

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)

CONNECTED TRANSACTION

FORMATION OF JOINT VENTURE AND INCREASE IN TOTAL COMMITMENT

The Board is pleased to announce that on 29 September 2017 (after trading hours), CTFE, Healthcare Ventures (a direct wholly-owned subsidiary of CTFE), NWSI (a direct wholly-owned subsidiary of NWD), Smart Future (an indirect wholly-owned subsidiary of NWSI), NWS Service (a direct wholly-owned subsidiary of the Company), Dynamic Ally (an indirect wholly-owned subsidiary of NWS Service) and HAML entered into the Amended and Restated Joint Venture Agreement to regulate the respective rights and obligations of Healthcare Ventures, Smart Future and Dynamic Ally towards the management of HAML, following the Subscription. Upon completion of the Subscription, the entire issued share capital of HAML is owned as to 30%, 40% and 30% by Healthcare Ventures, Smart Future and Dynamic Ally respectively.

Pursuant to the Amended and Restated Joint Venture Agreement, Healthcare Ventures, Smart Future and Dynamic Ally intend to invest an aggregate amount of up to HK\$780,000,000 in HAML, which amount includes the Initial Investment contributed by Healthcare Ventures and Dynamic Ally, and HK\$87,510,527 contributed by Smart Future on the date of completion of the Subscription, in HAML for the business of HAML Group, subject to any changes as may be agreed by all the HAML Shareholders from time to time. The parties to the Amended and Restated Joint Venture Agreement further acknowledged and confirmed that each of Healthcare Ventures' and Dynamic Ally's finance obligation under the Joint Venture Agreement has been fully discharged.

As at the date of this announcement, Healthcare Ventures is directly wholly owned by CTFE and Smart Future is indirectly wholly owned by NWD. CTFE together with its subsidiaries hold approximately 44.15% of the total issued share capital of NWD and CTFE holds approximately 2.49% of the total issued share capital of the Company. NWD together with its subsidiaries hold approximately 61.18% of the total issued share capital of the Company. Accordingly, the entering into of the Amended and Restated Joint Venture Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Amended and Restated Joint Venture Agreement, when aggregated with the Transaction, are more than 0.1% but less than 5%, the entering into of the Amended and Restated Joint Venture Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement for the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 15 December 2016 (the "**Announcement**") in relation to the Joint Venture Agreement entered into among CTFE, Healthcare Ventures, NWS Service, Dynamic Ally and HAML to regulate the respective rights and obligations of Healthcare Ventures and Dynamic Ally towards the management of HAML. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that on 29 September 2017 (after trading hours), CTFE, Healthcare Ventures, New World Strategic Investment Limited ("**NWSI**"), Smart Future Investments Limited ("**Smart Future**"), NWS Service, Dynamic Ally and HAML entered into an amended and restated joint venture agreement (the "**Amended and Restated Joint Venture Agreement**") to regulate the respective rights and obligations of Healthcare Ventures, Smart Future and Dynamic Ally towards the management of HAML, following the subscription of shares in HAML by Smart Future on 29 September 2017 (the "**Subscription**"). Upon completion of the Subscription, the entire issued share capital of HAML is owned as to 30%, 40% and 30% by Healthcare Ventures, Smart Future and Dynamic Ally respectively.

MAJOR TERMS OF THE AMENDED AND RESTATED JOINT VENTURE AGREEMENT

Date

29 September 2017

Parties

1. CTFE
2. Healthcare Ventures (a direct wholly-owned subsidiary of CTFE)
3. NWSI (a direct wholly-owned subsidiary of NWD)

4. Smart Future (an indirect wholly-owned subsidiary of NWSI)
5. NWS Service (a direct wholly-owned subsidiary of the Company)
6. Dynamic Ally (an indirect wholly-owned subsidiary of NWS Service)
7. HAML

Total Commitment

Pursuant to the Amended and Restated Joint Venture Agreement, Healthcare Ventures, Smart Future and Dynamic Ally intend to invest an aggregate amount of up to HK\$780,000,000 in HAML for the business of HAML Group, of which:

- (i) HK\$5,000,000 by way of capital injection and HK\$58,000,000 by way of interest-free shareholder's loan had been contributed by each of Healthcare Ventures and Dynamic Ally (the "**Initial Investment**");
- (ii) HK\$10,177,194 has been contributed by way of capital injection and HK\$77,333,333 has been contributed by way of interest-free shareholder's loan by Smart Future on the date of completion of the Subscription; and
- (iii) the remaining amount shall be contributed by way of capital injection and/or shareholder's loan by the HAML Shareholders in proportion to their shareholding interests in HAML (i.e. up to HK\$169,946,842, HK\$226,595,789 and HK\$169,946,842 by Healthcare Ventures, Smart Future and Dynamic Ally respectively), shall be called on an as-needed basis pursuant to the Amended and Restated Joint Venture Agreement and shall be subject to any changes as may be agreed by all the HAML Shareholders from time to time.

The parties to the Amended and Restated Joint Venture Agreement further acknowledged and confirmed that each of Healthcare Ventures' and Dynamic Ally's finance obligation under the Joint Venture Agreement has been fully discharged.

The amount of total commitment is determined after arm's length negotiation among Healthcare Ventures, Smart Future and Dynamic Ally with reference to the estimated capital requirements of HAML and the respective shareholding percentages held by Healthcare Ventures, Smart Future and Dynamic Ally in HAML. The total commitment of up to HK\$232,946,842 by Dynamic Ally has been and will be funded by the internal resources and bank financing of the Group.

Pursuant to the Amended and Restated Joint Venture Agreement, in the event that HAML's financial resources are at any stage insufficient to satisfy the working capital requirements as determined by HAML Board, HAML shall first seek to obtain any additional funding from banks and other financial institutions on commercial terms. In case of any guarantee is required to be given by HAML Shareholders in support of such external financing, such guarantee shall be given by HAML Shareholders on a several (in proportion to their shareholding interests in HAML, and not joint or joint and several) basis. If HAML Board determines that such external financing is not available or is insufficient, HAML may then seek the relevant funding from HAML Shareholders.

Management of HAML

Pursuant to the Amended and Restated Joint Venture Agreement, unless and until otherwise agreed in writing by all HAML Shareholders, the maximum number of directors of HAML shall be seven. Pursuant to the Amended and Restated Joint Venture Agreement, Healthcare Ventures, Smart Future and Dynamic Ally shall have the right to appoint two, three and two directors to the HAML Board respectively, provided that if the relative shareholdings of the HAML Shareholders in HAML are altered, the HAML Shareholders shall procure that such right to appoint and remove directors of HAML shall be amended so that it is substantially in proportion to the relevant HAML Shareholders' respective shareholdings in HAML. The chairman of the HAML Board shall be appointed by a simple majority of the HAML Board.

Save as disclosed above, the major terms of the Joint Venture Agreement as disclosed in the Announcement continue to apply to the Amended and Restated Joint Venture Agreement.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE AMENDED AND RESTATED JOINT VENTURE AGREEMENT

In view of the reform of the medical system in the PRC, its aging population, economic growth, improvement in personal income and an increasing awareness of the importance of healthcare, a growing demand for quality healthcare services in the PRC is expected. To capture the opportunities, the Company and CTFE, through their respective wholly-owned subsidiaries, have set up HAML to invest in primary healthcare facilities in Asia. The first two investments made by HAML were the acquisitions of the Beijing Clinics and the Shanghai Clinic (the “**Acquisitions**”), and the Acquisitions were completed on 23 March 2017. Leveraging on UMP Group's experience in managing and developing healthcare services, HAML had on 15 December 2016 entered into the Master Operation Service Agreement and the Medical Services and Administration Agreement with UMP Healthcare China and UMP respectively. For further details, please refer to the Announcement.

Leveraging on NWD's strengths in real estate, corporate relationship, capital investment and customer base, it is expected that the Subscription and the entering into of the Amended and Restated Joint Venture Agreement can strengthen HAML Group's growth by synergising on NWD's contribution of its prime real estate assets and extensive customers base from its residential, commercial and department stores.

The Board considers that the entering into of the Amended and Restated Joint Venture Agreement is a good opportunity to strengthen the growth of the Group's participation in healthcare industry in the PRC market and will benefit the development in this segment of business of the Group in the long run.

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

FINANCIAL IMPLICATION

The Group's investment in HAML was accounted as joint venture before completion of the Subscription and is accounted as associated company after completion of the Subscription.

INFORMATION ON THE PARTIES

CTFE is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, CTFE together with its subsidiaries hold approximately 44.15% of the total issued share capital of NWD and CTFE holds approximately 2.49% of the total issued share capital of the Company. CTFE is principally engaged in investment holding.

Healthcare Ventures is a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of CTFE. Healthcare Ventures is principally engaged in investment holding.

NWD is a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange. As at the date of this announcement, NWD together with its subsidiaries hold approximately 61.18% of the total issued share capital of the Company. NWD and its subsidiaries are principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, commercial aircraft leasing, services and technology.

NWSI is a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of NWD. NWSI is principally engaged in investment holding.

Smart Future is a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of NWSI. Smart Future is principally engaged in investment holding.

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.

NWS Service is a company incorporated in the Cayman Islands with limited liability, which is a direct wholly-owned subsidiary of the Company. NWS Service is principally engaged in investment holding.

Dynamic Ally is a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of NWS Service. Dynamic Ally is principally engaged in investment holding.

HAML is a company incorporated in Hong Kong with limited liability, which is directly owned as to 30%, 40% and 30% by Healthcare Ventures, Smart Future and Dynamic Ally respectively, upon completion of the Subscription. The principal business activities of HAML are investment in, and operation and management of primary healthcare facilities (predominantly clinics and medical centres) located in Asia, with primary focus in the PRC and Hong Kong. According to the consolidated management accounts of HAML, the net liabilities value of HAML was HK\$8,611,239 as at 30 June 2017, and the net loss before and after taxation are HK\$10,653,373 and HK\$10,220,054 respectively for the period from 29 November 2016 (date of incorporation) to 30 June 2017.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Healthcare Ventures is directly wholly owned by CTFE and Smart Future is indirectly wholly owned by NWD. CTFE together with its subsidiaries hold approximately 44.15% of the total issued share capital of NWD and CTFE holds approximately 2.49% of the total issued share capital of the Company. NWD together with its subsidiaries hold approximately 61.18% of the total issued share capital of the Company. Accordingly, the entering into of the Amended and Restated Joint Venture Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Amended and Restated Joint Venture Agreement, when aggregated with the Transaction, are more than 0.1% but less than 5%, the entering into of the Amended and Restated Joint Venture Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement for the Company under Chapter 14A of the Listing Rules.

Dr. Cheng Kar Shun, Henry, being a director of the Company, is also a director of CTFE and NWD. Accordingly, Dr. Cheng Kar Shun, Henry and those of his associates who are also members of the Board (i.e. Mr. Cheng Chi Ming, Brian and Mr. William Junior Guilherme Doo) abstained from voting on the resolutions approving the entering into of the Amended and Restated Joint Venture Agreement at the meeting of the Board. Save as disclosed above, no other director of the Company is regarded as having a material interest in the Amended and Restated Joint Venture Agreement and hence no other director of the Company is required under the Listing Rules to abstain from voting on the resolutions approving the entering into of the Amended and Restated Joint Venture Agreement at the meeting of the Board.

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

Hong Kong, 29 September 2017

As at the date of this announcement, (a) the executive directors of the Company 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 of the Company 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 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 and Mrs. Oei Fung Wai Chi, Grace.

** For identification purposes only*