

NWS Holdings Completes Formal Establishment of Merryhill Group Limited

(9 March 2004, Hong Kong) NWS Holdings Limited (“NWS Holdings” or “the Group”; 0659.HK) today announced the completion of the establishment of Merryhill Group Limited (“Merryhill Group”), a comprehensive transport services provider equally controlled by the Group and Chow Tai Fook Enterprises Limited. The completion of the deal will have positive impact on NWS Holdings’ financial position through a reduction of its net debt by approximately HK\$1.4 billion and the gearing ratio will decrease significantly.

As a 50% associate of NWS Holdings, Merryhill Group will also contribute positively to the Group’s operational performance as a result of greater cost saving, improved operational efficiency and higher profitability attributable to better organizational structure, realigned management resources and bulk purchasing of equipment and petroleum.

Commenting on the completion of the deal, Dr Henry Cheng Kar Shun, Chairman of NWS Holdings, said, “The formation of Merryhill Group has not only fulfilled the Group’s commitment to reduce debt, but has also created a strong engine for revenue growth. Armed with extensive management expertise and a solid track record in various transport operations in Greater China, Merryhill Group is in a favourable position to explore more growth opportunities, especially in Mainland China. The company has already established a foothold there through New World First Bus Services (China) Limited which has been operating bus services in Kunming since the beginning of 2004.”

Merryhill Group owns 100% of New World First Bus Services Limited, Citybus Limited, New World First Bus Services (China) Limited, New World First Ferry Services Limited, New World First Ferry Services (Macau) Limited and New World First Travel Services Limited. The new entity also has a 29.98% stake in Kwoon Chung Bus Holdings Limited and interests in other transport-related investments.

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This press release will be posted to the Group’s website (www.nwsh.com.hk).

新創建集團有限公司 NWS Holdings Limited

(incorporated in Bermuda with limited liability)

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NWS Holdings Limited

NWS Holdings Limited (“NWS Holdings”, Stock code: 0659.HK), the flagship servicing company of New World Development Company Limited (Stock code: 0017.HK), embraces a diversified range of businesses in Hong Kong, Macau and Mainland China. These businesses can be broadly grouped under three main divisions: Service, Infrastructure and Ports. Its **Service** division comprises Facilities (*Urban Property, General Security* and the management of *Hong Kong Convention and Exhibition Centre*), Contracting (*Hip Hing Construction* and *NWS Engineering*), Transport (*New World First Bus, Citybus* and *New World First Ferry*), Financial and Environmental. The **Infrastructure** portfolio includes roads and bridges, energy and water treatment and waste management projects. For **Ports**, NWS Holdings is principally engaged in container handling and logistics and warehousing.

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