**

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. The Company will issue a circular containing details of the Disposal which will be dispatched to the shareholders of the Company as soon as practicable.

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

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 and Mr. Cheung Chin Cheung; (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.

### **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“Agreement in Principle”	the agreement in principle dated 12 December 2003 and made between NWD(C) and Wuhan Fund Office in relation to the 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
“Disposal”	the 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 S&P Agreement
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 70% 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
“Reorganization Circular”	the circular of the Company dated 18 November 2002 in relation to, among other matters, the reorganization of various companies involving, among others, the Company and NWTMT
“S&P Agreement”	the formal sale and purchase agreement dated 28 February 2005 and made between NWD(C) and Wuhan Fund Office in relation to the Disposal
“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 S&P Agreement
“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 translation of the Chinese names of the PRC entities in this announcement are for identification purposes only.*

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

Hong Kong, 28 February 2005

*\* For identification purposes only*

Please also refer to the published version of this announcement in The Standard.