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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)**

## **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF CONCESSION RIGHT OVER CHANGLIU EXPRESSWAY**

The Board is pleased to announce that on 19 July 2019, Xin Chuan (an indirect wholly-owned subsidiary of the Company) was determined as the winning bidder at an online public auction in its bid for acquiring the concession right to operate Changliu Expressway in Hunan Province, the PRC at the bid purchase price of RMB4,571 million (equivalent to approximately HK\$5,194.3 million).

After making the balance payment, Xin Chuan will enter into a concession right agreement for Changliu Expressway with the Department of Transportation.

As some of the applicable percentage ratios in respect of the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **THE ACQUISITION**

The Board is pleased to announce that on 19 July 2019, Xin Chuan (an indirect wholly-owned subsidiary of the Company) participated in an online public auction administered by the Liuyang City People's Court and was determined as the winning bidder for acquiring the concession right to operate Changliu Expressway (and other related rights and assets) at the bid purchase price of RMB4,571 million (equivalent to approximately HK\$5,194.3 million). A deposit of RMB800 million (equivalent to approximately HK\$909.1 million) has been placed by Xin Chuan as of the date of this announcement and the remaining RMB3,771 million (equivalent to approximately HK\$4,285.2 million) shall be payable by 2 August 2019. The deposit paid will

be forfeited if Xin Chuan fails to make the balance payment by the aforementioned deadline. The Company intends to fund the balance payment of the bid purchase price through its internal resources and/or bank financing.

In determining the bid price, Xin Chuan has taken into account factors such as the minimum bid price set by the auction, the existing and forecasted traffic flow of Changliu Expressway and the potential economic growth of the region where Changliu Expressway is located. Please refer to the section headed “Reasons for and benefits of the Acquisition” below for further information.

After making the balance payment into the account designated by the Liuyang City People’s Court, Xin Chuan will enter into a concession right agreement for Changliu Expressway with the Department of Transportation. The Group will account for the Acquisition primarily as an intangible concession right in its consolidated statement of financial position by reference to the bid purchase price.

The assets which are the subject matters of the Acquisition were owned by 湖南長瀏高速公路建設發展有限公司 (Hunan Changliu Expressway Construction Development Co., Ltd\*) and were seized by the Liuyang City People’s Court, and only those assets which have been seized were put forward for sale by way of the online auction. Save for the relevant assets, the Acquisition did not involve the purchase of any other business or equity interest by Xin Chuan. The Acquisition is undertaken on an “as-is” basis. The concession right to operate Changliu Expressway (and other related rights and assets) includes toll collection right, advertising operation right, facilities operation right and land use right over certain carpark (which is currently idle). The Acquisition also includes assets which relate to the operation of Changliu Expressway including certain buildings and structures, equipment, road assets and land assets.

As the Acquisition was undertaken through an online public auction administered by the Liuyang City People’s Court, no information was provided to the Group with respect to the total assets value or net profits of Changliu Expressway. As certain matters (including the need to undertake the formal completion check and acceptance by the Department of Transportation and to apply for the land use right certificate(s)) are required to be undertaken to perfect the title and ownership over the rights and assets concerning the operation of Changliu Expressway, an amount of RMB237 million (equivalent to approximately HK\$269.3 million) out of the bid purchase price will be withheld and utilized for the payments incurred for the aforementioned outstanding matters.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

Changliu Expressway is located in Hunan Province, the PRC, with a total length of approximately 65 km with an average daily traffic flow of more than 29,000 vehicles in 2018. This dual two-lane expressway has commenced operation since October 2013 with concession expiry in October 2043.

Further to the acquisitions of certain interests in Hubei Suiyuan Expressway and Hunan Sui-Yue Expressway made by the Group in 2018, the Acquisition will strengthen the Group’s presence in Hubei and Hunan Provinces, which are geographically located at the central part of the

PRC and serve as a key national logistic hub with growth potential. The Group's footprint in Hubei and Hunan Provinces forms an additional strategic location for its road business in the PRC. The Board believes Changliu Expressway is a quality infrastructure asset and is expected to contribute immediate profit and cash flow to the Group. Having its concession right with a remaining life of around 24 years, the Acquisition will contribute to the sustainable growth of the Group's Roads segment. The Acquisition is in line with the Group's strategy of acquiring quality assets with growth potential which will enhance the value of the Group and its shareholders as a whole.

As the Acquisition concerned assets were seized by the court, the transaction counterparty was the Liuyang City People's Court. In any case, to the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, 湖南長瀏高速公路建設發展有限公司 (Hunan Changliu Expressway Construction Development Co., Ltd\*) and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

As some of the applicable percentage ratios in respect of the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. In view that the Acquisition was undertaken through a court administered public auction process, the directors of the Company consider that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **OTHER INFORMATION**

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, duty free shops, healthcare, construction, transport and strategic investments. Xin Chuan is an investment holding company, principally engaged in the investment in infrastructure business of toll roads and power plant, and is an indirect wholly-owned subsidiary of the Company.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the remaining life of the concession right to operate Changliu Expressway (and other related rights and assets) through an online public auction administered by the Liuyang City People's Court
“Board”	the board of directors of the Company

“Changliu Expressway”	the expressway connecting Changsha (Yongan) and Liuyang (Hongkoujie), owned and operated by 湖南長瀏高速公路建設發展有限公司 (Hunan Changliu Expressway Construction Development Co., Ltd*) with a toll concession right of 30 years, from 16 October 2013 to 15 October 2043
“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 to it under Chapter 14A of the Listing Rules
“Department of Transportation”	the Department of Transportation of Hunan Province, the PRC
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Liuyang City People’s Court”	the Liuyang City People’s Court of Hunan Province, the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xin Chuan”	廣東新川有限公司 (Guangdong Xin Chuan Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

*Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of HK\$1.00 = RMB0.88.*

By Order of the Board  
**Chow Tak Wing**  
*Executive Director and Company Secretary*

Hong Kong, 19 July 2019

*As at the date of this announcement, (i) the executive directors of the Company are Dr. Cheng Kar Shun, Henry, Mr. Ma Siu Cheung, Mr. Cheung Chin Cheung, Mr. Cheng Chi Ming, Brian, Mr. Ho Gilbert Chi Hang and Mr. Chow Tak Wing; (ii) 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 (iii) 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*