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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: 00659)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

References are made to (i) the announcement of the Company dated 24 April 2020, (ii) the announcement of the Company dated 5 November 2021 and (iii) the circular of the Company dated 1 June 2020, regarding, among other things, the renewal of the Existing Master Services Agreements (namely, the Existing CTF Enterprises Master Services Agreement (as supplemented by the Existing Supplemental CTF Enterprises Master Services Agreement), the Existing NWD Master Services Agreement and the Existing DOO Master Services Agreement), the transactions contemplated thereunder and the related annual caps.

The Existing Master Services Agreements will expire on 30 June 2023. The relevant parties to each of the Existing Master Services Agreements 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:

- NWD together with its subsidiaries hold approximately 60.88% of the total issued share capital of the Company. NWD is therefore a substantial shareholder of the Company and hence a connected person of the Company under the Listing Rules. CTF Enterprises together with its subsidiaries hold approximately 45.20% of the total issued share capital of NWD and CTF Enterprises holds approximately 2.48% of the total issued share capital of the Company. CTF Enterprises is therefore considered to be a connected person of the Company.
- Mr. Doo is the father of Mr. William Junior Guilherme Doo, brother-in-law of Dr. Cheng Kar Shun, Henry and uncle of Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher. Except for Mr. Doo, all of the aforesaid persons are Directors. Accordingly, Mr. Doo is a connected person of the Company under the Listing Rules.

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 transaction 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.

As certain applicable Percentage Ratios and all the amounts of the maximum aggregate annual transaction 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% and exceed HK\$10,000,000, respectively, 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, (i) 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; (ii) a letter from the Independent Board Committee containing its recommendations to the independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the independent Shareholders; and (iv) a notice of the SGM, the circular is expected to be despatched to the Shareholders on or before 7 June 2023.

INTRODUCTION

References are made to (i) the announcement of the Company dated 24 April 2020, (ii) the announcement of the Company dated 5 November 2021 and (iii) the circular of the Company dated 1 June 2020, regarding, among other things, the renewal of the Existing Master Services Agreements (namely, the Existing CTF Enterprises Master Services Agreement (as supplemented by the Existing Supplemental CTF Enterprises Master Services Agreement), the Existing NWD Master Services Agreement and the Existing DOO Master Services Agreement), the transactions contemplated thereunder and the related annual caps.

In the ordinary course of business, members of the Group frequently 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 the reporting, announcement and if necessary, the independent Shareholders' approval process of such continuing connected transactions, the Company had entered into the Existing CTF Enterprises Master Services Agreement (as supplemented by the Existing Supplemental CTF Enterprises Master Services Agreement), the Existing NWD Master Services Agreement and the Existing DOO Master Services Agreement.

The Existing Master Services Agreements will expire on 30 June 2023. The relevant parties to each of the Existing Master Services Agreements 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 the members of the Group or the CTF Enterprises Group to (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 (as the case may be) 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 : 28 April 2023

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

Duration : An initial term of three years commencing from the CTF Enterprises Effective Date to 30 June 2026 (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 or subsequent renewal term for a successive period of three years thereafter (or such other period permitted under the Listing Rules) unless either party gives written notice to the other party not less than 30 Business Days before the end of the initial term or any subsequent renewal term to terminate the New CTF Enterprises Master Services Agreement.

Nature of Transactions/
Operational Services covered : 1. Contracting services — provision of services as main contractors, management contractors, project managers, subcontractors, suppliers or agents, building and general construction, civil engineering, building exterior and interior design, building maintenance and repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, hiring, procurement and supply of plant, machinery, 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. Facility management services — provision of convention and exhibition facilities and related functions and services, and food and beverage catering services;
3. Property management services — property management, property sales and letting agency services, provision of car parking management and related services;
4. Rental services — rental and licensing of the rights to use properties, spare spaces, car parking spaces and related services;
5. Insurance services — provision of insurance and related services, insurance underwriting services and policy underwriting services;
6. Merchandising and procurement services — buying and procurement services for sourcing goods, provision of supply chain management and consultancy services, sample production and import and export trading services, wholesaling, provision of freight forwarding and packaging and other logistics services, storage and warehousing services, design, marketing and sourcing services, merchandising agent services and general trading of merchandise;
7. Advertising services — advertising, branding, marketing, loyalty and rewards program and promotion-related services; and
8. Consultancy and advisory services relating to all the aforesaid services, and such other types of services as the parties may agree upon from time to time in writing.

Pricing : Determined in the ordinary and usual course of business on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no less favourable to the Group than terms available to and/or from independent third parties, with reference to the pricing policy as described under the section headed "Operational Agreement(s) and pricing policies" below.

Payment terms : The terms in relation to the time and method of payment will be stated in the relevant Operational Agreements and will be no less favourable to the Group than terms available to and/or 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 the members of the Group or the NWD Group to (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 (as the case may be) during the term of the New NWD Master Services Agreement.

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

Date : 28 April 2023

Parties : (1) NWD
(2) the Company

Duration : An initial term of three years commencing from the NWD Effective Date to 30 June 2026 (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 or subsequent renewal term for a successive period of three years thereafter (or such other period permitted under the Listing Rules) unless either party gives written notice to the other party not less than 30 Business Days before the end of the initial term or any subsequent renewal 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 related Annual Caps.

- Nature of Transactions/Operational Services covered :
1. Contracting services — provision of services as main contractors, management contractors, project managers, subcontractors, suppliers or agents, building and general construction, civil engineering, building exterior and interior design, building maintenance and repair, renovation, refurbishment, cleaning of properties, development and redevelopment of buildings, properties and real estate, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, hiring, procurement and supply of plant, machinery, equipment and materials, computer aided drafting services and related services;
 2. Facility management services — provision of convention and exhibition facilities, hospitality and related functions and services, provision of ticketing services, ticketing information system and agency services, food and beverage catering services, provision of information technology services, computer programming and related consultancy and advisory services, technical projects studies, computer program management and planning information systems, design and updating of software and software packages, analysis and design of information system and data processing;
 3. Property management services — property management, property sales and letting agency services, provision of car parking management and related services;
 4. Rental services — rental and licensing of the rights to use properties, spare spaces, car parking spaces and related services;
 5. Insurance and healthcare services — provision of insurance and related services, insurance underwriting services, policy underwriting services, medical and healthcare services, rehabilitation and wellness enhancement and related services;

6. Merchandising and procurement services — buying and procurement services for sourcing goods, provision of supply chain management and consultancy services, sample production and import and export trading services, wholesaling, provision of freight forwarding and packaging and other logistics services, storage and warehousing services, design, marketing and sourcing services, merchandising agent services and general trading of merchandise;
7. Advertising services — advertising, branding, marketing, loyalty and rewards program and promotion-related services; and
8. Consultancy and advisory services relating to all the aforesaid services, and such other types of services as the parties may agree upon from time to time in writing.

Pricing : Determined in the ordinary and usual course of business on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no less favourable to the Group than terms available to and/or from independent third parties, with reference to the pricing policy as described under the section headed "Operational Agreement(s) and pricing policies" below.

Payment terms : The terms in relation to the time and method of payment will be stated in the relevant Operational Agreements and will be no less favourable to the Group than terms available to and/or 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 the members of the Group or the Services Group to (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 (as the case may be) during the term of the New DOO Master Services Agreement.

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

- Date : 28 April 2023
- Parties : (1) Mr. Doo
(2) the Company
- Duration : An initial term of three years commencing from the DOO Effective Date to 30 June 2026 (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 or subsequent renewal term for a successive period of three years thereafter (or such other period permitted under the Listing Rules) unless either party gives written notice to the other party not less than 30 Business Days before the end of the initial term or any subsequent renewal 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 related Annual Caps.

- Nature of Transactions/
Operational Services covered : 1. Contracting services — provision of services as main contractors, management contractors, project managers, subcontractors, suppliers or agents, building and general construction, civil engineering, building exterior and interior design, building maintenance and repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, hiring, procurement and supply of plant, machinery, 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 and housekeeping, waste management and disposal, external wall and window cleaning, clinical waste management, office and facility cleaning, pest control, recycling and environmental services, landscaping and plant maintenance, supply of plants and related services;
3. Facility management services — provision of convention and exhibition facilities, hospitality and 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 and letting agency services, pre-marketing consultancy services, technical services, provision of car parking management and related services;
5. Security, guarding and event servicing services — provision of services of security guards, event servicing, security services, security systems and technology (including installation and maintenance) services, security consultancy, armoured transit and vaulting security services, escort and surveillance security services, supply of security products and related services;
6. Rental services — rental and licensing of the rights to use properties, spare spaces, car parking spaces and related services;
7. Insurance services — provision of insurance and related services, insurance underwriting services and policy underwriting services; and
8. Consultancy and advisory services relating to all the aforesaid services, and such other types of services as the parties may agree upon from time to time in writing.

Pricing : Determined in the ordinary and usual course of business on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no less favourable to the Group than terms available to and/or from independent third parties, with reference to the pricing policy as described under the section headed "Operational Agreement(s) and pricing policies" below.

Payment terms : The terms in relation to the time and method of payment will be stated in the relevant Operational Agreements and will be no less favourable to the Group than terms available to and/or 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 Group or the CTF Enterprises Group or the NWD Group or the Services 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.

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 an arm's length basis and at prices and on terms no less favourable to the Group than terms available to and/or from independent third parties.

Subject to the general principle disclosed above, the pricing policy for the provision of each of the Operational Services 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:

(i) member(s) of the Group is typically engaged as a main contractor, management contractor, project manager, subcontractor, supplier or agent 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 or quotation with all bidders (including independent third parties in the market), the winning bid of which will be the one with the lowest tender amount or the recommended one with better technical knowhow and capability to complete the project in time and with quality, 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 working relationship) as set out in the bid invitation. In preparing for the submission of a tender or quotation, review meeting(s) of the relevant member of the Group will be held to perform a thorough analysis of the project specifications, and the cost and other data collected. In pricing a tender or quotation, the relevant member of the Group will also make references to its recent job quotations. Related market information will also be retrieved for reference. These measures/procedures are designed to ensure that the tender or quotation price (as well as the terms of the tender or quotation) to be offered by the Group is 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 or quotation;
- 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 (which could be varied according to the scale or, if applicable, the unique nature of the project agreed to be undertaken by the Group) 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 cost and other data collected, and other useful data retrieved from the Group's database for reference and assessment purpose. These procedures are adhered to by the Group for engagement through direct appointment;

- (ii) where member(s) of the NWD Group provide(s) procurement services to member(s) of the Group, the member of the Group will perform a thorough analysis on the specific project and the related construction material requirements, including the types of materials required such as ironmongery, tiles, rebar, etc., the collection of cost and other data which includes quotations from suppliers for materials and the estimated usage of different types of materials, and make references to its recent job quotations and the historical purchase price. Related market information, such as material price trend, will also be retrieved from public source and database for reference. These measures/procedures are designed with a view to ensuring the price and terms of procurement services offered to the Group by the NWD Group are fair and reasonable and comparable to those offered to the Group by independent third parties, and will be adhered to by the Group for its procurement activities; and
- (iii) if members of the CTF Enterprises Group provide contracting services for projects in which the member(s) of the Group is engaged as a main contractor, management contractor, project manager, subcontractor, supplier or agent for a particular project, there are three types of business arrangements:
- where a member of the CTF Enterprises Group is designated as a nominated subcontractor by the ultimate employer, consideration to such member of the CTF Enterprises 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 subcontractor(s), the consideration to such subcontractor(s) will be ascertained under the subcontracting procedures. Such member of the Group will obtain tenders or quotations from subcontractors (including members of the CTF Enterprises Group and independent third parties subject to practical availability and feasibility) from a list of pre-approved subcontractors (which is subject to periodic review and update by its management to ensure the subcontractors' quality standards) for services or products in similar times or quantities. If the price and terms offered by a member of the CTF Enterprises Group are equal to or better than those offered by the independent service providers, such member of the Group may award the contract to such member of the CTF Enterprises Group; and
 - for projects which involve consideration of a substantial amount that require partnering with members of the CTF Enterprises Group in view of commercial and confidentiality reasons, the member(s) of the CTF Enterprises Group will participate in a tender with all bidders (including independent third parties in the market, subject to practical availability and feasibility), the winning bid of which will be the one with the lowest tender amount or the recommended one with better technical knowhow and

capability to complete the project in time and with quality, 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 working relationship) as set out in the bid invitation;

- (b) as regards the provision of facility management services: on the basis of the prevailing market rate or at the rate no less favorable to the Group than any other third party, with particular consideration to the uniqueness and proximity of the services provided, and the familiarity of such services to the advantage of the Group;
- (c) as regards the provision of property management services: on the basis of cost plus a prevailing market rate which could be varied according to the size or, if applicable, the unique nature of the property management project and/or the extent of services required and will be determined by conducting researches 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;
- (d) as regards the provision of rental services: by reference to a quote which is based on other comparative quote(s) (subject to availability) 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;
- (e) as regards the provision of insurance services or insurance and healthcare services: on the basis of meeting the target profitability requirement measured by profit margin. In delivering the cost basis for the group life insurance policy to be offered, the relevant member of the Group will consider, among other things, (i) the sum assured/risk exposure; (ii) the demographic of the insured profile (including but not limited to age, occupation and geographical location); (iii) the reinsurance terms; (iv) the expense on the insurance policy; (v) the relevant underwriting information; and (vi) the relevant insurance claims history of the insured entity;
- (f) as regards the provision of merchandising and procurement services: on the basis of prevailing market rate which could be varied according to, among other things, (i) the type, size, specifications and/or quantity or, if applicable, the unique nature of the services and/or goods in question; (ii) complexity of the services; and (iii) delivery date of the goods and services, but in any event the price and terms shall be no less favorable to the Group as compared to those provided to or provided by any third party;

- (g) as regards the provision of advertising services: on the basis of the prevailing market rate or at the rate no less favorable to the Group than any other third party, with particular consideration to, among other things, the uniqueness and proximity of the services provided, the familiarity of the Group and the rationale and requirements behind the services provided, the price of comparable services obtainable from the market and the time of delivery; and
- (h) as regards the provision of consultancy and advisory services: on the basis of the prevailing market rate or at the rate no less favorable to the Group than any other third party, with particular consideration to, among other things, the uniqueness and proximity of the services provided, the familiarity of the Group and the rationale and requirements behind the services provided, the service specifications, the price of comparable services obtainable from the market and the time of delivery.

Subject to the general principle disclosed above, the pricing policy for the provision of each of the Operational Services 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 a main contractor, management contractor, project manager, subcontractor, supplier or agent for a particular project. There are three 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 subcontractor 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 subcontractor(s), consideration to such subcontractor(s) will be ascertained under the subcontracting procedures. Such member of the Group will obtain tenders or quotations from subcontractors (including members of the Services Group and independent third parties subject to practical availability and feasibility) from a list of pre-approved subcontractors (which is subject to periodic review and update by its management to ensure the subcontractors' quality standards) for services or products in similar times or quantities. 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 award the contract to such member of the Services Group;

- for projects which involve consideration of a substantial amount that require partnering with members of the Services Group in view of commercial and confidentiality reasons, the member(s) of the Services Group will participate in a tender with all bidders (including independent third parties in the market, subject to practical availability and feasibility), the winning bid of which will be the one with the lowest tender amount or the recommended one with better technical knowhow and capability to complete the project in time and with quality, 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 working relationship) as set out in the bid invitation; and
- (ii) where member(s) of the Group is engaged to provide project management services to member(s) of the Services Group through invitation to submit tender(s) or quotation(s) or direct appointment by member(s) of the Services Group, the measures or procedures undertaken will be in line with the basis for engagements with independent third parties for projects of similar nature and size;
- (b) as regards the provision of cleaning and landscaping services: by reference to comparable tenders or quotations obtained from independent third party(ies) in the market, or researches on the market comparables by the parties from time to time;
- (c) as regards the provision of facility management services: on the basis of the prevailing market rate or at the rate no less favorable to the Group than any other third party, with particular consideration to the uniqueness and proximity of the services provided, and the familiarity of such services to the advantage of the Group;
- (d) as regards the provision of property management services or security, guarding and event servicing services:
- (i) on the basis of cost plus a prevailing market rate which could be varied according to the size or, if applicable, the unique nature of the property management project and/or the extent of services required and will be determined by conducting researches 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; or

- (ii) by reference to comparable quotations obtained from independent third party(ies) in the market, or researches on the market comparables by the parties from time to time;
- (e) as regards the provision of rental services: by reference to a quote which is based on other comparative quote(s) (subject to availability) 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;
- (f) as regards the provision of insurance services: on the basis of meeting the target profitability requirement measured by profit margin. In delivering the cost basis for the group life insurance policy to be offered, the relevant member of the Group will consider, among other things, (i) the sum assured/risk exposure; (ii) the demographic of the insured profile (including but not limited to age, occupation and geographical location); (iii) the reinsurance terms; (iv) the expense on the insurance policy; (v) the relevant underwriting information; and (vi) the relevant insurance claims history of the insured entity; and
- (g) as regards the provision of consultancy and advisory services: on the basis of the prevailing market rate or at the rate no less favorable to the Group than any other third party, with particular consideration to, among other things, the uniqueness and proximity of the services provided, the familiarity of the Group and the rationale and requirements behind the services provided, the service specifications, the price of comparable services obtainable from the market and the time of delivery.

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 2026 (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 2021 and 30 June 2022 and the six months ended 31 December 2022 are set out below:

Existing CTF Enterprises Master Services Agreement (as supplemented by the Existing Supplemental CTF Enterprises Master Services Agreement)

Categories	Aggregate transaction values		
	Financial	Financial	Six months
	year ended	year ended	ended
	30 June	30 June	31 December
	2021	2022	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Operational Services by members of the Group to members of the CTF Enterprises Group	1.8	2.8	0.4
Operational Services by members of the CTF Enterprises Group to members of the Group	<u>9.8</u>	<u>10.3</u>	<u>81.3</u>
Total	<u><u>11.6</u></u>	<u><u>13.1</u></u>	<u><u>81.7</u></u>

Existing NWD Master Services Agreement

Categories	Aggregate transaction values		
	Financial	Financial	Six months
	year ended	year ended	ended
	30 June	30 June	31 December
	2021	2022	2022
	<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	839.4	328.6	272.4
Operational Services by members of the NWD Group to members of the Group	<u>43.2</u>	<u>73.6</u>	<u>35.3</u>
Total	<u><u>882.6</u></u>	<u><u>402.2</u></u>	<u><u>307.7</u></u>

Existing DOO Master Services Agreement

Categories	Aggregate transaction values		
	Financial	Financial	Six months
	year ended	year ended	ended
	30 June	30 June	31 December
	2021	2022	2022
	<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	0.8	1.0	0.5
Operational Services by members of the Services Group to members of the Group	<u>935.2</u>	<u>1,054.5</u>	<u>816.9</u>
Total	<u><u>936.0</u></u>	<u><u>1,055.5</u></u>	<u><u>817.4</u></u>

ANNUAL CAPS

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 2024, 30 June 2025 and 30 June 2026 will be as below:

New CTF Enterprises Master Services Agreement

Categories	Aggregate transaction values		
	Financial	Financial	Financial
	year ending	year ending	year ending
	30 June 2024	30 June 2025	30 June 2026
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Operational Services by members of the Group to members of the CTF Enterprises Group	106.0	112.0	117.0
Operational Services by members of the CTF Enterprises Group to members of the Group	<u>517.0</u>	<u>599.0</u>	<u>646.0</u>
Total	<u><u>623.0</u></u>	<u><u>711.0</u></u>	<u><u>763.0</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 is expected to be attributable to the provision of contracting services. The significant 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 and the potential transactions on the provision of contracting services to 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 mainly related to the provision of contracting services. The increase in the Annual Caps as compared with their relevant historical transaction value is due to the expanded scope of services offered by the CTF Enterprises Group and the business growth of the Group. In view of the expansion of the scope of services offered by CTF Enterprises Group in recent years with the inclusion of, among others, mechanical, electrical and building services, the Board expects that the Group's demand for contracting services to be provided by the CTF Enterprises Group would increase significantly in the future.

New NWD Master Services Agreement

Categories	Aggregate transaction values		
	Financial	Financial	Financial
	year ending	year ending	year ending
	30 June 2024	30 June 2025	30 June 2026
	<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	1,099.0	1,972.0	2,407.0
Operational Services by members of the NWD Group to members of the Group	<u>198.0</u>	<u>311.0</u>	<u>216.0</u>
Total	<u><u>1,297.0</u></u>	<u><u>2,283.0</u></u>	<u><u>2,623.0</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 potential business growth of the Group's construction business which would give rise to the increase in the transaction values of contracting services, together with the provision of contracting services arising from certain potential/sizeable upcoming and/or ongoing projects which include, but not limited to, various residential and commercial development projects, one of which is forecasted to commence in the financial year ending 30 June 2024 and with significant work progress in the financial year ending 30 June 2025 due to the cyclical process.

The Annual Caps for the Operational Services provided by members of the NWD Group to members of the Group are mainly related to provision of contracting services, facility management services, rental services and advertising services. The significant increase in the Annual Cap for the financial year ending 2025 is mainly attributable to a proposed sizeable lease of office spaces from NWD Group. The Group's demand for facility management services and advertising services is also expected to increase remarkably following the end of the social distancing and travel restrictions measures.

New DOO Master Services Agreement

Categories	Aggregate transaction values		
	Financial	Financial	Financial
	year ending	year ending	year ending
	30 June 2024	30 June 2025	30 June 2026
	<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	41.0	41.0	41.0
Operational Services by members of the Services Group to members of the Group	<u>2,144.0</u>	<u>2,387.0</u>	<u>3,146.0</u>
Total	<u><u>2,185.0</u></u>	<u><u>2,428.0</u></u>	<u><u>3,187.0</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 insurance services. The increase in the Annual Caps as compared with their relevant historical transaction values is mainly due to potential provision of insurance and related services by members of the Group to members of the Services Group.

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 increase in the Annual Caps as compared with their relevant historical transaction values is mainly due to the potential business growth of the Group's construction business which would give rise to the increase in the transaction values of contracting services, together with the provision of contracting services arising from certain potential/sizeable upcoming and/or ongoing projects which include, but not limited to, various government development projects as well as residential and commercial development projects. Existing ongoing sizeable projects include, but are not limited to, the Immigration Headquarter at Tseung Kwan O, District Court Building at Caroline Hill Road, Legislative Council Complex Expansion and New Public Market in Tin Shui Wai.

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) having regard to the ongoing and/or upcoming projects undertaken and/or expected to be undertaken;
 - the existing projects in progress which affect the demand of related Operational Services by the Group, the CTF Enterprises Group, the NWD Group or the Services Group;
 - the estimated future demand for the Operational Services;
 - the inflation factor (which may vary in nature and can be economic, labour and logistics related or otherwise and will result in change in costs), if applicable. The inflation rate will be assessed by the Group by reference to or after taking into account such rate(s) available in public sources, such as the rate reported by the Hong Kong Census and Statistics Department;
 - the adjustments for non-recurring or extraordinary items to cater for exceptional circumstances or other contingencies; 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 recurring in nature and 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 an 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 considering the advice from the Independent Financial Adviser) are of the view that the terms of each of the New Master Services Agreements are on normal commercial terms or better, and, together with the proposed Annual Caps, are fair and reasonable, and the Transactions contemplated under each of the New Master Services Agreements are in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES

To ensure that the New Master Services Agreements and the Transactions adhere to normal commercial terms and the amounts of the Transactions do not exceed the related Annual Caps, the Company has implemented the following internal control procedures:

- (1) **Operational Agreement review and assessment:** Prior to entering into any Operational Agreement under the scope of the relevant New Master Services Agreements, the relevant personnel of the Group will review and assess the terms of the relevant Operational Agreements to ensure that they are consistent with the principles and provisions set out in the relevant New Master Services Agreements. The pricing policies and other terms of the Operational Agreements will be determined by the relevant personnel of the Group on normal commercial terms, negotiated on an arm's length basis and on basis similar to that with independent third parties.

- (2) **Tendering process and quotations:** With regard to participation in tenders or provision of quotations for contracting services, members of the Group are required to follow the internal tender guidelines. These measures/procedures aim to ensure that the tender or quotation price and the terms of the tender or quotation to be offered by the Group are fair, reasonable and comparable to those offered by the Group to independent third parties.
- (3) **Transaction monitoring and reporting:** The finance department of the Group will consistently record and monitor the transaction amounts to ensure the applicable Annual Caps are not exceeded. Periodic reports, including lists of continuing connected transactions conducted during the reporting period and utilisation of the relevant Annual Caps will be submitted to the Audit Committee for review.
- (4) **Annual review by internal audit function:** The group audit and risk assurance department of the Group will perform an annual review of the internal controls for the continuing connected transactions for the preceding financial year.
- (5) **Annual review by external auditor and independent non-executive Directors:** The Company's external auditor along with the independent non-executive Directors will perform an annual review of the continuing connected transactions for the preceding financial year in accordance with the Listing Rules.

CONNECTION BETWEEN THE PARTIES INVOLVED AND LISTING RULES IMPLICATIONS

As at the date of this announcement:

- NWD together with its subsidiaries hold approximately 60.88% of the total issued share capital of the Company. NWD is therefore a substantial shareholder of the Company and hence a connected person of the Company under the Listing Rules. CTF Enterprises together with its subsidiaries hold approximately 45.20% of the total issued share capital of NWD and CTF Enterprises holds approximately 2.48% of the total issued share capital of the Company. CTF Enterprises is therefore considered to be a connected person of the Company.
- Mr. Doo is the father of Mr. William Junior Guilherme Doo, brother-in-law of Dr. Cheng Kar Shun, Henry and uncle of Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher. Except for Mr. Doo, all of the aforesaid persons are Directors. Accordingly, Mr. Doo is a connected person of the Company under the Listing Rules.

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 transaction 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.

As certain applicable Percentage Ratios and all the amounts of the maximum aggregate annual transaction 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% and exceed HK\$10,000,000, respectively, 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 in respect of the terms thereof, 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

As of the date of this announcement and based on publicly available information, CTF Enterprises is a wholly-owned subsidiary of Chow Tai Fook (Holding) Limited; Chow Tai Fook (Holding) Limited is an approximately 81.03%-owned subsidiary of Chow Tai Fook Capital Limited; Chow Tai Fook Capital Limited is owned as to approximately 48.98% and approximately 46.65% by Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, respectively. To the best knowledge of the Directors, CTF Enterprises is principally engaged in investment holding.

NWD

NWD and its subsidiaries are principally engaged in property development, property investment and investment in and/or operation of roads, construction, insurance, hotels and other strategic businesses.

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 Dr. Cheng Chi Kong, Adrian (an executive Director), Mr. Cheng Chi Ming, Brian (an executive Director) and Mr. Cheng Chi Leong, Christopher (an executive Director).

The Services Group

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

The Group

The Group invests and operates a wide range of businesses predominantly in Hong Kong and the Mainland. Its core business includes toll roads, construction and insurance, while it also manages a strategic portfolio spanning sectors from logistics and facilities management.

GENERAL

Each of Dr. Cheng Kar Shun, Henry, Dr. Cheng Chi Kong, Adrian and Mr. Cheng Chi Leong, Christopher, each being a Director, is also a director of CTF Enterprises.

Each of Dr. Cheng Kar Shun, Henry, Mr. Ma Siu Cheung, Dr. Cheng Chi Kong, Adrian and Mr. Cheng Chi Ming, Brian, each being a Director, is also a director of NWD.

Accordingly, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian (being the son of Dr. Cheng Kar Shun, Henry and the brother of Dr. Cheng Chi Kong, Adrian and Mr. Cheng Chi Leong, Christopher), Mr. Cheng Chi Leong, Christopher (being the son of Dr. Cheng Kar Shun, Henry and the brother of Dr. Cheng Chi Kong, Adrian and Mr. Cheng Chi Ming, Brian) and Mr. William Junior Guilherme Doo (being a Director, the nephew of Dr. Cheng Kar Shun, Henry and the cousin of Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher) abstained from voting on the resolutions approving the New CTF Enterprises Master Services Agreement and the New NWD Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps at the relevant Board meeting and Mr. Ma Siu Cheung abstained from voting on the resolutions approving the New NWD Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps at the relevant Board meeting.

Dr. Cheng Kar Shun, Henry was not present at the aforesaid Board meeting of the Company and accordingly did not vote on the relevant resolutions approving the New CTF Enterprises Master Services Agreement and the New NWD Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps at the relevant Board meeting.

Furthermore, Mr. Doo is the father of Mr. William Junior Guilherme Doo, brother-in-law of Dr. Cheng Kar Shun, Henry and uncle of Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher. Dr. Cheng Kar Shun, Henry is the chairman and non-executive director of FSE Lifestyle Services Limited, a member of the Services Group. Mr. Lam Wai Hon, Patrick, being an alternate Director to Mr. William Junior Guilherme Doo, is also the Chief Executive Officer and an executive director of FSE Holdings Limited and the Executive Vice-Chairman and an executive director of FSE Lifestyle Services Limited, which (together with FSE Holdings Limited) are members of the Services Group. Accordingly, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian, Mr. Cheng Chi Leong, Christopher and Mr. William Junior Guilherme Doo 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.

Dr. Cheng Kar Shun, Henry and Mr. Lam Wai Hon, Patrick were not present at the aforesaid Board meeting of the Company and accordingly did not vote on the relevant resolutions approving the New DOO Master Services Agreement, the Transactions contemplated thereunder and the related Annual Caps at the relevant Board meeting.

Save as disclosed above, no other Director is regarded as having a material interest in the New Master Services Agreements and the Transactions contemplated thereunder and hence no other Director is required under the Listing Rules to abstain 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.

The Independent Board Committee (comprising Mr. Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Wai Chi Grace Fung, Mr. Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms. Ng Yuen Ting, Yolanda, all of whom are independent non-executive Directors) has been formed to advise and provide recommendations 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.

Ballas Capital 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, (i) 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; (ii) a letter from the Independent Board Committee containing its recommendations to the independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the independent Shareholders; and (iv) a notice of the SGM, the circular is expected to be despatched to the Shareholders on or before 7 June 2023.

DEFINITIONS

Unless the context otherwise requires, the capitalized terms used in this announcement shall 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 (as the case may be)
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Business Day(s)”	a day (other than a Saturday or Sunday or public holiday) on which banks are open for business in Hong Kong
“Code on Takeovers and Mergers”	the Code on Takeovers and Mergers as amended from time to time and administered by the Securities and Futures Commission of Hong Kong
“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: 00659) and held as to approximately 60.88% by NWD and its subsidiaries and approximately 2.48% by CTF Enterprises as at the date of this announcement
“connected person(s)”	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 2023

“CTF Enterprises Group”	means (a) CTF Enterprises; (b) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company; and/or (c) any other company in the equity capital of which CTF Enterprises and such other companies referred to in (b) above taken together are 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 Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, 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, but excluding the NWD Group and the Group
“Director(s)”	director(s) of the Company
“DOO Effective Date”	1 July 2023, 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 24 April 2020 as disclosed in the announcement of the Company dated 24 April 2020
“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 24 April 2020 as disclosed in the announcement of the Company dated 24 April 2020 and the circular of the Company dated 1 June 2020
“Existing Master Services Agreement(s)”	the Existing CTF Enterprises Master Services Agreement (as supplemented by the Existing Supplemental 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 24 April 2020 as disclosed in the announcement of the Company dated 24 April 2020 and the circular of the Company dated 1 June 2020
“Existing Supplemental CTF Enterprises Master Services Agreement”	the supplemental agreement in relation to the provision of Operational Services entered into between the Company and CTF Enterprises on 5 November 2021 to supplement the Existing CTF Enterprises Master Services Agreement as disclosed in the announcement of the Company dated 5 November 2021
“FSE Holdings Limited”	FSE Holdings Limited (豐盛創建控股有限公司), a company incorporated in the Cayman Islands with limited liability and a controlling shareholder of FSE Lifestyle Services Limited holding 75% of the ordinary shares in issue of FSE Lifestyle Services Limited as at the date of this announcement
“FSE Lifestyle Services Limited”	FSE Lifestyle Services Limited, a company incorporated in the Cayman Islands with limited liability, the issued ordinary shares of which are listed on the main board of the Stock Exchange (stock code: 00331)
“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 Mr. Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Wai Chi Grace Fung, Mr. Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms. Ng Yuen Ting, Yolanda, all of whom 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”	Ballas Capital 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
“Mainland”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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 Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher. Except for Mr. Doo Wai Hoi, William, all of the aforesaid persons 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 28 April 2023
“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 28 April 2023
“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 28 April 2023

“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: 00017) and held as to approximately 45.20% by CTF Enterprises and its subsidiaries as at the date of this announcement
“NWD Effective Date”	1 July 2023, 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 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 Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, 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 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 Agreements
“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) 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”	(1) Mr. Doo and his immediate family members (as defined under the Listing Rules) and (2) any company in the equity capital of which Mr. Doo and/or his immediate family member(s) (individually or together) is/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 Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors, and the subsidiaries of such 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)
“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)
“Transactions”	the transactions contemplated under the Existing Master Services Agreements and/or the New Master Services Agreements (as the case may be)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 28 April 2023

As at the date of this announcement, (a) the executive Directors are Dr. Cheng Kar Shun, Henry, Mr. Ma Siu Cheung, Mr. Ho Gilbert Chi Hang, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian, and Mr. Cheng Chi Leong, Christopher; (b) the non-executive Directors are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai and Mr. William Junior Guilherme Doo (alternate director to Mr. William Junior Guilherme Doo: Mr. Lam Wai Hon, Patrick); and (c) the independent non-executive Directors are Mr. Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Wai Chi Grace Fung, Mr. Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms. Ng Yuen Ting, Yolanda.

** For identification purposes only*