
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealers or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in NWS Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee, the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



CIMB-GK Securities (HK) Limited

A letter from the Board is set out on pages 5 to 20 of this circular. A letter from the Independent Board Committee is set out on page 21 of this circular. A letter from CIMB containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 37 of this circular.

A notice convening the SGM to be held at Meeting Room 608, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Monday, 10 March 2008 at 10:30 a.m. is set out on pages 50 and 51 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrars of NWS Holdings Limited in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

* For identification purposes only

14 February 2008

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

“2005 Master Services Agreement”	the master services agreement entered into between the Company and NWD on 30 May 2005
“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, a licensed corporation under the SFO, licensed to carry on Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities) and Type 6 regulated activity (advising on corporate finance), and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the annual caps contemplated therein
“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 the “Letter from the Board”
“CTF Enterprises”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability which, as at the Latest Practicable Date, 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 circular, excludes the Group as well as NWS Transport Services Limited and its subsidiaries

DEFINITIONS

“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
“Directors”	the directors of the Company
“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 the “Letter from the Board”
“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 the “Letter from the Board”
“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

DEFINITIONS

“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
“Latest Practicable Date”	11 February 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“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 circular, 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

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, 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 the “Letter from the Board”
“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
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“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
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“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 the 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi yuan, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. Cheng Kar Shun, Henry (*Chairman*)
Mr. Doo Wai Hoi, William (*Deputy Chairman*)
Mr. Chan Kam Ling (*Chief Executive Officer*)
Mr. Tsang Yam Pui
Mr. Wong Kwok Kin, Andrew
Mr. Lam Wai Hon, Patrick
Mr. Cheung Chin Cheung
Mr. William Junior Guilherme Doo

Non-executive Directors:

Mr. Wilfried Ernst Kaffenberger (alternate director to
Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David)
Mr. To Hin Tsun, Gerald
Mr. Dominic Lai

Independent Non-executive Directors:

Mr. Kwong Che Keung, Gordon
Mr. Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

***Principal place of business
in Hong Kong:***

28/F., New World Tower
18 Queen's Road Central
Hong Kong

14 February 2008

*To the Shareholders and for information purposes only,
the holders of the outstanding share options of the Company*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

Reference is made to the announcement of the Company dated 24 January 2008 relating to the Master Services Agreements and the Continuing Connected Transactions contemplated thereunder.

* *For identification purposes only*

LETTER FROM THE BOARD

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 agreed to 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 of 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 at the Latest Practicable Date, 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 at the Latest Practicable Date, 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

LETTER FROM THE BOARD

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 pursuant to which the Group will provide Financial Services to the Service Receiving Parties. As at the Latest Practicable Date, 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. 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.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the terms of the Master Services Agreements and the annual caps thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of CIMB.

CIMB has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Master Services Agreements and the annual caps thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The purpose of this circular is:

- (i) to provide the Shareholders with details of the Continuing Connected Transactions;
- (ii) to set out the advice of CIMB in respect of the Continuing Connected Transactions;
- (iii) to set out the recommendation of the Independent Board Committee in respect of the Continuing Connected Transactions; and
- (iv) to give notice to convene the SGM to consider and, if thought fit, to approve the Continuing Connected Transactions.

LETTER FROM THE BOARD

2. 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.

LETTER FROM THE BOARD

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>

LETTER FROM THE BOARD

Operational Services categories	Description of services
(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

LETTER FROM THE BOARD

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. 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.

LETTER FROM THE BOARD

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 SFO), 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

LETTER FROM THE BOARD

- (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. 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 up 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.

LETTER FROM THE BOARD

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 SFO), 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 projects 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 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 Mr. Lo Master 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.

LETTER FROM THE BOARD

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 value for each of the financial years ended 30 June		
	2005	2006	2007
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
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	1,410.0	2,225.5	1,642.7

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	2006	2007
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
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.

LETTER FROM THE BOARD

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 is of the view that the terms of the Master Services Agreements are fair, reasonable and in the interests of the Company and the Shareholders as a whole, and that it is beneficial to the Company to enter 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 <i>(HK\$ million)</i>	2009 <i>(HK\$ million)</i>	2010 <i>(HK\$ million)</i>
Services provided by members of the Group to members of the CTF Enterprises Group:			
– Contracting Services	4,593.8	4,135.7	6,165.2
– General Services	165.1	198.4	226.4
– Rental Services	4.5	5.0	5.5
Services provided by members of the CTF Enterprises Group to members of the Group:			
– General Services	7.8	8.3	9.2
– Rental Services	46.9	63.5	71.8
Total	4,818.1	4,410.9	6,478.1

LETTER FROM THE BOARD

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	2009	2010
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<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>3,000.0</u>	<u>3,000.0</u>	<u>3,000.0</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

LETTER FROM THE BOARD

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 Latest Practicable Date, NWD holds approximately 56.37% of the total issued share capital of the Company and is a substantial shareholder of the Company. As at the Latest Practicable Date, 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 Latest Practicable Date, 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, in particular, the Contracting Services and the Financial Services, 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 the General Services and the Rental Services do not exceed 2.5% on an annual basis, each of the Master Services Agreements (including all the transactions contemplated thereunder), together with the Annual Caps, will be put

LETTER FROM THE BOARD

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.

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.

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. SGM

Set out on pages 50 and 51 of this circular is a notice convening the SGM to be held at Meeting Room 608, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong, on Monday, 10 March 2008 at 10:30 a.m. Ordinary resolutions will be proposed at the SGM to approve the Continuing Connected Transactions.

A form of proxy for use in connection with the SGM is enclosed. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrars of the Company in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

11. POLL PROCEDURE

Pursuant to bye-law 66 of the bye-laws of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or

LETTER FROM THE BOARD

- (b) by any of the Directors who individually or collectively (with the chairman of the relevant general meeting of the Company) hold proxies in respect of shares holding five (5) per cent. or more of the total voting rights at a particular meeting of members, and if on a show of hands such meeting votes in the opposite manner to that instructed in those proxies; or
- (c) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (e) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders taken at the SGM will be taken by poll, the results of which will be announced after the SGM.

12. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 21 of this circular which contains its recommendation to the Independent Shareholders in relation to the Continuing Connected Transactions. Your attention is also drawn to the letter of advice from CIMB set out on pages 22 to 37 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions and the principal factors and reasons taken into account in arriving at its recommendation.

13. ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the appendix to this circular.

Yours faithfully,
Dr. Cheng Kar Shun, Henry
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this circular:



14 February 2008

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to its shareholders and dated 14 February 2008 (“**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether the terms of the Master Services Agreements, the Continuing Connected Transactions and the Annual Caps thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of CIMB.

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. Your attention is drawn to the letter of advice from CIMB as set out on pages 22 to 37 of the Circular.

Having taken into account the principal factors and reasons considered by, and the opinion of CIMB, the Independent Board Committee considers that the terms of the Master Services Agreements, the Continuing Connected Transactions and the Annual Caps thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee therefore recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM relating to the Continuing Connected Transactions.

Yours faithfully,
Independent Board Committee
Mr. Kwong Che Keung, Gordon
Mr. Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham

* *For identification purposes only*

LETTER FROM CIMB

The following is a full text of a letter of advice prepared by CIMB to the Independent Board Committee and the Independent Shareholders for the purpose of inclusion in this circular:



CIMB-GK Securities (HK) Limited

25/F Central Tower
28 Queen's Road Central
Hong Kong

14 February 2008

*To the Independent Board Committee and
the Independent Shareholders of NWS Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of each of (i) the CTF Master Operational Services Agreement; (ii) the CTF Master Financial Services Agreement; and (iii) the Mr. Lo Master Services Agreement, details of which are contained in a circular of the Company (the “**Circular**”) to the Shareholders dated 14 February 2008, of which this letter forms part. Expressions used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

An Independent Board Committee comprising Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham, being the independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the terms of each of the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement, and the Mr. Lo Master Services Agreement. Any vote of the Independent Shareholders at the SGM shall be taken by poll. Each of CTF Enterprises and its associates will abstain from voting in relation to the resolution(s) approving the Continuing Connected Transactions and the Annual Caps at the SGM.

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular, the information provided by the Company and our review of the relevant public information and statistics. The Directors have declared in a responsibility statement set out in the appendix to the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained in the Circular. We have also assumed that the information and representations contained or referred to in the Circular were true and accurate at the time they were made and continue to be so at the date of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

LETTER FROM CIMB

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company or each of NWD, TFSG, the Service Receiving Parties or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in respect of the terms of the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement and the Mr. Lo Master Services Agreement, we have considered the following principal factors and reasons:

(I) Background

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.

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. The TFSG Group is principally engaged in securities and futures contracts broking and trading, the provision of margin and other financing, the provision of corporate advisory, placing and underwriting services, bullion contracts dealing and trading, leveraged foreign exchange trading, the provision of nominee and custodian services, fund management and the provision of financial planning services. 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 of TFSG under the Listing

LETTER FROM CIMB

Rules and were approved by the shareholders of TFSG in 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. Accordingly, the TFSG Group has, from time to time, provided and will continue to provide financial advisory services to members of the CTF Enterprises Group and the Service Receiving Parties, and has also acted and will continue to act as placing agent, underwriter and/or sub-underwriter for members of the CTF Enterprises Group.

As noted from the Letter from the Board, 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 such continuing connected transactions, 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.

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 during the term of the Mr. Lo Master Services Agreement.

Given the above and the fact that the Continuing Connected Transactions are recurrent in nature, we concur with the views of the Directors that the entering into each of the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement and the Mr. Lo Master Services Agreement serves to facilitate the operations of the business of the Group in general, is in the ordinary and usual course of business of the Group, and is in the interests of the Group and the Independent Shareholders as a whole.

(II) Terms and pricing policies of the Continuing Connected Transactions

(A) CTF Master Operational Services Agreement

The CTF Master Operational Services Agreement has an initial term of three years commencing from 24 January 2008 to 23 January 2011 and may be renewed for a further term of three years. 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

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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

Cleaning and landscaping services

- general cleaning, landscaping and plant maintenance, the supply of plants and laundry services.

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.

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Operational Services categories

Description of services

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).

Security and guarding services

- provision of security guards, security systems installation and maintenance services, armoured transport services and supply of security products.

(c) Rental Services

Rental of properties, spare spaces, vehicles and vessels.

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, which shall not exceed a term of three years, in respect of the provision of the Operational Services. The prices and terms of the Operational Agreements with respect to the Operational 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) CTF Master Financial Services Agreement

The CTF Master Financial Services Agreement has an initial term of three years commencing from 24 January 2008 to 23 January 2011 and may be renewed for a further term of three years. 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 following services: 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,

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dealing and advising on leveraged foreign exchange trading, securities and corporate finance (as such terms are defined under the SFO), and such other types of services as the Company and CTF Enterprises may agree upon from time to time in writing.

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, which shall not exceed a term of three years, in respect of the provision of the Financial Services. 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.

(C) Mr. Lo Master Services Agreement

The Mr. Lo Master Services Agreement has an initial term of three years commencing from 24 January 2008 to 23 January 2011 and may be renewed for a further term of three years. Under the Mr. Lo Master Services Agreement, the Group agrees to provide the Financial Services to the 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 SFO), and such other types of services as the Company and Mr. Lo may agree upon from time to time in writing.

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, which shall not exceed three years, in respect of the provision of the Financial Services. 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.

LETTER FROM CIMB

Our view

In assessing the fairness of the terms of the Continuing Connected Transactions, we have conducted a sample review of the contracts which the Group had entered into with (i) independent third parties in each of the above categories of the Operational Services and the Financial Services; and (ii) members of the CTF Enterprises Group and the Service Receiving Parties (if available). Based on our review, we consider that the prices and terms of the Operational Services and the Financial Services are on terms which are no less favourable than those charged and provided to independent third parties. Accordingly, we consider that the basis of determination of the terms of the Continuing Connected Transactions are fair and reasonable so far as the Group and the Independent Shareholders as a whole are concerned.

(III) Annual Caps

As set out in the Letter from the Board, the Company expects that the Annual Caps in respect of each category of the Operational Services contemplated under the CTF Master Operational Services Agreement will be as follows:

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

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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:

	Annual Cap for each of		
	the financial years ending 30 June		
	2008	2009	2010
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Financial Services categories			
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	3,000.0	3,000.0	3,000.0
Total	3,094.2	3,096.1	3,098.2

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 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.

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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 each of the three financial years ended 30 June 2007 were as follows:

Categories	Aggregate transaction value for each of the financial years ended 30 June		
	2005	2006	2007
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
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	1,410.0	2,225.5	1,642.7

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	2006	2007
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Contracting Services	2,876	3,288	4,083
General Services	179	171	190
Rental Services	31	35	40
Financial Services	10	9	10

As stated in the Letter from the Board, the historic aggregate transaction values (discounting 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) 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.

LETTER FROM CIMB

As noted from the Letter from the Board, each of the Annual Caps has been determined with 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 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.

LETTER FROM CIMB

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.

Our analysis

In assessing the fairness of each of the Annual Caps, we have taken into consideration the following factors:

(A) Contracting Services

As noted from the annual reports of the Company, the CTF Enterprises Group has been one of the major customers of certain subsidiaries of the Group for Contracting Services in recent years.

Based on our discussion with the Directors and our review of the internal projections, we note that the calculation of the Annual Caps for the Contracting Services was based on the internal projections with reference to the development schedule of the various property projects of the CTF Enterprises Group in Hong Kong and the PRC in the next three years (from 1 July 2007 to 30 June 2010). The internal projections were based on (i) the Group's current projects on hand with members of the CTF Enterprises Group; (ii) the projects which the Group has submitted the tender for or is currently negotiating with members of the CTF Enterprises Group; (iii) the projects among the land bank of the NWD Group in Hong Kong and the PRC as disclosed in the annual report of NWD being identified by the Group and considered that they are likely to be developed in the next few years (the "Projects"); (iv) the estimated duration and the schedule of the development of the Projects; and (v) the estimated contract sums of the Contracting Services for the Projects and breakdown according to the estimated schedule of development in each of the three financial years ending 30 June 2010.

We note that the Annual Caps for the Contracting Services are substantially higher than the actual aggregate contract amount of the Contracting Services provided to members of the CTF Enterprises Group for each of the three financial years ended 30 June 2007. We have discussed with the Directors and understand that they consider the positive outlook of the property market in Hong Kong and the potential construction projects in Hong Kong, Macau and the PRC to be undertaken by the CTF Enterprises Group in the three financial years ending 30 June 2010, with an aggregate gross floor area of more than 2,800,000 sq.m., may lead to further increase in the Contracting Services required by the CTF Enterprises Group.

Taking into account (i) the positive outlook of the Hong Kong and the PRC property markets (as mentioned below); (ii) the projects which the Group has submitted the tender for or is currently negotiating with members of the CTF Enterprises Group (including the NWD Group); and (iii) the potential construction

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projects of the CTF Enterprises Group (including the NWD Group) in Macau and the PRC, we concur with the views of the Directors that further business in respect of the Contracting Services is anticipated and therefore, the higher Annual Caps for the Contracting Services are justifiable.

Furthermore, in arriving at our opinion as to the fairness and the reasonableness of the Annual Caps for the Contracting Services, we have also taken into account the outlook of the Hong Kong and the PRC property markets as elaborated below.

Outlook of the Hong Kong property market

According to the Hong Kong Census and Statistics Department, the gross domestic products of Hong Kong has been growing at a year-on-year rate of approximately 5.7%, 6.9% and 6.2% for the first three quarters of 2007 respectively. As noted from independent research reports for the Hong Kong property market issued by independent valuers available in the public domain, the expansion of corporate activities, salary increases and the booming stock market will enhance the demand in the residential market and will bring a higher level of market transactions. In addition, the continual inflation cycle and the recent decline in the Hong Kong interest rate tend to create a “negative real interest” environment, which serve to support the continuous increase in prices and rents in the residential market, and attract more investors to flock in the real estate market for capital appreciation. Accordingly, the outlook for the Hong Kong residential market is promising.

Outlook of the PRC property market

The economic growth of the PRC remains strong in 2007. As referred to the figures released by the National Bureau of Statistics of China, the gross domestic products of the PRC has been growing at a year-on-year rate of approximately 11.5% in the third quarter of 2007.

We have reviewed independent research reports for PRC property market issued by independent valuers found in the public domain and noted that given the imbalance in supply and demand of residential properties, the residential property prices in Shanghai are expected to increase by virtue of the limited supply. In addition, it is expected that demand for residential properties will be further enhanced following the opening of Metro Line 6 in late 2007. Residential property prices in Beijing are also expected to increase as a result of the capital influx in the anticipation of the Olympic games in Beijing in 2008.

While investors in the property market are cautious about the PRC Government’s new policies in respect of the property market and the recent decline in property sales, with the continuous growth of the PRC economy, the outlook of the property markets in Shanghai and Beijing (where most of the property projects of the CTF Enterprises Group are located) remain positive.

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Outlook of the Macau property market

Macau's real gross domestic product registered a remarkable growth rate of 29.5% year-on-year for the first three quarters of 2007. Fixed capital formation and non-resident expenditure which both grew at year-on-year basis of over 35% in the third quarter of 2007, respectively, are the key growth drivers.

In the property sector, an increasing number of expatriate workers and investor immigrants continued to underpin growth in demand for residential properties in Macau. The leasing market saw very strong demand from expatriates alongside the upcoming casino and/or hotel schemes to be launched. Often, property buyers bank on potential capital value growth due to improving economic and labor market prospects. The rising rentals and tight supply of leasing properties also lured buyers to consider buying for investment purposes.

The opening of new casino and/or hotel schemes will not only boost leasing demand for residential properties, but also further lift Macau's economic prospects. This will ultimately translate into higher income and stronger investment demand for all types of residential properties.

Having considered the above, we concur with the Directors' view that the proposed Annual Caps for Contracting Services are fair and reasonable.

(B) General Services

Based on our discussion with the Directors and our review of the internal projections, we note that the calculation of the Annual Caps for General Services was based on the internal projections with reference to the Group's current General Services projects on hand and potential new projects to be entered into with members of the CTF Enterprises Group and applying an annual increment of approximately 15% for each of the three financial years ending 30 June 2010.

Taking into account (i) the overall economic growth in Hong Kong; (ii) the additional demand for General Services after considering the potential business expansion of members of the CTF Enterprises Group; (iii) the experience and past track record of the Group in providing the General Services; and (iv) the actual contract amounts for General Services for the three financial years ended 30 June 2007, we are of the view that the Annual Caps for General Services are fair and reasonable.

(C) Rental Services

We have discussed with the Directors and note that the calculation of the Annual Caps in respect of the Rental Services was based on (i) the rent payable under the existing rental agreements entered into by the Group with the NWD Group; (ii) the anticipated increase in rental payments for the renewal of the relevant rental agreements which expire before 30 June 2010; (iii) new rental agreements, with a projected aggregate gross floor area of approximately 34,000

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sq.ft., to be entered into with the NWD Group in relation to the anticipated expansion of business operation of the Group; and (iv) the expected increase in rental prices, assuming the rent per sq.ft. to be charged in such new rental agreements will be approximately 130% of the rent per sq. ft. of the existing rental arrangement of similar property.

We have reviewed industry reports on the rental of office and commercial buildings in Hong Kong and noted that due to the limited availability of grade A office space in Central (where the majority of the Rental Services are related to), the uptrend in rents has been sustained by continual increase in demand. Boosted by the introduction of policies like Qualified Domestic Institutional Investors (“**QDII**”) and the Closer Economic Partnership Arrangement between Hong Kong and mainland China (“**CEPA**”) and the booming stock market, it is expected that the influx of capital to Hong Kong will continue and will enhance business expansion in various industries, in particular, in the “**FIRE**” sector (i.e. finance, insurance, real estate and business service). The demand of office space from the “**FIRE**” sector will continue to drive the demand and rents of grade A offices.

Having considered (i) the general trend and outlook of the rental market of offices and commercial buildings in the vicinity of the properties that the Group is renting; and (ii) the rent payable under the existing rental agreements entered into by the Group with the NWD Group, we are of the view that the Annual Caps for the Rental Services are fair and reasonable.

(D) Financial Services

Based on our discussion with the Directors, we understand that the Annual Caps for the Financial Services are calculated based on (i) the anticipated underwriting commitment with reference to (a) the market capitalization of the members of the CTF Enterprises Group and the Service Receiving Parties, which are listed on the Stock Exchange (together, the “**Listed Connected Clients**”) as at 24 January 2008, being the date of the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement, and the Mr. Lo Master Services Agreement, and (b) the usual size of placement, underwriting and sub-underwriting activities undertaken by the Group; (ii) historical advisory fees, placing, underwriting and sub-underwriting commission income derived from members of the CTF Enterprises Group and the Service Receiving Parties (as the case may be); (iii) the underwriting commitment undertaken by the Group in respect of the initial public offering of New World Department Store China Limited (Stock Code: 825) on 12 July 2007, details of which were included in the Company’s announcement dated 27 June 2007; (iv) the anticipated advisory fees, placing, underwriting and sub-underwriting commission income derived from members of the CTF Enterprises Group and the Service Receiving Parties; (v) the anticipated increase in the market capitalisation of the Listed Connected Clients; and (vi) the projected amount of insurance brokerage services and other financial services.

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We note that the Annual Caps for Financial Services are substantially higher than the actual aggregate contract amount of the Financial Services provided to members of the CTF Enterprises Group and the Service Receiving Parties for each of the three financial years ended 30 June 2007. We understand that the Directors have taken into consideration the continued improvements in the economy, stock market sentiment of Hong Kong, and the strong development of the Hong Kong stock market in the recent years, which they believe may give rise to an increase in the corporate finance transactions as well as fund raising activities in Hong Kong (including those of the Listed Connected Clients or Connected Clients), and thus will provide more Financial Services related business opportunities to the Group.

In assessing the fairness and reasonableness of the Annual Caps for the Financial Services, we have reviewed the Fact Book 2006 (the “**Fact Book**”) and the monthly reports published by the Stock Exchange and noted that with the continued improvement of Hong Kong’s overall economic and market conditions in 2006 and 2007, the stock market in Hong Kong recorded strong performance and new records in 2006 and 2007. Based on the Fact Book, the total market capitalisation of the main board of the Stock Exchange in 2006 recorded a consecutive double-digit increase of approximately 63.3% as compared to 2005 and the average daily turnover value in 2006 increased by approximately 85.2% as compared to 2005. As noted in the monthly report published by the Stock Exchange for December 2007 (the “**December 2007 HKEx Report**”), the total market capitalisation of the main board of the Stock Exchange in 2007 recorded another remarkable increase of approximately 55% as compared to 2006, and the average daily turnover in 2007 was HK\$88.1 billion and representing a 160% increase from that of 2006. We also note that the aggregate market capitalization of the Listed Connected Clients also increased by over 70% from approximately HK\$128 billion on 29 December 2006 to approximately HK\$219 billion as at 31 December 2007. We further note from the December 2007 HKEx Report that the total amount of funds raised in 2007 was approximately HK\$558.5 billion as compared to that of approximately HK\$298.7 billion and HK\$516.0 billion in 2005 and 2006, respectively.

Despite the recent volatile market condition, given the aforesaid solid economy and stock market development in the past few years, in particular the surge in total market capitalisation, average daily turnover and total amount of funds raised, we concur with the views of the Directors that it is reasonable to anticipate an increase in the number of transactions, and the size of the transactions could be significantly higher as compared to the actual contract amounts of the Financial Services provided to members of the CTF Enterprises Group and the Service Receiving Parties for the three financial years ended 30 June 2007, all of which may give rise to an increase in fund-raising and other corporate finance related activities by the Listed Connected Clients and may provide more Financial Services related business opportunities to the Group.

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Having considered the above, we consider the basis of consideration adopted by the Directors in determining the Annual Caps for the Financial Services are fair and reasonable.

Our view

Having considered the above, we consider the basis of consideration adopted by the Directors in determining the Annual Caps are fair and reasonable. However, Shareholders should note that the Annual Caps in respect of each category of the Operational Services contemplated under the CTF Master Operational Services Agreement, the Financial Services contemplated under the CTF Master Financial Services Agreement and the services to be provided by the Group under the Mr. Lo Master Services Agreement relate to future events and they do not represent a forecast of turnover to be generated from the Continuing Connected Transactions. Consequently, we express no opinion as to how closely the actual amounts to be generated under the Continuing Connected Transactions correspond with the Annual Caps.

RECOMMENDATION

Having considered the principal factors and reasons referred to the above, we consider that the entering into of the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement and the Mr. Lo Master Services Agreement are in the ordinary course of business of the Group and in the interests of the Group and the Shareholders as a whole and that the terms thereof as well as the basis for determining the Annual Caps are fair and reasonable so far as the Group and the Independent Shareholders as a whole are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the CTF Master Operational Services Agreement, the CTF Master Financial Services Agreement, the Mr. Lo Master Services Agreement and the Annual Caps.

Yours faithfully,

For and on behalf of

CIMB-GK Securities (HK) Limited

Alex Lau

Flavia Hung

Executive Vice President Senior Vice President

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accepts full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests of Directors in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which would be required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which a Director or chief executive of the Company would be taken or deemed to have under such provisions of the SFO); (ii) entered into the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

2.1 Interests in shares

	Shares/Equity Interest/Participating Interest Number/Amount			Total
	Personal	Family	Corporate (Note)	
The Company (Ordinary shares of HK\$1.00 each)				
Dr. Cheng Kar Shun, Henry	9,179,199	587,000	8,000,000	17,766,199
Mr. Doo Wai Hoi, William	2,006,566	–	9,130,000	11,136,566
Mr. Chan Kam Ling	528,991	–	10,254,321	10,783,312
Mr. Tsang Yam Pui	120,000	–	–	120,000
Mr. Wong Kwok Kin, Andrew	3,062,000	261,000	–	3,323,000
Mr. Lam Wai Hon, Patrick	991,191	–	5,072	996,263
Mr. Cheung Chin Cheung	980,386	–	–	980,386
Mr. William Junior Guilherme Doo	–	–	301,343	301,343
Mr. Wilfried Ernst Kaffenberger	557,248	–	–	557,248
Mr. Kwong Che Keung, Gordon	608,757	–	–	608,757
Mr. Cheng Wai Chee, Christopher	720,148	–	–	720,148

	Shares/Equity Interest/Participating Interest Number/Amount			Total
	Personal	Family	Corporate (Note)	
Associated Corporations				
NWD				
(Ordinary shares of HK\$1.00 each)				
Dr. Cheng Kar Shun, Henry	–	300,000	–	300,000
Mr. Chan Kam Ling	144,316	–	–	144,316
Mr. Wong Kwok Kin, Andrew	150,000	100,000	–	250,000
Mr. Cheung Chin Cheung	62,200	–	–	62,200
Mr. Kwong Che Keung, Gordon	30,000	–	–	30,000
New World China Land Limited				
(“NWCL”)				
(Ordinary shares of HK\$0.10 each)				
Dr. Cheng Kar Shun, Henry	12,500,000	1,950,000	52,271,200	66,721,200
Mr. Doo Wai Hoi, William	8,750,000	–	69,010,000	77,760,000
Mr. Chan Kam Ling	1,250,000	–	–	1,250,000
Mr. Tsang Yam Pui	100,000	–	–	100,000
Mr. Wong Kwok Kin, Andrew	2,136,400	580,000	–	2,716,400
Mr. Lam Wai Hon, Patrick	180,000	–	–	180,000
Mr. William Junior Guilherme Doo	–	100,000	400,000	500,000
Fung Seng Estate Development				
(Shanghai) Co., Ltd.				
(Registered capital in US\$)				
Mr. Doo Wai Hoi, William	–	–	US\$3,000,000	US\$3,000,000
HH Holdings Corporation				
(Ordinary shares of HK\$1.00 each)				
Mr. Chan Kam Ling	15,000	–	–	15,000
Master Services Limited				
(Ordinary shares of US\$0.01 each)				
Mr. Chan Kam Ling	16,335	–	–	16,335
Mr. Wong Kwok Kin, Andrew	44,915	–	–	44,915

	Shares/Equity Interest/Participating Interest Number/Amount			Total
	Personal	Family	Corporate (Note)	
Mega Choice Holdings Limited				
(Ordinary shares of HK\$1.00 each)				
Dr. Cheng Kar Shun, Henry	–	–	3,710	3,710
Ramada Property Ltd.				
(Ordinary shares of US\$1.00 each)				
Mr. Doo Wai Hoi, William	–	–	250	250
Shanghai Juyi Real Estate Development Co., Ltd.				
(Registered capital in RMB)				
Mr. Doo Wai Hoi, William	–	–	RMB229,500,000	RMB229,500,000
Wai Kee Holdings Limited				
("Wai Kee")				
(Ordinary shares of HK\$0.10 each)				
Mr. Lam Wai Hon, Patrick	300,000	–	–	300,000
New World Hotel Management (BVI) Limited				
(Ordinary shares of US\$1.00 each)				
Mr. William Junior Guilherme Doo	–	–	55	55

Note: These shares are beneficially owned by a company in which the relevant Director is deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.

2.2 Interests in underlying shares through equity derivatives (within the meaning of Part XV of the SFO)

Under the share option scheme of the Company and the respective share option schemes of NWD, NWCL, New World Department Store China Limited (“NWDS”) and Wai Kee, all of them are the associated corporations of the Company within the meaning of Part XV of the SFO, options may be granted to their respective directors and employees and also to certain eligible participants of these companies as defined in their respective share option schemes to subscribe for their shares. As at the Latest Practicable Date, the following Directors had personal interests in the following share options granted to them to subscribe for shares in the Company, NWD, NWCL, NWDS and Wai Kee:

	Date of grant	Exercisable period	Number of share options outstanding
The Company			
(Exercise price of HK\$16.20 per share)			
Dr. Cheng Kar Shun, Henry	21 August 2007	<i>Note (1)</i>	3,000,000
Mr. Doo Wai Hoi, William	21 August 2007	<i>Note (1)</i>	2,000,000
Mr. Chan Kam Ling	21 August 2007	<i>Note (1)</i>	2,000,000
Mr. Tsang Yam Pui	21 August 2007	<i>Note (1)</i>	1,500,000
Mr. Wong Kwok Kin, Andrew	21 August 2007	<i>Note (1)</i>	1,500,000
Mr. Lam Wai Hon, Patrick	21 August 2007	<i>Note (1)</i>	1,500,000
Mr. Cheung Chin Cheung	21 August 2007	<i>Note (1)</i>	1,500,000
Mr. William Junior Guilherme Doo	21 August 2007	<i>Note (1)</i>	1,500,000
Mr. Wilfried Ernst Kaffenberger	21 August 2007	<i>Note (1)</i>	300,000
Mr. To Hin Tsun, Gerald	21 August 2007	<i>Note (1)</i>	300,000
Mr. Dominic Lai	21 August 2007	<i>Note (1)</i>	300,000
Mr. Kwong Che Keung, Gordon	21 August 2007	<i>Note (1)</i>	600,000
Mr. Cheng Wai Chee, Christopher	21 August 2007	<i>Note (1)</i>	600,000
The Honourable Shek Lai Him, Abraham	21 August 2007	<i>Note (1)</i>	600,000
NWD			
(Exercise price of HK\$17.756 per share)			
Dr. Cheng Kar Shun, Henry	19 March 2007	19 March 2007 to 18 March 2012	36,500,000

	Date of grant	Exercisable period	Number of share options outstanding
NWCL			
(Exercise price of HK\$6.972 per share)			
Dr. Cheng Kar Shun, Henry	7 January 2008	Note (2)	2,000,000
Mr. Doo Wai Hoi, William	7 January 2008	Note (2)	800,000
Mr. Cheng Wai Chee, Christopher	7 January 2008	Note (2)	300,000
NWDS			
(Exercise price of HK\$8.66 per share)			
Dr. Cheng Kar Shun, Henry	27 November 2007	27 November 2008 to 26 November 2013	1,000,000
Wai Kee			
(Exercise price of HK\$3.39 per share)			
Mr. Lam Wai Hon, Patrick	9 July 2007	9 July 2008 to 8 July 2011	330,000

Notes:

- (1) Divided into four tranches exercisable from 21 August 2008, 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012, both dates inclusive.
- (2) Divided into three tranches exercisable from 8 February 2008, 8 February 2009 and 8 February 2010 respectively to 7 February 2011, both dates inclusive.

2.3 Interests in qualifying shares

As at the Latest Practicable Date, none of the Directors had any interest in the shares of the Company or any of its subsidiaries solely held in a non-beneficial capacity and for the purpose of holding the requisite qualifying shares.

Other than the interests in shares, underlying shares and debentures set out above, as at the Latest Practicable Date, none of the Directors had any interest or short position in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which a director or chief executive of the Company would be taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Name	Number of shares		Total	Approximate percentage to the issued share capital of the Company
	Beneficial interests	Corporate interests		
Cheng Yu Tung Family (Holdings) Limited	–	1,204,205,541 ⁽¹⁾	1,204,205,541	59.32%
Centennial Success Limited	–	1,204,205,541 ⁽²⁾	1,204,205,541	59.32%
CTF Enterprises	59,831,893	1,144,373,648 ⁽³⁾	1,204,205,541	59.32%
NWD	752,360,275	392,013,373 ⁽⁴⁾	1,144,373,648	56.37%
Mombasa Limited	343,513,502	–	343,513,502	16.92%

Notes:

- (1) Cheng Yu Tung Family (Holdings) Limited holds 51% direct interest in Centennial Success Limited and is accordingly deemed to have an interest in the shares deemed to be interested by Centennial Success Limited.
- (2) Centennial Success Limited holds 100% direct interest in CTF Enterprises and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Enterprises.
- (3) CTF Enterprises, together with its subsidiaries, hold more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWD.
- (4) NWD holds 100% indirect interest in Mombasa Limited and is accordingly deemed to have an interest in the shares held by Mombasa Limited in the Company. NWD is also deemed to be interested in 1,986,513 shares held by Financial Concepts Investment Limited, 14,857,756 shares held by Hing Loong Limited, 14,857,756 shares held by Fine Reputation Incorporated, 13,604,776 shares held by New World Hotels Corporation Limited and 3,193,070 shares held by Hong Kong Island Development Limited, all of them are subsidiaries of NWD.
- (5) Dr. Cheng Kar Shun, Henry, the Chairman of the Company, is also a director of each of Cheng Yu Tung Family (Holdings) Limited, Centennial Success Limited, CTF Enterprises, NWD and Mombasa Limited, all of which are substantial shareholders of the Company (within the meaning of Part XV of the SFO).

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company and save as otherwise disclosed in this circular, the persons (other than a Director or chief executive of the Company or a member of the Group) who were directly or

indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiary of the Company were as follows:

Name of shareholder	Name of subsidiary of the Company	Approximate percentage of interest held
Architectural Precast Limited (in compulsory liquidation)	Architectural Precast GRC Limited	35.00%
Asian East Worldwide Limited	Guangzhou Northring Freeway Company Limited	24.30%
Bioforte (Hong Kong) Environmental Engineering And Technology Company Limited	BioEnviroLink Technologies Limited	30.00%
Changzhi City Changda Highway Development Company	Shanxi Xinda Highways Ltd.	40.00%
Changzhi City Changda Highway Development Company	Shanxi Xinhuang Highways Ltd.	40.00%
Cheung Sau Lin	Success Concept Investments Limited	15.00%
Foshan City Gaoming District Transportation Infrastructure Co. Ltd.	Foshan Gaoming Xinming Bridge Company Limited	49.00%
Guangxi Beiliu Gaote Co. Ltd.	Guangxi Beiliu Xinbei Highways Limited	40.00%
Guangxi Cangwu County Electric Power Co. Ltd.	Guangxi Cangwu Xincang Highways Limited	30.00%
Guangxi Rongxian Road & Bridge Construction Co. Ltd.	Guangxi Rongxian Xinrong Highways Limited	30.00%
Guangxi Wuzhou Heng Tong Development Ltd.	Wuzhou Xinwu Highways Limited	40.00%
Guangxi Yulin City Heng Tong Ltd.	Guangxi Yulin Xinye Highways Co., Ltd.	40.00%
Guangxi Yulin Yu Shieh Ltd.	Guangxi Yulin Xinyu Highways Co., Ltd.	40.00%
Guangzhou Yongtong Freeway Company Ltd.	Guangzhou Northring Freeway Company Limited	10.41%
Gujiao Highway-Bridge Development & Construction Company	Taiyuan Xinyuan Highways Limited	40.00%

Name of shareholder	Name of subsidiary of the Company	Approximate percentage of interest held
Intex Shanghai Company Limited	Hong Kong – Shanghai Venue Management (Zhengzhou) Limited	30.00%
Leader Civil Engineering Corporation Limited	Hip Hing – Leader JV Limited	33.33%
Nanjing Port Authority	Nanjing Huining Wharfs Co., Ltd.	45.00%
Shine Vision International Limited	Carpark Solution Enterprise Limited	35.00%
Taiyuan Tongtai Industry & Commerce General Company	Taiyuan Xintai Highways Limited	40.00%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xindi Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinlong Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinlu Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinming Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinqing Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinquan Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinsen Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinshi Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinsi Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xintong Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xintuo Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinxiang Expressway Co., Ltd.	33.38%

Name of shareholder	Name of subsidiary of the Company	Approximate percentage of interest held
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinyan Expressway Co., Ltd.	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinzhan Expressway Co., Ltd.	33.38%
Wiseful Engineering Group Limited	Kentfull Engineering Company Limited	40.00%
Wuhan Airport Road Industrial Development Co. Ltd.	Wuhan Airport Road Development Limited	33.33%
北京市萬勝全物業管理中心	Beijing Kiu Lok Property Management Services Co., Ltd.	40.00%
武漢武建鼎安安裝工程有限公司	Trihan Engineering (Wuhan) Company Limited	49.00%
珠海市萬泉河科技發展有限公司	深圳香島園花卉有限公司	20.00%
珠海國際經濟技術合作公司	珠海市景福工程有限公司 (in members' voluntary winding-up)	20.00%
廣州市機電安裝公司	Triguang Engineering (Guang Zhou) Company Limited	49.00%
廣東省番禺交通建設投資有限公司	廣州市東新高速公路有限公司	39.20%
溫州港務集團有限公司	Wenzhou Zhuangyuan Ao New World International Terminals Company Limited	45.00%

Save as disclosed above, as at the Latest Practicable Date and so far as is known to any Director or chief executive of the Company, no other person had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and no other persons (other than a director or chief executive of the Company or a member of the Group) were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiary of the Company or had any options in respect of any such share capital of any subsidiary of the Company.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the following directors are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules as set out below:

Name	Entity whose business is considered to compete or likely to compete with the businesses of the Group	Description of business of the entity which is considered to compete or likely to compete with the businesses of the Group	Nature of interest of the director in the entity
Dr. Cheng Kar Shun, Henry	CTF Enterprises and its subsidiaries	Investment in transport services business	director
	HKR International Limited and its subsidiaries	Construction and property management	director
	Shun Tak Holdings Limited and its subsidiaries	Investment in ferry services business	director
	Tamman Developments Limited	Investment in airport operation business	director
Mr. Lam Wai Hon, Patrick	Wai Kee and its subsidiaries	Construction, toll road, infrastructure and sale of general merchandised goods	director
	Certain subsidiaries of East Asia Secretaries (BVI) Limited	Provision of corporate advisory services, nominee and custodian services	director of East Asia Secretaries (BVI) Limited and certain of its subsidiaries

5. ADDITIONAL DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group;
- (b) none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation; and
- (c) none of the Directors had any direct or indirect interest in any asset which, since 30 June 2007 (the date to which the latest published audited financial statements of the Group were made up), had been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. MATERIAL ADVERSE CHANGE

The Board is not aware of any material adverse change in the financial or trading position of the Group since 30 June 2007, the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

No member of the Group is engaged in any litigation or claim of material importance and, so far as the Board is aware, no litigation or claim of material importance is pending or threatened against any member of the Group.

8. QUALIFICATION AND CONSENT OF EXPERT

CIMB is a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO.

CIMB has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name and its letter in the form and context in which they respectively appear.

As at the Latest Practicable Date, CIMB did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, CIMB did not have any interest, direct or indirect, in any assets which since 30 June 2007, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. MISCELLANEOUS

- (a) The English text of this circular will prevail over the Chinese text.
- (b) The Qualified Accountant of the Company is Mr. Lam Wai Hon, Patrick, who is a fellow of the Institute of Chartered Accountants of England and Wales and the Hong Kong Institute of Certified Public Accountants.
- (c) The Company Secretary of the Company is Mr. Chow Tak Wing, who is a fellow of the Association of Chartered Certified Accountants (UK) and an associate of Hong Kong Institute of Certified Public Accountants.
- (d) The principal place of business of the Company is at 28th Floor, New World Tower, 18 Queen's Road Central, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The branch share registrars of the Company in Hong Kong is Tricor Standard Limited whose address is situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

10. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of the Company in Hong Kong at 28th Floor, New World Tower, 18 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 10 March 2008 and at the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the audited accounts of the Company for the two financial years ended 30 June 2007;
- (c) the "Letter from the Independent Board Committee" as set out in this circular;
- (d) the "Letter from CIMB" as set out in this circular;
- (e) the Master Services Agreements; and
- (f) this circular.



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of NWS Holdings Limited (the “**Company**”) will be held at Meeting Room 608, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Monday, 10 March 2008 at 10:30 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**, the master operational services agreement dated 24 January 2008 entered into between Chow Tai Fook Enterprises Limited (“**CTF Enterprises**”) and the Company (the “**CTF Master Operational Services Agreement**”), a copy of which has been produced to the meeting marked “A” and initialled by the chairman of the meeting for identification purpose, pursuant to which, each of the Company and CTF Enterprises agrees to, and agrees to procure relevant members of the Group or the CTF Enterprises Group (each as defined in the CTF Master Operational Services Agreement) (to the extent practicable) engage relevant members of the CTF Enterprises Group or the Group to provide certain operational services as more particularly set out in the “Letter from the Board” in the circular of the Company dated 14 February 2008 (the “**Circular**”) to the relevant members of the Group or the CTF Enterprises Group, and **THAT**, the proposed annual caps in respect of the continuing connected transactions under the CTF Master Operational Services Agreement for each of the three financial years ending 30 June 2010 as more particularly set out in the “Letter of the Board” in the Circular be and are hereby approved, ratified and confirmed, and **THAT** the directors of the Company be and are hereby authorised to do such acts and things and execute all such documents which in their opinion may be necessary, desirable or expedient to carry out or give effect to any of the foregoing with such modifications (if any) as they may consider appropriate, and to exercise the powers and rights of the Company in connection therewith.”
2. “**THAT**, the master financial services agreement dated 24 January 2008 entered into between CTF Enterprises and the Company (the “**CTF Master Financial Services Agreement**”), a copy of which has been produced to the meeting marked “B” and initialled by the chairman of the meeting for identification purpose, pursuant to which, CTF Enterprises agrees to, and agrees to procure that members of the CTF Enterprises Group (as defined in the CTF Master Financial Services Agreement) shall engage relevant members of the Group to provide certain

* For identification purposes only

NOTICE OF SGM

financial services as more particularly set out in the “Letter from the Board” in the Circular to the relevant members of the CTF Enterprises Group, and **THAT**, the proposed annual caps in respect of the continuing connected transactions under the CTF Master Financial Services Agreement for each of the three financial years ending 30 June 2010 as more particularly set out in the “Letter of the Board” in the Circular be and are hereby approved, ratified and confirmed, and **THAT** the directors of the Company be and are hereby authorised to do such acts and things and execute all such documents which in their opinion may be necessary, desirable or expedient to carry out or give effect to any of the foregoing with such modifications (if any) as they may consider appropriate, and to exercise the powers and rights of the Company in connection therewith.”

3. “**THAT**, the master services agreement dated 24 January 2008 entered into between Mr. Lo Lin Shing, Simon (“**Mr. Lo**”) and the Company (the “**Mr. Lo Master Services Agreement**”), a copy of which has been produced to the meeting marked “C” and initialled by the chairman of the meeting for identification purpose, pursuant to which, Mr. Lo agrees to, and agrees to procure that other members of the Service Receiving Parties (as defined in the Mr. Lo Master Services Agreement) engage relevant members of the Group to provide certain financial services as more particularly set out in the “Letter from the Board” in the Circular to relevant members of the Service Receiving Parties, and **THAT**, the proposed annual caps in respect of the continuing connected transactions under the Mr. Lo Master Services Agreement for each of the three financial years ending 30 June 2010 as more particularly set out in the “Letter of the Board” in the Circular be and are hereby approved, ratified and confirmed, and **THAT** the directors of the Company be and are hereby authorised to do such acts and things and execute all such documents which in their opinion may be necessary, desirable or expedient to carry out or give effect to any of the foregoing with such modifications (if any) as they may consider appropriate, and to exercise the powers and rights of the Company in connection therewith.”

By Order of the Board
Chow Tak Wing
Company Secretary

Hong Kong, 14 February 2008

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, must be deposited at the Company’s branch share registrars in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the appointed time for holding of the meeting or at any adjournment thereof.
3. A form of proxy for use at the meeting is enclosed. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint registered holders are present at the meeting personally or by proxy, then one of the registered holders so present whose name stands first on the Company’s register of members in respect of such share will alone be entitled to vote in respect thereof.