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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)

VOLUNTARY ANNOUNCEMENT

RESTRUCTURING OF WATER, WASTEWATER AND WASTE BUSINESSES OF SINO-FRENCH HOLDINGS (HONG KONG) LIMITED

This announcement is made by the Company on a voluntary basis.

SFH is a 50:50 joint venture between the Company and SUEZ Groupe in the businesses of water and wastewater treatment and other related services in the PRC, Hong Kong and Macau through various invested entities.

The Company and SUEZ also jointly and separately hold interests in other waste, landfill and wastewater businesses.

The Company and SUEZ intend to re-group their respective businesses by injecting the NWS Interests and the SUEZ Interests into SFH, and to use the Enlarged SFH Group as a platform for future co-operation and development of their businesses in water, wastewater and waste in Greater China.

The Board is pleased to announce that on 1 November 2016 (after trading hours), the Restructuring Agreement in respect of SFH was entered into among, inter alia, the Company, BOL, SUEZ Groupe and SUEZ Asia.

Pursuant to the Restructuring Agreement, the Company, SUEZ Groupe and SUEZ Asia have agreed to inject the NWS Interests and the SUEZ Interests respectively into SFH. Upon completion of the SFH Restructuring, SFH will (i) issue new shares to BOL in consideration of the NWS Contribution; and (ii) pay the cash portion of the NWS Contribution to SUEZ Groupe and issue new shares to SUEZ Asia in consideration of the SUEZ Contribution.

Subject to the fulfilment (or waiver, as applicable) of certain conditions precedent, completion of the SFH Restructuring is expected to take place in or around December 2016.

Completion of the SFH Restructuring is subject to the satisfaction and/or waiver of certain conditions precedent, and therefore may or may not proceed. Accordingly, the issue of this announcement does not in any way imply that the SFH Restructuring will be completed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

This announcement is made by the Company on a voluntary basis.

SFH is a 50:50 joint venture between the Company and SUEZ Groupe in the businesses of water and wastewater treatment and other related services in the PRC, Hong Kong and Macau through various invested entities.

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The Company and SUEZ intend to re-group their respective businesses by injecting the NWS Interests and the SUEZ Interests into SFH, and to use the Enlarged SFH Group as a platform for future co-operation and development of their businesses in water, wastewater and waste in Greater China.

THE SFH RESTRUCTURING

The Board is pleased to announce that on 1 November 2016 (after trading hours), the Restructuring Agreement in respect of SFH was entered into among, inter alia, the Company, BOL, SUEZ Groupe and SUEZ Asia.

Pursuant to the Restructuring Agreement, the Company, SUEZ Groupe and SUEZ Asia have agreed to inject the NWS Interests and the SUEZ Interests respectively into SFH. Upon completion of the SFH Restructuring, SFH will (i) issue new shares to BOL in consideration of the NWS Contribution; and (ii) pay the cash portion of the NWS Contribution to SUEZ Groupe and issue new shares to SUEZ Asia in consideration of the SUEZ Contribution.

The NWS Contribution to be made by the Group to SFH pursuant to the Restructuring Agreement amounts to approximately HK\$840 million, which represents the aggregate of (i) cash payment of approximately HK\$476 million (subject to the adjustments as stipulated in the Restructuring Agreement); and (ii) the fair value of the NWS Interests amounting to approximately HK\$364 million.

The unaudited pro forma net asset value of the Enlarged SFH Group as at 31 December 2015 was approximately HK\$8 billion, which was based on the aggregate of, as at 31 December 2015, (i) the audited consolidated net asset value of SFH of approximately HK\$4.5 billion; and (ii) the audited or unaudited (as the case may be) net asset value of the NWS Interests and the SUEZ Interests respectively, and was adjusted to reflect as if the SFH Restructuring had been completed on 31 December 2015.

Completion of the SFH Restructuring is subject to the satisfaction and/or waiver of certain conditions precedent including a merger control filing having been made with MOFCOM and the same being approved by or not objected by MOFCOM, and other relevant regulatory approvals and third party consents in relation to certain commercial contracts having been obtained.

Upon completion of the SFH Restructuring:

- (1) SUEZ Groupe will, through its wholly owned subsidiary SUEZ Asia, hold 58% interest in the Enlarged SFH Group;
- (2) the Company will, through its indirect wholly owned subsidiary BOL, hold 42% interest in the Enlarged SFH Group solely as a result of dilution by the issuance of new shares in SFH to SUEZ Asia pursuant to the SFH Restructuring; and
- (3) the NWS Interests and the SUEZ Interests will be consolidated into the financial statements of the Enlarged SFH Group which in turn will be consolidated into the financial statements of SUEZ Groupe.

Subject to the fulfilment (or waiver, as applicable) of certain conditions precedent, completion of the SFH Restructuring is expected to take place in or around December 2016 and thereafter, the Enlarged SFH Group will own and operate the businesses of water, wastewater and waste in Greater China.

REASONS FOR AND BENEFITS OF THE SFH RESTRUCTURING

The SFH Restructuring enables the Company to expand its environmental business into the waste sector from its current focus on water and wastewater treatment businesses, and to participate in the Enlarged SFH Group with a larger portfolio.

It also establishes a platform to further enhance in the long term the existing strategic partnership between the Company and SUEZ and to provide between the partners expertise in financing, management and environmental technologies, as well as their in-depth knowledge of the operating geography in Greater China.

The Board believes that the SFH Restructuring will position the Company to capitalize on the expected future growth of the environmental business in Greater China.

Completion of the SFH Restructuring is subject to the satisfaction and/or waiver of certain conditions precedent, and therefore may or may not proceed. Accordingly, the issue of this announcement does not in any way imply that the SFH Restructuring will be completed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of directors of the Company;
“BOL”	Beauty Ocean Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary 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 of Hong Kong Limited (stock code: 659);
“DGT Asia”	Degremont Asia Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of SUEZ Groupe as at the date of Restructuring Agreement;
“DGT BJ”	得利滿水處理系統(北京)有限公司 (Degremont Water Treatment Systems (Beijing) Company Limited), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of SUEZ Groupe as at the date of the Restructuring Agreement;
“Enlarged SFH Group”	the SFH Group as enlarged by the NWS Interests and the SUEZ Interests upon completion of the SFH Restructuring;
“FELT”	Far East Landfill Technologies Limited, a company incorporated in Hong Kong with limited liability and indirectly owned by SUEZ Groupe as to 53% and by the Company as to 47% as at the date of the Restructuring Agreement;
“Greater China”	Hong Kong, Macau, the PRC and Taiwan;
“Group”	the Company and its subsidiaries from time to time;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Macau”	the Macau Special Administrative Region of the PRC;
“MOFCOM”	the Ministry of Commerce of the PRC or its competent local counterparts;
“NTES”	New Territories Environmental Services Limited, a company incorporated in Hong Kong with limited liability and indirectly owned by SUEZ Groupe as to 53% and by the Company as to 47% as at the date of the Restructuring Agreement;
“NWS Contribution”	the cash payment of approximately HK\$476 million (subject to the adjustments as stipulated in the Restructuring Agreement) by the Company (through BOL) to SFH and the injection of the NWS Interests into SFH;
“NWS Interests”	the interests that are beneficially owned by the Group in FELT, NTES, NWS SITA Waste and its minority invested company which principally carry on waste treatment business;
“NWS SITA Waste”	NWS Infrastructure SITA Waste Services Limited, a company incorporated in Hong Kong with limited liability and indirectly owned by SUEZ Groupe as to 50% and by the Company as to 50% as at the date of the Restructuring Agreement;
“PRC”	The People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;
“Restructuring Agreement”	the restructuring agreement in respect of SFH dated 1 November 2016 entered into among, inter alia, the Company, BOL, SUEZ Groupe and SUEZ Asia;
“SFH”	Sino-French Holdings (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an existing joint venture owned, directly and/or indirectly, as to 50% by each of the Company and SUEZ Groupe as at the date of the Restructuring Agreement;
“SFH Group”	SFH and its subsidiaries, minority invested companies, projects, joint ventures and interests in contracts established or invested in or undertaken by SFH directly or indirectly;

“SFH Restructuring”	the transactions contemplated under the Restructuring Agreement;
“SITA AP”	SITA Asia Pacific Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of SUEZ Groupe as at the date of the Restructuring Agreement;
“SITA Sha Tin”	SITA Sha Tin Waste Services Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of SUEZ Groupe as at the date of the Restructuring Agreement;
“SITA WS”	SITA Waste Services Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of SUEZ Groupe as at the date of the Restructuring Agreement;
“SUEZ”	SUEZ, a company incorporated in France whose shares are listed on the Euronext exchanges in Paris and Brussels;
“SUEZ Asia”	SUEZ (Asia) Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of SUEZ Groupe;
“SUEZ Contribution”	the injection of the SUEZ Interests into SFH;
“SUEZ Groupe”	SUEZ Groupe, a company incorporated in France and a wholly owned subsidiary of SUEZ;
“SUEZ Interests”	the interests that are beneficially owned by SUEZ Groupe as at the date of the Restructuring Agreement in certain entities which principally carry on waste and wastewater treatment businesses in Greater China, which include SITA AP, SITA WS, SITA Sha Tin, DGT BJ, DGT Asia and their respective subsidiaries, minority invested companies and joint ventures; and
“%”	per cent.

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

Hong Kong, 2 November 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