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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: 00659)

VOLUNTARY ANNOUNCEMENT

PROPOSED SALE OF HYVA III B.V. BY A JOINT VENTURE COMPANY

This announcement is made by NWS Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) hereby announces that, on 14 October 2024, Hyva I B.V. and one of its subsidiaries (together the “**Hyva Sellers**”) entered into an agreement with Jost-Werke International Beteiligungsverwaltung GmbH (“**JOST**”) in connection with the sale to JOST of all of Hyva Sellers’ interests in Hyva III B.V. and its subsidiaries (together the “**Hyva Group**”) (the “**Proposed Equity Transfer**”) and the procurement of assignment to JOST of all indebtedness owing by the Hyva Group to the shareholders of Hyva I B.V. (together with the Proposed Equity Transfer, the “**Proposed Sale**”). Hyva I B.V. is a joint venture between a subsidiary of the Company and other investors and is indirectly held as to 50% by the Company. The enterprise value (“**EV**”) of the Hyva Group under the Proposed Sale amounts to US\$425 million, which was determined after arm’s length negotiations between the Hyva Sellers and JOST with reference to the historical adjusted EBITDA of the Hyva Group and the EV-to-EBITDA multiples of comparable companies.

The Group, together with Uritas Capital Pte Ltd, invested in the Hyva Group in 2011. The Hyva Group is principally engaged in the manufacture and supply of components used in hydraulic loading and unloading systems. JOST is a subsidiary of JOST Werke SE, a company listed on the Frankfurt Stock Exchange, which is engaged in the production and supply of “safety-critical systems” for commercial vehicles. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiries, JOST Werke SE is a third party independent of the Company and its connected persons. The Hyva Sellers are being advised by Rippledote Capital Advisers Pte Ltd. in relation to the Proposed Sale.

Completion of the Proposed Sale is subject to the satisfaction of certain customary conditions including clearances from certain competition and foreign direct investment authorities. The Group will no longer hold any interest in the Hyva Group upon completion of the Proposed Sale which is expected to take place in early 2025.

The Board considers that the Proposed Sale is in line with the Company's strategy of optimising its business portfolio and unlocking value for its shareholders. The Group estimates its share of net proceeds from the Proposed Sale, after taking into account the amount expected to be distributed by Hyva I B.V. following completion of the Proposed Equity Transfer subject to the terms of the joint venture, would amount to approximately US\$156 million (equivalent to approximately HK\$1.22 billion).

In respect of the Proposed Equity Transfer, the Group expects to share a one-off remeasurement loss upon the reclassification of the Hyva Group as held-for-sale by the Hyva Sellers and the impact to the Group's consolidated income statement for the period ending 31 December 2024 is reasonably approximated to be HK\$0.44 billion (being the difference between (i) the estimated share of net proceeds from the Proposed Sale mentioned above, and (ii) the Group's carrying value of its interests in Hyva I B.V. and amounts due from the Hyva Group as at 30 June 2024 which amount to approximately HK\$1.66 billion in aggregate). The actual share of remeasurement loss (or disposal loss) amount to be recognized by the Group can only be ascertained after the completion of the Proposed Sale, with further adjustments to be considered based on the final completion accounts, and release of reserves upon the completion. Such remeasurement loss (or disposal loss) is a non-cash item and is not expected to have a material impact on the financial position of the Group. The above financial impact from the Proposed Sale is subject to the review of the Company's auditor and is not necessarily indicative of the Group's interim results for the period ending 31 December 2024.

The completion of the Proposed Sale is subject to the satisfaction (or waiver) of certain conditions, and therefore may or may not proceed. This announcement does not in any way imply that Proposed Sale will be completed. Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

Unless otherwise specified in this announcement and for the purpose of illustration only, US\$ is translated into HK\$ at the rate of HK\$7.8 = US\$1.0.

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

Hong Kong, 14 October 2024

As at the date of this announcement, (a) the executive directors of the Company are Dr Cheng Kar Shun, Henry, Mr Cheng Chi Ming, Brian, Mr Ho Gilbert Chi Hang, Mr Lam Jim and Mr Cheng Chi Leong, Christopher; (b) the non-executive directors of the Company are Mr William Junior Guilherme Doo (alternate director to Mr William Junior Guilherme Doo: Mr Lam Wai Hon, Patrick) and Mr Tsang On Yip, Patrick; and (c) the independent non-executive directors of the Company are Mr Shek Lai Him, Abraham, Mr Lee Yiu Kwong, Alan, Mrs Oei Wai Chi Grace Fung, Mr Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms Ng Yuen Ting, Yolanda.

* For identification purposes only