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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: 659)

CONNECTED TRANSACTION

SUBSCRIPTION FOR SENIOR UNSECURED HKD NOTES TO BE ISSUED BY NWD (MTN) LIMITED

The Board is pleased to announce that on 24 December 2019, FTLife Insurance (an indirect wholly-owned subsidiary of the Company) agreed to subscribe for the Notes. The Notes will be issued on 31 December 2019 upon satisfaction of the conditions to issue (that are customary for this kind of transactions among which include the admission for listing and trading of the Notes on the Stock Exchange) and other terms under the MTN Programme.

As at the date of this announcement, NWD together with its subsidiaries hold approximately 61% of the total issued share capital of the Company. Therefore, NWD (MTN) (being an associate of NWD) is a connected person of the Company and accordingly, the Subscription constitutes financial assistance provided by the Group to NWD Group and hence a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of financial assistance exceed 0.1% but are below 5%, the Subscription is subject to the reporting and announcement requirements but exempts from the independent shareholders' approval requirement for the Company under Chapter 14A of the Listing Rules.

As completion of the Subscription is subject to the satisfaction of certain conditions, the Subscription may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

SUBSCRIPTION FOR SENIOR UNSECURED HKD NOTES

The Board is pleased to announce that on 24 December 2019, FTLife Insurance (an indirect wholly-owned subsidiary of the Company) agreed to subscribe for the Notes. The principal terms of the Notes comprise the following:

Issuer:	NWD (MTN)
Guarantor:	NWD, which will guarantee the due and punctual performance by NWD (MTN) of its obligations under the Notes
Product type:	HKD fixed rate notes
Payment rank:	Senior unsubordinated and unsecured
Principal amount:	HK\$1,500,000,000
Trade date:	24 December 2019
Issue date:	31 December 2019
Maturity date:	31 December 2049
Issue price:	100% of the nominal amount
Coupon:	4.89% per annum, with interest payment semi-annually in arrears until the maturity date
Redemption at maturity:	100% of the nominal amount
Listing status:	To be listed on the Stock Exchange

The Notes will be issued on 31 December 2019 upon satisfaction of the conditions to issue (that are customary for this kind of transactions among which include the admission for listing and trading of the Notes on the Stock Exchange) and other terms under the MTN Programme.

REASONS FOR THE SUBSCRIPTION FOR THE NOTES

FTLife Insurance proposes to subscribe for the Notes as part of its investment portfolio management by utilizing internal funds derived from premiums paid for the insurance policies by its customers. As part of its business strategy, FTLife Insurance manages its liquidity risk by focusing on effective asset and liability management and maintaining an investment portfolio that consists mainly of liquid investment assets. FTLife Insurance also aims at matching the duration of its investment assets with the duration of its insurance contract liabilities. In view of the Notes having a maturity of 30 years with a steady fixed interest return and the scarcity of notes with similar characteristics in the market, FTLife Insurance considers that investment in the Notes represents a good match of the long duration of its insurance contract liabilities. At the same time, as the Notes will be listed on the Stock Exchange and will therefore be tradeable, the Notes will be in good liquidity, allowing FTLife Insurance to convert such investment into cash within a short period in the event of unexpected payment obligations.

LISTING RULES IMPLICATIONS

As at the date of this announcement, NWD together with its subsidiaries hold approximately 61% of the total issued share capital of the Company. Therefore, NWD (MTN) (being an associate of NWD) is a connected person of the Company and accordingly, the Subscription constitutes financial assistance provided by the Group to NWD Group and hence a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of financial assistance exceed 0.1% but are below 5%, the Subscription is subject to the reporting and announcement requirements but exempts from the independent shareholders' approval requirement for the Company under Chapter 14A of the Listing Rules.

Each of Dr. Cheng Kar Shun, Henry ("Dr. Henry Cheng") and Dr. Cheng Chi Kong, Adrian ("Dr. Adrian Cheng"), both being a director of the Company, is also a director of NWD and NWD (MTN). Accordingly, Dr. Henry Cheng, Dr. Adrian Cheng, Mr. Cheng Chi Ming, Brian (a director of the Company, and the son of Dr. Henry Cheng and the brother of Dr. Adrian Cheng) and Mr. William Junior Guilherme Doo (a director of the Company, and the nephew of Dr. Henry Cheng and the cousin of Dr. Adrian Cheng) abstained from voting on the resolutions approving the Subscription at the relevant Board meeting of the Company. Save as disclosed, no other director of the Company is regarded as having a material interest in the Subscription and hence no other director of the Company is required under the Listing Rules to abstain from voting on the resolutions approving the Subscription at the meeting of the Board.

The directors (including the independent non-executive directors) of the Company are of the view that the terms of the Subscription are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

As completion of the Subscription is subject to the satisfaction of certain conditions, the Subscription may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

INFORMATION ON NWD (MTN), NWD GROUP, FTLLIFE INSURANCE AND THE GROUP

NWD (MTN) is a company incorporated in the British Virgin Islands with limited liability and engaged in the business of bonds issuing. It is a direct wholly-owned subsidiary of NWD.

NWD is a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange. NWD Group (including the Group) is principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, commercial aircraft leasing, services and technology. As at the date of this announcement, NWD together with its subsidiaries hold approximately 61% of the total issued share capital of the Company.

FTLife Insurance is a company incorporated in Bermuda with limited liability and is an indirect wholly-owned subsidiary of the Company and an indirect non-wholly owned subsidiary of NWD. It is a life insurance company operating in Hong Kong, providing a broad range of protection and savings-related life and medical insurance products, serving both individual and institutional clients via tied agents and brokers.

The Company is a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange. The Group is principally engaged in (i) the development of, investment in and/or operation of roads, commercial aircraft leasing, construction and insurance; and (ii) the investment in and/or operation of environmental and logistics projects, facilities and transport.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company
“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)
“connected person”	has the meaning ascribed thereto in the Listing Rules

“FTLife Insurance”	FTLife Insurance Company Limited, a company incorporated in Bermuda with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MTN Programme”	the US\$6,000,000,000 medium term note programme established by NWD (MTN) on 4 December 2019
“Notes”	senior unsubordinated and unsecured notes in the principal amount of HK\$1,500,000,000 to be issued by NWD (MTN) under the MTN Programme pursuant to the pricing supplement dated 24 December 2019
“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: 0017)
“NWD Group”	NWD and its subsidiaries
“NWD (MTN)”	NWD (MTN) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of NWD
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by FTLife Insurance for the Notes in the principal amount of HK\$1,500,000,000 to be issued by NWD (MTN) under its MTN Programme, with the support of a pricing supplement dated 24 December 2019 that is executed by NWD (MTN) (as issuer) and NWD (as guarantor)

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent.

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

Hong Kong, 24 December 2019

As at the date of this announcement, (a) the executive directors of the Company are Dr. Cheng Kar Shun, Henry, Mr. Ma Siu Cheung, Dr. Cheng Chi Kong, Adrian, Mr. Cheung Chin Cheung, Mr. Cheng Chi Ming, Brian, Mr. Ho Gilbert Chi Hang and Mr. Chow Tak Wing; (b) the non-executive directors of the Company are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai, Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick and Mr. William Junior Guilherme Doo; and (c) the independent non-executive directors of the Company are Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Fung Wai Chi, Grace and Mr. Wong Kwai Huen, Albert.

* *For identification purposes only*