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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)

JOINT ANNOUNCEMENT

UPDATES ON THE DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF INTERESTS IN NWS HONG KONG INVESTMENT LIMITED AND SUEZ NWS LIMITED

Reference is made to the joint announcement of NWD and NWS dated 12 January 2021 in relation to the NWS HKI Disposal and the SNL Disposal (the “**Previous Announcement**”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as set out in the Previous Announcement.

(1) UPDATE ON THE NWS HKI DISPOSAL

As at the date of this announcement, all conditions precedent of the NWS HKI Disposal have been satisfied and the NWS HKI Disposal is ready for completion, whilst it is anticipated that the SNL Disposal will require more time to satisfy its conditions precedent, the parties therefore have agreed to proceed with the NWS HKI Completion ahead of and separate from the SNL Completion.

NWS HKI Supplemental Agreement

On 11 May 2021, NWS, SNL and SUEZ Asia entered into a supplemental agreement to the NWS HKI Sale and Purchase Agreement (the “**NWS HKI Supplemental Agreement**”) which supplemented and amended certain terms of the NWS HKI Sale and Purchase Agreement, with key terms as follows: (i) SNL nominated SUEZ Asia to, and SUEZ Asia agreed to, take up the purchase of the NWS HKI Sale Share and the assignment of the inter-company balance payable by NWS HKI to NWS, and NWS agreed to such nomination; (ii) the representations and warranties provided by NWS (as vendor) to SNL under the NWS HKI Sale and Purchase Agreement shall be extended to SUEZ Asia; and (iii) upon assumption of SNL’s obligations

by SUEZ Asia and the payment of consideration by SUEZ Asia, the guarantee given by SUEZ Asia for the performance of SNL's obligations under the NWS HKI Sale and Purchase Agreement shall cease.

In addition, SUEZ Asia and NWS entered into a separate indemnity deed on 11 May 2021 in relation to certain specified contingent liabilities of Suyu for the period ending three years after the NWS HKI Completion. Such indemnity deed replaced and substituted the indemnity deed between SNL and NWS dated 11 January 2021 which is now terminated.

Save for the supplements and amendments made under the NWS HKI Supplemental Agreement, the other terms of the NWS HKI Sale and Purchase Agreement remain unchanged between SNL, SUEZ Asia and NWS. SUEZ Asia was the guarantor to SNL under the NWS HKI Sale and Purchase Agreement and SNL is, as of the date of this announcement, held as to 58% by SUEZ Asia.

NWS HKI Completion

The NWD Board and the NWS Board are pleased to announce that the NWS HKI Completion took place on the same day as the date of, and immediately after, the signing of the NWS HKI Supplemental Agreement and the cash consideration of HK\$2,360 million was paid by SUEZ Asia to NWS. After the NWS HKI Completion, NWS Group has ceased to have any shareholding interest in NWS HKI (as well as Suyu).

(2) UPDATE ON THE SNL DISPOSAL

As it is anticipated that more time is needed to satisfy the conditions precedent to the SNL Disposal, Beauty Ocean and SUEZ Asia agreed to extend the Longstop Date to 30 June 2022.

In anticipation of entering into the Sale and Purchase Agreements, NWS Group reclassified the assets and liabilities of NWS HKI and the carrying value of SNL as held-for-sale as at 31 December 2020. After taking into account the estimated capital gains tax, stamp duty, provision relating to the contingent liabilities and other transaction costs directly attributable to the Disposals, a remeasurement loss of approximately HK\$0.1 billion (as disclosed in the Previous Announcement) was recognized in NWS Group's consolidated income statement for the six months ended 31 December 2020. The loss (which formed part of the aforementioned remeasurement loss) arising from the NWS HKI Completion, as a standalone transaction, is estimated to be approximately HK\$0.2 billion while it is anticipated that a gain will be derived from the SNL Disposal upon its completion.

As the SNL Completion is subject to the satisfaction and/or waiver (as applicable) of certain conditions precedent stated in the SNL Sale and Purchase Agreement, the SNL Disposal may or may not proceed. Accordingly, shareholders of NWD and NWS and potential investors should exercise caution when dealing in the securities of each of NWD and NWS.

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

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

Hong Kong, 11 May 2021

As at the date of this announcement, (a) the executive directors of NWD are Dr. Cheng Kar Shun, Henry, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Heng, Ms. Cheng Chi Man, Sonia, Mr. Sitt Nam Hoi, Ms. Huang Shaomei, Echo and Ms. Chiu Wai Han, Jenny; (b) the non-executive directors of NWD are Mr. Doo Wai Hoi, William and Mr. Cheng Kar Shing, Peter; and (c) the independent non-executive directors of NWD are Mr. Yeung Ping Leung, Howard, Mr. Ho Hau Hay, Hamilton, Mr. Lee Luen Wai, John, Mr. Liang Cheung Biu, Thomas and Mr. Ip Yuk Keung, Albert.

As at the date of this announcement, (a) the executive directors of NWS are Dr. Cheng Kar Shun, Henry, Mr. Ma Siu Cheung, Dr. Cheng Chi Kong, Adrian, Mr. Cheung Chin Cheung, Mr. Cheng Chi Ming, Brian, Mr. Ho Gilbert Chi Hang, Mr. Chow Tak Wing and Mr. Cheng Chi Leong, Christopher; (b) the non-executive directors of NWS are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai and Mr. William Junior Guilherme Doo (alternate director to Mr. William Junior Guilherme Doo: Mr. Lam Wai Hon, Patrick); and (c) the independent non-executive directors of NWS 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*