

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**新創建 NWS**

**新創建集團有限公司\***  
**NWS HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(stock code: 659)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

All the Existing Master Services Agreements (namely, the Existing CTF Enterprises Master Services Agreement, the Existing NWD Master Services Agreement and the Existing DOO Master Services Agreement) will expire on 30 June 2017. The relevant parties to each Existing Master Services Agreement have agreed to continue with the arrangement under the relevant Existing Master Services Agreement after expiry of its term upon similar terms and/or conditions and covering similar scope of services as in the relevant Existing Master Services Agreement by entering into the relevant New Master Services Agreement as disclosed in this announcement.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement:

- CTF Enterprises together with its subsidiaries hold approximately 44.20% of the total issued share capital of NWD and CTF Enterprises holds approximately 2.52% of the total issued share capital of the Company. NWD together with its subsidiaries hold approximately 61.32% of the total issued share capital of the Company. Both CTF Enterprises and NWD are therefore connected persons of the Company under the Listing Rules.
- Mr. Doo is the father of Mr. William Junior Guilherme Doo, brother-in-law of Dr. Cheng Kar Shun, Henry and uncle of Mr. Cheng Chi Ming, Brian, all of whom are Directors. Accordingly, Mr. Doo is therefore a connected person of the Company under the Listing Rules. Certain members of the Services Group are majority-controlled companies of Mr. Doo and hence connected persons of the Company.

Accordingly, each of the New Master Services Agreements constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As all of the applicable Percentage Ratios of the maximum aggregate annual value in respect of the Transactions contemplated under the New CTF Enterprises Master Services Agreement are more than 0.1% but less than 5%, the entering into of the New CTF Enterprises Master Services Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In addition, as all or certain applicable Percentage Ratios of the maximum aggregate annual value in respect of the Transactions contemplated under each of the New NWD Master Services Agreement and the New DOO Master Services Agreement are more than 5%, the entering into of each of the New NWD Master Services Agreement and the New DOO Master Services Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **GENERAL**

The SGM will be convened and held by the Company to consider and, if thought fit, approve the New NWD Master Services Agreement and the New DOO Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps.

As additional time is required to prepare the circular containing, among other things, further details relating to the New NWD Master Services Agreement and the New DOO Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps, the letter from the Independent Board Committee, the letter from the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders and a notice of the SGM, the circular is expected to be despatched to the Shareholders on or before 9 May 2017.

### **INTRODUCTION**

In the ordinary course of business, members of the Group regularly enter into continuing connected transactions with members of each of the CTF Enterprises Group, the NWD Group and the Services Group. In order to streamline such continuing connected transactions, the Company entered into the Existing CTF Enterprises Master Services Agreement, the Existing NWD Master Services Agreement and the Existing DOO Master Services Agreement (as disclosed in the announcement of the Company dated 11 April 2014 and the circular of the Company dated 5 May 2014).

All the Existing Master Services Agreements (namely, the Existing CTF Enterprises Master Services Agreement, the Existing NWD Master Services Agreement and the Existing DOO Master Services Agreement) will expire on 30 June 2017. The relevant parties to each Existing Master Services Agreement have agreed to continue with the arrangement under the relevant Existing Master Services Agreement after expiry of its term upon similar terms and/or conditions and covering similar scope of services as in the relevant Existing Master Services Agreement by entering into the relevant New Master Services Agreement as disclosed in this announcement.

## NEW MASTER SERVICES AGREEMENTS

### 1. New CTF Enterprises Master Services Agreement

Under the New CTF Enterprises Master 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 New CTF Enterprises Master Services Agreement.

Major terms of the New CTF Enterprises Master Services Agreement are set out below:

Date : 10 April 2017

Parties : (1) CTF Enterprises  
(2) the Company

Duration : An initial term of three years commencing from CTF Enterprises Effective Date to 30 June 2020 (both days inclusive unless terminated earlier in accordance with the New CTF Enterprises Master Services Agreement).

Subject to re-compliance with the applicable Listing Rules at the relevant time, the New CTF Enterprises Master Services Agreement may be renewed at the end of the initial term for a further term of three years (or such other period permitted under the Listing Rules) unless either party gives written notice to the other party not later than two months before the end of the initial term to terminate the New CTF Enterprises Master Services Agreement.

Nature of Transactions/  
Operational Services covered : Provision of contracting services, and other general and rental related services, namely provision of services as main contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, procurement services, supply of construction and building equipment and materials, computer aided drafting services and related services, provision of information technology services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, trading and supply, merchandise sourcing, advertising services, property management, property sales and letting agency services, provision of car parking management and related services and rental of properties, spare spaces, vehicles and vessels and related services, and such other types of services as the parties may agree upon from time to time in writing.

Pricing : On normal commercial terms, negotiated on arm's length basis and at prices and on terms no less favourable to the CTF Enterprises Group or the Group (as the case may be) than terms available to and from independent third parties.

## 2. New NWD Master Services Agreement

Under the New NWD Master Services Agreement, each of the Company and NWD agrees to, and agrees to procure that members of the Group or the NWD Group (to the extent practicable), engage relevant members of the NWD Group or the Group to provide the Operational Services to relevant members of the Group or the NWD Group during the term of the New NWD Master Services Agreement.

Major terms of the New NWD Master Services Agreement are set out below:

Date : 10 April 2017

Parties : (1) NWD  
(2) the Company

Duration : An initial term of three years commencing from the NWD Effective Date to 30 June 2020 (both days inclusive unless terminated earlier in accordance with the New NWD Master Services Agreement).

Subject to re-compliance with the applicable Listing Rules at the relevant time, the New NWD Master Services Agreement may be renewed at the end of the initial term for a further term of three years (or such other period permitted under the Listing Rules) unless either party gives written notice to the other party not later than two months before the end of the initial term to terminate the New NWD Master Services Agreement.

Condition : The New NWD Master Services Agreement shall be conditional on the passing of an ordinary resolution at the SGM by the independent Shareholders to approve the New NWD Master Services Agreement, the Transactions contemplated thereunder and the Annual Caps.

- Nature of Transactions/  
Operational Services covered : Provision of contracting services, and other general and rental related services, namely provision of services as main contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, procurement services, supply of construction and building equipment and materials, computer aided drafting services and related services, provision of information technology services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, trading and supply, merchandise sourcing, advertising services, property management, property sales and letting agency services, provision of car parking management and related services and rental of properties, spare spaces, vehicles and vessels and related services, and such other types of services as the parties may agree upon from time to time in writing.
- Pricing : On normal commercial terms, negotiated on arm's length basis and at prices and on terms no less favourable to the NWD Group or the Group (as the case may be) than terms available to and from independent third parties.

### 3. New DOO Master Services Agreement

Under the New DOO Master Services Agreement, each of the Company and Mr. Doo agrees to, and agrees to procure that members of the Group or the Services Group (to the extent practicable), engage relevant members of the Services Group or the Group to provide the Operational Services to relevant members of the Group or the Services Group during the term of the New DOO Master Services Agreement.

Major terms of the New DOO Master Services Agreement are set out below:

- Date : 10 April 2017
- Parties : (1) Mr. Doo  
(2) the Company
- Duration : An initial term of three years commencing from DOO Effective Date to 30 June 2020 (both days inclusive unless terminated earlier in accordance with the New DOO Master Services Agreement).

Subject to re-compliance with the applicable Listing Rules at the relevant time, the New DOO Master Services Agreement may be renewed at the end of the initial term for a further term of three years (or such other period permitted under the Listing Rules) unless either party gives written notice to the other party not later than two months before the end of the initial term to terminate the New DOO Master Services Agreement.

- Condition : The New DOO Master Services Agreement shall be conditional on the passing of an ordinary resolution at the SGM by the independent Shareholders to approve the New DOO Master Services Agreement, the Transactions contemplated thereunder and the Annual Caps.
- Nature of Transactions/  
Operational Services covered : 1. Contracting services – provision of services as main contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, 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, computer aided drafting services and related services;
2. Cleaning and landscaping services – general cleaning, vessel and vehicle cleaning, office and facility cleaning, pest control, recycling and environmental services, landscaping and plant maintenance, the supply of plants, laundry services and related services;
3. Facility management services – provision of information technology services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, trading and supply, merchandise sourcing and related services;
4. Property management services – property management, property sales, vessel and vehicle sales and letting agency services, pre-marketing consultancy services, technical services, provision of car parking management and related services;
5. Security and guarding services – provision of security guards, security systems installation and maintenance services, armoured transport services, supply of security products and related services;
6. Rental services – rental of properties, spare spaces, vehicles and vessels and related services; and
7. Such other types of services as the parties may agree upon from time to time in writing.



Pricing : On normal commercial terms, negotiated on arm's length basis and at prices and on terms no less favourable to the Services Group or the Group (as the case may be) than terms available to and from independent third parties.

### **Qualifications of engagement**

The engagement pursuant to each New Master Services Agreement is subject to the following qualifications:

- (a) the engagement only applies to services required for businesses, projects and/or premises for which the relevant member(s) of the Group or the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be) has (have) the right to select providers of the relevant Operational Services;
- (b) the engagement is not contrary to the terms of contracts governing the relevant businesses, projects and/or premises or any applicable laws, regulations or administrative directives promulgated by competent authorities to which the businesses, projects and/or premises of the relevant member(s) of the Group or the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be) may relate; and
- (c) in the event that the provider of a particular Operational Service is required to be selected through auction or tender or other similar process, the engagement shall only become effective as and when the relevant member(s) of the CTF Enterprises Group or the NWD Group or the Services Group or the Group (as the case may be) has (have) been selected as the service provider as a result of the relevant auction or tender or other similar process.

### **Operational Agreement(s) and pricing policies**

Pursuant to each New Master Services Agreement, member(s) of the Group and member(s) of the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be) shall, from time to time, during the term of the relevant New Master Services Agreement, enter into separate Operational Agreement(s) in respect of the provision of the Operational Services provided that such separate agreement(s) shall always be subject to the relevant New Master Services Agreement.

As a general principle, the prices and terms of the Operational Agreement(s) with respect to the Operational Services shall be determined in the ordinary and usual course of business on normal commercial terms, negotiated on arm's length basis and at prices and on terms no less favourable to the Group or the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be) than terms available to and from independent third parties.

Subject to the general principle disclosed above, the pricing policy for the provision of each of the Operational Services as specified below pursuant to the New CTF Enterprises Master Services Agreement and the New NWD Master Services Agreement is briefly described as follows:

- (a) as regards the provision of contracting services: member(s) of the Group is typically engaged as main contractor, management contractor or project manager of a development project after being selected from participating tenderers in a tender process set up by member(s) of the CTF Enterprises Group or the NWD Group (as the case may be) or through direct appointment by member(s) of the CTF Enterprises Group or the NWD Group (as the case may be):
- where the member(s) of the Group participates in a tender with all bidders (including independent third parties in the market), the winning bid of which will be the one with the lowest tender amount in accordance with the employer's tender procedure(s) on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical relationship) as set out in the bid invitation. In preparing for the submission of a tender, tender review meeting of the relevant member of the Group will be held to perform a thorough analysis of the project specifications, the collection of cost and other data. In pricing a tender, the relevant member of the Group will also make references to recent job quotations. Related market information will also be retrieved for reference. These measures/procedures are designed to ensure that the tender price (as well as the terms of the tender) to be offered by the Group are fair and reasonable and comparable to those offered by the Group to independent third parties, and are adhered to by the Group for all projects obtained by the Group through tender; and
  - where the engagement is through direct appointment by member(s) of the CTF Enterprises Group or the NWD Group (as the case may be), the consideration will be on a cost-plus basis agreed with member(s) of the CTF Enterprises Group or the NWD Group (as the case may be), which is in line with the basis for engagements by independent third parties for projects of similar nature and size. Likewise, the relevant member of the Group will perform a thorough analysis of the project specifications, the collection of cost and other data and the retrieval of other useful data on the Group's database for reference and assessment purpose. These procedures are adhered to by the Group for engagement through direct appointment;
- (b) as regards the provision of property management services: on the basis of cost plus a prevailing market rate which will be determined by conducting research on the market comparables by the parties from time to time. The cost element will include all direct costs incurred such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis; and
- (c) as regards the provision of rental services: by reference to a quote which is based on other market comparative quote(s) obtained from independent third party(ies) in the market for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period). The lessee may either accept the quote and proceed with the lease or reject the quote and decline to proceed further.



Subject to the general principle disclosed above, the pricing policy for the provision of each of the Operational Services as specified below pursuant to the New DOO Master Services Agreement is briefly described as follows:

(a) as regards the provision of contracting services:

(i) the relevant member(s) of the Group may be engaged as main contractor, management contractor or project manager for a particular project. There are two types of business arrangements for contracting services provided by members of the Services Group:

- where a member of the Services Group is designated as a nominated sub-contractor by the ultimate employer, consideration to such member of the Services Group will be ascertained by an independent professional quantity surveyor appointed by the ultimate employer;
- where a member of the Group has the right to select sub-contractor(s), consideration to such sub-contractor(s) will be ascertained under the supervision of an in-house professional quantity surveyor. Such member of the Group will obtain quotations or tenders from independent third parties from a list of pre-approved sub-contractors (which is subject to periodic review and update by its management to ensure the sub-contractors' quality standards). If the price and terms offered by a member of the Services Group are equal to or better than those offered by the independent service providers, such member of the Group may probably award the contract to such member of the Services Group;
- for projects which involve consideration of a substantial amount, the member(s) of the Services Group will participate in a tender with all bidders (including independent third parties in the market), the winning bid of which will be the one with the lowest tender amount in accordance with the Group's internal tender procedure(s) on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical relationship) as set out in the bid invitation; and

(ii) where a member of the Group is engaged to provide project management services to a member of the Services Group through direct appointment, the consideration will be on a cost-plus basis agreed with such member of the Services Group which is in line with the basis for engagements by independent third parties for projects of similar nature and size;

(b) as regards the provision of property management, security and guarding services: on the basis of cost plus a prevailing market rate which will be determined by conducting research on the market comparables by the parties from time to time. The cost element will include all direct costs incurred such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis; and

(c) as regards the provision of rental services: by reference to a quote which is based on other market comparative quote(s) obtained from independent third party(ies) in the market for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period). The lessee may either accept the quote and proceed with the lease or reject the quote and decline to proceed further.

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 30 June 2020 (that is, the date on which the initial term of each of the New Master Services Agreements 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 factors which are common or 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.

## HISTORICAL AGGREGATE TRANSACTION VALUES

Historical aggregate transaction values in respect of the Transactions for the financial years ended 30 June 2015 and 30 June 2016 and the six months ended 31 December 2016 are set out below:

### Existing CTF Enterprises Master Services Agreement

Categories	Aggregate transaction values		
	Financial year ended 30 June 2015 <i>HK\$'million</i>	Financial year ended 30 June 2016 <i>HK\$'million</i>	Six months ended 31 December 2016 <i>HK\$'million</i>
Operational Services by members of the Group to members of the CTF Enterprises Group	102.9	55.6	29.7
Operational Services by members of the CTF Enterprises Group to members of the Group	<u>1.0</u>	<u>0.9</u>	<u>0.5</u>
<b>Total</b>	<u><u>103.9</u></u>	<u><u>56.5</u></u>	<u><u>30.2</u></u>

### Existing NWD Master Services Agreement

Categories	Aggregate transaction values		
	Financial year ended 30 June 2015 <i>HK\$'million</i>	Financial year ended 30 June 2016 <i>HK\$'million</i>	Six months ended 31 December 2016 <i>HK\$'million</i>
Operational Services by members of the Group to members of the NWD Group	6,957.4	7,988.4	4,356.6
Operational Services by members of the NWD Group to members of the Group	<u>58.4</u>	<u>80.4</u>	<u>23.0</u>
<b>Total</b>	<u><u>7,015.8</u></u>	<u><u>8,068.8</u></u>	<u><u>4,379.6</u></u>

## Existing DOO Master Services Agreement

Categories	Aggregate transaction values		
	Financial year	Financial year	Six months
	ended	ended	ended
	30 June 2015	30 June 2016	31 December
	HK\$'million	HK\$'million	2016
			HK\$'million
Operational Services by members of the Group to members of the Services Group	2.4	1.8	0.8
Operational Services by members of the Services Group to members of the Group	<u>782.4</u>	<u>1,397.5</u>	<u>465.9</u>
<b>Total</b>	<u><u>784.8</u></u>	<u><u>1,399.3</u></u>	<u><u>466.7</u></u>

## MAXIMUM AGGREGATE ANNUAL VALUES

The Company expects that the Annual Caps in respect of the Transactions contemplated under each of the New Master Services Agreements for the financial years ending 30 June 2018, 30 June 2019 and 30 June 2020 will be as below:

## New CTF Enterprises Master Services Agreement

Categories	Aggregate transaction values		
	Financial year	Financial year	Financial year
	ending	ending	ending
	30 June 2018	30 June 2019	30 June 2020
	HK\$'million	HK\$'million	HK\$'million
Operational Services by members of the Group to members of the CTF Enterprises Group	150.0	180.0	216.0
Operational Services by members of the CTF Enterprises Group to members of the Group	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
<b>Total</b>	<u><u>160.0</u></u>	<u><u>190.0</u></u>	<u><u>226.0</u></u>

A significant portion of the Annual Caps for the Operational Services provided by members of the Group to members of the CTF Enterprises Group under the New CTF Enterprises Master Services Agreement is expected to be attributable to the provision of contracting services. The increase in the Annual Caps as compared with their relevant historical transaction values is due to the potential business growth of the CTF Enterprises Group.

The Annual Caps for the Operational Services provided by members of the CTF Enterprises Group to members of the Group are related to potential rental services and are considered by the Board to be immaterial to the Group's overall operations.

## New NWD Master Services Agreement

Categories	Aggregate transaction values		
	Financial year ending	Financial year ending	Financial year ending
	30 June 2018	30 June 2019	30 June 2020
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Operational Services by members of the Group to members of the NWD Group	12,526.0	12,292.0	13,186.0
Operational Services by members of the NWD Group to members of the Group	<u>96.0</u>	<u>115.0</u>	<u>138.0</u>
<b>Total</b>	<u><u>12,622.0</u></u>	<u><u>12,407.0</u></u>	<u><u>13,324.0</u></u>

A significant portion of the Annual Caps for the Operational Services provided by members of the Group to members of the NWD Group is expected to be related to the provision of contracting services arising from certain potential sizeable upcoming and/or ongoing projects which include, but not limited to, certain private sector development projects as well as various residential and commercial development projects. The surge in the Annual Caps as compared with their relevant historical transaction values is mainly due to the works relating to the New World Centre redevelopment project and a residential project in Tai Wai MTR Station, both being very sizeable projects with gross floor area of approximately 3 million sq. ft. and 2 million sq. ft., respectively.

The Annual Caps for the Operational Services provided by members of the NWD Group to members of the Group, which are predominantly related to rental services, are considered by the Board to be relatively insignificant to the Group's overall operations.

## New DOO Master Services Agreement

Categories	Aggregate transaction values		
	Financial year ending	Financial year ending	Financial year ending
	30 June 2018	30 June 2019	30 June 2020
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Operational Services by members of the Group to members of the Services Group	38.0	41.0	45.0
Operational Services by members of the Services Group to members of the Group	<u>2,235.0</u>	<u>3,542.0</u>	<u>3,448.0</u>
<b>Total</b>	<u><u>2,273.0</u></u>	<u><u>3,583.0</u></u>	<u><u>3,493.0</u></u>

The Annual Caps for the Operational Services provided by members of the Group to members of the Services Group are predominantly related to the provision of contracting services. The increase in the Annual Caps as compared with their relevant historical transaction values is mainly due to potential project management services to be provided by member of the Group to member of the Services Group and are considered by the Board to be immaterial to the Group's overall operation.

A significant portion of the Annual Caps for the Operational Services provided by members of the Services Group to members of the Group mainly relates to the provision of contracting services. The surge in the Annual Caps as compared with their relevant historical transaction values is mainly due to the increase in the transaction values of contracting services related to the NWD Group, together with certain potential sizeable upcoming and/or ongoing projects which include, but not limited to, certain public or private sector development projects as well as various residential and commercial development projects (e.g. West Kowloon Government Offices in Yau Ma Tei), given that the Group may need to engage sub-contractors/package contractors for its construction business and the Services Group is one of the Group's key sub-contractors/package contractors.

Each of the Annual Caps of the Operational Services contemplated under each of the New Master Services Agreements has been determined by reference to:

- (a) the historical annual or annualized amounts in respect of the Operational Services provided by the relevant members of the Group to the relevant members of the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be) and vice versa during the past two and a half financial years; and
- (b) the projected annual or annualized amounts in respect of the Operational Services to be provided by the relevant members of the Group to the relevant members of the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be) and vice versa, in the next three financial years, having taken into account:
  - the business growth of the Group, the CTF Enterprises Group, the NWD Group or the Services Group (as the case may be);
  - the existing projects in progress;
  - the estimated future demand for the Operational Services;
  - the inflation factor;
  - adjustments for non-recurring or extraordinary items; and

on the principal assumptions that, for the duration of the projected period, (i) there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group, the CTF Enterprises Group, the NWD Group or the Services Group; and (ii) the service industries in which the Group operates will have steady growth.

**Shareholders and potential investors should note that the Annual Caps should not be construed as an assurance or forecast by the Company of the future revenues of the Group.**

## **REASONS FOR, AND BENEFITS OF, ENTERING INTO THE NEW MASTER SERVICES AGREEMENTS**

The Transactions contemplated under each of the New 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, as well as the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be). The Operational Agreements to be entered into pursuant to each of the New Master Services Agreements will be agreed on arm's length basis and on normal commercial terms.

The CTF Enterprises Group, the NWD Group and the Services Group, with profound experience in their respective areas of services and solid financial standing, have demonstrated themselves as reliable services providers or customers of the Group over the years. The Directors believe that the maintenance of the strategic business relationships with the CTF Enterprises Group, the NWD Group and the Services Group will not only allow the realization of synergies and economies of scale but will also continue to bring sustainable contribution to the Group's profitability in the long run.

The Directors (in respect of the New CTF Enterprises Master Services Agreement including the independent non-executive Directors and in respect of the New NWD Master Services Agreement and the New DOO Master Services Agreement excluding the independent non-executive Directors whose views will be given after taking into consideration the advice from the Independent Financial Adviser) are of the views that the terms of each of the New Master Services Agreements and the proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **CONNECTION BETWEEN THE PARTIES INVOLVED AND LISTING RULES IMPLICATIONS**

As at the date of this announcement:

- CTF Enterprises together with its subsidiaries hold approximately 44.20% of the total issued share capital of NWD and CTF Enterprises holds approximately 2.52% of the total issued share capital of the Company. NWD together with its subsidiaries hold approximately 61.32% of the total issued share capital of the Company. Both CTF Enterprises and NWD are therefore connected persons of the Company under the Listing Rules.
- Mr. Doo is the father of Mr. William Junior Guilherme Doo, brother-in-law of Dr. Cheng Kar Shun, Henry and uncle of Mr. Cheng Chi Ming, Brian, all of whom are Directors. Accordingly, Mr. Doo is therefore a connected person of the Company under the Listing Rules. Certain members of the Services Group are majority-controlled companies of Mr. Doo and hence connected persons of the Company.

Accordingly, each of the New Master Services Agreements constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As all applicable Percentage Ratios of the maximum aggregate annual value in respect of the Transactions contemplated under the New CTF Enterprises Master Services Agreement are more than 0.1% but less than 5%, the entering into of the New CTF Enterprises Master Services Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.



In addition, as all or certain applicable Percentage Ratios of the maximum aggregate annual value in respect of the Transactions contemplated under each of the New NWD Master Services Agreement and the New DOO Master Services Agreement are more than 5%, the entering into of each of the New NWD Master Services Agreement and the New DOO Master Services Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In the event that the relevant Annual Cap in respect of the relevant New Master Services Agreement is exceeded or the relevant New Master Services Agreement is renewed or materially varied, the Company will re-comply with the reporting, announcement and/or independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules (where applicable).

The SGM will be convened and held by the Company to consider and, if thought fit, approve the New NWD Master Services Agreement and the New DOO Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps. The voting at the SGM will be taken by poll.

## **ADDITIONAL INFORMATION REGARDING CTF ENTERPRISES, NWD, MR. DOO, THE SERVICES GROUP AND THE GROUP**

### **CTF Enterprises**

CTF Enterprises is principally engaged in investment holding.

### **NWD**

NWD and its subsidiaries is principally engaged in property development and investments in the area of property, infrastructure, hotel operation, department store operation, commercial aircraft leasing, services and technology. NWD is the ultimate holding company of the Company and together with its subsidiaries hold approximately 61.32% of the total issued share capital of the Company as at the date of this announcement.

### **Mr. Doo**

Mr. Doo is the father of Mr. William Junior Guilherme Doo (a non-executive Director), brother-in-law of Dr. Cheng Kar Shun, Henry (the Chairman of the Company and an executive Director) and uncle of Mr. Cheng Chi Ming, Brian (an executive Director). Mr. Doo is the controlling shareholder of the Services Group.

### **The Services Group**

The Services Group is principally engaged in the provision of services including: (i) property investment, property and facility management; (ii) security and guarding services; (iii) cleaning and laundry; (iv) landscaping; (v) provision of environmental engineering services, mechanical and electrical engineering services; (vi) trading of building materials; and (vii) insurance consultancy and brokerage.

## **The Group**

The Group is principally engaged in (i) the development, investment, operation and/or management of roads, environmental projects, commercial aircraft leasing as well as ports and logistics facilities; and (ii) the investment in and/or operation of facilities, construction, transport and strategic investments.

## **GENERAL**

Dr. Cheng Kar Shun, Henry, Mr. Mak Bing Leung, Rufin and Mr. Kwong Che Keung, Gordon, all being Directors, were not present at the relevant Board meeting and therefore did not vote on the resolutions approving the New Master Services Agreements, the Transactions contemplated thereunder and the related Annual Caps.

The associates of Dr. Cheng Kar Shun, Henry, who is a director of each of CTF Enterprises and NWD, and Mr. Doo (i.e. Mr. Cheng Chi Ming, Brian and Mr. William Junior Guilherme Doo), who are also Directors, abstained from voting on the resolutions approving the New Master Services Agreements, the Transactions contemplated thereunder and the related Annual Caps at the relevant Board meeting.

In addition, Mr. Lam Wai Hon, Patrick, being a Director, is also the Chief Executive Officer and an executive director of FSE Holdings Limited and the Vice-Chairman and an executive director of FSE Engineering Holdings Limited, both companies are members of the Services Group, abstained from voting on the resolutions approving the New DOO Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps at the relevant Board meeting.

The Independent Board Committee (comprising Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan and Mrs. Oei Fung Wai Chi, Grace, all of them are independent non-executive Directors) has been formed to advise and provide recommendation to the independent Shareholders in respect of the Transactions contemplated under each of the New NWD Master Services Agreement and the New DOO Master Services Agreement and the related Annual Caps. The remaining independent non-executive Director, Mr. Kwong Che Keung, Gordon, is also an independent non-executive director of Chow Tai Fook Jewellery Group Limited (a member of the CTF Enterprises Group) and FSE Engineering Holdings Limited (a member of the Services Group). In order to avoid any perceived conflict of interests, Mr. Kwong Che Keung, Gordon does not form part of the Independent Board Committee.

Platinum Securities Company Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders on the Transactions contemplated under each of the New NWD Master Services Agreement and the New DOO Master Services Agreement and the related Annual Caps.

As additional time is required to prepare the circular containing, among other things, further details relating to the New NWD Master Services Agreement and the New DOO Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps, the letter from the Independent Board Committee, the letter from the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders and a notice of the SGM, the circular is expected to be despatched to the Shareholders on or before 9 May 2017.

## DEFINITIONS

Unless the context otherwise requires, the following expressions used in this announcement have the following meanings:

“Annual Cap(s)”	the maximum aggregate annual transaction value in respect of each category of the Operational Services under each of the New Master Services Agreements
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 659) and held as to approximately 61.32% by NWD and its subsidiaries and approximately 2.52% by CTF Enterprises as at the date of this announcement
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“CTF Enterprises”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability
“CTF Enterprises Effective Date”	1 July 2017
“CTF Enterprises Group”	(a) CTF Enterprises; (b) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company; (c) any other company in the equity capital of which CTF Enterprises and/or such other companies referred to in (b) above taken together are or will be directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings from time to time or to control the composition of a majority of the board of directors; and (d) the subsidiaries of such other companies referred to in (b) and (c) above, and for the purpose of this announcement, such term shall exclude members of the NWD Group and the Group
“Director(s)”	director(s) of the Company

“DOO Effective Date”	1 July 2017, which is conditional upon the New DOO Master Services Agreement becoming unconditional as set out in the sub-paragraph headed “Condition” under the paragraph headed “3. New DOO Master Services Agreement” in this announcement
“Existing CTF Enterprises Master Services Agreement”	the master services agreement in relation to the provision of Operational Services entered into between the Company and CTF Enterprises on 11 April 2014 as disclosed in the announcement of the Company dated 11 April 2014 and the circular of the Company dated 5 May 2014
“Existing DOO Master Services Agreement”	the master services agreement in relation to the provision of Operational Services entered into between the Company and Mr. Doo on 11 April 2014 (as supplemented by the Supplemental Agreement) as disclosed in the announcement of the Company dated 11 April 2014 and the circular of the Company dated 5 May 2014
“Existing Master Services Agreement(s)”	the Existing CTF Enterprises Master Services Agreement, the Existing NWD Master Services Agreement and/or the Existing DOO Master Services Agreement (as the case may be)
“Existing NWD Master Services Agreement”	the master services agreement in relation to the provision of Operational Services entered into between the Company and NWD on 11 April 2014 as disclosed in the announcement of the Company dated 11 April 2014 and the circular of the Company dated 5 May 2014
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Independent Board Committee”	an independent committee of the Board (which comprises Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan and Mrs. Oei Fung Wai Chi, Grace, all of them are independent non-executive Directors) established to advise the independent Shareholders with regard to the Transactions contemplated under each of the New NWD Master Services Agreement and the New DOO Master Services Agreement and the related Annual Caps
“Independent Financial Adviser”	Platinum Securities Company Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and independent Shareholders in respect of the Transactions contemplated under each of the New NWD Master Services Agreement and the New DOO Master Services Agreement and the related Annual Caps
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“majority-controlled companies”	have the meaning ascribed to it in the Listing Rules
“Mr. Doo”	Mr. Doo Wai Hoi, William, being the father of Mr. William Junior Guilherme Doo, brother-in-law of Dr. Cheng Kar Shun, Henry and uncle of Mr. Cheng Chi Ming, Brian, all of whom are Directors
“New CTF Enterprises Master Services Agreement”	the master services agreement in relation to the provision of Operational Services entered into between the Company and CTF Enterprises on 10 April 2017
“New DOO Master Services Agreement”	the master services agreement in relation to the provision of Operational Services entered into between the Company and Mr. Doo on 10 April 2017
“New Master Services Agreement(s)”	the New CTF Enterprises Master Services Agreement, the New NWD Master Services Agreement and/or the New DOO Master Services Agreement (as the case may be)
“New NWD Master Services Agreement”	the master services agreement in relation to the provision of Operational Services entered into between the Company and NWD on 10 April 2017
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 17) and held as to approximately 44.20% by CTF Enterprises and its subsidiaries as at the date of this announcement
“NWD Effective Date”	1 July 2017, which is conditional upon the New NWD Master Services Agreement becoming unconditional as set out in the sub-paragraph headed “Condition” under the paragraph headed “2. New NWD Master Services Agreement” in this announcement
“NWD Group”	NWD, its subsidiaries, any other company in the equity capital of which NWD and/or any of its subsidiaries taken together are or will be directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings from time to time or to control the composition of a majority of the board of directors, and the subsidiaries of such other companies, and for the purpose of this announcement, such term shall exclude members of the Group
“Operational Agreement(s)”	the individual agreement(s) in respect of the provision of any of the Operational Services which may from time to time be entered into between member(s) of the Group and member(s) of the CTF Enterprises Group or the NWD Group or the Services Group (as the case may be) pursuant to the relevant New Master Services Agreement(s)

“Operational Services”	the services which are to arise or arise from the principal categories of services under each of the New Master Services Agreements (as more particularly set out under the paragraph headed “New Master Services Agreements” of this announcement above) or, where the context requires, under each of the Existing Master Services Agreements
“Percentage Ratios”	the applicable percentage ratios (other than the profits and the equity capital ratios) under Rule 14.07 of the Listing Rules
“Services Group”	Mr. Doo and any company in the equity capital of which Mr. Doo is or will be directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings from time to time or to control the composition of a majority of the board of directors, and the subsidiaries of such other companies
“SGM”	the special general meeting of the Company to be convened and held by the Company for the purpose of, among other things, considering and, if thought fit, approving the New NWD Master Services Agreement and the New DOO Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	any entity which falls within the definition of “subsidiary” ascribed to it under the Listing Rules or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supplemental Agreement”	a supplemental agreement to the Existing DOO Master Services Agreement entered into among the Company, Mr. Doo, FSE Engineering Holdings Limited and FSE Management Company Limited on 20 November 2015
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong as amended from time to time
“Transactions”	the transactions contemplated under the New Master Services Agreements



“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

By order of the Board  
**Tsang Yam Pui**  
*Chief Executive Officer and Executive Director*

Hong Kong, 10 April 2017

*As at the date of this announcement, (a) the executive Directors are Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Hui Hon Chung, Mr. Cheung Chin Cheung, Mr. Cheng Chi Ming, Brian and Mr. Mak Bing Leung, Rufin; (b) the non-executive Directors are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai, Mr. Lam Wai Hon, Patrick and Mr. William Junior Guilherme Doo; and (c) the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan and Mrs. Oei Fung Wai Chi, Grace.*

\* *For identification purposes only*