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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

FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 15 December 2016 (after trading hours), CTFE, Healthcare Ventures (a direct wholly-owned subsidiary of CTFE), NWS Service (a direct wholly-owned subsidiary of the Company), Dynamic Ally (an indirect wholly-owned subsidiary of the Company) and HAML entered into the Joint Venture Agreement to regulate the respective rights and obligations of Healthcare Ventures and Dynamic Ally towards the management of HAML. The entire issued share capital of HAML is owned as to 50% by each of Healthcare Ventures and Dynamic Ally. The Group's investment in HAML is accounted for as its joint venture.

As at the date of this announcement, Healthcare Ventures is wholly owned by CTFE. CTFE together with its subsidiaries hold approximately 43.92% of the total issued share capital of NWD and CTFE holds approximately 2.53% of the total issued share capital of the Company. NWD together with its subsidiaries hold approximately 61.32% of the total issued share capital of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 0.1% but all are less than 5%, the Transaction 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.

INTRODUCTION

The Board is pleased to announce that on 15 December 2016 (after trading hours), CTFE, Healthcare Ventures (a direct wholly-owned subsidiary of CTFE), NWS Service (a direct wholly-owned subsidiary of the Company), Dynamic Ally (an indirect wholly-owned subsidiary of the Company) and HAML entered into the Joint Venture Agreement to regulate the respective rights and obligations of Healthcare Ventures and Dynamic Ally towards the management of HAML. The entire issued share capital of HAML is owned as to 50% by each of Healthcare Ventures and Dynamic Ally. The Group's investment in HAML is accounted for as its joint venture.

MAJOR TERMS OF THE JOINT VENTURE AGREEMENT

Date

15 December 2016

Parties

1. CTFE
2. Healthcare Ventures
3. NWS Service
4. Dynamic Ally
5. HAML

Capital Commitment

Pursuant to the Joint Venture Agreement, each of Healthcare Ventures and Dynamic Ally will contribute HK\$63 million to HAML within 30 days from the date of signing the UMP Management SPA (as defined below) and the UMP Management III SPA (as defined below) and in any event before the completion of the Proposed Acquisitions (as defined below), and it is agreed that the initial total capital commitment of each of Healthcare Ventures and Dynamic Ally towards HAML shall be HK\$70 million (the “**Initial Capital Commitment**”). The remaining balance of the Initial Capital Commitment shall be paid as and when required by the HAML Board.

The amount of Initial Capital Commitment is determined after arm's length negotiation between Healthcare Ventures and Dynamic Ally with reference to the estimated capital requirements of HAML and the respective shareholding percentages held by Healthcare Ventures and Dynamic Ally in HAML. The Initial Capital Commitment of Dynamic Ally will be funded by the internal resources and bank financing of the Group.

Further funding requirement may be necessary for future expansion of the number of clinics under HAML. Pursuant to the 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 Healthcare Ventures and Dynamic Ally in support of such external financing, such guarantee shall be given by Healthcare Ventures and Dynamic Ally on a several (and not joint or joint and several) basis. If HAML Board determines that such external financing is not available or sufficient, HAML may then seek the relevant funding from Healthcare Ventures and Dynamic Ally.

Scope of Business

The parties to the Joint Venture Agreement agreed that HAML shall be an investment holding company and its business shall be the 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.

Management of HAML

Pursuant to the Joint Venture Agreement, unless and until otherwise agreed in writing by all HAML Shareholders, the maximum number of directors of HAML shall be four. Each of Healthcare Ventures and Dynamic Ally shall have the right to appoint two directors. The chairman of HAML Board shall be appointed by a simple majority of HAML Board.

Restrictions on Equity Transfers

No HAML Shareholder shall have the right to transfer any of its shares of HAML unless in accordance with the provisions of the Joint Venture Agreement and the articles of association of HAML. In the event that a HAML Shareholder (the “**Selling HAML Shareholder**”) proposes to transfer its shares of HAML, the other HAML Shareholder shall have a right of first refusal and tag along, while the Selling HAML Shareholder shall have a right of drag along.

Distribution of Profit

HAML Shareholders shall procure HAML to distribute such amount of profits by way of dividend as HAML Board may decide from time to time.

REASONS FOR, AND BENEFITS OF, THE TRANSACTION

In light of the economic growth and the increasing awareness of the importance of healthcare in Asia, it is expected that the need for healthcare services in the Asia market, in particular, the PRC, will continue to grow in the long run. To capture the opportunities brought by the growing demand for healthcare services, the Company and CTFE, through their respective wholly-owned subsidiaries, intended to set up an investment platform to invest in primary healthcare facilities in Asia. The first proposed investment to be made by HAML will be the acquisitions of interests in four clinics located in the PRC, from UMP Phoenix Healthcare Limited and UMP Healthcare China (the “**Proposed Acquisitions**”). In respect of the Proposed Acquisitions, HAML has entered into a

sale and purchase agreement (the “**UMP Management SPA**”) with, among others, UMP Phoenix Healthcare Limited, pursuant to which HAML shall acquire the entire issued share capital of UMP Medical Centre Management Limited (which holds three clinics in Beijing (the “**Beijing Clinics**”)) and related shareholder’s loan, and a sale and purchase agreement (the “**UMP Management III SPA**”) with, among others, UMP Healthcare China, pursuant to which HAML shall acquire the entire issued share capital of UMP Medical Centre Management (III) Limited (which holds one clinic in Shanghai (the “**Shanghai Clinic**”)) and related shareholder’s loan. The completion of each of the Proposed Acquisitions is subject to, among others, the other of the Proposed Acquisitions and the Proposed Subscription having become unconditional in all respects.

Leveraging on the experience of UMP and its subsidiaries in managing and developing healthcare services, HAML and UMP Healthcare China have also entered into a master operation service agreement on 15 December 2016 (the “**Master Operation Service Agreement**”), pursuant to which HAML shall, among other things, retain UMP Healthcare China, on an exclusive basis, to supervise, manage and operate all clinics invested or established and to be invested or established (as the case may be) by HAML in the PRC (including the Beijing Clinics and the Shanghai Clinic). The term of the Master Operation Service Agreement will run from the date on which all the conditions under the Master Operation Service Agreement have been fulfilled to 31 December 2026. The Master Operation Service Agreement is conditional upon, among others, completion of the Proposed Acquisitions. Under the Master Operation Service Agreement, HAML also has a first opportunity right in respect of any opportunities in any of the investment in, and the establishment of, a general clinic network in the PRC given to or identified by UMP or its subsidiaries.

In addition, HAML and UMP have also entered into a medical services and administration agreement on 15 December 2016 (the “**Medical Services and Administration Agreement**”), pursuant to which HAML shall, or procure its subsidiaries to, on a non-exclusive basis, make available the medical centre network of HAML Group in the PRC and Hong Kong and provide the medical, dental and other auxiliary services to members or customers of UMP Group and UMP shall, or procure members of UMP Group to, on a non-exclusive basis, make available the medical centre network of UMP Group in the PRC and Hong Kong and provide the medical, dental and other auxiliary services to members or customers of HAML Group. The term of the Medical Services and Administration Agreement will run from the date on which all the conditions under the Medical Services and Administration Agreement have been fulfilled to 31 December 2026. The Medical Services and Administration Agreement is also conditional upon, among others, the Proposed Acquisitions and the Proposed Subscription having become unconditional in all respects.

In view of the reform of the medical system in the PRC and its aging population and improvement in personal income, a growing demand for quality medical services in the PRC is expected. The Board considers that the Transaction is a good opportunity for 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 Transaction is on normal commercial terms, and that the terms of the Joint Venture Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL IMPLICATION

Since the entire issued share capital of HAML is owned as to 50% by each of Healthcare Ventures and Dynamic Ally, the investment in HAML by the Group is accounted for as its joint venture by the equity method of accounting.

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 43.92% of the total issued share capital of NWD and CTFE holds approximately 2.53% 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.

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 indirectly owned as to 50% by CTFE and 50% by the Company. The principal business activities of HAML are set out in the paragraph headed “Scope of Business” under “Major terms of the Joint Venture Agreement” above.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Healthcare Ventures is wholly owned by CTFE. CTFE together with its subsidiaries hold approximately 43.92% of the total issued share capital of NWD and CTFE holds approximately 2.53% of the total issued share capital of the Company. NWD together with its subsidiaries hold approximately 61.32% of the total issued share capital of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 0.1% but all are less than 5%, the Transaction 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. Accordingly, the associates of Dr. Cheng Kar Shun, Henry, 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 Transaction at the meeting of the Board. Dr. Cheng Kar Shun, Henry was not present at the relevant board meeting of the Company and therefore did not vote on the resolutions approving the Transaction. Save as disclosed above, no other director of the Company is regarded as having a material interest in the Transaction and hence no other director of the Company is required under the Listing Rules to abstain from voting on the resolutions approving the Transaction at the meeting of the Board.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of directors of the Company;
“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 659) and held as to approximately 61.32% by NWD and its subsidiaries and approximately 2.53% by CTFE as at the date of this announcement;
“CTFE”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability and the holding company of Healthcare Ventures;
“Dynamic Ally”	Dynamic Ally Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of NWS Service;

“Group”	the Company and its subsidiaries from time to time;
“HAML”	Healthcare Assets Management Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 50% by Healthcare Ventures and 50% by Dynamic Ally as at the date of this announcement;
“HAML Board”	the board of directors of HAML;
“HAML Group”	HAML and its subsidiaries;
“HAML Shareholders”	the shareholders of HAML, being Healthcare Ventures and Dynamic Ally as at the date of this announcement;
“Healthcare Ventures”	Healthcare Ventures Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of CTFE;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Joint Venture Agreement”	the joint venture agreement dated 15 December 2016 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 17) and held as to approximately 43.92% by CTFE and its subsidiaries as at the date of this announcement;
“NWS Service”	NWS Service Management Limited, a company incorporated in the Cayman Islands with limited liability, which is a direct wholly-owned subsidiary of the Company;
“PRC”	The People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);

“Proposed Subscription”	the subscription of 20% of the enlarged issued share capital of UMP Healthcare China by Dynamic Ally at a subscription price of RMB110 million (equivalent to approximately HK\$123 million) pursuant to a subscription agreement dated 15 December 2016 entered into among Dynamic Ally, UMP Healthcare China, UMP Medical China Holdings Limited and UMP;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Transaction”	the formation of a joint venture between Healthcare Ventures and Dynamic Ally through HAML and the initial total capital commitment in HAML by Dynamic Ally pursuant to the Joint Venture Agreement and the performance of the transactions contemplated thereunder;
“UMP”	UMP Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 722);
“UMP Group”	UMP and its subsidiaries and their respective associates as defined under the Listing Rules;
“UMP Healthcare China”	UMP Healthcare China Limited, a company incorporated in the Cayman Islands with limited liability, which is an indirect wholly-owned subsidiary of UMP; and
“%”	per cent.

For the purpose of this announcement and for illustration purpose only, amounts denominated in RMB have been translated into HK\$ using the exchange rate of RMB1.00 = HK\$1.12. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or any other rates at all.

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

Hong Kong, 15 December 2016

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 and Mr. Cheng Chi Ming, Brian; (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*