

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the NWS Offers, this Composite Document and/or the accompanying Form(s) of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in NWS Holdings Limited, you should at once hand this Composite Document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s), or the licensed securities dealer or registered institution in securities, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the NWS Offers. This Composite Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form(s) of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form(s) of Acceptance.

The NWS Offers are being made for the securities of an exempted company incorporated in Bermuda with limited liability and are subject to Hong Kong disclosure and other procedural requirements, which are different from those of the U.S. The financial information included in this Composite Document has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the U.S.



Chow Tai Fook Enterprises Limited

(incorporated in Hong Kong with limited liability)

Century Acquisition Limited

(incorporated in the British Virgin Islands with limited liability)



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)

COMPOSITE DOCUMENT

**CONDITIONAL VOLUNTARY GENERAL CASH OFFERS BY
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED,
BOCI ASIA LIMITED AND ING BANK N.V. ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF NWS (OTHER THAN THOSE
ALREADY BENEFICIALLY OWNED BY THE CTFH GROUP) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF NWS**

Sole Structuring Adviser and

**Joint Financial Adviser to
CTFE and the Offeror**



**The Hongkong and Shanghai
Banking Corporation Limited**

Financial Adviser to NWS



UBS AG Hong Kong Branch

**Joint Financial Adviser to
CTFE and the Offeror**



BOCI Asia Limited

Independent Financial Adviser to NWS

**Joint Financial Adviser
to CTFE and the Offeror**



ING Bank N.V.



Quam Capital Limited

Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A "Letter from the Joint Financial Advisers" containing, among other things, the details of the terms and conditions of the NWS Offers is set out on pages 15 to 39 of this Composite Document. A "Letter from the NWS Board" is set out on pages 40 to 49 of this Composite Document. A "Letter from the NWS IBC" containing the NWS IBC's recommendations to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders in respect of the NWS Offers is set out on pages 50 to 52 of this Composite Document. A "Letter from the NWS IFA" containing the NWS IFA's advice and recommendations to the NWS IBC in respect of the NWS Offers is set out on pages 53 to 82 of this Composite Document.

The procedures for acceptance and settlement of the NWS Offers are set out in "Appendix I — Further Terms of the NWS Offers" and "Appendix V — Form of NWS Option Offer Letter" to this Composite Document and in the accompanying Form(s) of Acceptance. Acceptance of the NWS Share Offer should be received by the Registrar and acceptance of the NWS Option Offer should be received by the company secretary of NWS by no later than 4:00 p.m. on Monday, 13 November 2023, being the first NWS Share Offer Closing Date, or such later time(s) and/or date(s) as the Offeror may determine and announce, in accordance with the Takeovers Code. The NWS Offer Shareholders and the NWS Optionholders should inform themselves of and observe any applicable legal, tax or regulatory requirements. See "Important Notices" on pages ii to v of this Composite Document.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside of Hong Kong should read the details in this regard which are contained in "15. Overseas NWS Offer Shareholders and NWS Optionholders" in the "Letter from the Joint Financial Advisers" in this Composite Document before taking any action. It is the responsibility of any overseas NWS Offer Shareholders and overseas NWS Optionholders wishing to take any action in relation to the NWS Share Offer and the NWS Option Offer, respectively, to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of all governmental, exchange control or other consents, the compliance with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes payable by such overseas NWS Offer Shareholders or overseas NWS Optionholders in respect of the acceptance of the NWS Offers (as applicable) in such jurisdiction. The overseas NWS Offer Shareholders and the overseas NWS Optionholders are advised to seek professional advice on deciding whether to accept the NWS Offers (as applicable).

This Composite Document is issued jointly by CTFE, the Offeror and NWS. The English texts of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

* For identification purpose only

13 October 2023

CONTENTS

	<i>Page</i>
Important Notices	ii
Expected Timetable	vi
Definitions	1
Letter from the Joint Financial Advisers	15
Letter from the NWS Board	40
Letter from the NWS IBC	50
Letter from the NWS IFA	53
Appendix I — Further Terms of the NWS Offers	I-1
Appendix II — Financial Information of the NWS Group	II-1
Appendix III — General Information of CTFE and the Offeror	III-1
Appendix IV — General Information of the NWS Group	IV-1
Appendix V — Form of NWS Option Offer Letter	V-1

IMPORTANT NOTICES

IMPORTANT NOTICES TO ALL NWS OFFER SHAREHOLDERS AND NWS OPTIONHOLDERS

The following information is important for all NWS Offer Shareholders and NWS Optionholders.

You are urged to read this entire Composite Document, including the appendices, and the Form(s) of Acceptance carefully.

- *NWS Share Offer Price:* HK\$9.15 in cash per NWS Offer Share.
- *NWS Option Offer Price:* HK\$1.32 per NWS Option.
- *How to accept the NWS Offers:* Please return the duly completed and signed **WHITE** Form of NWS Share Offer Acceptance and the relevant documents to the Registrar (for the NWS Share Offer) and/or the **PINK** Form of NWS Option Offer Acceptance and the relevant documents (if applicable) to the company secretary of NWS (for the NWS Option Offer).
- *Deadline for acceptance:* The NWS Offers will close for acceptance at 4:00 p.m. on Monday, 13 November 2023 (the first NWS Share Offer Closing Date), unless otherwise revised or extended.

For details, please refer to “Appendix I — Further Terms of the NWS Offers” to this Composite Document.

- *Settlement:* Payments in cash will be made no later than seven (7) Business Days after the later of: (i) the date on which the NWS Offers become or are declared unconditional in all respects, or (ii) the date of receipt of your valid acceptance of the relevant NWS Offer.

ENQUIRIES CONCERNING ADMINISTRATIVE MATTERS

Please call the customer service hotline of the Registrar, Tricor Standard Limited, at +852 2980 1333 between 9:00 a.m. and 5:00 p.m. on Mondays to Fridays, excluding Hong Kong public holidays, if you have any enquiries concerning administrative matters, such as dates, documentation and procedures relating to the NWS Share Offer.

The hotline cannot and will not provide advice on the merits of the NWS Offers or give financial or legal advice. If you are in any doubt as to any aspect of this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

IMPORTANT NOTICES

NOTICE TO U.S. HOLDERS OF NWS SECURITIES

The NWS Offers are being made for the securities of an exempted company incorporated in Bermuda with limited liability and are subject to Hong Kong disclosure and other procedural requirements, which are different from those of the U.S. The financial information included in this Composite Document has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the U.S. The NWS Offers will be made in the U.S. pursuant to the applicable U.S. tender offer rules or certain available exemptions or exceptions therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the NWS Offers will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the NWS Offers by a U.S. holder of NWS Shares and/or NWS Options, respectively, may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of NWS Shares and/or NWS Options is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the NWS Offers.

U.S. holders of NWS Shares, NWS Options and NWS ADSs may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as each of the Offeror and NWS is located in a country outside the U.S. and some or all of their respective officers and directors may be residents of a country other than the U.S.. U.S. holders of NWS Shares and NWS Options may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, U.S. holders of NWS Shares and NWS Options may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, NWS Shares outside of the U.S., other than pursuant to the NWS Share Offer, before or during the period in which the NWS Share Offer remains open for acceptance. To the extent permissible under applicable laws and regulations, including Rule 14e-5 under the U.S. Exchange Act, and in accordance with normal Hong Kong practice, HSBC, BOCI and some of their respective affiliates may continue to act as exempt principal traders and exempt fund managers (as recognised by the SFC) in the NWS Shares and any securities that are immediately convertible into, exchangeable for or exercisable for NWS Shares. These purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law and the Takeovers Code and to the extent required by Rule 14e-5(b) of the U.S. Exchange Act, is made outside the U.S.. Any information about such purchases will be reported to the SFC and, to the extent required to be publicly disclosed under the Takeovers Code, will be available on the websites of the SFC and the Stock Exchange at <https://www.sfc.hk> and <https://www.hkexnews.hk>, respectively.

IMPORTANT NOTICES

NOTICE TO SINGAPORE HOLDERS OF NWS SECURITIES

This Composite Document is for the exclusive use by NWS Offer Shareholders and NWS Optionholders solely for the purposes of assessing the NWS Offers and should not be used other than in connection with such purpose.

This Composite Document has not been lodged with or registered by the Monetary Authority of Singapore, does not constitute an offer or invitation for the sale or purchase of securities in Singapore and shall not form the basis of any contract for the issue or sale of securities in Singapore.

NOTICE TO U.K. HOLDERS OF NWS SECURITIES

In the United Kingdom, this is a one-off exempt communication under Article 28 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains certain “forward-looking statements”. These statements are based on the current expectations of the management of CTFE, the Offeror and/or NWS (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Composite Document include statements about the expected effects of the NWS Offers, the expected timing and scope of the NWS Offers and all other statements in this Composite Document other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the NWS Offers, as well as additional factors, such as general, social, economic and political conditions in the countries in which the relevant entity operates or other countries which have an impact on the relevant company’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the relevant company operates, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the relevant company operates and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the relevant company operates, regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases such as the novel coronavirus or the outbreak or escalation of war or hostilities. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

IMPORTANT NOTICES

All forward-looking statements attributable to CTFE, the Offeror and/or NWS (as the case may be) or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date.

Any forward-looking statement contained in this Composite Document based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Composite Document is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of CTFE, the Offeror and/or NWS, and their respective advisers, expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made in the event that there is any change to the following timetable.

Event	Hong Kong Times and Dates
Date of this Composite Document and the accompanying Form(s) of Acceptance.....	Friday, 13 October 2023
Opening date of the NWS Offers.....	Friday, 13 October 2023
NWD EGM	11:30 a.m. on Thursday, 2 November 2023
Expected date on which the NWS Offers will become or be declared unconditional in all respects (<i>Note 2</i>)	Thursday, 9 November 2023
First NWS Share Offer Closing Date (<i>Notes 1 and 2</i>)	Monday, 13 November 2023
Latest time for acceptance of the NWS Offers on the first NWS Share Offer Closing Date (<i>Note 3</i>)	4:00 p.m. on Monday, 13 November 2023
Announcement of the results of the NWS Offers as at the first NWS Share Offer Closing Date, on the websites of:	
<ul style="list-style-type: none"> ● the Stock Exchange..... 	no later than 7:00 p.m. on Monday, 13 November 2023
<ul style="list-style-type: none"> ● NWS 	no later than 8:00 p.m. on Monday, 13 November 2023
NWS Final Dividend Record Date (<i>Notes 2 and 7</i>).....	Thursday, 16 November 2023
Completion of share transfers in respect of all NWS Offer Shares validly tendered for acceptance under the NWS Share Offer, assuming that the NWS Offers become or are declared unconditional in all respects on Thursday, 9 November 2023 (<i>Notes 2 and 7</i>)	on or after Friday, 17 November 2023
Latest date for despatch of cheques for payment of the amounts due under the NWS Offers in respect of valid acceptances received by Thursday, 9 November 2023, assuming that the NWS Offers become or are declared unconditional in all respects on Thursday, 9 November 2023 (<i>Notes 2 and 4</i>)	Monday, 20 November 2023

EXPECTED TIMETABLE

Latest date for despatch of cheques for payment
of the amounts due under the NWS Offers
in respect of valid acceptances received
on the first NWS Share Offer Closing Date
(being Monday, 13 November 2023),
assuming that the NWS Offers become
or are declared unconditional in all respects on
Thursday, 9 November 2023 (*Notes 2 and 4*) Wednesday, 22 November 2023

Latest time and date for acceptance of the NWS Offers
assuming that the NWS Offers become or are declared
unconditional in all respects on
Thursday, 9 November 2023 (*Notes 2 and 5*) 4:00 p.m.
on Thursday, 23 November 2023

Latest date for despatch of cheques for payment
of the amounts due under the NWS Offers
in respect of valid acceptances received
on Thursday, 23 November 2023,
assuming that the NWS Offers become
or are declared unconditional in all respects
on Thursday, 9 November 2023 (*Notes 2 and 4*) Monday, 4 December 2023

Expected date of payment of
the NWS FY2023 Final Dividend (*Note 7*)..... on or about
Thursday, 7 December 2023

Latest time and date by which the NWS Offers
can become or be declared unconditional
as to acceptances (*Note 6*) 7:00 p.m.
on Tuesday, 12 December 2023

Notes:

- (1) In order to comply with the Takeovers Code (which requires the NWS Offers to be open for acceptance for at least 21 days) and the relevant U.S. regulations (which require the NWS Offers to be open for acceptance for at least twenty (20) U.S. Business Days), the NWS Offers will close for acceptances at 4:00 p.m. on Monday, 13 November 2023 unless the Offeror revises or extends the NWS Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the NWS Offers until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that the NWS Offers have not become or are not declared unconditional on the first NWS Share Offer Closing Date, the Offeror will issue an announcement stating whether the NWS Offers have lapsed or have been revised or extended. If the NWS Offers are extended or revised, the announcement of such extension or revision will either state the next NWS Share Offer Closing Date or, if the NWS Offers have become or been declared unconditional as to acceptances, include a statement that the NWS Offers will remain open until further notice. In the latter case at least fourteen (14) days' notice in writing must be given, before the NWS Offers are closed, to the NWS Offer Shareholders and the NWS Optionholders who have not accepted the relevant NWS Offers. There is no obligation to extend the NWS Offers if the Conditions are not satisfied or waived (where applicable) by the first NWS Share Offer Closing Date or any subsequent NWS Share Offer Closing Date. Any revised NWS Offers must be kept open for at least fourteen (14) days after the date of the revised offer document.

EXPECTED TIMETABLE

- (2) As disclosed in the NWD Circular, in the event that the resolution for approving the NWD Disposal is passed by the Independent NWD Shareholders at the NWD EGM, the NWD Group intends to tender its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares (representing 60.87% of the issued share capital of NWS as at the Latest Practicable Date) on Thursday, 9 November 2023.

Accordingly, it is expected that all Conditions will be satisfied or waived (where applicable), and the NWS Offers will become or be declared unconditional in all respects, on Thursday, 9 November 2023. For details, please see “8. Conditions to the NWS Offers” in the “Letter from the Joint Financial Advisers” section of this Composite Document.

- (3) If you wish to accept the NWS Offers you should ensure your duly completed and signed Form(s) of Acceptance and the relevant documents (if applicable) arrive at the Registrar (for the NWS Share Offer) or the company secretary of NWS (for the NWS Option Offer) not later than the prescribed time. If you choose to deliver the documents by post you should consider the timing requirements for postage.

Beneficial owners of the NWS Offer Shares who hold their NWS Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant and who wish to accept the NWS Share Offer should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures and any deadline set by HKSCC Nominees Limited.

All acceptances, instructions, authorisations and undertakings given by the NWS Offer Shareholders in the **WHITE** Form of NWS Share Offer Acceptance and by the NWS Optionholders in the **PINK** Form of NWS Option Offer Acceptance shall be irrevocable except as permitted under the Takeovers Code.

- (4) Payment of the consideration (after deducting the seller’s ad valorem stamp duty) for the NWS Offer Shares in respect of which the NWS Share Offer is accepted will be posted by ordinary post to the NWS Offer Shareholders who accept the NWS Share Offer at their own risk, and payment of the consideration for the NWS Options surrendered for cancellation under the NWS Option Offer will be delivered to the office of NWS in Hong Kong at 21st Floor, NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong for collection or further handling by NWS (as the case may be). Payment will be made as soon as possible, but in any event no later than seven (7) Business Days after the later of (i) the date on which the NWS Offers become or are declared unconditional in all respects; and (ii) the date of receipt by the Registrar (in respect of the NWS Share Offer) or the company secretary of NWS (in respect of the NWS Option Offer) of all the relevant documents to render each acceptance under the relevant NWS Offers complete and valid in accordance with the Takeovers Code, this Composite Document and the relevant accompanying Form(s) of Acceptance.
- (5) Pursuant to Rule 15.3 of the Takeovers Code, where the NWS Offers become or are declared unconditional (whether as to acceptances or in all respects), they should remain open for acceptances for not less than fourteen (14) days thereafter.
- (6) In accordance with Rule 15.5 of the Takeovers Code, except with the consent of the Executive, the NWS Share Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the date of this Composite Document. Accordingly, unless the NWS Share Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the NWS Offers will lapse at 7:00 p.m. on Tuesday, 12 December 2023. In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, if any one of the Conditions is not satisfied (or not waived, where applicable) by no later than 21 days after the first NWS Share Offer Closing Date or the date when the NWS Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the NWS Offers will lapse.
- (7) As disclosed in the 2023 Annual Results Announcement, the NWS Board recommended the NWS FY2023 Final Dividend of HK\$0.31 per NWS Share and the NWS Final Dividend Record Date for the NWS FY2023 Final Dividend is Thursday, 16 November 2023. Subject to the passing of the relevant resolution to approve the declaration of the NWS FY2023 Final Dividend at the NWS AGM 2023 to be held on Friday, 10 November 2023, it is expected that the NWS FY2023 Final Dividend will be paid on or about Thursday, 7 December 2023.

EXPECTED TIMETABLE

It is expected that any NWS Offer Shareholder who accepts the NWS Share Offer will still be entitled to the NWS FY2023 Final Dividend in respect of the NWS Offer Shares for which the NWS Share Offer is accepted provided he/she/it is the registered owner of those NWS Offer Shares on the NWS Final Dividend Record Date. The reason for this is explained in the following paragraph.

On the basis that (a) the declaration of the NWS FY2023 Final Dividend is approved at the NWS AGM 2023 and (b) the NWD Group validly tenders its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares on Thursday, 9 November 2023, share transfers in respect of all NWS Offer Shares validly tendered for acceptance under the NWS Share Offer will be completed on or after Friday, 17 November 2023, i.e. after the NWS Final Dividend Record Date (being Thursday, 16 November 2023), regardless of the date of acceptance, and all accepting NWS Offer Shareholders (except in respect of any NWS Offer Share the transfer documents of which are lodged with the Registrar for registration after the latest time for lodging transfer documents for registration for determining entitlement to the NWS FY2023 Final Dividend, being 4:30 p.m. on Wednesday, 15 November 2023 as stated in the 2023 Annual Results Announcement) will be entitled to the NWS FY2023 Final Dividend.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF THE NWS OFFERS AND/OR THE LATEST DATE FOR DESPATCH OF CHEQUES

If a tropical cyclone warning signal number 8 or above, or a black rainstorm warning, or “extreme conditions” caused by a super typhoon as announced by the Government of Hong Kong is/are in force, in Hong Kong:

- (a) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the NWS Offers and/or the latest date for despatch of cheques for the amounts due under the NWS Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the NWS Offers will remain at 4:00 p.m. on the same Business Day and/or the latest date for despatch of cheques will remain on the same Business Day; or
- (b) at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the NWS Offers and/or the latest date for despatch of cheques for the amounts due under the NWS Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the NWS Offers will be rescheduled to 4:00 p.m. on the following Business Day and/or the latest date for despatch of cheques will be rescheduled to the following Business Day.

DEFINITIONS

In this Composite Document, the following terms have the meanings set out below, unless the context requires otherwise:

“2021 Annual Report”	means the annual report of NWS for the year ended 30 June 2021 dated 30 September 2021 and published on 20 October 2021;
“2021 Financial Statements”	means the audited consolidated financial statements of the NWS Group for the year ended 30 June 2021;
“2022 Annual Report”	means the annual report of NWS for the year ended 30 June 2022 dated 30 September 2022 and published on 19 October 2022;
“2022 Financial Statements”	means the audited consolidated financial statements of the NWS Group for the year ended 30 June 2022;
“2023 Annual Results Announcement”	means the announcement of annual results of NWS for the year ended 30 June 2023 published on 29 September 2023;
“Announcement Date”	means 26 June 2023, being the date of the Joint Announcement;
“associate”	has the meaning ascribed to it under the Takeovers Code;
“BOCI”	means BOCI Asia Limited, being one of the Joint Financial Advisers, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“BOCI Group”	means BOCI and persons controlling, controlled by or under the same control as BOCI, including Bank of China (Hong Kong) Limited, being one of the lending banks under the Offer Facility;
“Business Day”	has the meaning ascribed to it under the Takeovers Code;
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC;

DEFINITIONS

“Collective Control”	means the collective control of Dr. Henry Cheng, Mr. Peter Cheng, Mrs. Doo Cheng Sau Ha, Amy and Mrs. Sun Cheng Lai Ha, Cecilia over each of CTFE and the Offeror by virtue of the majority interest collectively held by Dr. Henry Cheng, Mr. Peter Cheng, Mrs. Doo Cheng Sau Ha, Amy and Mrs. Sun Cheng Lai Ha, Cecilia in Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, which respectively hold approximately 48.98% and approximately 46.65% of the issued shares of CTFC, which holds approximately 81.03% of the issued shares of CTFH, which wholly-owns CTFE, which in turn wholly-owns the Offeror;
“Companies Act”	means the Companies Act 1981 (as amended) of Bermuda;
“Composite Document”	means this composite offer and response document dated 13 October 2023 and jointly issued by CTFE, the Offeror and NWS to the NWS Shareholders and the NWS Optionholders in accordance with the Takeovers Code in relation to the NWS Offers;
“Conditions”	means the conditions to the NWS Share Offer, as set out in “8. Conditions to the NWS Offers” in the “Letter from the Joint Financial Advisers” in this Composite Document;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“CTFC”	means Chow Tai Fook Capital Limited, a company incorporated in the British Virgin Islands with limited liability. CTFC holds approximately 81.03% of CTFH as at the Latest Practicable Date;
“CTFE”	means Chow Tai Fook Enterprises Limited (周大福企業有限公司), a company incorporated in Hong Kong with limited liability. CTFE is a beneficially wholly-owned subsidiary of CTFH;
“CTFE Board”	means the board of CTFE Directors;
“CTFE Director(s)”	means the director(s) of CTFE;
“CTFE Group”	means CTFE and its subsidiaries, including the Offeror;
“CTFH”	means Chow Tai Fook (Holding) Limited, a company incorporated in the British Virgin Islands with limited liability. CTFH is the sole beneficial owner of CTFE;

DEFINITIONS

- “CTFH Group” means CTFH and its subsidiaries, including the CTFE Group and CTFN. For the avoidance of doubt, the CTFH Group excludes the NWD Group;
- “CTFN” means Chow Tai Fook Nominee Limited (周大福代理人有限公司), a company incorporated in Hong Kong with limited liability. CTFN is a subsidiary of CTFH;
- “Disinterested NWS Optionholders” means the holders of NWS Options who are not Offeror Concert Parties;
- “Disinterested NWS Shareholders” means the holders of the Disinterested NWS Shares;
- “Disinterested NWS Shares” means NWS Shares other than those owned by the Offeror or any of the Offeror Concert Parties. For the avoidance of doubt, the Disinterested NWS Shares include any NWS Offer Shares held by any member of the HSBC Group, the BOCI Group or the ING Group for and on behalf of any non-discretionary investment client who is not an Offeror Concert Party;
- “Dr. Adrian Cheng” means Dr. Cheng Chi Kong, Adrian, a CTFE Director, an executive director of NWS and the executive vice-chairman, the chief executive officer and an executive director of NWD. Dr. Adrian Cheng is the son of Dr. Henry Cheng, the brother of Mr. Brian Cheng and Mr. Christopher Cheng, the nephew of Mr. Peter Cheng, Mrs. Doo Cheng Sau Ha, Amy and Mrs. Sun Cheng Lai Ha, Cecilia, and the cousin of Mr. William Doo Junior and Ms. Elaine Doo;
- “Dr. Henry Cheng” means Dr. Cheng Kar Shun, Henry, a CTFE Director, the chairman and an executive director of NWS and the chairman and an executive director of NWD. Dr. Henry Cheng, together with Mr. Peter Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy, collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, which respectively hold approximately 48.98% and approximately 46.65% of CTFC, which holds approximately 81.03% of CTFH, which in turn wholly-owns CTFE, which is the sole shareholder of the Offeror. Dr. Henry Cheng is the father of Dr. Adrian Cheng, Mr. Brian Cheng and Mr. Christopher Cheng, the brother of Mr. Peter Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy, and the uncle of Mr. William Doo Junior and Ms. Elaine Doo;

DEFINITIONS

“Encumbrances”	means any mortgage, charge, pledge, lien, equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement, rights of pre-emption or any other third party rights of any nature or any agreement for any of the same;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Financial Concepts Investment Limited”	Financial Concepts Investment Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of NWS and therefore an indirect non-wholly-owned subsidiary of NWD prior to the completion of the NWD Disposal. As at the Latest Practicable Date, Financial Concepts Investment Limited directly owned 2,979,975 NWS Shares, representing approximately 0.076% of the issued share capital of NWS;
“Form(s) of Acceptance”	means the WHITE Form of NWS Share Offer Acceptance and/or the PINK Form of NWS Option Offer Acceptance;
“Form of NWS Option Offer Acceptance”	means the PINK form of acceptance and cancellation in respect of the NWS Option Offer accompanying this Composite Document;
“Form of NWS Share Offer Acceptance”	means the WHITE form of acceptance and transfer in respect of the NWS Share Offer accompanying this Composite Document;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	means Hong Kong Securities Clearing Company Limited;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HSBC”	means The Hongkong and Shanghai Banking Corporation Limited, being the sole structuring adviser to CTFE and the Offeror in relation to the NWS Offers, one of the Joint Financial Advisers and one of the lending banks under the Offer Facility, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);

DEFINITIONS

“HSBC Group”	means HSBC and persons controlling, controlled by or under the same control as HSBC;
“Independent NWD Shareholders”	means the NWD Shareholders other than (a) CTFE and the Relevant CTFE Subsidiaries, Dr. Henry Cheng, Mr. Peter Cheng and his spouse, Dr. Adrian Cheng, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi Heng, who will be required under the Listing Rules to abstain from voting on the resolution to be proposed at the NWD EGM to approve the NWD Disposal as a major transaction and a connected transaction of NWD under Chapters 14 and 14A of the Listing Rules, on the bases as set out in “24. NWD EGM” in the Joint Announcement; and (b) any other NWD Shareholder who has (or who is a LR associate of any person who has) a material interest in the NWD Disposal and will be required under the Listing Rules to abstain from voting on the same resolution;
“ING”	means ING Bank N.V., being one of the Joint Financial Advisers and (acting through its Hong Kong Branch) one of the lending banks under the Offer Facility, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);
“ING Group”	means ING and persons controlling, controlled by or under the same control as ING;
“Joint Announcement”	means the announcement dated 26 June 2023 jointly issued by CTFE, the Offeror, NWD and NWS in relation to, among others, the NWS Offers;
“Joint Financial Advisers”	means the joint financial advisers to CTFE and the Offeror in relation to the NWS Offers, namely HSBC, BOCI and ING;
“Last Full Trading Date”	means 21 June 2023, being the last full trading day for NWS Shares and NWD Shares which ended before the publication of the Joint Announcement;
“Last Trading Date”	means 23 June 2023, being the last trading day for NWS Shares and NWD Shares which ended before the publication of the Joint Announcement, and the date on which trading of the NWS Shares and NWD Shares was halted pending the release of the Joint Announcement;

DEFINITIONS

- “Latest Practicable Date” means 10 October 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information for inclusion in this Composite Document;
- “Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- “LR associate” has the meaning ascribed to “associate” under Chapter 14A of the Listing Rules;
- “Mainland China” means the People’s Republic of China, and for geographical references only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
- “Mr. Brian Cheng” means Mr. Cheng Chi Ming, Brian, an executive director of NWS and a non-executive director of NWD. Mr. Brian Cheng is the son of Dr. Henry Cheng, the brother of Dr. Adrian Cheng and Mr. Christopher Cheng, the nephew of Mr. Peter Cheng, Mrs. Doo Cheng Sau Ha, Amy and Mrs. Sun Cheng Lai Ha, Cecilia, and the cousin of Mr. William Doo Junior and Ms. Elaine Doo;
- “Mr. Christopher Cheng” means Mr. Cheng Chi Leong, Christopher, a CTFE Director and an executive director of NWS. Mr. Christopher Cheng is the son of Dr. Henry Cheng, the brother of Dr. Adrian Cheng and Mr. Brian Cheng, the nephew of Mr. Peter Cheng, Mrs. Doo Cheng Sau Ha, Amy and Mrs. Sun Cheng Lai Ha, Cecilia, and the cousin of Mr. William Doo Junior and Ms. Elaine Doo;
- “Mr. Peter Cheng” means Mr. Cheng Kar Shing, Peter, a CTFE Director, and a non-executive director of NWD. Mr. Peter Cheng, together with Dr. Henry Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy, collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, which respectively hold approximately 48.98% and approximately 46.65% of CTFC, which holds approximately 81.03% of CTFH, which in turn wholly-owns CTFE, which is the sole shareholder of the Offeror. Mr. Peter Cheng is the brother of Dr. Henry Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy, and the uncle of Dr. Adrian Cheng, Mr. Brian Cheng, Mr. Christopher Cheng, Mr. William Doo Junior and Ms. Elaine Doo;

DEFINITIONS

- “Mr. William Doo Junior” means Mr. William Junior Guilherme Doo, a non-executive director of NWS. Mr. William Doo Junior is the son of Mrs. Doo Cheng Sau Ha, Amy, the brother of Ms. Elaine Doo, the nephew of Dr. Henry Cheng, Mr. Peter Cheng and Mrs. Sun Cheng Lai Ha, Cecilia, and the cousin of Dr. Adrian Cheng, Mr. Brian Cheng and Mr. Christopher Cheng;
- “Mrs. Doo Cheng Sau Ha, Amy” means Mrs. Doo Cheng Sau Ha, Amy, a CTFE Director. Mrs. Doo Cheng Sau Ha, Amy, together with Dr. Henry Cheng, Mr. Peter Cheng and Mrs. Sun Cheng Lai Ha, Cecilia, collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, which respectively hold approximately 48.98% and approximately 46.65% of CTFC, which holds approximately 81.03% of CTFH, which in turn wholly-owns CTFE, which is the sole shareholder of the Offeror. Mrs. Doo Cheng Sau Ha, Amy is the mother of Mr. William Doo Junior and Ms. Elaine Doo, the sister of Dr. Henry Cheng, Mr. Peter Cheng and Mrs. Sun Cheng Lai Ha, Cecilia, and the aunt of Dr. Adrian Cheng, Mr. Brian Cheng and Mr. Christopher Cheng;
- “Mrs. Sun Cheng Lai Ha, Cecilia” means Mrs. Sun Cheng Lai Ha, Cecilia, a CTFE Director. Mrs. Sun Cheng Lai Ha, Cecilia, together with Dr. Henry Cheng, Mr. Peter Cheng and Mrs. Doo Cheng Sau Ha, Amy, collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, which respectively hold approximately 48.98% and approximately 46.65% of CTFC, which holds approximately 81.03% of CTFH, which in turn wholly-owns CTFE, which is the sole shareholder of the Offeror. Mrs. Sun Cheng Lai Ha, Cecilia is the sister of Dr. Henry Cheng, Mr. Peter Cheng and Mrs. Doo Cheng Sau Ha, Amy, and the aunt of Dr. Adrian Cheng, Mr. Brian Cheng, Mr. Christopher Cheng, Mr. William Doo Junior and Ms. Elaine Doo;
- “Ms. Elaine Doo” means Ms. Elaine Doo, the daughter of Mrs. Doo Cheng Sau Ha, Amy, the sister of Mr. William Doo Junior, the niece of Dr. Henry Cheng, Mr. Peter Cheng and Mrs. Sun Cheng Lai Ha, Cecilia, and the cousin of Dr. Adrian Cheng, Mr. Brian Cheng and Mr. Christopher Cheng;
- “NWD” means New World Development Company Limited (新世界發展有限公司), 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: 00017);

DEFINITIONS

“NWD Circular”	means the circular dated 13 October 2023 issued by NWD in relation to the NWD Disposal;
“NWD Disposal”	means NWD Group’s disposal of all the NWS Shares owned by it (including all the NWS Shares owned by Financial Concepts Investment Limited, which is an indirect wholly-owned subsidiary of NWS and therefore an indirect non-wholly-owned subsidiary of NWD, as at the Latest Practicable Date), representing not less than 50% of the issued NWS Shares, as a result of its acceptance of the NWS Share Offer, which is a major transaction and a connected transaction of NWD under the Listing Rules;
“NWD EGM”	means the extraordinary general meeting of NWD for the Independent NWD Shareholders to consider and, if thought fit, approve, among others, the NWD Disposal as a major transaction and a connected transaction of NWD under the Listing Rules, which is convened to be held on Thursday, 2 November 2023 at 11:30 a.m. as disclosed in the NWD Circular;
“NWD Group”	means NWD and its subsidiaries (including, for the avoidance of doubt, the NWS Group before completion of the NWD Disposal);
“NWD Shareholders”	means the holders of the NWD Shares;
“NWD Shares”	means the shares in the capital of NWD;
“NWS”	means NWS Holdings Limited (新創建集團有限公司*), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 00659);
“NWS ADSs”	means the American depositary shares (each representing 10 NWS Shares);
“NWS AGM 2023”	means the annual general meeting of NWS to be held on Friday, 10 November 2023 for the purpose of considering, inter alia, the NWS FY2023 Final Dividend;
“NWS Board”	means the board of NWS Directors;
“NWS Directors”	means the directors of NWS;
“NWS Final Dividend Record Date”	means the record date for the purpose of determining the entitlement of the NWS Shareholders to receive the NWS FY2023 Final Dividend, being Thursday, 16 November 2023, according to the 2023 Annual Results Announcement;

DEFINITIONS

“NWS FY2023 Final Dividend”	means the final dividend of HK\$0.31 per NWS Share proposed at the NWS Board meeting held on 29 September 2023, which is expected to be paid on or about Thursday, 7 December 2023 (subject to the passing of the relevant resolution to approve the declaration of such dividend at the NWS AGM 2023), according to the 2023 Annual Results Announcement;
“NWS Group”	means NWS and its subsidiaries;
“NWS IBC”	means the independent board committee of NWS established by the NWS Board to make a recommendation to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders in respect of the NWS Share Offer and the NWS Option Offer, respectively. Such independent board committee comprises all the non-executive NWS Directors (except Mr. William Doo Junior) and all the independent non-executive NWS Directors, namely Mr. To Hin Tsun, Gerald, Mr. Dominic Lai, 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;
“NWS IFA” or “Quam Capital”	means Quam Capital Limited, the independent financial adviser to the NWS IBC on the NWS Offers and a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“NWS Offer Period”	has the meaning ascribed to “offer period” under the Takeovers Code, which commenced on 26 June 2023, being the Announcement Date, and which will end on the date on which (i) the NWS Offers are closed for acceptances or (ii) the NWS Offers lapse;
“NWS Offer Shareholders”	means the holders of the NWS Offer Shares;
“NWS Offer Shares”	means the NWS Shares which are subject to the NWS Share Offer;
“NWS Offers”	means the NWS Share Offer and the NWS Option Offer;
“NWS Option Offer”	means the offer being made by the Joint Financial Advisers on behalf of the Offeror to the NWS Optionholders in compliance with Rule 13 of the Takeovers Code to cancel all the NWS Options;

DEFINITIONS

- “NWS Option Offer Letter” means the letter dated 13 October 2023 issued by the Joint Financial Advisers on behalf of the Offeror to the NWS Optionholders in accordance with the Takeovers Code in relation to the NWS Option Offer in the form set out in Appendix V to this Composite Document;
- “NWS Option Offer Price” means the “see-through” price at which the NWS Option Offer is made, being the NWS Share Offer Price minus the exercise price of the relevant NWS Option. The NWS Option Offer Price for the 83,636,850 NWS Options outstanding as at the Latest Practicable Date (the exercise price of which is HK\$7.83 per NWS Share) is HK\$1.32 per NWS Option. For details, please see “5. The NWS Option Offer and the NWS Option Offer Price” in the “Letter from the Joint Financial Advisers” in this Composite Document;
- “NWS Optionholders” means the holders of the NWS Options;
- “NWS Options” means the share options, each relating to one NWS Share, granted and outstanding under the NWS Share Option Scheme from time to time, whether such options are vested or not;
- “NWS Share Charge” means the share charge dated 26 June 2023 granted by the Offeror, CTFE and CTFN to Bank of China (Hong Kong) Limited (as security trustee for and on behalf of the lenders of the Offer Facility) in respect of NWS Shares from time to time held or acquired by any of them to secure the Offer Facility;
- “NWS Share Offer” means the conditional voluntary general cash offer being made by the Joint Financial Advisers on behalf of the Offeror to acquire all the issued shares of NWS (other than those already beneficially owned by the CTFH Group). For the avoidance of doubt, the NWS Share Offer is not addressed to holders of NWS ADSs, and NWS ADSs may not be tendered into the NWS Share Offer. For details, please see “2. The NWS Share Offer” and “6. Arrangement with regard to NWS ADS” in the “Letter from the Joint Financial Advisers” in this Composite Document;
- “NWS Share Offer Closing Date” means Monday, 13 November 2023, being the first offer closing date of the NWS Share Offer, or any subsequent offer closing date in the event that the NWS Share Offer is extended or revised in accordance with the Takeovers Code;
- “NWS Share Offer Price” means HK\$9.15 per NWS Offer Share;

DEFINITIONS

“NWS Share Option Scheme”	means the share option scheme adopted by NWS on 23 November 2021;
“NWS Shareholders”	means the holders of the NWS Shares;
“NWS Shares”	means the shares in the capital of NWS;
“Offer Facility”	means the external debt financing obtained by the Offeror for the purpose of financing a portion of the cash required for the NWS Offers, pursuant to a facility agreement dated 26 June 2023 entered into among the Offeror as borrower, CTFE as guarantor and HSBC (in its capacity as lending bank), Bank of China (Hong Kong) Limited and ING (acting through its Hong Kong Branch) as original lenders;
“Offeror”	means Century Acquisition Limited, a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of CTFE;
“Offeror Board”	means the board of Offeror Directors;
“Offeror Concert Parties”	means the persons who are, or are presumed to be, acting in concert with the Offeror, as determined in accordance with the Takeovers Code (which, for the avoidance of doubt, excludes members of the HSBC Group and the BOCI Group which are exempt principal traders and/or exempt fund managers in their capacity as such, in each case recognised by the Executive as such for the purposes of the Takeovers Code), including, for the avoidance of doubt: <ul style="list-style-type: none">(a) CTFE, being the sole shareholder of the Offeror;(b) CTFH and CTFC, being the direct and indirect holding companies of CTFE;(c) CTFN, being a subsidiary of CTFH;(d) Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, which respectively hold approximately 48.98% and approximately 46.65% of CTFC and are therefore associated companies (within the meaning of the Takeovers Code) of the Offeror;

DEFINITIONS

- (e) Dr. Henry Cheng, Mr. Peter Cheng, Mrs. Doo Cheng Sau Ha, Amy and Mrs. Sun Cheng Lai Ha, Cecilia, who collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited;
- (f) Dr. Adrian Cheng, Mr. Brian Cheng and Mr. Christopher Cheng, being close relatives (within the meaning of the Takeovers Code) of Dr. Henry Cheng;
- (g) Mr. Peter Cheng's spouse, being a close relative (within the meaning of the Takeovers Code) of Mr. Peter Cheng;
- (h) Mr. William Doo Junior, being a close relative (within the meaning of the Takeovers Code) of Mrs. Doo Cheng Sau Ha, Amy;
- (i) Mr. Chan Sau Kit, Allan, who is a director of CTFH;
- (j) the Relevant CTFE Subsidiaries;
- (k) the NWD Group; and
- (l) Mr. Ma Siu Cheung, who is an executive director of NWD;

“Offeror Directors”	means the directors of the Offeror;
“percentage ratio”	has the meaning ascribed to it under the Listing Rules;
“Pre-Conditions”	means the pre-conditions to the NWS Offers, as set out in “7. Pre-Conditions to the NWS Offers” in the Joint Announcement. On 6 October 2023, CTFE, the Offeror and NWS jointly announced that all Pre-Conditions had been satisfied. For details, please see the joint announcement dated 6 October 2023 jointly issued by CTFE, the Offeror and NWS;
“public”	has the meaning ascribed to it under the Listing Rules;
“Registrar”	means Tricor Standard Limited, the branch share registrar and transfer office in Hong Kong of NWS;
“Relevant CTFE Subsidiaries”	means the subsidiaries of CTFE which hold 103,035,786 NWD Shares, representing approximately 4.09% of the issued share capital of NWD, as at the Latest Practicable Date;

DEFINITIONS

“Relevant Period”	means the period from 26 December 2022, being the date six months before the Announcement Date, up to and including the Latest Practicable Date;
“SFC”	means the Securities and Futures Commission;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers;
“UBS”	means UBS AG (acting through its Hong Kong Branch), being the financial adviser to NWS in relation to the NWS Offers, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO. UBS AG is incorporated in Switzerland with limited liability;
“U.K.”	means the United Kingdom;
“U.S.”	means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
“U.S. Business Day(s)”	means any day, other than Saturday, Sunday or a U.S. federal holiday, and consists of the time period from 12:01 a.m. through 12:00 midnight Eastern time;
“U.S. Exchange Act”	means the U.S. Securities Exchange Act of 1934, as amended; and
“%”	means per cent.

* *For identification purpose only*

DEFINITIONS

1. Except as otherwise specified, all times and dates contained in this Composite Document and the accompanying Form(s) of Acceptance refer to Hong Kong times and dates.
2. Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.
3. Certain English translations of Chinese names or words or Chinese translations of English names or words in this Composite Document are included for the purposes of information and identification only and should not be regarded as an official English translation of such Chinese names or words or official Chinese translation of such English names or words, respectively.
4. Reference to the singular in this Composite Document and the accompanying Form(s) of Acceptance includes the plural and vice versa, unless the context otherwise requires.
5. Reference to one gender in this Composite Document and the accompanying Form(s) of Acceptance is a reference to all or any genders.
6. References to any appendix, paragraph and sub-paragraph in this Composite Document are references to the appendices to, and paragraphs of, this Composite Document and any sub-paragraphs of them, respectively.
7. References to any statute or statutory provision in this Composite Document include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.
8. The English texts of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

LETTER FROM THE JOINT FINANCIAL ADVISERS



**The Hongkong and Shanghai
Banking Corporation Limited**



BOCI Asia Limited



ING Bank N.V.

13 October 2023

To the NWS Offer Shareholders and the NWS Optionholders

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY GENERAL CASH OFFERS BY
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED,
BOCI ASIA LIMITED AND ING BANK N.V. ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF NWS (OTHER THAN THOSE
ALREADY BENEFICIALLY OWNED BY THE CTFH GROUP) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF NWS**

1. INTRODUCTION

Reference is made to the Joint Announcement, which stated that the Joint Financial Advisers, on behalf of the Offeror, subject to the satisfaction or waiver (where applicable) of the Pre-Conditions, would make a conditional voluntary general cash offer to acquire all the issued shares of NWS not already beneficially owned by the CTFH Group and to cancel all the outstanding share options of NWS.

On 6 October 2023, CTFE, the Offeror and NWS jointly announced that all Pre-Conditions had been satisfied.

The Joint Financial Advisers, on behalf of the Offeror, a wholly-owned subsidiary of CTFE, are making the NWS Share Offer and the NWS Option Offer.

This letter sets out, among other things, details of the terms of the NWS Offers, the reasons for and benefits of the NWS Offers, the intention of the Offeror with regard to the NWS Group and information on CTFE and the Offeror. Further details of the terms of the NWS Offers are set out in “Appendix I — Further Terms of the NWS Offers” to the Composite Document of which this letter forms part, and in the accompanying Form(s) of Acceptance. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

The NWS Offer Shareholders and the NWS Optionholders are strongly advised to consider carefully the information contained in the “Letter from the NWS Board”, the “Letter from the NWS IBC”, the “Letter from the NWS IFA”, the appendices which form part of the Composite Document, the accompanying Form(s) of Acceptance and (for NWS Optionholders) the NWS Option Offer Letter (the form of which is set out in “Appendix V — Form of NWS Option Offer Letter” to the Composite Document).

LETTER FROM THE JOINT FINANCIAL ADVISERS

2. THE NWS SHARE OFFER

The NWS Share Offer is being made by the Joint Financial Advisers on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below.

For each NWS Offer Share..... HK\$9.15 in cash

Save for the NWS FY2023 Final Dividend, if, after the Latest Practicable Date but before the NWS Share Offer Closing Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the NWS Shares, the Offeror reserves the right to reduce the NWS Share Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in the Joint Announcement, the Composite Document or any other announcement or document to the NWS Share Offer Price will be deemed to be a reference to the NWS Share Offer Price as so reduced (and the NWS Option Offer Price shall be reduced accordingly). For the avoidance of doubt, assuming that the NWS Offers become unconditional, if any dividend and/or other distribution and/or other return of capital (save for the NWS FY2023 Final Dividend) is announced, declared or paid in respect of the NWS Shares on or after the NWS Share Offer Closing Date, NWS Offer Shareholders who accept the NWS Share Offer will not be entitled thereto.

It is stated in the “Letter from the NWS Board” that, as at the Latest Practicable Date, (i) save for the NWS FY2023 Final Dividend of HK\$0.31 per NWS Share (which is expected to be paid on or about Thursday, 7 December 2023, subject to the passing of the relevant resolution to approve the declaration of such dividend at the NWS AGM 2023), the NWS Board had not announced or declared any dividend, distribution or other return of capital which remained unpaid; and (ii) save for the NWS FY2023 Final Dividend and the interim dividend (if any) for the six months ending 31 December 2023, the NWS Board did not intend to announce, recommend, declare and/or pay any dividend, distribution or other return of capital before the NWS Share Offer Closing Date or the lapse of the NWS Offers (as the case may be).

The NWS Share Offer Price was determined by the Offeror after taking into account, among other things, (i) the recent and historical trading prices of the NWS Shares, (ii) the recent financial performance of the NWS Group and (iii) the premium to historical trading prices of shares with reference to other voluntary general offer transactions in Hong Kong in recent years.

Please refer to “3. NWS Share Offer Price” and “19. Reasons for and benefits of the NWS Offers” in this letter for comparisons between the NWS Share Offer Price and historical trading prices of NWS Shares or the historical net asset value per NWS Share.

For the avoidance of doubt, the NWS Offer Shares include the NWS Shares owned by the NWD Group and other Offeror Concert Parties (other than the CTFH Group).

LETTER FROM THE JOINT FINANCIAL ADVISERS

3. NWS SHARE OFFER PRICE

The NWS Share Offer Price of HK\$9.15 per NWS Offer Share under the NWS Share Offer represents:

- (a) a premium of 1.0% over the closing price of HK\$9.06 per NWS Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of 14.5% over the closing price of HK\$7.99 per NWS Share as quoted on the Stock Exchange immediately prior to the halt in the trading of the NWS Shares on the Last Trading Date;
- (c) a premium of 22.2% over the closing price of HK\$7.49 per NWS Share as quoted on the Stock Exchange on the Last Full Trading Date;
- (d) a premium of 23.6% over the average closing price of HK\$7.40 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Full Trading Date;
- (e) a premium of 24.0% over the average closing price of HK\$7.38 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Full Trading Date;
- (f) a premium of 30.9% over the average closing price of HK\$6.99 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Full Trading Date;
- (g) a premium of 32.1% over the average closing price of HK\$6.93 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Full Trading Date;
- (h) a premium of 34.4% over the average closing price of HK\$6.81 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Full Trading Date;
- (i) a discount of 17.4% to the audited consolidated net asset value attributable to NWS Shareholders per NWS Share of HK\$11.07 as at 30 June 2022, based on the total number of issued NWS Shares as at 30 June 2022;
- (j) a discount of 9.9% to the unaudited consolidated net asset value attributable to NWS Shareholders per NWS Share of HK\$10.15 as at 31 December 2022, based on the total number of issued NWS Shares as at 31 December 2022; and
- (k) a discount of 10.0% to the audited consolidated net asset value attributable to NWS Shareholders per NWS Share of HK\$10.16 as at 30 June 2023, based on the total number of issued NWS Shares as at 30 June 2023.

LETTER FROM THE JOINT FINANCIAL ADVISERS

4. HIGHEST AND LOWEST CLOSING PRICES OF NWS SHARES

During the period of six months ended on and including the Last Full Trading Date, the highest closing price of NWS Shares as quoted on the Stock Exchange was HK\$7.56 per NWS Share on 1 February 2023 and the lowest closing price of NWS Shares as quoted on the Stock Exchange was HK\$6.46 per NWS Share on 31 May 2023.

During the Relevant Period, the highest closing price of NWS Shares as quoted on the Stock Exchange was HK\$9.06 per NWS Share on 10 October 2023 and the lowest closing price of NWS Shares as quoted on the Stock Exchange was HK\$6.46 per NWS Share on 31 May 2023.

5. THE NWS OPTION OFFER AND THE NWS OPTION OFFER PRICE

As at the Latest Practicable Date, there were 83,636,850 NWS Options entitling the NWS Optionholders to subscribe for an aggregate of 83,636,850 NWS Shares at an exercise price of HK\$7.83 per NWS Share. The exercise of such NWS Options in full would result in the issue of 83,636,850 new NWS Shares, representing 2.14% of the issued share capital of NWS as at the Latest Practicable Date and 2.09% of the enlarged issued share capital of NWS.

In accordance with Rule 13 of the Takeovers Code, the Joint Financial Advisers, on behalf of the Offeror, are making an appropriate offer to all the NWS Optionholders for the cancellation of every NWS Option, whether vested or unvested, by way of the NWS Option Offer.

Under the NWS Option Offer, in accordance with Rule 13 of the Takeovers Code, the NWS Optionholders are being offered the NWS Option Offer Price (which is the “see-through” price, being the NWS Share Offer Price minus the exercise price of the relevant NWS Option) in cash for the cancellation of each NWS Option they hold, whether vested or unvested. The table below sets out the exercise price and the corresponding “see-through” price for the 83,636,850 NWS Options outstanding as at the Latest Practicable Date:

NWS Option exercise price per NWS Share (HK\$)	NWS Option Offer Price per NWS Option based on the NWS Share Offer Price of HK\$9.15 per NWS Offer Share (HK\$)	Number of NWS Options (each carrying the right to subscribe for one new NWS Share)
7.83	1.32 ⁽¹⁾	83,636,850 ⁽²⁾

LETTER FROM THE JOINT FINANCIAL ADVISERS

Notes:

- (1) If the NWS Share Offer Price is subsequently adjusted (please see “2. The NWS Share Offer” in this letter for the circumstances under which the NWS Share Offer Price may be reduced), such that the exercise price of any NWS Option will be equal to or greater than the NWS Share Offer Price (i.e. the “see-through” price will be zero or negative), the NWS Option Offer Price will be a nominal amount of HK\$0.01 for every 100 NWS Options (or, if lesser, any part thereof), under Rule 13 of the Takeovers Code.
- (2) The vesting dates and the exercise periods of these 83,636,850 NWS Options are as follows:
 - (i) 12,315,280 NWS Options were vested on 25 August 2022 and are exercisable from 25 August 2022 to 24 July 2032;
 - (ii) 12,352,130 NWS Options were vested on 25 July 2023 and are exercisable from 25 July 2023 to 24 July 2032;
 - (iii) 16,848,410 NWS Options shall be vested on 25 July 2024 and become exercisable from 25 July 2024 to 24 July 2032; and
 - (iv) the remaining 42,121,030 NWS Options shall be vested on 25 July 2025 and become exercisable from 25 July 2025 to 24 July 2032.

Further information on the NWS Option Offer is set out in the NWS Option Offer Letter to the NWS Optionholders, which is being despatched on the same date as the despatch of the Composite Document.

If any NWS Option is exercised in accordance with the terms of the NWS Share Option Scheme, any NWS Shares issued prior to the close of the NWS Share Offer as a result of such exercise will be subject to the NWS Share Offer.

As the Offeror would have control (as defined in the Takeovers Code) of NWS after completion of the NWD Disposal, pursuant to the rules of the NWS Share Option Scheme the NWS Optionholders shall be entitled to exercise any NWS Option (whether or not it has vested at the relevant time) in whole or in part at any time within the period of six (6) months after completion of the NWD Disposal, and to the extent that it has not been so exercised, any NWS Option shall lapse upon the expiry of such six-month period, provided that if, during such six-month period, the Offeror becomes entitled to exercise rights of compulsory acquisition of NWS Shares pursuant to Section 103 of the Companies Act and gives notice in writing to any NWS Offer Shareholders that it intends to exercise such rights, the NWS Options shall remain exercisable until 14 days from the date of such notice and, to the extent that they have not been exercised, shall thereupon lapse. As stated in “10. Public float and maintaining the listing status of NWS” in this letter, the Offeror intends to maintain the listing status of NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers, and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act.

LETTER FROM THE JOINT FINANCIAL ADVISERS

6. ARRANGEMENT WITH REGARD TO NWS ADS

As at 9 October 2023 (being the latest practicable date for ascertaining the number of NWS ADSs traded in the U.S. prior to the printing of this Composite Document, due to the time difference between the U.S. and Hong Kong), there were 3,911,076,849 NWS Shares in issue, including 416,880 NWS Shares (representing 0.01% of the issued share capital of NWS) represented by the 41,688 NWS ADSs.

The NWS Share Offer is not addressed to holders of NWS ADSs, and NWS ADSs may not be tendered into the NWS Share Offer. Each NWS ADS represents 10 NWS Shares deposited with Deutsche Bank Trust Company Americas, the depositary bank appointed by NWS. Holders of NWS ADSs who wish to participate in the NWS Share Offer may contact the depositary bank to withdraw the underlying NWS Shares in accordance with the normal NWS ADSs cancellation process, which may then be tendered into the NWS Share Offer. Holders of NWS ADSs should contact the depositary bank in case they have questions in relation to this process.

7. PRE-CONDITIONS TO THE NWS OFFERS

As stated in the Joint Announcement, the making of the NWS Offers was subject to the satisfaction or waiver (where applicable) of the Pre-Conditions. On 6 October 2023, CTFE, the Offeror and NWS jointly announced that all Pre-Conditions had been satisfied.

8. CONDITIONS TO THE NWS OFFERS

The NWS Share Offer is subject to the satisfaction or waiver (where applicable) of the following Conditions:

- (a) the approval of the NWD Disposal by the Independent NWD Shareholders in accordance with the Listing Rules;
- (b) valid acceptances of the NWS Share Offer being received from the NWD Group by 4:00 p.m. on the NWS Share Offer Closing Date (and not, where permitted, withdrawn) in respect of 2,380,495,938 NWS Shares (being the number of the NWS Shares held by the NWD Group, representing 60.88% of the issued share capital of NWS, as at the Announcement Date);
- (c) the NWS Shares remaining listed and traded on the Main Board of the Stock Exchange up to and including the NWS Share Offer Closing Date (save for any temporary suspension of trading of the NWS Shares pending any announcement in connection with the NWS Offers or other inside information) and no indication being received on or before the NWS Share Offer Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the NWS Shares on the Stock Exchange is or is likely to be withdrawn or suspended;
- (d) no event having occurred which would make any of the NWS Offers, the acquisition of any of the NWS Offer Shares or the cancellation of the NWS Options under the NWS Offers void, unenforceable or illegal, would prohibit the implementation of any

LETTER FROM THE JOINT FINANCIAL ADVISERS

of the NWS Offers or would impose any material conditions or obligations with respect to any of the NWS Offers or their implementation in accordance with their respective terms;

- (e) all necessary consents in connection with the NWS Offers and/or (in the event that the Offeror were to exercise the right (if any) to acquire compulsorily those NWS Offer Shares not already beneficially owned or acquired by the CTFH Group) the possible withdrawal of the listing of the NWS Shares from the Stock Exchange which may be required under any existing contractual or other obligations of NWS having been obtained and remaining in effect;
- (f) no government, court or governmental, quasi-governmental, statutory or regulatory body or agency in Hong Kong, Bermuda or any other jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the NWS Offers or their implementation in accordance with their respective terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to any of the NWS Offers or their implementation in accordance with their respective terms);
- (g) since the Announcement Date, there having been no material adverse change in the business, assets, financial or trading position or the prospects or conditions (whether operational, legal or otherwise) of the NWS Group to an extent which is material in the context of the NWS Group; and
- (h) save for any existing claim by the NWS Group in respect of its six aircraft located in Russia or as otherwise disclosed by NWS on or before the Announcement Date, there having, since the Announcement Date, not been instituted any, and there remaining no outstanding, litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the NWS Group is a party (whether as plaintiff, defendant or otherwise), and no such proceedings having, since the Announcement Date, been threatened in writing against any such member (and no investigation by any government, court or governmental, quasi-governmental, statutory or regulatory body or agency in Hong Kong, Bermuda or any other jurisdiction against or in respect of any such member or the business carried on by any such member having, since the Announcement Date, been threatened in writing, announced or instituted or remaining outstanding against or in respect of any such member), in each case, which is material and adverse in the context of the NWS Group or in the context of the NWS Offers.

LETTER FROM THE JOINT FINANCIAL ADVISERS

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions (other than Condition (a)).

In respect of Condition (a), as disclosed in the NWD Circular, the NWD EGM is convened to be held on Thursday, 2 November 2023 at 11:30 a.m. for the purpose of considering and, if thought fit, approving, among others, the NWD Disposal, and the announcement on the poll results of the NWD EGM will be published by NWD on the Stock Exchange's website after 4:30 p.m. on Thursday, 2 November 2023.

In respect of Condition (b), as disclosed in the NWD Circular, in the event that the resolution for approving the NWD Disposal is passed by the Independent NWD Shareholders at the NWD EGM, the NWD Group intends to tender its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares (representing 60.87% of the issued share capital of NWS as at the Latest Practicable Date) on Thursday, 9 November 2023.

As at the Latest Practicable Date, save for Condition (e) which had been satisfied, none of the Conditions had been satisfied or waived (where applicable).

The NWS Option Offer is subject to and conditional upon the NWS Share Offer becoming or being declared unconditional in all respects.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any of the Conditions so as to cause the NWS Offers to lapse unless the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the NWS Offers.

Pursuant to Rule 19.1 of the Takeovers Code, the Offeror shall issue an announcement stating whether the NWS Offers have been revised or extended, have expired or have become or been declared unconditional (and, in such case, whether as to acceptances or in all respects), by 7:00 p.m. on the first NWS Share Offer Closing Date in accordance with the Takeovers Code. In the event that the NWS Offers have not become or are not declared unconditional on the first NWS Share Offer Closing Date, such announcement will state whether the NWS Offers have lapsed or have been revised or extended. If the NWS Offers are extended or revised, such announcement will either state the next NWS Share Offer Closing Date or, if the NWS Offers have become or been declared unconditional as to acceptances, include a statement that the NWS Offers will remain open until further notice. In the latter case, pursuant to Rule 15.3 of the Takeovers Code, at least fourteen (14) days' notice in writing must be given, before the NWS Offers are closed, to the NWS Offer Shareholders and the NWS Optionholders who have not accepted the relevant NWS Offers.

LETTER FROM THE JOINT FINANCIAL ADVISERS

There is no obligation to extend the NWS Offers if the Conditions are not satisfied or waived (where applicable) by the first NWS Share Offer Closing Date or any subsequent NWS Share Offer Closing Date. Any revised NWS Offers must be kept open for at least fourteen (14) days after the date of the revised offer document.

Pursuant to Rule 15.5 of the Takeovers Code, except with the consent of the Executive, the NWS Share Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the date of this Composite Document. Accordingly, the latest time by which the Offeror can declare the NWS Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the date of this Composite Document, being Tuesday, 12 December 2023 (or such later date to which the Executive may consent). It follows that unless the NWS Share Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the NWS Offers will lapse at 7:00 p.m. on the 60th day after the date of this Composite Document, being Tuesday, 12 December 2023 (or such later date to which the Executive may consent).

Pursuant to Rule 15.7 of the Takeovers Code, except with the consent of the Executive, if any one of the Conditions is not satisfied (or not waived, where applicable) by no later than 21 days after the first NWS Share Offer Closing Date or the date when the NWS Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the NWS Offers will lapse.

On the basis that the NWD Group validly tenders its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares on Thursday, 9 November 2023, it is expected that the NWS Offers will become or be declared unconditional in all respects on Thursday, 9 November 2023 and the NWS Offers will be closed at 4:00 p.m. on Thursday, 23 November 2023 (being fourteen (14) days after Thursday, 9 November 2023), and the Offeror will issue an announcement in this respect on Thursday, 9 November 2023.

WARNING: Completion of the NWS Share Offer is subject to the Conditions being satisfied or, where applicable, waived. Additionally, completion of the NWS Option Offer is subject to and conditional upon the NWS Share Offer becoming or being declared unconditional in all respects. Accordingly, the NWS Offers may or may not become unconditional. Shareholders and holders of options and other securities of and potential investors in NWS should therefore exercise caution when dealing in the securities of NWS. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

LETTER FROM THE JOINT FINANCIAL ADVISERS

9. VALUE OF THE NWS OFFERS

As at the Latest Practicable Date, there were (a) 3,911,076,849 NWS Shares in issue; (b) 3,792,029,925 NWS Offer Shares (representing 96.96% of the issued share capital of NWS as at the Latest Practicable Date); and (c) 83,636,850 NWS Options entitling the NWS Optionholders to subscribe for an aggregate of 83,636,850 NWS Shares at an exercise price of HK\$7.83 per NWS Share.

On the assumption that before the close of the NWS Share Offer the number of NWS Shares will not change (whether by way of any exercise of the NWS Options or otherwise) and the number of NWS Options will not change, there will be 3,792,029,925 NWS Offer Shares (representing 96.96% of the issued share capital of NWS as at the Latest Practicable Date) and 83,636,850 NWS Options, the value of the NWS Share Offer will be approximately HK\$34,697 million and the total amount required to satisfy the cancellation of all NWS Options will be approximately HK\$110 million. On this basis, in aggregate, the NWS Offers will be valued at approximately HK\$34,807 million.

On the assumption that before the close of the NWS Share Offer the number of NWS Options will not change and all NWS Options will be exercised, NWS will have to issue 83,636,850 new NWS Shares, representing 2.14% of the issued share capital of NWS as at the Latest Practicable Date and 2.09% of the enlarged issued share capital of NWS. On this basis and on the assumption that the number of NWS Shares will otherwise not change, there will be 3,875,666,775 NWS Offer Shares (including the new NWS Shares issued as a result of the exercise of the NWS Options) (representing 97.02% of the enlarged share capital of NWS) and the value of the NWS Share Offer will be approximately HK\$35,462 million. In this case, no amount will be payable by the Offeror under the NWS Option Offer.

10. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF NWS

The Offeror intends to maintain the listing status of the NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers, and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act.

The Stock Exchange has stated that (a) if, at the close of the NWS Share Offer, less than the minimum prescribed percentage applicable to NWS, being 25% of the issued NWS Shares, are held by the public; or (b) if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the NWS Shares; or (ii) that there are insufficient NWS Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the NWS Shares.

The Offeror Directors and (as noted from the “Letter from the NWS Board” in the Composite Document) the NWS Directors have undertaken to the Stock Exchange that, in the event that the public float of NWS falls below 25% following the close of the NWS Offers, appropriate steps will be taken to ensure that NWS will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

LETTER FROM THE JOINT FINANCIAL ADVISERS

11. NWS IBC AND NWS IFA

According to the “Letter from the NWS Board” in the Composite Document:

- (a) the NWS Board has established the NWS IBC, comprising Mr. To Hin Tsun, Gerald, Mr. Dominic Lai, 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, to make a recommendation to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders as to whether the NWS Offers are, or are not, fair and reasonable and as to acceptance; and
- (b) Quam Capital, with the approval of the NWS IBC, has been appointed as the NWS IFA to advise the NWS IBC in connection with the NWS Offers.

12. SHAREHOLDING STRUCTURE OF NWS

According to “Appendix IV — General Information of the NWS Group” to the Composite Document, (i) as at the Latest Practicable Date, the authorised share capital of NWS was HK\$6,000,000,000 divided into 6,000,000,000 NWS Shares and the issued share capital of NWS was HK\$3,911,076,849 divided into 3,911,076,849 NWS Shares; (ii) as at 9 October 2023 (being the latest practicable date for ascertaining the number of NWS ADSs traded in the U.S. prior to the printing of this Composite Document, due to the time difference between the U.S. and Hong Kong), 416,880 NWS Shares (representing 0.01% of the issued share capital of NWS) were represented by 41,688 NWS ADSs; and (iii) save for the NWS Options and the NWS ADSs, NWS did not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into NWS Shares.

LETTER FROM THE JOINT FINANCIAL ADVISERS

The table below sets out the shareholding structure of NWS (a) as at the Latest Practicable Date; and (b) as at the Latest Practicable Date had all the NWS Options been exercised on or before the Latest Practicable Date:

	As at the Latest Practicable Date		As at the Latest Practicable Date had all the NWS Options been exercised on or before the Latest Practicable Date	
	<i>No. of NWS Shares</i>	<i>As a percentage of the issued share capital of NWS</i>	<i>No. of NWS Shares</i>	<i>As a percentage of the issued share capital of NWS</i>
Offeror	0	0.00%	0	0.00%
Offeror Concert Parties whose NWS Shares do not form part of the NWS Offer Shares nor the Disinterested NWS Shares:				
— CTFE (other than through the NWD Group) (<i>Note 1</i>)	97,034,424	2.48%	97,034,424	2.43%
— CTFN (<i>Note 2</i>)	22,012,500	0.56%	22,012,500	0.55%
Offeror Concert Parties whose NWS Shares form part of the NWS Offer Shares and do not form part of the Disinterested NWS Shares:				
— NWD Group (<i>Note 3</i>)	2,380,495,938	60.87%	2,380,495,938	59.59%
— Dr. Henry Cheng (<i>Notes 4 and 5</i>)	30,349,571	0.78%	41,339,571	1.03%
— Mr. Peter Cheng and his spouse (<i>Notes 4 and 6</i>)	7,894,097	0.20%	7,894,097	0.20%
— Mrs. Doo Cheng Sau Ha, Amy (<i>Note 4</i>)	5,800,000	0.15%	5,800,000	0.15%
— Mr. Chan Sau Kit, Allan (<i>Note 7</i>)	403,264	0.01%	403,264	0.01%
— Mr. William Doo Junior (<i>Notes 4 and 8</i>)	128,869	0.00%	898,169	0.02%
— Ms. Elaine Doo (<i>Notes 4 and 9</i>)	25,274,033	0.65%	25,274,033	0.63%
— Dr. Adrian Cheng (<i>Notes 4 and 10</i>)	0	0.00%	5,495,000	0.14%
— Mr. Brian Cheng (<i>Notes 4 and 11</i>)	0	0.00%	6,868,750	0.17%
— Mr. Christopher Cheng (<i>Notes 4 and 12</i>)	0	0.00%	6,868,750	0.17%
— Mr. Ma Siu Cheung (<i>Note 13</i>)	0	0.00%	7,693,000	0.19%
— HSBC Group (<i>Note 14</i>)	0	0.00%	0	0.00%
— BOCI Group (<i>Note 14</i>)	1,661,315	0.04%	1,661,315	0.04%
— ING Group (<i>Note 14</i>)	74,119	0.00%	74,119	0.00%
Aggregate number of NWS Shares held by the Offeror and the Offeror Concert Parties	2,571,128,130	65.74%	2,609,812,930	65.33%

LETTER FROM THE JOINT FINANCIAL ADVISERS

	As at the Latest Practicable Date		As at the Latest Practicable Date had all the NWS Options been exercised on or before the Latest Practicable Date	
	<i>No. of NWS Shares</i>	<i>As a percentage of the issued share capital of NWS</i>	<i>No. of NWS Shares</i>	<i>As a percentage of the issued share capital of NWS</i>
Holdings of Disinterested NWS Shares				
<i>NWS Directors who are holders of Disinterested NWS Shares</i>				
— Mr. Lam Wai Hon, Patrick (Note 15)	1,453,815	0.04%	1,453,815	0.04%
— Mr. Ho Gilbert Chi Hang	0	0.00%	7,418,250	0.19%
— Mr. To Hin Tsun, Gerald	0	0.00%	769,300	0.02%
— Mr. Dominic Lai	0	0.00%	769,300	0.02%
— Mr. Shek Lai Him, Abraham	0	0.00%	1,648,500	0.04%
— Mr. Lee Yiu Kwong, Alan	0	0.00%	1,648,500	0.04%
— Mrs. Oei Wai Chi Grace Fung	0	0.00%	1,648,500	0.04%
— Mr. Wong Kwai Huen, Albert	0	0.00%	1,648,500	0.04%
— Professor Chan Ka Keung, Ceajer	0	0.00%	1,648,500	0.04%
<i>Other Disinterested NWS Shareholders</i>	1,338,494,904	34.22%	1,366,247,604	34.20%
Aggregate number of Disinterested NWS Shares	1,339,948,719	34.26%	1,384,900,769	34.67%
Total number of NWS Shares	3,911,076,849	100.00%	3,994,713,699	100.00%
Total number of NWS Offer Shares	3,792,029,925	96.96%	3,875,666,775	97.02%

Notes:

- As at the Latest Practicable Date, CTFE, a subsidiary of CTFH, held 97,034,424 NWS Shares (representing 2.48% of the issued share capital of NWS), which do not form part of the NWS Offer Shares.

As at the Latest Practicable Date, CTFE and the Relevant CTFE Subsidiaries held approximately 45.24% of the issued shares of NWD and were accordingly deemed to have an interest in the 2,380,495,938 NWS Shares (representing 60.87% of the issued share capital of NWS) in which NWD is interested in or deemed to be interested in under Part XV of the SFO. All these 2,380,495,938 NWS Shares form part of the NWS Offer Shares. For the avoidance of doubt, NWD is not a subsidiary of CTFE.

- As at the Latest Practicable Date, CTFN, a subsidiary of CTFH, held 22,012,500 NWS Shares (representing 0.56% of the issued share capital of NWS).

As at the Latest Practicable Date, save for the 97,034,424 NWS Shares held by CTFE and the 22,012,500 NWS Shares held by CTFN (which aggregate to 119,046,924 NWS Shares, representing 3.04% of the issued share capital of NWS), the CTFH Group does not hold any NWS Shares (other than through NWD). For the avoidance of doubt, NWD is not a subsidiary of CTFH and is not a member of the CTFH Group.

- As at the Latest Practicable Date, CTFE and the Relevant CTFE Subsidiaries held approximately 45.24% of the issued shares of NWD. Members of the NWD Group are accordingly associated companies of CTFE and the Offeror, and are presumed to be acting in concert with the Offeror in relation to NWS under class 1 of the definition of “acting in concert” under the Takeovers Code.

LETTER FROM THE JOINT FINANCIAL ADVISERS

4. The Offeror is wholly-owned by CTFE, which is beneficially wholly-owned by CTFH, which is held as to approximately 81.03% by CTFC, which is in turn held as to approximately 48.98% by Cheng Yu Tung Family (Holdings) Limited and as to approximately 46.65% by Cheng Yu Tung Family (Holdings II) Limited. Dr. Henry Cheng, together with his close relatives (within the meaning of the Takeovers Code), namely Mr. Peter Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy have Collective Control over CTFE and the Offeror. Each of Dr. Henry Cheng, Mr. Peter Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy are therefore presumed to be acting in concert with the Offeror in relation to NWS under class 8 of the definition of “acting in concert” under the Takeovers Code.

On the above basis, (i) Dr. Adrian Cheng, Mr. Brian Cheng and Mr. Christopher Cheng, as the sons and therefore close relatives of Dr. Henry Cheng; (ii) Mr. Peter Cheng’s spouse, Ms. Li Syn Kay, Abbie, as a close relative of Mr. Peter Cheng; and (iii) Mr. William Doo Junior and Ms. Elaine Doo, as the son and the daughter and therefore close relatives of Mrs. Doo Cheng Sau Ha, Amy, are also presumed to be acting in concert with the Offeror in relation to NWS under class 8 of the definition of “acting in concert” under the Takeovers Code.

5. As at the Latest Practicable Date, Dr. Henry Cheng (i) beneficially held 18,349,571 NWS Shares (representing 0.47% of the issued share capital of NWS) and through his wholly-owned company, Dragon Noble Group Limited, held 12,000,000 NWS Shares (representing 0.31% of the issued share capital of NWS), which aggregate to 30,349,571 NWS Shares (representing 0.78% of the issued share capital of NWS); and (ii) held 10,990,000 NWS Options. Dr. Henry Cheng is the chairman and an executive director of NWS and the chairman and an executive director of NWD.
6. As at the Latest Practicable Date, Mr. Peter Cheng (i) beneficially held 656,870 NWS Shares (representing 0.02% of the issued share capital of NWS); (ii) wholly-owned PECC Investment Corporations S.A., which in turn wholly-owned B.G. & Partners Limited, which directly held 6,463,227 NWS Shares (representing 0.17% of the issued share capital of NWS); and (iii) jointly held 774,000 NWS Shares (representing 0.02% of the issued share capital of NWS) with his spouse, Ms. Li Syn Kay, Abbie, which aggregate to 7,894,097 NWS Shares (representing 0.20% of the issued share capital of NWS). Mr. Peter Cheng is a non-executive director of NWD.
7. Mr. Chan Sau Kit, Allan is a director of CTFH, which indirectly wholly-owns the Offeror. Mr. Chan Sau Kit, Allan is therefore presumed to be acting in concert with the Offeror in relation to NWS under class 2 of the definition of “acting in concert” under the Takeovers Code.
8. As at the Latest Practicable Date, Mr. William Doo Junior held (i) 128,869 NWS Shares (representing 0.00% of the issued share capital of NWS) (through his wholly-owned company, Brilliant Gain Company Limited) and (ii) 769,300 NWS Options. Mr. William Doo Junior is a non-executive director of NWS.
9. As at the Latest Practicable Date, Ms. Elaine Doo wholly-owned Freedom Crown Holdings Limited, which wholly-owned Financial Gain Holdings Ltd., which in turn directly held 25,274,033 NWS Shares (representing 0.65% of the issued share capital of NWS).
10. As at the Latest Practicable Date, Dr. Adrian Cheng held 5,495,000 NWS Options and was not interested in any NWS Shares. Dr. Adrian Cheng is an executive director of NWS and the executive vice-chairman, the chief executive officer and an executive director of NWD.
11. As at the Latest Practicable Date, Mr. Brian Cheng held 6,868,750 NWS Options and was not interested in any NWS Shares. Mr. Brian Cheng is an executive director of NWS and a non-executive director of NWD.
12. As at the Latest Practicable Date, Mr. Christopher Cheng held 6,868,750 NWS Options and was not interested in any NWS Shares. Mr. Christopher Cheng is an executive director of NWS.
13. Mr. Ma Siu Cheung is both (i) an executive director and the chief executive officer of NWS and (ii) an executive director of NWD. As NWD is an associated company (within the meaning of the Takeovers Code) of the Offeror and is therefore presumed to be acting in concert with the Offeror in relation to NWS under class 1 of the definition of “acting in concert” under the Takeovers Code, Mr. Ma Siu Cheung is also considered as an Offeror Concert Party.

LETTER FROM THE JOINT FINANCIAL ADVISERS

14. HSBC, BOCI and ING are the Joint Financial Advisers to CTFE and the Offeror in respect of the NWS Offers. Accordingly, (i) HSBC and relevant members of the HSBC Group, (ii) BOCI and relevant members of the BOCI Group and (iii) ING and relevant members of the ING Group which hold NWS Shares (or options, warrants or derivatives in respect of them) are presumed to be acting in concert with the Offeror in relation to NWS in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code (except in respect of NWS Shares (or options, warrants or derivatives in respect of them) held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code and also excluding NWS Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the HSBC Group, the BOCI Group and the ING Group, respectively).
15. Mr. Lam Wai Hon, Patrick is an alternate director to Mr. William Doo Junior in his capacity as a non-executive director of NWS. As at the Latest Practicable Date, Mr. Lam Wai Hon, Patrick was interested in 1,453,815 NWS Shares (representing 0.04% of the issued share capital of NWS) and was not interested in any NWS Options.

13. EFFECT OF ACCEPTING THE NWS SHARE OFFER

The NWS Share Offer is subject to the term that acceptance of the NWS Share Offer by any person constitutes a warranty by such person to the Offeror that the NWS Shares sold by such person under the NWS Share Offer are sold free from all Encumbrances and together with all rights attaching to them as at the NWS Share Offer Closing Date or subsequently becoming attached to them, including the right to receive all dividends and distributions, if any, declared, made or paid on or after the NWS Share Offer Closing Date.

As disclosed in the 2023 Annual Results Announcement, the NWS Board recommended the NWS FY2023 Final Dividend of HK\$0.31 per NWS Share and the NWS Final Dividend Record Date for the NWS FY2023 Final Dividend is Thursday, 16 November 2023. Subject to the passing of the relevant resolution to approve the declaration of the NWS FY2023 Final Dividend at the NWS AGM 2023, it is expected that the NWS FY2023 Final Dividend will be paid on or about Thursday, 7 December 2023.

It is expected that any NWS Offer Shareholder who accepts the NWS Share Offer will still be entitled to the NWS FY2023 Final Dividend in respect of the NWS Offer Shares for which the NWS Share Offer is accepted provided he/she/it is the registered owner of those NWS Offer Shares on the NWS Final Dividend Record Date. The reason for this is explained in the following paragraph.

As disclosed in the NWD Circular, in the event that the resolution for approving the NWD Disposal is passed by the Independent NWD Shareholders at the NWD EGM, the NWD Group intends to tender its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares (representing 60.87% of the issued share capital of NWS as at the Latest Practicable Date) on Thursday, 9 November 2023. On the basis that (a) the declaration of the NWS FY2023 Final Dividend is approved at the NWS AGM 2023 and (b) the NWD Group validly tenders its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares on Thursday, 9 November 2023, share transfers in respect of all NWS Offer Shares validly tendered for acceptance under the NWS Share Offer will be completed on or after Friday, 17 November 2023, i.e. after the NWS Final Dividend Record Date (being Thursday, 16 November 2023), regardless of the date of acceptance, and all accepting NWS Offer Shareholders (except in respect of any NWS Offer Share the transfer documents of which are lodged with the Registrar for registration after the latest time for lodging transfer documents

LETTER FROM THE JOINT FINANCIAL ADVISERS

for registration for determining entitlement to the NWS FY2023 Final Dividend, being 4:30 p.m. on Wednesday, 15 November 2023 as stated in the 2023 Annual Results Announcement) will be entitled to the NWS FY2023 Final Dividend.

WARNING: For the avoidance of doubt, assuming that the NWS Offers become unconditional, if any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the NWS Shares (save for the NWS FY2023 Final Dividend) on or after the NWS Share Offer Closing Date, NWS Offer Shareholders who accept the NWS Share Offer will not be entitled thereto. Please also see “20. Intentions of the Offeror with regard to the NWS Group” in this letter for the Offeror’s intention with regard to the dividend policy of NWS.

14. HONG KONG STAMP DUTY

Seller’s ad valorem stamp duty at a rate of 0.13% of the market value of the NWS Offer Shares or the consideration payable by the Offeror in respect of the relevant acceptances of the NWS Share Offer, whichever is higher (rounded up to the nearest HK\$1.00), will be deducted from the amount payable to the relevant holder of NWS Offer Shares on acceptance of the NWS Share Offer. The Offeror will bear its own portion of buyer’s ad valorem stamp duty at the rate of 0.13% of the market value of the NWS Offer Shares or the consideration payable by the Offeror in respect of the relevant acceptances of the NWS Share Offer, whichever is higher (rounded up to the nearest HK\$1.00), and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the NWS Shares which are validly tendered for acceptance under the NWS Share Offer.

No stamp duty is payable on the cancellation of any NWS Option.

15. OVERSEAS NWS OFFER SHAREHOLDERS AND NWS OPTIONHOLDERS

The making of the NWS Offers to NWS Offer Shareholders or, as the case may be, NWS Optionholders who, in either case, are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws or regulations of the relevant jurisdictions. The making of the NWS Offers to such NWS Offer Shareholders and NWS Optionholders and their acceptances of the NWS Offers may be prohibited or affected by the laws or regulations of the relevant jurisdictions and it is the responsibility of each of such NWS Offer Shareholders and NWS Optionholders who wishes to accept the NWS Share Offer or, as the case may be, the NWS Option Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of all governmental, exchange control or other consents, the compliance with all necessary formalities or legal or regulatory requirements and the payment by such NWS Offer Shareholder or NWS Optionholder of any transfer or other taxes for which he/she/it is liable in respect of his/her/its acceptance of the NWS Share Offer or, as the case may be, the NWS Option Offer in such jurisdiction.

As at the Latest Practicable Date, there were seven NWS Offer Shareholders whose addresses as shown in the register of members of NWS were outside Hong Kong (namely, Mainland China, Taiwan, Singapore and the U.K.) and 21 NWS Optionholders whose addresses as shown in the list of NWS Optionholders were outside Hong Kong (namely,

LETTER FROM THE JOINT FINANCIAL ADVISERS

Mainland China and the U.K.), which held in aggregate 1,524,915 NWS Shares (representing approximately 0.04% of the issued share capital of NWS) and 2,172,000 NWS Options (representing approximately 2.60% of the total number of NWS Options), respectively. The Offeror Directors had been advised by the local counsel in the aforementioned jurisdictions that there is no restriction under the laws or regulations of the respective jurisdictions against extending the NWS Offers or despatching this Composite Document (and in the case of the overseas NWS Optionholders, the NWS Option Offer Letter) to such overseas NWS Offer Shareholders and overseas NWS Optionholders (as the case may be). Accordingly, the NWS Offers will be extended to and this Composite Document (and in the case of the overseas NWS Optionholders, the NWS Option Offer Letter) will be despatched to the overseas NWS Offer Shareholders and overseas NWS Optionholders (as the case may be).

Any acceptance of the NWS Offers by any NWS Offer Shareholder or NWS Optionholder will be deemed to constitute a representation and warranty from such NWS Offer Shareholder or, as the case may be, NWS Optionholder to CTFE, the Offeror, NWS and their respective advisers, including the Joint Financial Advisers, that all the laws and regulations of the relevant jurisdictions have been complied with and that the NWS Share Offer can be accepted by such NWS Offer Shareholder, or, as the case may be, the NWS Option Offer can be accepted by such NWS Optionholder, lawfully under the laws and regulations of the relevant jurisdiction. NWS Offer Shareholders and NWS Optionholders should consult their professional advisers if in doubt.

16. SETTLEMENT OF CONSIDERATION

Settlement of the consideration in respect of an acceptance of the NWS Offers will be made as soon as possible and in any event no later than seven (7) Business Days after (a) the date on which the NWS Offers become or are declared unconditional in all respects or (b) the date of receipt of the complete and valid acceptance, whichever is the later.

For details, please see “2. Settlement under the NWS Offers” in “Appendix I — Further Terms of the NWS Offers” to the Composite Document.

No fraction of a cent will be payable and the amount of consideration payable to an NWS Offer Shareholder who accepts the NWS Share Offer or an NWS Optionholder who accepts the NWS Option Offer will be rounded down to the nearest cent.

17. INFORMATION ON CTFE AND THE OFFEROR

CTFE is a company incorporated in Hong Kong with limited liability. The CTFE Group is principally engaged in investment holding. As at the Latest Practicable Date, CTFE was beneficially wholly-owned by CTFH, which was held as to approximately 81.03% by CTFC, which was in turn held as to approximately 48.98% by Cheng Yu Tung Family (Holdings) Limited and as to approximately 46.65% by Cheng Yu Tung Family (Holdings II) Limited. Dr. Henry Cheng, Mr. Peter Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited.

LETTER FROM THE JOINT FINANCIAL ADVISERS

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of CTFE. The Offeror is engaged in investment holding.

18. INFORMATION ON THE NWS GROUP

Your attention is drawn to “Information on the NWS Group” in the “Letter from the NWS Board” in the Composite Document for information on the NWS Group.

19. REASONS FOR AND BENEFITS OF THE NWS OFFERS

The principal reasons for and benefits of the NWS Offers (as considered by the Offeror) for NWD, all NWS Shareholders (including NWD), the NWS Group and CTFE are set out below:

For NWS Shareholders

For NWD only

(a) Immediately strengthen NWD’s financial position

In response to persistent high interest rates, NWD’s management has stated its commitment to reducing NWD’s financial leverage as part of its sound financial management. As previously disclosed by NWD, its plan to reduce its financial leverage comprises disposals of non-core assets, optimisation of its capital expenditure, treasury management and adjustment of its dividend payments.

The NWD Disposal would provide NWD with cash proceeds of approximately HK\$21,754 million (which for the avoidance of doubt, does not include an amount of approximately HK\$27.3 million to be received by Financial Concepts Investment Limited (an indirect wholly-owned subsidiary of NWS and therefore an indirect non-wholly-owned subsidiary of NWD prior to the completion of the NWD Disposal, which directly owned 2,979,975 NWS Shares, representing approximately 0.076% of the issued share capital of NWS, as at the Latest Practicable Date), in which NWD will cease to have any equity interest upon completion of the NWD Disposal), which will immediately strengthen NWD’s financial position. Assuming the NWD Disposal had been completed on 30 June 2023, based on the Offeror’s assessment, NWD Group’s net gearing (as measured by consolidated net debt to total equity) would have decreased from around 49% to around 45% (before payout of the special dividend as disclosed in “21. Conditional Special Dividend” in the Joint Announcement).

(b) Enhance the strategic focus of NWD on property development, property investment and property related businesses, and other relevant customer focused businesses

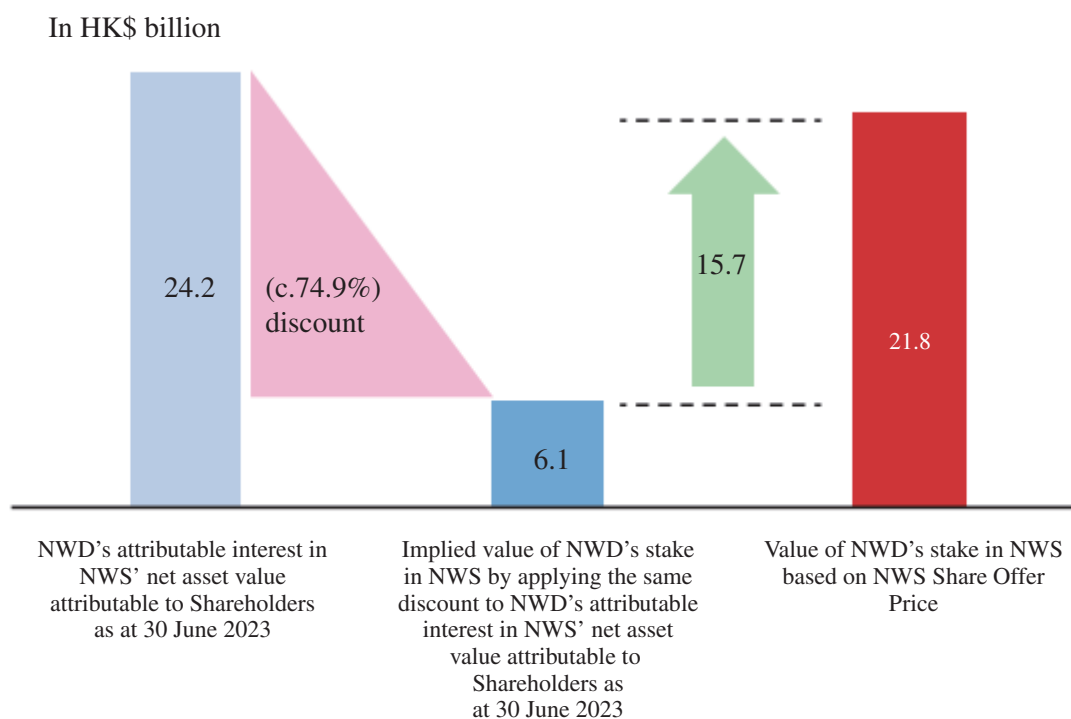
The NWD Group’s property development and investment businesses and the NWS Group’s diversified industries businesses are currently appraised and assessed by the market using different valuation methodologies given their distinct earnings, cash flow and net asset value profiles. They also attract investors with different investment focuses.

LETTER FROM THE JOINT FINANCIAL ADVISERS

As stated in NWD’s announcements of interim results for the six months ended 31 December 2022 and annual results for the year ended 30 June 2023, NWD has been actively exploring strategic options for its various business in order to sharpen the respective strategic focuses of its group companies. Following the NWD Disposal, the business portfolio and asset profile of the NWD Group will be streamlined to enable NWD to focus mainly on property development, property investment and property related businesses, and other relevant customer focused businesses in Hong Kong and Mainland China.

(c) Unlock value for NWD Shareholders

The NWD Disposal would unlock value for NWD Shareholders. Currently, the value of NWD’s stake in NWS is subject to a holding company discount. On the Last Trading Date, the market capitalisation of NWD represented a discount of approximately 74.9% to the NWD Group’s consolidated net asset value attributable to NWD Shareholders as at 30 June 2023, implying a value of about HK\$6,061 million for NWD’s stake in NWS if the same discount is applied to NWD’s attributable interest in NWS net asset value attributable to NWS Shareholders. As the NWS Share Offer Price represents a discount of only approximately 10.0% to NWS net asset value attributable to NWS Shareholders per NWS Share as at 30 June 2023, disposing of NWD’s interest in NWS at the NWS Share Offer Price would realise a premium of approximately HK\$15,720 million, or approximately 259.4% over the implied value of NWD’s stake in NWS as at the Last Trading Date.



LETTER FROM THE JOINT FINANCIAL ADVISERS

For all NWS Shareholders (including NWD)

(a) The NWS Share Offer Price represents an attractive exit premium

The NWS Share Offer Price, being HK\$9.15 per NWS Offer Share, represents a premium of approximately 22.2% over the closing price per NWS Share of HK\$7.49 on the Last Full Trading Date. It also represents a premium of approximately 32.1% and 34.4% over the average closing prices of approximately HK\$6.93 and approximately HK\$6.81 per NWS Share on the Stock Exchange for the 60 and 180 consecutive trading days up to and including the Last Full Trading Date, respectively.

During the two-year period ended on and including the Last Full Trading Date, the highest and lowest closing prices per NWS Share on the Stock Exchange were HK\$8.44 and HK\$5.57, respectively. The NWS Share Offer Price represents a premium of approximately 8.4% over the highest closing price in the above period.

In HK\$ per NWS share



(b) An opportunity for NWS Offer Shareholders to monetise NWS Shares without adversely affecting the market price

The liquidity of NWS Shares has been at a low level over a long period of time. The average daily trading volume of NWS Shares for the 12 months preceding and including the Last Full Trading Date was approximately 1.6 million NWS Shares per day, representing only 0.04% of the total issued share capital of NWS as at the Last Full Trading Date and less than 0.12% of the public float of NWS as at the Last Full Trading Date. The low trading liquidity of NWS Shares makes it difficult for holders of the NWS

LETTER FROM THE JOINT FINANCIAL ADVISERS

Offer Shares to execute significant on-market disposals of NWS Shares without adversely affecting the market price of NWS Shares. The NWS Share Offer affords NWS Offer Shareholders an opportunity to realise their investments in NWS without such difficulty and receive a cash price significantly above the prevailing market price of the NWS Shares.

(c) NWS Offer Shareholders are unlikely to receive an alternative offer on more favourable terms or at all

For over two decades, CTFE has been a controlling shareholder of NWD and NWD has maintained majority voting control of NWS. Both NWD and NWS have been integral parts of CTFE's investment portfolio. This poses additional hurdles for a third party outside of the CTFE Group and the NWD Group to make an offer for the NWS Offer Shares, as such third party would be unable to acquire statutory control of NWS unless the NWD Group agrees to dispose of its controlling stake in NWS, which in turn would require approval from NWD Shareholders (including the CTFE Group) under the Listing Rules. It is therefore unlikely that NWS Offer Shareholders would receive an alternative offer for the NWS Offer Shares, or if received one which is on terms which are more favourable than those of the NWS Share Offer.

For the NWS Group

Enhance financial flexibility

Given NWS is a subsidiary of NWD, the current capital structure and financial policy of NWS are subject to that of NWD. Upon completion of the NWD Disposal, NWS will cease to be a subsidiary of NWD and will therefore enjoy greater financial flexibility to optimise its capital structure and improve its cost of capital, including the pursuing of financing or re-financing opportunities at more favourable terms should they become available to NWS.

For CTFE

CTFE is interested in the NWS Group indirectly through its approximately 45.24% shareholding in NWD, which holds 60.87% of NWS, as at the Latest Practicable Date, and CTFE intends, through the NWS Offers, to increase its interest in the NWS Group with the Offeror (wholly-owned by CTFE) becoming a direct controlling shareholder of NWS.

20. INTENTIONS OF THE OFFEROR WITH REGARD TO THE NWS GROUP

As stated in "10. Public float and maintaining the listing status of NWS" in this letter, the Offeror intends to maintain the listing status of the NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers, and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act.

LETTER FROM THE JOINT FINANCIAL ADVISERS

As at the Latest Practicable Date, it was the intention of the Offeror that, subject to the results of the Review (as defined below), after the close of the NWS Offers, (i) there will not be significant changes in the management and continued employment of the employees of the NWS Group; (ii) the NWS Group will continue with its existing businesses; and (iii) no major changes will be introduced to the existing operations or business of the NWS Group (including any redeployment of fixed assets of the NWS Group) other than in its ordinary course of business.

The Offeror will, following the close of the NWS Offers, conduct a review (“**Review**”) of, among others, the business operations and strategies, asset portfolio, financial position and dividend policy of the NWS Group, with a view to optimising the business plans and strategies for the future business development of the NWS Group and creating further value for NWS Shareholders.

Subject to the results of the Review and in compliance with all applicable legal and regulatory requirements, the Offeror intends to explore opportunities together with the NWS Board to:

- (i) rationalise and develop a sustainable and balanced financing strategy focused on the financial conditions and needs of the NWS Group with a view to optimising its capital structure, which may include proactively pursuing financing and re-financing opportunities that may be available to the NWS Group following the NWD Disposal;
- (ii) increase NWS’ total dividend payout. NWS is currently committed to delivering a sustainable and progressive dividend policy which aims to steadily increase or at least maintain the Hong Kong dollar amount of the total ordinary dividend per share in respect of each financial year. Subject to the results of the Review, the Offeror intends to request the NWS Board to maximise the total dividend payout of NWS by paying special dividends in addition to ordinary dividends, subject to compliance with applicable legal and regulatory requirements, approval by the NWS Board and NWS Shareholders where required, and taking into account the financial performance (such as the capital structure, cash flow and liquidity position) and future funding needs of the NWS Group, the prevailing economic and market conditions and any other relevant matters that may impact the business or financial performance of the NWS Group; and
- (iii) proactively optimise the NWS Group’s business and asset portfolio. In line with NWS’ strategy to crystallise value from its business portfolio to achieve sustainable long term growth, prudent risk management and value for all stakeholders, the NWS Group has made certain investments and disposed of certain non-core businesses and investments in recent years. For instance, in the last three years, the NWS Group acquired a 40% interest in Guigang-Wuzhou Expressway (貴港至梧州高速公路) and seven logistics warehouses in Chengdu, Wuhan and Suzhou, and disposed of the aircraft leasing platform owned by Goshawk Aviation Limited, NWS Transport Services Limited, SUEZ NWS Limited and 廈門集裝箱碼頭集團有限公司 (Xiamen Container Terminal Group Co., Ltd.), to name a few. The Offeror intends that NWS should proactively further this strategy and continuously monitor the composition of

LETTER FROM THE JOINT FINANCIAL ADVISERS

its business and asset portfolio, including identifying and realising its investments in assets which no longer complement the future business development of the NWS Group or where the disposal will enhance the value to its shareholders. The Offeror believes that this would enable the NWS Group to better focus its resources on its core businesses, optimise its asset portfolio and returns to its shareholders, and enhance corporate efficiency in the long run.

21. CONFIRMATION OF FINANCIAL RESOURCES

On the assumption that the number of NWS Options will not change after the Latest Practicable Date and all NWS Options will be exercised before the close of the NWS Share Offer, NWS will have to issue 83,636,850 new NWS Shares, representing 2.14% of the issued share capital of NWS as at the Latest Practicable Date and 2.09% of the enlarged issued share capital of NWS. On this basis and on the assumption that the number of NWS Shares will otherwise not change before the NWS Share Offer Closing Date, there will be 3,875,666,775 NWS Offer Shares, the value of the NWS Share Offer will be approximately HK\$35,462 million and no amount will be payable by the Offeror under the NWS Option Offer. On this basis and taking into account the buyer's ad valorem stamp duty payable by the Offeror (based on the market value of the NWS Offer Shares at the closing price of NWS Shares on the Last Full Trading Date), the maximum amount of cash required to implement the NWS Offers would be approximately HK\$35,508 million.

The funds required by the Offeror to satisfy the consideration payable under the NWS Offers will be financed by a combination of its existing cash resources and the Offer Facility. The Offeror currently expects to repay the Offer Facility with its working capital, which will include, among others, any dividends and distributions which may be received from NWS following the NWS Offers. In this regard, the Offeror, which will become a controlling shareholder of NWS following the NWS Offers, intends to request the NWS Board to maximise the total dividend payout of NWS by paying special dividends in addition to ordinary dividends, subject to the factors as set out in "20. Intentions of the Offeror with regard to the NWS Group" in this letter.

HSBC, being one of the Joint Financial Advisers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the NWS Offers in accordance with their respective terms.

22. TAXATION AND INDEPENDENT ADVICE

NWS Offer Shareholders and NWS Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the NWS Offers. It is emphasised that none of CTFE, the Offeror, NWS or the Joint Financial Advisers nor any of their respective directors, officers or associates and any other person involved in the NWS Offers, accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their accepting or not accepting the NWS Offers.

LETTER FROM THE JOINT FINANCIAL ADVISERS

23. FURTHER TERMS OF THE NWS OFFERS

Please see “Appendix I — Further Terms of the NWS Offers” and “Appendix V — Form of NWS Option Offer Letter” to the Composite Document for further terms of the NWS Offers.

24. LISTING RULES IMPLICATIONS OF THE NWS OFFERS FOR NWD

The NWS Share Offer is subject to the satisfaction or waiver (where applicable) of, among other Conditions, the Condition that valid acceptances of the NWS Share Offer are received in respect of 2,380,495,938 NWS Shares (being the number of NWS Shares held by the NWD Group, representing 60.88% of the issued share capital of NWS, as at the Announcement Date). For details, please see Condition (b) in “8. Conditions to the NWS Offers” in this letter. As at the Latest Practicable Date, the NWD Group continued to hold 2,380,495,938 NWS Shares (representing 60.87% of the issued share capital of NWS).

Therefore, the NWD Disposal, if it proceeds, will be a disposal by the NWD Group of all of its NWS Shares. As disclosed in “19. Possible major transaction and connected transaction of NWD” in the Joint Announcement, (a) as the highest applicable percentage ratio for NWD in respect of the NWD Disposal exceeds 25% but is less than 75%, the NWD Disposal constitutes a major transaction for NWD under Chapter 14 of the Listing Rules; (b) CTFE is a connected person of NWD under the Listing Rules and the NWD Disposal constitutes a connected transaction for NWD under Chapter 14A of the Listing Rules; and (c) the NWD Disposal is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapters 14 and 14A of the Listing Rules.

The NWD Circular containing, amongst other things, details of the NWS Offers and the NWD Disposal and the notice of the NWD EGM to be held to consider, and if thought fit, to approve the NWD Disposal as a major transaction and a connected transaction of NWD under Chapters 14 and 14A of the Listing Rules is being despatched to the NWD Shareholders on or around the date of the Composite Document.

25. GENERAL

To ensure equality of treatment of all NWS Offer Shareholders, those NWS Offer Shareholders who hold the NWS Offer Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the NWS Offer Shares whose investments are registered in nominee names to accept the NWS Share Offer, it is essential that they provide instructions of their intentions with regard to the NWS Share Offer to their nominees.

All documents and cheques for payment to the NWS Offer Shareholders who accept the NWS Share Offer will be sent to them by ordinary post at their own risk to their addresses as they appear in the register of members of NWS or, in the case of joint NWS Offer Shareholders, to the NWS Offer Shareholder whose name appears first in the register of members of NWS, as applicable.

LETTER FROM THE JOINT FINANCIAL ADVISERS

All documents to the NWS Optionholders and cheques for payment in respect of the NWS Options surrendered for cancellation will be delivered to the office of NWS in Hong Kong at 21st Floor, NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong for collection by the NWS Optionholders. None of CTFE, the Offeror, NWS, the Joint Financial Advisers or the Registrar nor any of their respective directors, officers or associates and any other person involved in the NWS Offers, will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

26. ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from the NWS Board”, the “Letter from the NWS IBC” (including the recommendations by the NWS IBC as set out on page 51 of the Composite Document), the “Letter from the NWS IFA” (including the recommendation by the NWS IFA as set out on page 81 of the Composite Document), the accompanying Form(s) of Acceptance and the additional information set out in the appendices which form part of the Composite Document.

Yours faithfully,
For and on behalf of

**The Hongkong and Shanghai
Banking Corporation Limited**
Edmond Tin
Managing Director,
Head of Hong Kong Investment
Banking Coverage

BOCI Asia Limited
Kin Chung Lui
Director

ING Bank N.V.
Shaw Ming Chia
Director
Andrew Lau
Director



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)

Executive directors:

Dr. Cheng Kar Shun, Henry (*Chairman*)
Mr. Ma Siu Cheung (*Chief Executive Officer*)
Mr. Ho Gilbert Chi Hang (*Chief Operating Officer*)
Dr. Cheng Chi Kong, Adrian
Mr. Cheng Chi Ming, Brian
Mr. Cheng Chi Leong, Christopher

Non-executive directors:

Mr. To Hin Tsun, Gerald
Mr. Dominic Lai
Mr. William Junior Guilherme Doo
Mr. Lam Wai Hon, Patrick
(*alternate Director to Mr. William Junior Guilherme Doo*)

Independent non-executive directors:

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
Ms. Ng Yuen Ting, Yolanda

Registered office:

Clarendon House,
2 Church Street,
Hamilton, HM11,
Bermuda

**Principal place of business
in Hong Kong:**

21/F, NCB Innovation Centre
888 Lai Chi Kok Road
Cheung Sha Wan, Kowloon
Hong Kong

13 October 2023

To the NWS Offer Shareholders and the NWS Optionholders:

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY GENERAL CASH OFFERS BY
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED,
BOCI ASIA LIMITED AND ING BANK N.V. ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF NWS (OTHER THAN THOSE
ALREADY BENEFICIALLY OWNED BY THE CTFH GROUP) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF NWS**

* *For identification purpose only*

LETTER FROM THE NWS BOARD

1. INTRODUCTION

We refer to the Joint Announcement, which stated that the Joint Financial Advisers, on behalf of the Offeror, subject to the satisfaction or waiver (where applicable) of the Pre-Conditions, would make a conditional voluntary general cash offer to acquire all the issued shares of NWS not already beneficially owned by the CTFH Group and to cancel all the outstanding share options of NWS. For the avoidance of doubt, the NWS Offer Shares include the NWS Shares owned by the NWD Group and other Offeror Concert Parties (other than the CTFH Group).

The making of the NWS Offers was subject to the satisfaction or waiver (where applicable) of the Pre-Conditions and on 6 October 2023, CTFE, the Offeror and NWS jointly announced that the Pre-Conditions had been satisfied.

The purpose of the Composite Document (of which this letter forms part) is to provide you with, among other things: (i) further information relating to the NWS Offers (including the expected timetable and terms of the NWS Offers); (ii) the letter from the Joint Financial Advisers containing, among other things, details of the NWS Offers; (iii) the letter from the NWS IBC to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders containing its recommendations in respect of the NWS Offers; and (iv) the letter from the NWS IFA containing its advice to the NWS IBC in relation to the NWS Offers.

Terms used in this letter shall have the same meaning as those defined in the Composite Document unless the context otherwise requires.

2. NWS IBC AND NWS IFA

The NWS Board has established the NWS IBC, comprising Mr. To Hin Tsun, Gerald, Mr. Dominic Lai, 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, to make a recommendation to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders as to whether the NWS Offers are, or are not, fair and reasonable and as to the acceptance.

Pursuant to Rule 2.8 of the Takeovers Code, the NWS IBC is required to comprise all the non-executive NWS Directors who have no direct or indirect interest in the NWS Offers other than as holders of the NWS Shares and/or the NWS Options. Mr. William Doo Junior is presumed to be acting in concert with the Offeror in relation to NWS under class 8 of the definition of “acting in concert” under the Takeovers Code (for details, please refer to Note 4 to the shareholding table of NWS under the section headed “12. Shareholding Structure of NWS” in the “Letter from the Joint Financial Advisers” of the Composite Document). Mr. William Doo Junior is accordingly regarded as being interested in the NWS Offers for the purposes of Rule 2.8 of the Takeovers Code and is not a member of the NWS IBC. All of the other non-executive NWS Directors and all the independent non-executive NWS Directors are members of the NWS IBC.

LETTER FROM THE NWS BOARD

Quam Capital has, with the approval of the NWS IBC, been appointed as the NWS IFA to advise the NWS IBC in connection with the NWS Offers.

Quam Capital has advised the NWS IBC that it is of the opinion that the terms of the NWS Offers are fair and reasonable so far as the Disinterested NWS Shareholders and Disinterested NWS Optionholders are concerned, and accordingly, it recommends the NWS IBC to advise the Disinterested NWS Shareholders to accept the NWS Share Offer and the Disinterested NWS Optionholders to accept the NWS Option Offer. The NWS IBC, having been so advised, considers that the terms of the NWS Offers are fair and reasonable insofar as the Disinterested NWS Shareholders and the Disinterested NWS Optionholders are concerned, and accordingly, recommends the Disinterested NWS Shareholders to accept the NWS Share Offer and the Disinterested NWS Optionholders to accept the NWS Option Offer.

The full texts of the “Letter from the NWS IBC” addressed to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders and the “Letter from the NWS IFA” addressed to the NWS IBC are set out in the Composite Document. You are advised to read both letters and the additional information contained in the appendices to the Composite Document carefully before taking any action in respect of the NWS Offers.

3. THE NWS OFFERS

As set out in the “Letter from the Joint Financial Advisers” on pages 15 to 39 of the Composite Document, the Joint Financial Advisers, on behalf of the Offeror, are making (i) the NWS Share Offer; and (ii) the NWS Option Offer. For the avoidance of doubt, the NWS Offer Shares include the NWS Shares owned by the NWD Group and other Offeror Concert Parties (other than the CTFH Group).

NWS Share Offer

The NWS Share Offer is being made by the Joint Financial Advisers on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below.

For each NWS Offer Share..... HK\$9.15 in cash

NWS Option Offer

In accordance with Rule 13 of the Takeovers Code, the Joint Financial Advisers, on behalf of the Offeror, are making an appropriate offer to all the NWS Optionholders for the cancellation of every NWS Option, whether vested or unvested, by way of the NWS Option Offer.

LETTER FROM THE NWS BOARD

Under the NWS Option Offer, in accordance with Rule 13 of the Takeovers Code, the NWS Optionholders are being offered the NWS Option Offer Price (which is the “see-through” price, being the NWS Share Offer Price minus the exercise price of the relevant NWS Option) in cash for the cancellation of each NWS Option they hold, whether vested or unvested. The table below sets out the exercise price and the corresponding “see-through” price for the 83,636,850 NWS Options outstanding as at the Latest Practicable Date:

NWS Option exercise price per NWS Share (HK\$)	NWS Option Offer Price per NWS Option based on the NWS Share Offer Price of HK\$9.15 per NWS Offer Share (HK\$)	Number of NWS Options (each carrying the right to subscribe for one new NWS Share)
7.83	1.32	83,636,850

Further details of the terms of the NWS Offers can be found in the “Letter from the Joint Financial Advisers”, “Appendix I — Further Terms of the Offer” and “Appendix V — Form of NWS Option Offer Letter” to the Composite Document and the accompanying Form(s) of Acceptance.

The NWS Board confirms that, as at the Latest Practicable Date, (i) save for the NWS FY2023 Final Dividend of HK\$0.31 per NWS Share (which is expected to be paid on or about Thursday, 7 December 2023, subject to the passing of the relevant resolution to approve the declaration of such dividend at the NWS AGM 2023), the NWS Board had not announced or declared any dividend, distribution or other return of capital which remained unpaid; and (ii) save for the NWS FY2023 Final Dividend and the interim dividend (if any) for the six months ending 31 December 2023, the NWS Board did not intend to announce, recommend, declare and/or pay any dividend, distribution or other return of capital before the NWS Share Offer Closing Date or the lapse of the NWS Offers (as the case may be).

4. ARRANGEMENT WITH REGARD TO NWS ADS

The NWS Share Offer is not addressed to holders of NWS ADSs, and NWS ADSs may not be tendered into the NWS Share Offer. Each NWS ADS represents 10 NWS Shares deposited with Deutsche Bank Trust Company Americas, the depositary bank appointed by NWS. Holders of NWS ADSs who wish to participate in the NWS Share Offer may contact the depositary bank to withdraw the underlying NWS Shares in accordance with the normal NWS ADSs cancellation process, which may then be tendered into the NWS Share Offer. Holders of NWS ADSs should contact the depositary bank in case they have questions in relation to this process.

LETTER FROM THE NWS BOARD

5. CONDITIONS TO THE NWS OFFERS

The NWS Offers are subject to the satisfaction or waiver (where applicable) of the following Conditions:

- (a) the approval of the NWD Disposal by the Independent NWD Shareholders in accordance with the Listing Rules;
- (b) valid acceptances of the NWS Share Offer being received from the NWD Group by 4:00 p.m. on the NWS Share Offer Closing Date (and not, where permitted, withdrawn) in respect of 2,380,495,938 NWS Shares (being the number of the NWS Shares held by the NWD Group, representing 60.88% of the issued share capital of NWS, as at the Announcement Date);
- (c) the NWS Shares remaining listed and traded on the Main Board of the Stock Exchange up to and including the NWS Share Offer Closing Date (save for any temporary suspension of trading of the NWS Shares pending any announcement in connection with the NWS Offers or other inside information) and no indication being received on or before the NWS Share Offer Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the NWS Shares on the Stock Exchange is or is likely to be withdrawn or suspended;
- (d) no event having occurred which would make any of the NWS Offers, the acquisition of any of the NWS Offer Shares or the cancellation of the NWS Options under the NWS Offers void, unenforceable or illegal, would prohibit the implementation of any of the NWS Offers or would impose any material conditions or obligations with respect to any of the NWS Offers or their implementation in accordance with their respective terms;
- (e) all necessary consents in connection with the NWS Offers and/or (in the event that the Offeror were to exercise the right (if any) to acquire compulsorily those NWS Offer Shares not already beneficially owned or acquired by the CTFH Group) the possible withdrawal of the listing of the NWS Shares from the Stock Exchange which may be required under any existing contractual or other obligations of NWS having been obtained and remaining in effect;
- (f) no government, court or governmental, quasi-governmental, statutory or regulatory body or agency in Hong Kong, Bermuda or any other jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the NWS Offers or their implementation in accordance with their respective terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to any of the NWS Offers or their implementation in accordance with their respective terms);

LETTER FROM THE NWS BOARD

- (g) since the Announcement Date, there having been no material adverse change in the business, assets, financial or trading position or the prospects or conditions (whether operational, legal or otherwise) of the NWS Group to an extent which is material in the context of the NWS Group; and
- (h) save for any existing claim by NWS Group in respect of its six aircraft located in Russia or as otherwise disclosed by NWS on or before the Announcement Date, there having, since the Announcement Date, not been instituted any, and there remaining no outstanding, litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the NWS Group is a party (whether as plaintiff, defendant or otherwise), and no such proceedings having, since the Announcement Date, been threatened in writing against any such member (and no investigation by any government, court or governmental, quasi-governmental, statutory or regulatory body or agency in Hong Kong, Bermuda or any other jurisdiction against or in respect of any such member or the business carried on by any such member having, since the Announcement Date, been threatened in writing, announced or instituted or remaining outstanding against or in respect of any such member), in each case, which is material and adverse in the context of the NWS Group or in the context of the NWS Offers.

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions (other than Condition (a)).

In respect of Condition (a), as disclosed in the NWD Circular, the NWD EGM will be held on Thursday, 2 November 2023 at 11:30 a.m. for the purpose of considering and, if thought fit, approving, among others, the NWD Disposal, and the announcement on the poll results of the NWD EGM will be published by NWD on the Stock Exchange's website after 4:30 p.m. on Thursday, 2 November 2023.

In respect of Condition (b), as disclosed in the NWD Circular, in the event that the resolution for approving the NWD Disposal is passed by the Independent NWD Shareholders at the NWD EGM, the NWD Group intends to tender its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares (representing 60.87% of the issued share capital of NWS as at the Latest Practicable Date) on Thursday, 9 November 2023.

As at the Latest Practicable Date, save for Condition (e) which had been satisfied, none of the Conditions had been satisfied or waived (where applicable).

The NWS Option Offer is subject to and conditional upon the NWS Share Offer becoming or being declared unconditional in all respects.

Further details of the NWS Offers including, among others, the expected timetable, the conditions, terms and procedures of acceptance of the NWS Offers, are set out in the "Letter from the Joint Financial Advisers", "Appendix I — Further Terms of the NWS Offers" and "Appendix V — Form of NWS Option Offer Letter" to the Composite Document and the accompanying Form(s) of Acceptance.

LETTER FROM THE NWS BOARD

WARNING: Completion of the NWS Share Offer is subject to the Conditions being satisfied or, where applicable, waived. Additionally, completion of the NWS Option Offer is subject to and conditional upon the NWS Share Offer becoming or being declared unconditional in all respects. Accordingly, the NWS Offers may or may not become unconditional. Shareholders and holders of options and other securities of and potential investors in NWS should therefore exercise caution when dealing in the securities of NWS. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

6. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF NWS

According to “10. Public float and maintaining the listing status of NWS” in the “Letter from the Joint Financial Advisers” in the Composite Document, the NWS Board understands that the Offeror intends to maintain the listing status of the NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act.

The Stock Exchange has stated that (a) if, at the close of the NWS Share Offer, less than the minimum prescribed percentage applicable to NWS, being 25% of the issued NWS Shares, are held by the public; or (b) if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the NWS Shares; or (ii) that there are insufficient NWS Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the NWS Shares.

The NWS Directors and (as noted from the “Letter from the Joint Financial Advisers” in the Composite Document) the Offeror Directors have undertaken to the Stock Exchange that, in the event that the public float of NWS falls below 25% following the close of the NWS Offers, appropriate steps will be taken to ensure that NWS will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

7. EFFECT OF ACCEPTING THE NWS SHARE OFFER

Your attention is drawn to “13. Effect of accepting the NWS Share Offer” in the “Letter from the Joint Financial Advisers” in the Composite Document for the effect of accepting the NWS Share Offer.

As disclosed in the 2023 Annual Results Announcement, the NWS Board recommended the NWS FY2023 Final Dividend of HK\$0.31 per NWS Share and the NWS Final Dividend Record Date for the NWS FY2023 Final Dividend is Thursday, 16 November 2023. Subject to the passing of the relevant resolution to approve the declaration of the NWS FY2023 Final Dividend at the NWS AGM 2023, it is expected that the NWS FY2023 Final Dividend will be paid on or about Thursday, 7 December 2023.

It is expected that any NWS Offer Shareholder who accepts the NWS Share Offer will still be entitled to the NWS FY2023 Final Dividend in respect of the NWS Offer Shares for which the NWS Share Offer is accepted provided he/she/it is the registered owner of those NWS Offer Shares on the NWS Final Dividend Record Date. The reason for this is explained in the following paragraph.

LETTER FROM THE NWS BOARD

On the basis that (a) the declaration of the NWS FY2023 Final Dividend is approved at the NWS AGM 2023 and (b) the NWD Group validly tenders its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares on Thursday, 9 November 2023, share transfers in respect of all NWS Offer Shares validly tendered for acceptance under the NWS Share Offer will be completed on or after Friday, 17 November 2023, i.e. after the NWS Final Dividend Record Date (being Thursday, 16 November 2023) regardless of the date of acceptance, and all accepting NWS Offer Shareholders (except in respect of any NWS Offer Share the transfer documents of which are lodged with the Share Registrar for registration after the latest time for lodging transfer documents for registration for determining entitlement to the NWS FY2023 Final Dividend, being 4:30 p.m. on Wednesday, 15 November 2023 as stated in the 2023 Annual Results Announcement) will be entitled to the NWS FY2023 Final Dividend.

WARNING: For the avoidance of doubt, assuming that the NWS Offers become unconditional, if any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the NWS Shares (save for the NWS FY2023 Final Dividend) on or after the NWS Share Offer Closing Date, NWS Offer Shareholders who accept the NWS Share Offer will not be entitled thereto. Please also see “20. Intentions of the Offeror with regard to the NWS Group” in the “Letter from the Joint Financial Advisers” in the Composite Document for the Offeror’s intention with regard to the dividend policy of NWS.

8. INFORMATION OF THE NWS GROUP

NWS is a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange. The NWS Group invests and operates a wide range of business predominantly in Hong Kong and Mainland China including toll roads, construction, insurance, logistics and facilities management.

Financial and general information of the NWS Group are set out in “Appendix II — Financial Information of the NWS Group” and “Appendix IV — General Information of the NWS Group” to the Composite Document.

9. INFORMATION ON CTFE AND THE OFFEROR

Your attention is drawn to “17. Information on CTFE and the Offeror” in the “Letter from the Joint Financial Advisers” and “Appendix III — General Information of CTFE and the Offeror” in the Composite Document for information on CTFE and the Offeror.

10. INTENTIONS OF THE OFFEROR REGARDING THE NWS GROUP

Your attention is drawn to “20. Intentions of the Offeror with regard to the NWS Group” in the “Letter from the Joint Financial Advisers” in the Composite Document for information on the intentions of the Offeror regarding the NWS Group. The NWS Board notes such intentions and is open to working with the Offeror in conducting a Review of the NWS Group and exploring opportunities to optimise the NWS Group’s business and asset portfolio, capital structure and returns to its shareholders.

LETTER FROM THE NWS BOARD

11. INTENTIONS OF THE NWS DIRECTORS ON THE ACCEPTANCE OF THE NWS OFFERS

As at the Latest Practicable Date, the following NWS Directors had the following interests in NWS Shares and NWS Options:

Name of NWS Director	No. of NWS Shares	No. of NWS Options
NWS Directors whose NWS Shares form part of the NWS Offer Shares and do not form part of the Disinterested NWS Shares:		
Dr. Henry Cheng (<i>Note 1</i>)	30,349,571	10,990,000
Mr. William Doo Junior (<i>Note 2</i>)	128,869	769,300
Dr. Adrian Cheng	0	5,495,000
Mr. Brian Cheng	0	6,868,750
Mr. Christopher Cheng	0	6,868,750
Mr. Ma Siu Cheung	0	7,693,000
NWS Directors who are holders of Disinterested NWS Shares:		
Mr. Lam Wai Hon, Patrick (<i>Note 3</i>)	1,453,815	0
Mr. Ho Gilbert Chi Hang	0	7,418,250
Mr. To Hin Tsun, Gerald	0	769,300
Mr. Dominic Lai	0	769,300
Mr. Shek Lai Him, Abraham	0	1,648,500
Mr. Lee Yiu Kwong, Alan	0	1,648,500
Mrs. Oei Wai Chi Grace Fung	0	1,648,500
Mr. Wong Kwai Huen, Albert	0	1,648,500
Professor Chan Ka Keung, Ceajer	0	1,648,500

Notes:

- As at the Latest Practicable Date, Dr. Henry Cheng (i) beneficially held 18,349,571 NWS Shares (representing 0.47% of the issued share capital of NWS) and through his wholly-owned company, Dragon Noble Group Limited, held 12,000,000 NWS Shares (representing 0.31% of the issued share capital of NWS), which aggregate to 30,349,571 NWS Shares (representing 0.78% of the issued share capital of NWS); and (ii) held 10,990,000 NWS Options.
- As at the Latest Practicable Date, Mr. William Doo Junior held (i) 128,869 NWS Shares (representing 0.00% of the issued share capital of NWS) (through his wholly-owned company, Brilliant Gain Company Limited) and (ii) 769,300 NWS Options.
- Mr. Lam Wai Hon, Patrick is an alternate director to Mr. William Doo Junior in his capacity as a non-executive director of NWS. As at the Latest Practicable Date, Mr. Lam Wai Hon, Patrick was interested in 1,453,815 NWS Shares (representing 0.04% of the issued share capital of NWS) and was not interested in any NWS Options.

LETTER FROM THE NWS BOARD

Your attention is drawn to “12. Shareholding Structure of NWS” in the “Letter from the Joint Financial Advisers” in the Composite Document for further details of the shareholding structure of NWS.

The above NWS Directors have indicated their intentions with respect to the NWS Offers as follows:

- (a) each of Dr. Henry Cheng, Mr. William Doo Junior and Mr. Lam Wai Hon, Patrick intends to accept the NWS Share Offer and the NWS Option Offer; and
- (b) all other NWS Directors intend to accept the NWS Option Offer.

12. ADDITIONAL INFORMATION

You are advised to read the “Letter from the Joint Financial Advisers” and “Appendix I — Further Terms of the NWS Offers” in the Composite Document and the accompanying Form(s) of Acceptance for further information relating to the NWS Offers, information on taxation and the acceptance and settlement procedures of the NWS Offers. Your attention is also drawn to the additional information contained in the appendices to the Composite Document.

13. RECOMMENDATIONS

Your attention is drawn to (a) the “Letter from the NWS IBC” to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders containing its recommendations with respect of the NWS Offers; and (b) the “Letter from the NWS IFA” containing its advice to the NWS IBC in relation to the NWS Offers and the principal factors and reasons considered by the NWS IFA in arriving at its recommendations. You are advised to read both letters and the remainder of the Composite Document carefully before taking any action in respect of the NWS Offers.

In considering what action to take in connection with the NWS Offers, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,
By order of the Board of
NWS HOLDINGS LIMITED
Tang Wai Yau
Company Secretary



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)

13 October 2023

To the Disinterested NWS Shareholders and the Disinterested NWS Optionholders:

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY GENERAL CASH OFFERS BY
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED,
BOCI ASIA LIMITED AND ING BANK N.V. ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF NWS (OTHER THAN THOSE
ALREADY BENEFICIALLY OWNED BY THE CTFH GROUP) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF NWS**

INTRODUCTION

We refer to the Composite Document dated 13 October 2023 in respect of the NWS Offers jointly issued by CTFE, the Offeror and NWS, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter have the same meanings as that defined in the Composite Document.

We have been appointed by the NWS Board as members of the NWS IBC to consider, among other things, the terms of the NWS Offers and to make a recommendation as to whether, in our opinion, the terms of the NWS Offers are fair and reasonable insofar as the Disinterested NWS Shareholders and Disinterested NWS Optionholders are concerned, and as to the acceptance or not of the NWS Offers.

* *For identification purpose only*

LETTER FROM THE NWS IBC

Quam Capital Limited has been appointed as the NWS IFA with our approval to advise and make recommendations to the NWS IBC in respect of the terms of the NWS Offers and as to acceptance of the NWS Offers. Details of its advice and recommendations and the principal factors and reasons which it has considered before arriving at such recommendations, are set out in the “Letter from the NWS IFA” in the Composite Document.

We also wish to draw your attention to the “Letter from the NWS Board”, “Letter from the Joint Financial Advisers” and the additional information set out in the Composite Document.

We, as members of the NWS IBC, have declared that we are independent and do not have any conflict of interest in respect of the NWS Offers and are therefore able to consider the terms of the NWS Offers and make recommendations accordingly to the Disinterested NWS Shareholders and Disinterested NWS Optionholders. Mr. William Doo Junior is presumed to be acting in concert with the Offeror in relation to NWS under class 8 of the definition of “acting in concert” under the Takeovers Code (for details, please refer to note 4 to the shareholding table of NWS under “12. Shareholding Structure of NWS” in the “Letter from the Joint Financial Advisers” of the Composite Document). Mr. William Doo Junior is accordingly regarded as being interested in the NWS Offers for the purposes of Rule 2.8 of the Takeovers Code and is not a member of the NWS IBC.

RECOMMENDATIONS

Having considered the terms of the NWS Offers and the letter of advice and recommendations from the NWS IFA, we concur with the view of the NWS IFA and consider that:

- (a) the terms of the NWS Share Offer are fair and reasonable insofar as the Disinterested NWS Shareholders are concerned, and we recommend the Disinterested NWS Shareholders to accept the NWS Share Offer; and
- (b) the terms of the NWS Option Offer are fair and reasonable insofar as the Disinterested NWS Optionholders are concerned, and we recommend the Disinterested NWS Optionholders to accept the NWS Option Offer.

The Disinterested NWS Shareholders and Disinterested NWS Optionholders are recommended to read the full text of the “Letter from the NWS IFA” set out in the Composite Document.

Notwithstanding our recommendations, the Disinterested NWS Shareholders and Disinterested NWS Optionholders should consider carefully the terms of the NWS Offers. In any case, the Disinterested NWS Shareholders and Disinterested NWS Optionholders are reminded that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives.

LETTER FROM THE NWS IBC

The Disinterested NWS Shareholders and Disinterested NWS Optionholders who intend to accept the NWS Offers are also reminded to closely monitor the market price and the liquidity of the NWS Shares during the NWS Offer Period and may, having regard to their own circumstances and investment objectives, (i) for Disinterested NWS Shareholders, consider selling the NWS Shares in the open market instead of accepting the NWS Share Offer if the net proceeds from the sale of such NWS Shares in the open market would be higher than that receivable under the NWS Share Offer; and (ii) for Disinterested NWS Optionholders, consider exercising the NWS Options and selling the underlying NWS Shares in the open market, instead of accepting the NWS Option Offer, if the net proceeds from selling the underlying NWS Shares in the open market from exercising of the NWS Options is higher than that receivable under the NWS Option Offer.

The Disinterested NWS Shareholders and Disinterested NWS Optionholders should closely monitor the business development of the NWS Group and the intentions of the Offeror when there is more information available in this regard.

If in doubt, the Disinterested NWS Shareholders and Disinterested NWS Optionholders should consult their own professional advisers for professional advice. In addition, Disinterested NWS Shareholders and Disinterested NWS Optionholders who wish to accept the NWS Offers are recommended to read and consider carefully the procedures for accepting the NWS Offers detailed in “Appendix I — Further Terms of the NWS Offers” to the Composite Document and the accompanying Form(s) of Acceptance.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
NWS Holdings Limited

**Mr. To Hin Tsun,
Gerald**
*Non-executive
Director*

Mr. Dominic Lai
*Non-executive
Director*

**Mr. Shek Lai Him,
Abraham**
*Independent Non-
executive Director*

**Mr. Lee Yiu Kwong,
Alan**
*Independent Non-
executive Director*

**Mrs. Oei Wai Chi
Grace Fung**
*Independent Non-
executive Director*

**Mr. Wong Kwai
Huen, Albert**
*Independent Non-
executive Director*

**Professor Chan Ka
Keung, Ceajer**
*Independent Non-
executive Director*

**Ms. Ng Yuen Ting,
Yolanda**
*Independent Non-
executive Director*

LETTER FROM THE NWS IFA

Set out below is the text of a letter received from Quam Capital, the independent financial adviser to the NWS IBC in respect of the NWS Offers for the purpose of inclusion in this Composite Document.

13 October 2023

To the NWS IBC

NWS Holdings Limited
21/F, NCB Innovation Centre
888 Lai Chi Kok Road
Cheung Sha Wan
Kowloon, Hong Kong

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY GENERAL CASH OFFERS BY
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED,
BOCI ASIA LIMITED AND ING BANK N.V. ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF NWS (OTHER THAN THOSE
ALREADY BENEFICIALLY OWNED BY THE CTFH GROUP) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF NWS**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the NWS IBC in respect to the NWS Offers. Details of the NWS Offers are set out in the Letter from the Joint Financial Advisers contained in the Composite Document dated 13 October 2023 (the “**Letter from the Joint Financial Advisers**”), of which this letter forms part. Unless otherwise stated, terms defined in the Composite Document have the same meanings in this letter.

According to the Joint Announcement dated 26 June 2023, the Offeror, a wholly-owned subsidiary of CTFE, firmly intends, subject to the satisfaction or waiver (where applicable) of the Pre-Conditions, to make a conditional voluntary general cash offer to acquire all the issued shares of NWS not already beneficially owned by the CTFH Group and to cancel all the outstanding share options of NWS. For the avoidance of doubt, the NWS Offer Shares include the NWS Shares owned by the NWD Group and other Offeror Concert Parties (other than the CTFH Group).

On 6 October 2023, CTFE, the Offeror and NWS jointly announced that the Pre-Conditions had been satisfied.

LETTER FROM THE NWS IFA

THE NWS IBC AND THE NWS IFA

The NWS IBC, comprising Mr. To Hin Tsun, Gerald, Mr. Dominic Lai, 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, has been established to make a recommendation to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders as to whether the NWS Offers are, or are not, fair and reasonable and as to the acceptance.

Pursuant to Rule 2.8 of the Takeovers Code, the NWS IBC is required to comprise all the non-executive NWS Directors who have no direct or indirect interest in the NWS Offers other than as holders of the NWS Shares and/or the NWS Options. Mr. William Doo Junior is presumed to be acting in concert with the Offeror in relation to NWS under class 8 of the definition of “acting in concert” under the Takeovers Code. Mr. William Doo Junior is accordingly regarded as being interested in the NWS Offers for the purposes of Rule 2.8 of the Takeovers Code and is not a member of the NWS IBC. All of the other non-executive NWS Directors and all the independent non-executive NWS Directors are members of the NWS IBC.

We have been appointed by the NWS Board with the approval of the NWS IBC in relation to the NWS Offers, where our role is to advise the NWS IBC with an independent opinion and recommendation as to whether the NWS Offers are fair and reasonable as far as the Disinterested NWS Shareholders and the Disinterested NWS Optionholders are concerned, and whether the Disinterested NWS Shareholders and the Disinterested NWS Optionholders should accept the NWS Offers.

As at the Latest Practicable Date, we did not have any relationships with or interests in NWS, the Offeror, or any of their respective controlling shareholders and any party acting, or presumed to be acting, in concert with any of them, and accordingly, are qualified to give independent advice to the NWS IBC. Save for our appointment as the independent financial adviser to the NWS IBC, we did not act as a financial adviser to NWS and the Offeror in the past two years prior to the Latest Practicable Date. Apart from the normal advisory fee payable to us in connection with our appointment as the independent financial adviser to the NWS IBC, no arrangement exists whereby we shall receive any other fees or benefits from NWS or the Offeror or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them.

BASIS OF OUR ADVICE

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Composite Document; (ii) the information provided by the NWS Directors and the management of NWS (the “**NWS Management**”); (iii) the opinions expressed by and the representations of the NWS Directors and the NWS Management; and (iv) our review of the relevant public information, including but not limited to the historical share prices, financial results or reports and other announcements of NWS. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Composite Document were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Composite Document are

LETTER FROM THE NWS IFA

true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the NWS Directors and the NWS Management and those as set out or referred to in the Composite Document were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the NWS Directors and the NWS Management. Should there be any material changes to the statements, information and/or representation affecting our opinion after the Latest Practicable Date, the Disinterested NWS Shareholders and Disinterested NWS Optionholders would be notified as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

We have reviewed, among others, (i) NWS's annual results announcement for the year ended 30 June 2023 (the "**FY2023 Annual Results Announcement**"); (ii) NWS's annual report for the year ended 30 June 2022 (the "**FY2022 Annual Report**"); and (iii) the Joint Announcement. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Composite Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinions expressed by the NWS Directors and the NWS Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position, financial forecast or future prospects of the NWS Group.

PRINCIPAL TERMS OF THE NWS OFFERS

The NWS Share Offer

The NWS Share Offer is being made by the Joint Financial Advisers on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each NWS Offer Share..... HK\$9.15 in cash

Save for the NWS FY2023 Final Dividend, if, after the Latest Practicable Date but before the NWS Share Offer Closing Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the NWS Shares, the Offeror reserves the right to reduce the NWS Share Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in the Joint Announcement, the Composite Document or any other announcement or document to the NWS Share Offer Price will be deemed to be a reference to the NWS Share Offer Price as so reduced (and the NWS Option Offer Price shall be reduced accordingly). For the avoidance of doubt, assuming that the NWS Offers become unconditional, if any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the NWS Shares on or after the NWS Share Offer Closing Date, NWS Offer Shareholders who accept the NWS Share Offer will not be entitled thereto.

As at the Latest Practicable Date, (i) save for the NWS FY2023 Final Dividend of HK\$0.31 per NWS Share (which is expected to be paid on or about 7 December 2023, subject to the passing of the relevant resolution at the annual general meeting of NWS to be held on

LETTER FROM THE NWS IFA

10 November 2023), the NWS Board had not announced or declared any dividend, distribution or other return of capital which remained unpaid; and (ii) save for the NWS FY2023 Final Dividend and the interim dividend (if any) for the six months ending 31 December 2023, the NWS Board did not intend to announce, recommend, declare and/or pay any dividend, distribution or other return of capital before the NWS Share Offer Closing Date or the lapse of the NWS Offers (as the case may be).

The NWS Option Offer

As at the Latest Practicable Date, there were 83,636,850 NWS Options, entitling the NWS Optionholders to subscribe for an aggregate of 83,636,850 NWS Shares at an exercise price of HK\$7.83 per NWS Share. The exercise of such NWS Options in full would result in the issue of 83,636,850 new NWS Shares, representing 2.14% of the issued share capital of NWS as at the Latest Practicable Date and 2.09% of the enlarged issued share capital of NWS.

In accordance with Rule 13 of the Takeovers Code, the Joint Financial Advisers, on behalf of the Offeror, are making an appropriate offer to all the NWS Optionholders for the cancellation of every NWS Option, whether vested or unvested, by way of the NWS Option Offer.

Under the NWS Option Offer, in accordance with Rule 13 of the Takeovers Code, the NWS Optionholders are being offered the NWS Option Offer Price (which is the “see-through” price, being the NWS Share Offer Price minus the exercise price of the relevant NWS Option) in cash for the cancellation of each NWS Option they hold, whether vested or unvested. The table below sets out the exercise price and the corresponding “see-through” price for the 83,636,850 NWS Options outstanding as at the Latest Practicable Date:

NWS Option exercise price per NWS Share (HK\$)	NWS Option Offer Price per NWS Option based on the NWS Share Offer Price of HK\$9.15 per NWS Offer Share (HK\$)	Number of NWS Options (each carrying the right to subscribe for one new NWS Share)
7.83	1.32	83,636,850

Further information on the NWS Option Offer is set out in the NWS Option Offer Letter to the NWS Optionholders, which is being despatched as part of the Composite Document.

If any NWS Option is exercised in accordance with the terms of the NWS Share Option Scheme, any NWS Shares issued prior to the close of the NWS Share Offer as a result of such exercise will be subject to the NWS Share Offer.

As the Offeror would have control (as defined in the Takeovers Code) of NWS after completion of the NWS Disposal, pursuant to the rules of the NWS Share Option Scheme, the NWS Optionholders shall be entitled to exercise any NWS Option (whether or not it has vested at the relevant time) in whole or in part at any time within the period of six (6) months after completion of the NWS Disposal, and to the extent that it has not been so exercised, any NWS

LETTER FROM THE NWS IFA

Option shall lapse upon the expiry of such six-month period, provided that if, during such six month period, the Offeror becomes entitled to exercise rights of compulsory acquisition of NWS Shares pursuant to Section 103 of the Companies Act and gives notice in writing to any NWS Offer Shareholders that it intends to exercise such rights, the NWS Options shall remain exercisable until 14 days from the date of such notice and, to the extent that they have not been exercised, shall thereupon lapse. As stated in “10. Public float and maintaining the listing status of NWS” in the “Letter from the Joint Financial Advisers”, the Offeror intends to maintain the listing status of the NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers, and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act.

Conditions of the NWS Offers

The NWS Share Offer is subject to the satisfaction or waiver (where applicable) of the following Conditions:

- (a) the approval of the NWD Disposal by the Independent NWD Shareholders in accordance with the Listing Rules;
- (b) valid acceptances of the NWS Share Offer being received from the NWD Group by 4:00 p.m. on the NWS Share Offer Closing Date (and not, where permitted, withdrawn) in respect of 2,380,495,938 NWS Shares (being the number of the NWS Shares held by the NWD Group, representing 60.88% of the issued share capital of NWS, as at the Announcement Date);
- (c) the NWS Shares remaining listed and traded on the Main Board of the Stock Exchange up to and including the NWS Share Offer Closing Date (save for any temporary suspension of trading of the NWS Shares pending any announcement in connection with the NWS Offers or other inside information) and no indication being received on or before the NWS Share Offer Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the NWS Shares on the Stock Exchange is or is likely to be withdrawn or suspended;
- (d) no event having occurred which would make any of the NWS Offers, the acquisition of any of the NWS Offer Shares or the cancellation of the NWS Options under the NWS Offers void, unenforceable or illegal, would prohibit the implementation of any of the NWS Offers or would impose any material conditions or obligations with respect to any of the NWS Offers or their implementation in accordance with their respective terms;
- (e) all necessary consents in connection with the NWS Offers and/or (in the event that the Offeror were to exercise the right (if any) to acquire compulsorily those NWS Offer Shares not already beneficially owned or acquired by the CTFH Group) the possible withdrawal of the listing of the NWS Shares from the Stock Exchange which may be required under any existing contractual or other obligations of NWS having been obtained and remaining in effect;

LETTER FROM THE NWS IFA

- (f) no government, court or governmental, quasi-governmental, statutory or regulatory body or agency in Hong Kong, Bermuda or any other jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the NWS Offers or their implementation in accordance with their respective terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to any of the NWS Offers or their implementation in accordance with their respective terms);
- (g) since the Announcement Date, there having been no material adverse change in the business, assets, financial or trading position or the prospects or conditions (whether operational, legal or otherwise) of the NWS Group to an extent which is material in the context of the NWS Group; and
- (h) save for any existing claim by the NWS Group in respect of its six aircraft located in Russia or as otherwise disclosed by NWS on or before the Announcement Date, there having, since the Announcement Date, not been instituted any, and there remaining no outstanding, litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the NWS Group is a party (whether as plaintiff, defendant or otherwise), and no such proceedings having, since the Announcement Date, been threatened in writing against any such member (and no investigation by any government, court or governmental, quasi-governmental, statutory or regulatory body or agency in Hong Kong, Bermuda or any other jurisdiction against or in respect of any such member or the business carried on by any such member having, since the Announcement Date, been threatened in writing, announced or instituted or remaining outstanding against or in respect of any such member), in each case, which is material and adverse in the context of the NWS Group or in the context of the NWS Offers.

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions (other than Condition (a)).

In respect of Condition (a), as disclosed in the NWD Circular, the NWD EGM will be held on Thursday, 2 November 2023 at 11:30 a.m. for the purpose of considering and, if thought fit, approving, among others, the NWD Disposal, and the announcement on the poll results of the NWD EGM will be published by NWD on the Stock Exchange's website after 4:30 p.m. on Thursday, 2 November 2023.

In respect of Condition (b), as disclosed in the NWD Circular, in the event that the resolution for approving the NWD Disposal is passed by the Independent NWD Shareholders at the NWD EGM, the NWD Group intends to tender its acceptance of the NWS Share Offer in respect of 2,380,495,938 NWS Shares (representing 60.87% of the issued share capital of NWS as at the Latest Practicable Date) on Thursday, 9 November 2023.

As at the Latest Practicable Date, save for Condition (e) which had been satisfied, none of the Conditions had been satisfied or waived (where applicable).

LETTER FROM THE NWS IFA

The NWS Option Offer is subject to and conditional upon the NWS Share Offer becoming or being declared unconditional in all respects.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any of the Conditions so as to cause the NWS Offers to lapse unless the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the NWS Offers.

Pursuant to Rule 19.1 of the Takeovers Code, the Offeror shall issue an announcement stating whether the NWS Offers have been revised or extended, have expired or have become or been declared unconditional (and, in such case, whether as to acceptances or in all respects), by 7:00 p.m. on the first NWS Share Offer Closing Date in accordance with the Takeovers Code. In the event that the NWS Offers have not become or are not declared unconditional on the first NWS Share Offer Closing Date, such announcement will state whether the NWS Offers have lapsed or have been revised or extended. If the NWS Offers are extended or revised, such announcement will either state the next NWS Share Offer Closing Date or, if the NWS Offers have become or been declared unconditional as to acceptances, include a statement that the NWS Offers will remain open until further notice. In the latter case, pursuant to Rule 15.3 of the Takeovers Code, at least fourteen (14) days' notice in writing must be given, before the NWS Offers are closed, to the NWS Offer Shareholders and the NWS Optionholders who have not accepted the relevant NWS Offers.

There is no obligation to extend the NWS Offers if the Conditions are not satisfied or waived (where applicable) by the first NWS Share Offer Closing Date or any subsequent NWS Share Offer Closing Date. Any revised NWS Offers must be kept open for at least fourteen (14) days after the date of the revised offer document.

Pursuant to Rule 15.5 of the Takeovers Code, except with the consent of the Executive, the NWS Share Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the date of this Composite Document. Accordingly, the latest time by which the Offeror can declare the NWS Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the date of the Composite Document, being Tuesday, 12 December 2023 (or such later date to which the Executive may consent). It follows that unless the NWS Share Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the NWS Offers will lapse at 7:00 p.m. on the 60th day after the date of this Composite Document, being Tuesday, 12 December 2023 (or such later date to which the Executive may consent).

Pursuant to Rule 15.7 of the Takeovers Code, except with the consent of the Executive, if any one of the Conditions is not satisfied (or not waived, where applicable) by no later than 21 days after the first NWS Share Offer Closing Date or the date when the NWS Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the NWS Offers will lapse.

LETTER FROM THE NWS IFA

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background information of NWS Group

NWS is a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange. The NWS Group invests and operates a wide range of businesses predominantly in Hong Kong and the Mainland. Its operating businesses include toll roads, construction, insurance, logistics and facilities management.

1.1 Financial Information of the NWS Group

Set out below is a summary of the audited consolidated financial information of NWS Group for the years ended 30 June 2021 (“FY2021”), 2022 (“FY2022”) and 2023 (“FY2023”) respectively, which has been extracted from the FY2022 Annual Report and the FY2023 Annual Results Announcement.

	FY2021 <i>HK\$'million</i> <i>(restated</i> <i>and audited)</i>	FY2022 <i>HK\$'million</i> <i>(audited)</i>	FY2023 <i>HK\$'million</i> <i>(audited)</i>
Revenue	28,197.3	31,138.6	45,213.8
Cost of sales	(24,406.1)	(27,609.3)	(40,011.1)
Other income and gains, net	1,948.5	966.6	1,487.4
Selling and marketing expenses	(969.0)	(1,290.9)	(1,906.7)
General and administrative expenses	(1,810.6)	(1,918.2)	(2,043.4)
Overlay approach adjustments on financial assets	(1,270.6)	1,845.9	687.5
Operating profit	1,689.5	3,132.7	3,427.5
Finance costs	(838.7)	(760.1)	(938.2)
Share of results of associated companies	311.6	340.5	176.8
Share of results of joint ventures	1,280.6	(254.9)	754.1
Profit before income tax	2,443.0	2,458.2	3,420.2
Income tax expenses	(691.2)	(576.2)	(757.3)
Profit from continuing operations	1,751.8	1,882.0	2,662.9
(Loss)/profit from discontinued operations	(43.8)	302.3	—
Profit for the year	1,708.0	2,184.3	2,662.9
— Attributable to NWS Shareholders	1,113.5	1,586.8	2,026.7
— Attributable to perpetual capital securities holders	583.1	583.1	612.0
— Attributable to non-controlling interests	11.4	14.4	24.2

LETTER FROM THE NWS IFA

	FY2021	FY2022	FY2023
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
	<i>(restated</i>		
	<i>and audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue by segments			
Roads	3,033.2	2,717.5	2,731.8
Construction	15,114.1	15,240.9	19,638.5
Insurance	9,640.6	12,373.6	20,988.2
Logistics	—	11.8	139.5
Facilities management	409.4	794.8	1,715.0
Strategic investments	—	—	0.8
Total	28,197.3	31,138.6	45,213.8
	FY2021	FY2022	FY2023
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
	<i>(restated</i>		
	<i>and audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Attributable operating profit/(loss)			
by segments			
Continuing operations			
Roads	1,807.5	1,709.9	1,532.8
Aviation (<i>Note 1</i>)	496.0	511.5	—
Construction	972.0	912.2	745.5
Insurance	971.7	1,074.9	1,204.5
Logistics	663.0	592.6	752.0
Facilities management	(649.3)	(409.5)	(61.9)
Strategic investments	739.4	(141.7)	(75.7)
Sub-total	5,000.3	4,249.9	4,097.2
Discontinued operations (<i>Note 2</i>)			
Environment	244.3	121.0	—
Transport	4.8	—	—
Sub-total	249.1	121.0	—
Total	5,249.4	4,370.9	4,097.2

Note 1: The absence of attributable operating profit from aviation segment for FY2023 was due to the reclassification of substantially all of its interest in the commercial aircraft leasing platform as assets held for sale by Goshawk Aviation Limited in May 2022. The disposal was completed in December 2022.

Note 2: The results of transport and environment segments were presented separately as discontinued operations with the disposal of the entire transport business and substantially all the environment business since FY2021.

LETTER FROM THE NWS IFA

	As at 30 June		
	2021	2022	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
	<i>(restated and</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total assets	152,572.9	148,770.8	161,974.3
mainly represented by:			
— Financial assets at FVOCI	44,787.3	41,583.8	43,174.3
— Joint ventures	10,806.0	15,413.5	17,773.3
— Cash and bank balances	10,804.6	13,452.6	19,255.9
— Intangible concession rights	14,355.6	13,081.9	13,306.4
— Financial assets at FVPL	13,023.7	12,955.4	15,002.6
— Trade, premium and other receivables	15,162.2	14,217.1	9,176.1
— Investments related to unit- linked contracts	10,770.2	8,649.2	8,940.1
Total liabilities	94,118.9	94,883.7	111,833.2
mainly represented by:			
— Insurance and investment contract liabilities	42,502.8	48,204.4	62,268.7
— Borrowings and other interest- bearing liabilities	25,348.0	23,590.9	23,796.9
— Trade, other payables and payables to policyholders	11,333.2	10,403.1	12,790.8
— Liabilities related to unit-linked contracts	10,770.2	8,645.1	8,936.5
Net assets	58,454.0	53,887.1	50,141.1
represented by:			
— Shareholders' funds	47,913.4	43,308.5	39,736.7
— Perpetual capital securities	10,528.5	10,528.5	10,353.6
— Non-controlling interests	12.1	50.1	50.8

FY2022 as compared with FY2021

The NWS Group recorded an increase in revenue of approximately 10.4% from HK\$28,197.3 million for FY2021 to HK\$31,138.6 million for FY2022. The revenue increase was mainly due to the increase in revenue from (i) insurance segment by approximately 28.3% from HK\$9,640.6 million for FY2021 to HK\$12,373.6 million for FY2022; and (ii) facilities management segment by approximately 94.1% from HK\$409.4 million for FY2021 to HK\$794.8 million for FY2022. The increased revenue contributed from insurance segment was attributable to FTLife Insurance with its increased effort in enhancing the product mix and exploring new distribution

LETTER FROM THE NWS IFA

channel to penetrate domestic customers, which has mitigated the negative impact from COVID-19 variants during FY2022. On the other hand, the increased revenue generated from facilities management segment was mainly due to the improved performance of Hong Kong Convention and Exhibition Centre (“**HKCEC**”) operation. While the resurgence of COVID-19 disrupted HKCEC’s business in the third quarter of FY2022, its operating performance continued to recover in the last quarter of FY2022 following the relaxation of social-distancing measures in Hong Kong.

The revenue increase in the above segments was offset by the decrease in revenue from roads segment by approximately 10.4% from HK\$3,033.2 million for FY2021 to HK\$2,717.5 million for FY2022. This was mainly due to the containment measures rolled out by the government in the Mainland as a result of the outbreak of COVID-19 variants in the Mainland in the second half of FY2022, which has led to a reduction in overall traffic flow and toll revenue of the roads, as well as the negative impact from power crunch in various cities in the Mainland and temporary partial prohibition of type 5 and 6 trucks using Hangzhou Ring Road during FY2022. The revenue from construction segment remained relatively stable at HK\$15,114.1 million and HK\$15,240.9 million in FY2021 and FY2022 respectively.

The NWS Group recorded total attributable operating profit (“**AOP**”) of reportable segments of HK\$4,370.9 million for FY2022, representing a decrease of approximately 16.7% compared with FY2021. Such decrease was mainly attributable to the attributable operating loss (“**AOL**”) of HK\$141.7 million contributed by strategic investments segment for FY2022 as compared with AOP of HK\$739.4 million recorded for FY2021; and the decrease in AOP from (i) roads segment by approximately 5.4% from HK\$1,807.5 million for FY2021 to HK\$1,709.9 million for FY2022; (ii) construction segment by approximately 6.2% from HK\$972.0 million for FY2021 to HK\$912.2 million for FY2022; (iii) logistics segment by approximately 10.6% from HK\$663.0 million for FY2021 to HK\$592.6 million for FY2022; and (iv) environment segment by approximately 50.5% from HK\$244.3 million for FY2021 to HK\$121.0 million for FY2022.

The AOL recorded by strategic investments segment in FY2022 was due to the lack of significant net fair value gain from certain investments, the recognition of net fair value loss and expected credit loss provision on a few investments as a result of the downturn in global markets, as well as the negative impact of global economic slowdown on the operating environment of certain businesses within the segment. The decrease in AOP from roads segment was due to the decrease in overall traffic flow and toll revenue as explained above. For construction segment, while the segment revenue remained relatively stable, its AOP decreased in FY2022 due to the decline in AOP contribution from Wai Kee Holdings Limited (“**Wai Kee**”), following the partial disposal of the shares held by the NWS Group in FY2021. For logistics segment, its decrease in AOP in FY2022 was mainly due to the disposal of equity interest in Xiamen Container Terminal Group Co. (“**XCTG**”) during FY2022. If XCTG was excluded, AOP from logistics segment increased by approximately 5% for FY2022 as compared with FY2021, which was mainly due to an increased

LETTER FROM THE NWS IFA

demand for the warehouse space of ATL Logistics Centre. The decrease in AOP from environment segment was mainly due to the disposal of interests in Chongqing Derun Environment Co., Ltd and interests in SUEZ NWS Limited during FY2021 and FY2022.

The decrease in AOP of the NWS Group contributed by the above segments was partly offset by (i) the increase in AOP from insurance segment by approximately 10.6% from HK\$971.7 million for FY2021 to HK\$1,074.9 million for FY2022; and (ii) the decrease in AOL from facilities management segment by approximately 36.9% from HK\$649.3 million for FY2021 to HK\$409.5 million for FY2022. The increase in AOP from insurance segment was mainly due to the increase in segment revenue as explained above together with efforts in controlling expenses. The reduction in AOL of the facilities management segment was mainly due to the continuous narrowing of loss of the businesses within the segment, including the operations of Gleneagles Hospital Hong Kong (“**GHK Hospital**”), HKCEC and retail of duty free products business. The narrowing of loss was mainly contributed by the (a) strong revenue growth of the GHK Hospital driven by the growth in the number of outpatients by 26% and inpatients by 14% in FY2022; (b) the increase in revenue from HKCEC as explained above; and (c) the narrowing of AOL of duty free products business due to the increase in AOP from the outlet at Hong Kong-Zhuhai-Macao Bridge and positive contribution from other new business initiatives such as pop-up stores at shopping malls as well as the e-commerce website, together with efforts in cost saving.

Despite the decrease in total AOP in FY2022, the profit for the year of the NWS Group increased by approximately 27.9% to HK\$2,184.3 million for FY2022 as compared to HK\$1,708.0 million in FY2021. This was mainly due to (i) the considerable reduction in non-operating losses mainly related to the remeasurement loss, impairments and provisions; and (ii) the increase in net gain arising from the disposals of projects, partial redemption of senior notes and fair value change of certain derivative financial instruments.

FY2023 as compared with FY2022

The NWS Group recorded an increase in revenue of approximately 45.2% from HK\$31,138.6 million for FY2022 to HK\$45,213.8 million for FY2023. The revenue increase was mainly due to the increase in revenue from (i) construction segment by approximately 28.9% from HK\$15,240.9 million for FY2022 to HK\$19,638.5 million for FY2023; (ii) insurance segment by approximately 69.6% from HK\$12,373.6 million for FY2022 to HK\$20,988.2 million for FY2023; and (iii) facilities management segment by approximately 115.8% from HK\$794.8 million for FY2022 to HK\$1,715.0 million for FY2023. The increased revenue contributed from construction segment was attributable to significant work progress from certain sizeable projects during FY2023. The increase in revenue from insurance segment was mainly attributable to the solid demand from local customers and strong pent-up demand released from Mainland visitors after border reopened. For the facilities management segment, the increase in revenue was mainly due to the business

LETTER FROM THE NWS IFA

performance of HKCEC and Free Duty has been gaining momentum since the reopening of the border between Hong Kong and the Mainland. HKCEC registered an increase in number of events and total patronage for FY2023 and Free Duty's outlets at Lok Ma Chau and Lo Wu reopened in January and February 2023 respectively. The revenue from roads segment remained relatively stable at HK\$2,717.5 million and HK\$2,731.8 million for FY2022 and FY2023 respectively.

The NWS Group recorded total AOP of reportable segments of HK\$4,097.2 million for FY2023, representing a decrease of approximately 6.3% compared with FY2022. Such decrease was mainly attributable to the decline in AOP from (i) roads segment by approximately 10.4% from HK\$1,709.9 million for FY2022 to HK\$1,532.8 million for FY2023; (ii) construction segment by approximately 18.3% from HK\$912.2 million for FY2022 to HK\$745.5 million for FY2023; (iii) aviation segment from HK\$511.5 million for FY2022 to nil for FY2023; and (iv) environment segment from HK\$121.0 million for FY2022 to nil for FY2023. The decline in AOP from roads segment for FY2023 was due to RMB depreciation as well as the drop in traffic flow and toll revenue in the first half of FY2023 owing to the containment measures against COVID-19 and the reduction in toll fee by 10% for trucks in the fourth quarter of 2022 in the Mainland. The fall in contribution from the construction segment for FY2023 was largely due to the loss attributable to the NWS Group's interest held in Wai Kee. The absence of AOP contributions from both aviation and environment segments was due to the disposal/discontinuation of the respective businesses.

The decrease in AOP of the NWS Group contributed by the above segments was partly offset by (i) the increase in AOP from insurance segment by approximately 12.1% from HK\$1,074.9 million for FY2022 to HK\$1,204.5 million for FY2023; (ii) the increase in AOP from logistics segment by approximately 26.9% from HK\$592.6 million for FY2022 to HK\$752.0 million for FY2023; (iii) the decrease in AOL from facilities management segment by approximately 84.9% from HK\$409.5 million for FY2022 to HK\$61.9 million for FY2023; and (iv) the decrease in AOL from strategic investments segment by approximately 46.6% from HK\$141.7 million for FY2022 to HK\$75.7 million for FY2023. The increase in AOP from insurance segment was mainly due to the increase in segment revenue as explained above together with efforts in controlling expenses, change in valuation interest rate partially offset by the increase in expected credit loss provision on bond investments. The increase in AOP from logistics segment was mainly due to the inclusion of fresh contributions from the logistics properties acquired near the end of FY2022 and in FY2023. The reduction in AOL of the facilities management segment was mainly due to (a) the turnaround of HKCEC business as a result of strong rebound in business performance as discussed above; (b) the turnaround of duty-free products business due to the resumption of operation of the outlets at Lok Ma Chau and Lo Wu upon the reopening of the two borders in early 2023 and the remarkable performance of the outlet at Hong Kong-Zhuhai-Macao Bridge; and (c) further reduction in AOL of GHK Hospital.

LETTER FROM THE NWS IFA

Despite of the decrease in total AOP in FY2023, the profit for the year of the NWS Group increased by approximately 21.9% to HK\$2,662.9 million for FY2023 as compared to HK\$2,184.3 million for FY2022. This was mainly due to the considerable reduction in non-operating losses in relation to remeasurement loss, impairments and provisions for FY2023 as compared with FY2022.

Financial position

As at 30 June 2023, total assets of the NWS Group was HK\$161,974.3 million, which was mainly consisted of (i) financial assets at FVOCI of HK\$43,174.3 million; (ii) cash and bank balances of HK\$19,255.9 million; and (iii) joint ventures of HK\$17,773.3 million.

As at 30 June 2023, total liabilities of the NWS Group was HK\$111,833.2 million, which was mainly consisted of (i) insurance and investment contract liabilities of HK\$62,268.7 million; (ii) borrowings and other interest-bearing liabilities of HK\$23,796.9 million; and (iii) trade, other payables and payables to policyholders of HK\$12,790.8 million. Net debt balance amounted to HK\$4,541.0 million and net gearing ratio was 9% as at 30 June 2023.

The audited consolidated net assets of the NWS Group attributable to the NWS Shareholders amounted to HK\$39,736.7 million as at 30 June 2023. Based on 3,910,482,349 issued NWS Shares as at 30 June 2023, the net asset value attributable to the NWS Shareholders per NWS Share would be approximately HK\$10.16.

1.2 Historical dividend payout of NWS

According to the FY2023 Annual Results Announcement, NWS is committed to delivering a sustainable and progressive dividend policy. The aim of its dividend policy is to steadily increase or at least maintain the Hong Kong dollar value of ordinary dividend per NWS Share annually. The prospective dividend growth, however, remains dependent upon the financial performance and future funding needs of NWS. Subject to the financial performance of NWS, the NWS Board expects to pay two dividends each financial year.

For FY2021, an interim dividend of HK\$0.29 per NWS Share and a final dividend of HK\$0.30 per NWS Share were paid respectively, which represent a total dividend of HK\$0.59 per NWS Share and an annual dividend payout ratio of 207%. For FY2022, an interim dividend of HK\$0.30 per NWS Share and a final dividend of HK\$0.31 per NWS Share were paid respectively, which represent a total dividend of HK\$0.61 per NWS Share and an annual dividend payout ratio of 150%. For FY2023, an interim dividend of HK\$0.30 per NWS Share was paid and a final dividend of HK\$0.31 per NWS Share has been declared, which represent a total dividend of HK\$0.61 per NWS Share and an annual dividend payout ratio of approximately 118%.

Given the existing dividend policy of NWS, the Disinterested NWS Shareholders may continue to be entitled to receive a steady dividend payout from NWS if they retain the NWS Shares in full or in part. Based on the NWS Share Offer Price of HK\$9.15 per NWS Offer Share and the total dividend declared by NWS in the past twelve months prior

LETTER FROM THE NWS IFA

to the Latest Practicable Date of HK\$0.61 per NWS Share, the implied dividend yield of NWS Share Offer is approximately 6.7%. Further analysis on the implied dividend yield is set out in section 3.5 below.

1.3 Outlook of the NWS Group

With reference to the FY2023 Annual Results Announcement, while there remain uncertainties around geopolitical tension, escalated interest rate and weakening economic outlook in various key developed countries, the NWS Management is positive on the outlook of the NWS Group's businesses, in view of the expected recovery of Mainland economy as well as the improvement of the business environment in Hong Kong following the reopening of border. As the NWS Group's portfolio optimization is substantially complete, roads, construction, insurance, logistics and facilities management businesses will be regarded as the focuses of the NWS Group going forward.

For roads segment, its prospect is underpinned by the Mainland Government's incentives to boost car purchases and logistics industry growth. According to the NWS Management, the NWS Group will continue to scout for new investment opportunities in the Mainland in the areas with optimistic growth prospects, and also consider other means such as acquiring remaining stakes of existing roads and putting in further capital to expand existing roads, so as to enrich its roads portfolio and extend the overall average remaining concession period of the portfolio.

For construction segment, the expected increase in land supply from the Hong Kong Government in view of the resolution to ease housing shortage in Hong Kong and the development of Northern Metropolis will underpin the positive outlook of the construction sector in Hong Kong. While labour shortage in the construction sector has been contributing to the cost pressures of construction players in Hong Kong, the Hong Kong Government has introduced a plan to import up to 12,000 workers in a bid to alleviate the manpower shortfall in the industry. According to NWS Management, the NWS Group is also implementing various initiatives such as digitalization in its projects to further improve its efficiency and productivity, which facilitate the mitigation of cost pressures.

For insurance segment, the NWS Management is of the view that the solid demand from Mainland visitors and demand driven by the rising awareness of risk management in terms of healthcare protection and asset diversification as well as the pursuance of higher return will remain as the key drivers of the insurance industry in Hong Kong and FTLife Insurance. FTLife Insurance will innovate its product offerings in an effort to stand out from the keen competition in Hong Kong.

For logistics segment, as driven by the support from the Mainland Government on the logistics sector as well as the economic development, it is expected that the logistics sector in the Mainland will remain resilient. According to NWS Management, the NWS Group will continue to search for new investment opportunities in this sector so as to expand its portfolio of logistics properties.

LETTER FROM THE NWS IFA

For facilities management segment, the NWS Management expects continuous improvement in the three businesses within the segment. The return of international exhibitions and conventions, helped by the ramp up of international capacity of airlines, is anticipated to continue to propel the recovery of HKCEC. For GHK Hospital, the continuous improvement in business performance will be underpinned by further enrichment of service offerings and expansion of network for meeting the demand for quality healthcare services. For duty-free business, its growth will be driven by the expected further improvement of border traffic between Hong Kong and the Mainland.

Overall, based on the financial results above, we are of the view that the NWS Group has remained resilient with its diversified businesses amid the COVID-19 pandemic with relatively stable profit from continuing operations recorded during FY2021 and FY2022, and recorded an improvement for FY2023 amid the economic recovery in the second half of FY2023 following COVID-19 subsidies and the reopening of border between Hong Kong and the Mainland. While the business performance of the NWS Group may continue to improve in the short-term following the expected recovery of economy in the Mainland and Hong Kong, we expect the business performance of the NWS Group will remain steady in the long-term.

2. Background information of the Offeror

2.1 The Offeror and its controlling shareholders

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of CTFE. The Offeror is engaged in investment holding.

CTFE is a company incorporated in Hong Kong with limited liability. The CTFE Group is principally engaged in investment holding. As at the Latest Practicable Date, CTFE is beneficially wholly-owned by CTFH, which is held as to 81.03% by CTFC, which is in turn held as to 48.98% by Cheng Yu Tung Family (Holdings) Limited and as to 46.65% by Cheng Yu Tung Family (Holdings II) Limited. Dr. Henry Cheng, Mr. Peter Cheng, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited.

As mentioned in the Letter from the Joint Financial Advisers, CTFE has been a controlling shareholder of NWD and NWD has maintained majority voting control of NWS for over two decades. Both NWD and NWS have been integral parts of CTFE's investment portfolio. This poses additional hurdles for a third party outside of the CTFE Group and the NWD Group to make an offer for the NWS Offer Shares, as such third party would be unable to acquire statutory control of NWS unless the NWD Group agrees to dispose of its controlling stake in NWS, which in turn would require approval from NWD Shareholders (including the CTFE Group) under the Listing Rules.

2.2 The Offeror's intention in relation to NWS

As at the Latest Practicable Date, it is the intention of the Offeror that, subject to the results of the Review (as defined below), after the close of the NWS Offers, (i) there will not be significant changes in the management and continued employment of the employees of the NWS Group; (ii) the NWS Group will continue with its existing businesses; and (iii) no major changes will be introduced to the existing operations or business of the NWS Group (including any redeployment of fixed assets of the NWS Group) other than in its ordinary course of business.

The Offeror will, following the close of the NWS Offers, conduct a review (“**Review**”) of, among others, the business operations and strategies, asset portfolio, financial position and dividend policy of the NWS Group, with a view to optimising the business plans and strategies for the future business development of the NWS Group and creating further value for NWS Shareholders.

According to the Letter from the Joint Financial Advisers, subject to the results of the Review and in compliance with all applicable legal and regulatory requirements, the Offeror intends to explore opportunities together with the NWS Board to:

- (i) rationalise and develop a sustainable and balanced financing strategy focused on the financial conditions and needs of the NWS Group with a view to optimising its capital structure, which may include proactively pursuing financing and re-financing opportunities that may be available to the NWS Group following the NWD Disposal;
- (ii) increase NWS' total dividend payout. NWS is currently committed to delivering a sustainable and progressive dividend policy which aims to steadily increase or at least maintain the Hong Kong dollar amount of the total ordinary dividend per share in respect of each financial year. Subject to the results of the Review, the Offeror intends to request the NWS Board to maximise the total dividend payout of NWS by paying special dividends in addition to ordinary dividends, subject to compliance with applicable legal and regulatory requirements, approval by the NWS Board and NWS Shareholders where required, and taking into account the financial performance (such as the capital structure, cash flow and liquidity position) and future funding needs of the NWS Group, the prevailing economic and market conditions and any other relevant matters that may impact the business or financial performance of the NWS Group; and
- (iii) proactively optimise the NWS Group's business and asset portfolio. In line with NWS' strategy to crystallise value from its business portfolio to achieve sustainable long term growth, prudent risk management and value for all stakeholders, the NWS Group has made certain investments and disposed of certain non-core businesses and investments in recent years. For instance, in the last three years, the NWS Group acquired a 40% interest in Guigang-Wuzhou Expressway (貴港至梧州高速公路) and seven logistics warehouses in Chengdu, Wuhan and Suzhou, and disposed of the aircraft leasing platform owned by Goshawk Aviation Limited, NWS Transport Services Limited, SUEZ NWS

LETTER FROM THE NWS IFA

Limited and XCTG to name a few. The Offeror intends that NWS should proactively further this strategy and continuously monitor the composition of its business and asset portfolio, including identifying and realising its investments in assets which no longer complement the future business development of the NWS Group or where the disposal will enhance the value to its shareholders. The Offeror believes that this would enable the NWS Group to better focus its resources on its core businesses, optimise its asset portfolio and returns to its shareholders, and enhance corporate efficiency in the long run.

The Disinterested NWS Shareholders and Disinterested NWS Optionholders should note that the Offeror's intentions regarding the NWS Group's strategies and policies above, including any amendments on the dividend payout policies which may potentially increase the dividend payout, will be subject to the Review outcome, relevant legal and regulatory requirements and/or the assessment by the NWS Board, among others, following the close of the NWS Offers.

2.3 Listing status of NWS

Pursuant to Section 103(1) of the Companies Act, the holders of not less than 95% of the issued NWS Shares may give a notice of compulsory acquisition to the remaining NWS Shareholders of the intention to acquire their NWS Shares on the terms set out in the notice. When such notice of compulsory acquisition is given, such holders will be entitled and bound to acquire the NWS Shares of the remaining NWS Shareholder(s) unless any remaining NWS Shareholder applies to the Court for an appraisal of the value of the NWS Shares to be purchased from him/her/it, provided that such holders offer the same terms to all holders of the NWS Shares whose acquisition is involved. If the Offeror acquires further NWS Shares (whether pursuant to the NWS Share Offer or otherwise) such that the CTFH Group holds not less than 95% of the issued NWS Shares, the Offeror will be entitled to give such notice of compulsory acquisition.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where the Offeror seeks to acquire or privatise NWS by means of the NWS Share Offer and the use of the compulsory acquisition right under the Companies Act, such right may only be exercised if, in addition to satisfying the requirements imposed by the Companies Act, acceptances of the NWS Share Offer in respect of the Disinterested NWS Shares and purchases of the Disinterested NWS Shares made by the Offeror and the Offeror Concert Parties during the period of four (4) months after the posting of the Composite Document amount to not less than 90% of the Disinterested NWS Shares.

Accordingly, if (a) the level of acceptances of the NWS Share Offer (or the Offeror's holding of the total issued share capital of NWS) reaches the prescribed threshold under Section 103(1) of the Companies Act; and (b) not less than 90% of the Disinterested NWS Shares are validly tendered for acceptance during the period of four (4) months after the posting of the Composite Document, the Offeror will be entitled to exercise its right under Section 103(1) of the Companies Act and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those NWS Offer Shares not already beneficially owned or acquired by the CTFH Group, and may, but is not obliged to, exercise such right.

LETTER FROM THE NWS IFA

According to the Letter from the Joint Financial Advisers and as disclosed in the joint announcement dated 31 August 2023, the Offeror intends to maintain the listing status of the NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act. In the event that the public float of NWS falls below 25% following the close of the NWS Offers, appropriate steps will be taken to ensure that NWS will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

The Stock Exchange has stated that (a) if, at the close of the NWS Share Offer, less than the minimum prescribed percentage applicable to NWS, being 25% of the issued NWS Shares, are held by the public; or (b) if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the NWS Shares; or (ii) that there are insufficient NWS Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the NWS Shares.

3. NWS Share Offer Price

3.1 NWS Share Offer Price comparison

According to the Letter from the Joint Financial Advisers, the NWS Share Offer Price was determined by the Offeror after taking into account, among other things, (i) the recent and historical trading prices of the NWS Shares, (ii) the recent financial performance of the NWS Group and (iii) the premium to historical trading prices of shares with reference to other voluntary general offer transactions in Hong Kong in recent years.

The NWS Share Offer Price of HK\$9.15 per NWS Offer Share under the NWS Share Offer represents:

- (i) a premium of 14.5% over the closing price of HK\$7.99 per NWS Share as quoted on the Stock Exchange immediately prior to the halt in the trading of the NWS Shares on the Last Trading Date;
- (ii) a premium of 22.2% over the closing price of HK\$7.49 per NWS Share as quoted on the Stock Exchange on the Last Full Trading Date;

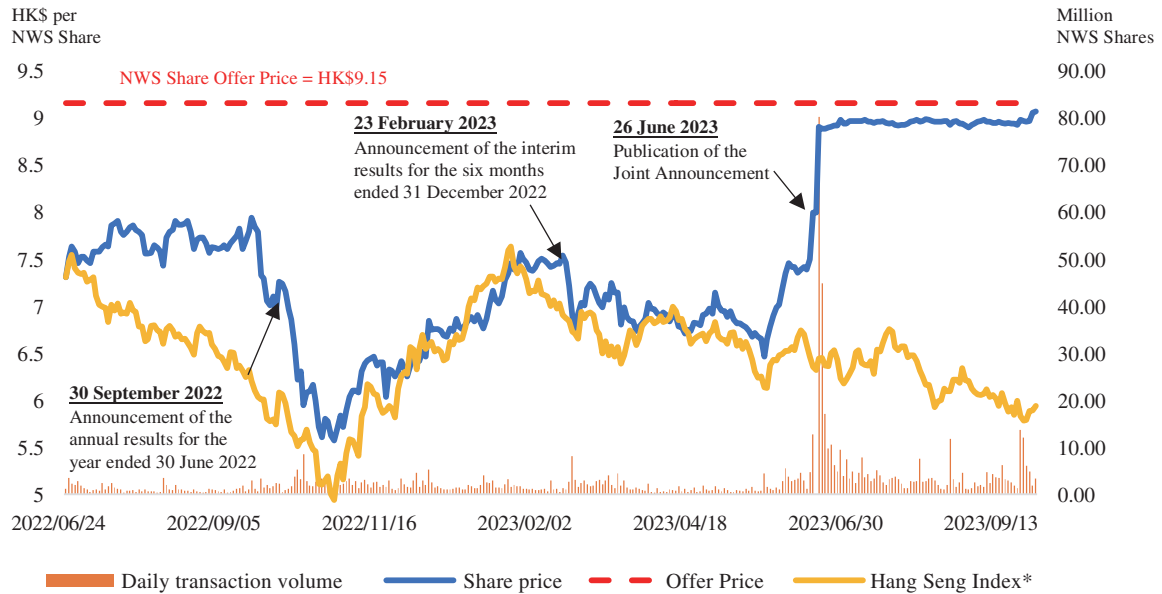
LETTER FROM THE NWS IFA

- (iii) a premium of 23.6% over the average closing price of HK\$7.40 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the five trading days immediately prior to and including the Last Full Trading Date;
- (iv) a premium of 24.0% over the average closing price of HK\$7.38 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the ten trading days immediately prior to and including the Last Full Trading Date;
- (v) a premium of 30.9% over the average closing price of HK\$6.99 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Full Trading Date;
- (vi) a premium of 32.1% over the average closing price of HK\$6.93 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Full Trading Date;
- (vii) a premium of 34.4% over the average closing price of HK\$6.81 per NWS Share, being the average closing price of NWS Shares as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Full Trading Date;
- (viii) a premium of 1.0% over the closing price of HK\$9.06 per NWS Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (ix) a discount of 9.9% to the audited consolidated net asset value attributable to NWS Shareholders per NWS Share of HK\$10.16 as at 30 June 2023, based on the total number of issued NWS Shares as at 30 June 2023.

LETTER FROM THE NWS IFA

3.2 Analysis of historical price performance of NWS Shares

Set out below is the movement of the closing price of the NWS Shares and Hang Seng Index from 24 June 2022 to the Last Trading Date (i.e. 23 June 2023), being approximately 12 months period, and up to the Latest Practicable Date (the “**Review Period**”). We consider the length of such period is sufficient and representative to provide a general overview of the recent market performance of the NWS Shares, which reflects the prevailing market sentiment for conducting a reasonable comparison between the closing prices of the NWS Shares and the NWS Share Offer Price.



Source: the website of the Stock Exchange (www.hkex.com.hk)

Note: Hang Seng Index is rebased to the closing price of NWS Shares as at 24 June 2022

The NWS Shares were closed below the NWS Share Offer Price at all times during the Review Period. From the beginning of the Review Period until the Last Trading Date, the closing price of the NWS Shares fluctuated within the range of HK\$5.57 (31 October 2022) and HK\$7.99 (23 June 2023), and the NWS Share Offer Price represents a premium of approximately 30.0% over the average closing price during such period of HK\$7.04 per NWS Shares. From the day when the trading of NWS Shares resumed on 27 June 2023 until the Latest Practicable Date, the closing share price increased and fluctuated within a range of HK\$8.88 and HK\$9.06, which was likely to be associated with the market response to the NWS Share Offer. There is no assurance that the closing price of the NWS Shares will remain at the current level or continue to rise if the NWS Share Offer closes or lapses for any reason.

LETTER FROM THE NWS IFA

From the beginning of the Review Period in late June 2022 to 22 September 2022, the closing price of the NWS Shares remained relatively stable between approximately HK\$7.30 to HK\$7.93 per NWS Share. After that, the closing price of the NWS Shares recorded a decline until end October 2022, which was generally in line with the decreasing trend of Hang Seng Index during the same period. After reaching the low of HK\$5.57 per NWS Share on 31 October 2022, the closing price of the NWS Shares exhibited a rebound until mid-February 2023, which was also generally in line with the movement of Hang Seng Index. On 23 February 2023, NWS announced the interim results for the six months ended 31 December 2022, which recorded a decrease in profit as compared with the corresponding period during the previous year, and then the closing price of NWS Shares exhibited a mild descending trend until reaching HK\$6.46 per NWS Share on 31 May 2023 and subsequently rebounded generally in line with the market until the Last Trading Date.

Save as disclosed above, we did not notice any other announcements of NWS during the Review Period which may have correlation to the share price movement shown in the chart above.

3.3 Trading volume analysis

The table below sets out the average daily trading volume of the NWS Shares on a monthly basis during the Review Period and the respective percentages of the average daily trading volume of the NWS Shares as compared to the total number of issued NWS Shares and the number of Disinterested NWS Shares.

Period/month	Total trading volume <i>(number of NWS Shares)</i>	Number of trading days <i>(days)</i>	Average daily trading volume <i>(number of NWS Shares)</i> <i>(Note 1)</i>	Approximate percentage of average daily trading volume to total number of issued NWS Shares %	Approximate percentage of average daily trading volume to the number of Disinterested NWS Shares %
				<i>(Note 2)</i>	<i>(Note 3)</i>
2022					
June (starting from 24 June 2022)	11,307,182	5	2,261,436	0.06%	0.17%
July	21,314,414	20	1,065,721	0.03%	0.08%
August	19,998,154	23	869,485	0.02%	0.06%
September	24,523,919	21	1,167,806	0.03%	0.09%
October	55,227,200	20	2,761,360	0.07%	0.21%
November	45,544,114	22	2,070,187	0.05%	0.15%
December	38,008,570	20	1,900,429	0.05%	0.14%
24 June 2022 to 31 December 2022	215,923,553	131	1,648,271	0.04%	0.12%

LETTER FROM THE NWS IFA

Period/month	Total trading volume <i>(number of NWS Shares)</i>	Number of trading days <i>(days)</i>	Average daily trading volume <i>(number of NWS Shares) (Note 1)</i>	Approximate percentage of average daily trading volume to total number of issued NWS Shares %	Approximate percentage of average daily trading volume to the number of Disinterested NWS Shares %
				<i>(Note 2)</i>	<i>(Note 3)</i>
2023					
January	34,349,695	18	1,908,316	0.05%	0.14%
February	33,110,384	20	1,655,519	0.04%	0.12%
March	46,194,284	23	2,008,447	0.05%	0.15%
April	12,643,536	17	743,737	0.02%	0.06%
May	21,746,309	21	1,035,539	0.03%	0.08%
June	203,249,070	21	9,678,527	0.25%	0.72%
July	94,768,209	20	4,738,410	0.12%	0.35%
August	69,588,611	23	3,025,592	0.08%	0.23%
September	50,984,423	19	2,683,391	0.07%	0.20%
October (up to and including the Latest Practicable Date)	41,318,668	6	6,886,445	0.18%	0.51%
1 January 2023 to the Latest Practicable Date	607,953,189	188	3,233,794	0.08%	0.24%
24 June 2022 to the Latest Practicable Date	823,876,742	319	2,582,686	0.07%	0.19%

Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. Based on total number of NWS Shares in issue at the respective period or month end.
3. Based on the number of NWS Shares in issue at the respective period or month end, less the number of NWS Shares held by the Offeror or any of the Offeror Concert Parties as at the Latest Practicable Date.

As illustrated in the above table, the average daily trading volume was low for each month/period during the Review Period, with a range from approximately 743,737 NWS Shares to approximately 9,678,527 NWS Shares, representing approximately 0.02% to 0.25% over the total number of NWS Shares in issue as at the end of the respective month/period, and approximately 0.06% to 0.72% of the total number of Disinterested NWS Shares as at the Latest Practicable Date. We noted that the higher average daily volume for June and July 2023, which we believe that the increase in trading volume of

LETTER FROM THE NWS IFA

the NWS Shares was possibly due to the market reaction to the publication of Joint Announcement. The improvement of liquidity of the NWS Shares indicated that, without the NWS Share Offer, the NWS Shares were generally illiquid in the open market and that the higher level of trading volume may not be sustainable after the NWS Offer Period.

In view of the above, the NWS Share Offer provides an opportunity for Disinterested NWS Shareholders to realize their investment in NWS for cash regardless of the number of NWS Shares they hold without exerting downward pressure on the market price of the NWS Shares.

3.4 Analysis of the historical NWS Share price to net asset value attributable to the NWS Shareholders

The NWS Share Offer Price of HK\$9.15 per NWS Share represents a discount of approximately 9.9% to the audited consolidated net asset value of the NWS Group attributable to NWS Shareholders (“NAV”) per NWS Share as at 30 June 2023. In assessing the NWS Share Offer Price compared against the NAV, set out below is a table illustrating the historical NWS Share prices against the published NAV for the 12-month period before the Last Trading Date:

	NAV per NWS Share (Note 1) (HK\$)	Average NWS Share closing price (HK\$)	Highest NWS Share closing price (HK\$)	Lowest NWS Share closing price (HK\$)	Approximate discount of average NWS Share closing price to NAV per NWS Share	Approximate discount of highest NWS Share closing price to NAV per NWS Share	Approximate discount of lowest NWS Share closing price to NAV per NWS Share
From 24 June 2022 to 29 September 2022 <i>(i.e. the period immediately before annual results announcement for FY2022 was published)</i>	13.88	7.65	7.93	7.00	44.9%	42.9%	49.6%
From 30 September 2022 to 22 February 2023 <i>(i.e. the period immediately before the interim results announcement for FY2023 was published)</i>	11.07	6.68	7.56	5.57	39.7%	31.7%	49.7%
From 23 February 2023 to 23 June 2023 <i>(i.e. the period up to the Last Trading Date)</i>	10.15	6.97	7.99	6.46	31.5%	21.3%	36.4%

Source: the website of the Stock Exchange (www.hkex.com.hk)

Note:

1. The latest published audited or unaudited NAV attributable to NWS Shareholders for respectively period.

LETTER FROM THE NWS IFA

With reference to the table above, we noted that the NWS Shares had been traded at a substantial discount to the NAV at all times during the 12-month period before the Last Trading Date ranging from approximately 21.3% to 49.7%, which was steeper as compared with the discount to NAV represented by the NWS Share Offer Price. It can also be seen that the trading price of the NWS Shares did not correlate with the changes of the NAV. This may indicate that investors might not have valued the NWS Shares based solely on the value of the NWS's net assets and the NWS Shareholders may not be able to realise their investments in the NWS Shares through an on-market transaction at a price equal or similar to the NAV per NWS Share.

Accordingly, in assessing the NWS Share Offer Price, it would only be appropriate to consider the discount represented by the NWS Share Offer Price to the NAV per NWS Share, in conjunction with other factors including but not limited to the financial performance and business prospects of NWS and more particularly, the comparison of the NWS Offer Price to the historical and prevailing NWS Share prices, which are more relevant from the perspective of NWS Shareholders in considering the return from their investments in the NWS Shares.

3.5 Comparables analysis

In order to assess the fairness and reasonableness of the NWS Share Offer Price, we took into consideration the reference to price-to-earnings (“**P/E**”) ratio and price-to-book (“**P/B**”) ratio, which are commonly used benchmarks in assessing the valuation of a company.

Based on the NWS Share Offer Price and 3,911,076,849 NWS Shares in issue as at the Latest Practicable Date, the implied market capitalisation of NWS under the NWS Share Offer would be approximately HK\$35.8 billion.

NWS is a conglomerate with diversified principal businesses in various industries including roads, construction, insurance, logistics, facilities management and strategic investments. By taking into account the business nature and market capitalization of NWS, we have identified comparable companies with the selection criteria including (i) companies being listed on the Main Board of the Stock Exchange; (ii) companies being conglomerates with diversified principal businesses in various industries; and (iii) companies with market capitalisation over HK\$20 billion as at the Latest Practicable Date.

Based on the above selection criteria, we identified five comparable stocks (the “**Comparables**”) as presented in the table below. These five stocks, together with NWS, also represent the constituent stocks of the “Hang Seng Composite Industry Index — Conglomerates” with market capitalization over HK\$20 billion as at the Latest Practicable Date. We consider the Comparables, which represents an exhaustive list of stocks based on the above, to be fair and representative samples for comparison purpose.

LETTER FROM THE NWS IFA

Disinterested NWS Shareholders and Disinterested NWS Optionholders should note that despite the aforesaid criteria, the business, scale of operation, trading prospect, location of projects and capital structure of NWS are not exactly the same as those of the comparable companies, and we have not conducted any in-depth investigation into the businesses and operations of the comparable companies.

Company name (Stock code)	Principal businesses	Market capitalisation <i>(Note 1)</i> <i>HK\$'million</i>	P/E ratio <i>(Note 1)</i> <i>times</i>	P/B ratio <i>(Note 1)</i> <i>times</i>	Dividend yield <i>(Note 2)</i>
CITIC Group Corporation Limited (267.HK)	Conglomerate principally engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption, new-type urbanization	202,468	3.1	0.3	9.1%
CK Hutchison Holdings Limited (1.HK)	Conglomerate principally engaged in ports and related services, retail, infrastructure and telecommunications	157,223	5.5	0.3	6.9%
Swire Pacific Limited 'A' (19.HK)	Conglomerate principally engaged in property, aviation, beverage, industrial and industrial businesses	46,140	11.2	0.3	5.7%
Swire Pacific Limited 'B' (87.HK)	Conglomerate principally engaged in property, aviation, beverage, industrial and industrial businesses	24,957	8.9	0.2	7.1%
Fosun International Limited (656.HK)	Conglomerate principally engaged in health, happiness, wealth and intelligent manufacturing businesses	40,402	N/A <i>(Note 3)</i>	0.3	0.3%
		Maximum	11.2	0.3	9.1%
		Minimum	3.1	0.2	0.3%
		Average	7.2	0.3	5.8%
		Median	7.2	0.3	6.9%
	The NWS Share Offer	35,786 <i>(Note 4)</i>	17.7 <i>(Note 4)</i>	0.9 <i>(Note 4)</i>	6.7% <i>(Note 5)</i>

Source: Bloomberg, annual reports of the Comparables, website of the Stock Exchange

LETTER FROM THE NWS IFA

Notes:

1. The market capitalization of the Comparables are based on information extracted from Bloomberg as at the Latest Practicable Date. The P/E ratios of the Comparables are based on the market capitalization as at the Latest Practicable Date and profit attributable to shareholders from continuing operations for the twelve months ended 30 June 2023 based on the latest published financial reports or financial results. The P/B ratios of the Comparables are based on the market capitalization as at the Latest Practicable Date and the published net asset value attributable to shareholders as at 30 June 2023.
2. Dividend yields of the Comparables are calculated based on the total dividend, but excluding special dividend (if any), declared by the Comparables in the past twelve months prior to the Latest Practicable Date divided by the share price of the respective Comparables as at the Latest Practicable Date.
3. The P/E ratio of Fosun International Limited is not applicable as it recorded net loss for the twelve months ended 30 June 2023.
4. The implied market capitalization is calculated based on the NWS Share Offer Price and total number of NWS Shares in issue as at the Latest Practicable Date. The implied P/E ratio is calculated based on the implied market capitalization and the profit attributable to NWS Shareholders from continuing operations of NWS for FY2023 as published in the FY2023 Annual Results Announcement. The implied P/B ratio is calculated based on the implied market capitalization and the net assets attributable to NWS Shareholders of NWS as at 30 June 2023 published in the FY2023 Annual Results Announcement.
5. The implied dividend yield is calculated as the total dividend, but excluding special dividend (if any), declared by NWS in the past twelve months prior to the Latest Practicable Date divided by the NWS Share Offer Price of HK\$9.15 per NWS Offer Share.

As shown in the above table, the P/E ratios of the Comparables ranged from approximately 3.1 times to 11.2 times with an average and median of approximately 7.2 times and 7.2 times respectively. As such, the implied P/E ratio of the NWS Share Offer of approximately 17.7 times is higher than the Comparables.

The P/B ratios of the Comparables were approximately 0.2 times to 0.3 times. As such, the implied P/B ratio of the NWS Share Offer of approximately 0.9 times is higher than the P/B ratios of the Comparables.

In addition, we have looked into the dividend yields of the Comparables. The implied dividend yield represented by the NWS Share Offer Price is approximately 6.7%, which is within the range and close to the average and median of the Comparables. This implies that the Disinterested NWS Shareholders who accept the NWS Share Offer may be able to reinvest the proceeds from the NWS Share Offer in other companies with a similar dividend yield of NWS. However, as mentioned in section 1.2 above, NWS is committed to delivering a sustainable and progressive dividend policy with the aim to steadily increase or at least maintain the Hong Kong dollar value of ordinary dividend per NWS Share annually. According to the latest annual reports of the Comparables, we noted that none of the Comparables have similar dividend policies that are aiming to increase or maintain the dollar value of dividend. Therefore, the Disinterested NWS Shareholders should note that if they reinvest the proceeds from the NWS Share Offer into the Comparables, the dividend income to be received from the Comparables may fluctuate more as compared with NWS in terms of dollar value. The Disinterested NWS

LETTER FROM THE NWS IFA

Shareholders, especially those who are attracted by the existing dividend policy of NWS for a relatively steady dividend income in terms of dollar value, are reminded to take into account the above in considering whether to accept the NWS Share Offer.

4. NWS Option Offer Price

We noted that the NWS Option Offer Price has been calculated in compliance with Rule 13 of the Takeovers Code where the NWS Option Offer Price for cancellation of the NWS Options represents the “see-through” price, which is the difference between the NWS Share Offer Price and the exercise price for the relevant NWS Option.

As at the Latest Practicable Date, all the outstanding 83,636,850 NWS Options have exercise price of HK\$7.83 per NWS Share. Therefore, based on the NWS Share Offer Price of HK\$9.15 per NWS Offer Share, all of the outstanding NWS Options as at the Latest Practicable Date were offered a “see-through” price of HK\$1.32 per NWS Option.

As the “see-through” price was based on the NWS Share Offer Price of HK\$9.15 per NWS Offer Share, which was offered to all Disinterested NWS Shareholders, we are of the view that the “see-through” basis is fair and reasonable. Further, as we consider that the NWS Share Offer Price to be fair and reasonable as further elaborated below, the “see-through” price, which is based on the NWS Share Offer Price, is also considered fair and reasonable so far as the Disinterested NWS Optionholders are concerned. Accordingly, we consider the terms of the NWS Option Offer to be fair and reasonable so far as the Disinterested NWS Optionholders are concerned.

In addition, the Disinterested NWS Optionholders should note that as the Offeror would have control (as defined in the Takeovers Code) of NWS after completion of the NWS Disposal, pursuant to the NWS Share Option Scheme, the NWS Optionholders shall be entitled to exercise any NWS Option (whether or not it has vested at the relevant time) in whole or in part at any time within the period of six (6) months after completion of the NWD Disposal, and to the extent that it has not been so exercised, any NWS Option shall lapse upon the expiry of such six-month period, provided that if, during such six-month period, the Offeror becomes entitled to exercise rights of compulsory acquisition of NWS Shares pursuant to Section 103 of the Companies Act and gives notice in writing to any NWS Shareholders that it intends to exercise such rights, the NWS Options shall remain exercisable until 14 days from the date of such notice and, to the extent that they have not been exercised, shall thereupon lapse. As stated in “10. Public float and maintaining the listing status of NWS” in the “Letter from the Joint Financial Advisers”, the Offeror intends to maintain the listing status of NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers, and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act.

LETTER FROM THE NWS IFA

RECOMMENDATION

Having considered the factors and reasons set out in this letter, in particular,

- (i) the NWS Share Offer Price is higher than the closing prices of the NWS Shares on all trading days throughout Review Period, and represents a premium of approximately 30.0% over the average closing prices from the beginning of the Review Period until the Last Trading Date, and approximately 14.5% over the closing price on the Last Trading Date;
- (ii) the liquidity of the NWS Shares is thin, rendering it difficult for the Disinterested NWS Shareholders to dispose of their NWS Shares in the market without exerting downward pressure on the NWS Share price;
- (iii) notwithstanding that the NWS Share Offer Price represents a discount to the NAV per NWS Share as at 30 June 2023, it is noted that the NWS Shares had been consistently traded at a steeper discount to the NAV per NWS Share during the 12-month period before the Last Trading Date and the trading price of the NWS Shares did not correlate with the changes of NAV, and therefore, it may not be appropriate to assess the NWS Share Offer Price solely based on the comparison with the NAV per NWS Share;
- (iv) the NWS Share Offer Price is fair and reasonable from the Comparables analysis standpoint given that the implied P/B ratio and P/E ratio of the NWS Share Offer are higher than the Comparables;
- (v) the Disinterested NWS Shareholders who accept the NWS Share Offer may be able to reinvest the proceeds from the NWS Share Offer in other companies with a similar dividend yield of NWS, despite the existing dividend policy of NWS which is not available in the Comparables may be attractive to certain Disinterested NWS Shareholders; and
- (vi) there are hurdles for a third party to make an offer for the NWS Offer Shares as such third party would be unable to acquire statutory control of NWS unless the NWD Group agrees to dispose of its controlling stake in NWS, which in turn would require approval from NWD Shareholders (including the CTFE Group) under the Listing Rules,

we are of the opinion that the terms of the NWS Share Offer are fair and reasonable so far as the Disinterested NWS Shareholders are concerned, and we recommend the NWS IBC to advise the Disinterested NWS Shareholders to accept the NWS Share Offer.

As we consider that the NWS Share Offer Price is fair and reasonable, the “see-through” price under the NWS Option Offer, which is based on the NWS Share Offer Price, is also considered fair and reasonable so far as the Disinterested NWS Optionholders are concerned. Accordingly, we consider the terms of the NWS Option Offer to be fair and reasonable so far as the NWS Optionholders are concerned. As such, we also recommend the NWS IBC to advise the Disinterested NWS Optionholders to accept the NWS Option Offer.

LETTER FROM THE NWS IFA

As different Disinterested NWS Shareholders or Disinterested NWS Optionholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Disinterested NWS Shareholders or Disinterested NWS Optionholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Leo Chan
Head of Corporate Finance

Mr. Leo Chan is the Head of Corporate Finance of Quam Capital Limited and is licensed under the SFO as a Responsible Officer to carry out, among others Type 6 (advising on corporate finance) regulated activity and has approximately 27 years of experience in corporate finance.

1. PROCEDURES FOR ACCEPTANCE

To accept any of the NWS Offers, you should duly complete and sign the relevant accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the relevant NWS Offers.

1.1 The NWS Share Offer

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your NWS Offer Shares is/are in your name, and you wish to accept the NWS Share Offer in respect of your NWS Offer Shares (whether in full or in part), you must deliver the duly completed and signed **WHITE** Form of NWS Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of NWS Offer Shares for which you intend to accept the NWS Share Offer, by post or by hand, to the Registrar, Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong marked “NWS Holdings Limited — NWS Share Offer” on the envelope so as to reach the Registrar as soon as possible but in any event no later than 4:00 p.m. on Monday, 13 November 2023, being the first NWS Share Offer Closing Date, or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your NWS Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the NWS Share Offer in respect of your NWS Offer Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of NWS Offer Shares for which you intend to accept the NWS Share Offer with the nominee company, or other nominee, and with instructions authorising it to accept the NWS Share Offer on your behalf and requesting it to deliver the **WHITE** Form of NWS Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your NWS Offer Shares to the Registrar; or
 - (ii) arrange for the NWS Offer Shares to be registered in your name by NWS through the Registrar, and deliver the duly completed and signed **WHITE** Form of NWS Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title

(and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of NWS Offer Shares for which you intend to accept the NWS Share Offer to the Registrar; or

- (iii) if your NWS Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the NWS Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the time required for the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your NWS Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or the CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged (a) transfer(s) of any of your NWS Offer Shares for registration in your name or if you have exercised your NWS Options and have not yet received your share certificate(s), and you wish to accept the NWS Share Offer in respect of those NWS Offer Shares, you should nevertheless duly complete and sign the **WHITE** Form of NWS Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s), if any, duly signed by yourself and/or other document(s) of title or entitlement in respect of the NWS Options (as the case may be) by post or by hand, to the Registrar, Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong marked "NWS Holdings Limited — NWS Share Offer" on the envelope so as to reach the Registrar as soon as possible but in any event no later than 4:00 p.m. on Monday, 13 November 2023, being the first NWS Share Offer Closing Date, or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code. Such action will constitute an irrevocable authority to the Offeror and/or the Joint Financial Advisers and/or their respective agent(s) to collect from NWS or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the NWS Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of NWS Share Offer Acceptance.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your NWS Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the NWS Share Offer in respect of any of your NWS Offer Shares, the **WHITE** Form of NWS Share

Offer Acceptance should nevertheless be duly completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your NWS Offer Shares or that it is/they are not readily available. If you subsequently find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your NWS Offer Shares, you should also write to the Registrar for a form of letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar. The Offeror has absolute discretion to decide whether any NWS Offer Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

(e) Acceptance of the NWS Share Offer will be treated as valid only if the duly completed and signed **WHITE** Form of NWS Share Offer Acceptance is received by the Registrar no later than 4:00 p.m. on Monday, 13 November 2023, being the first NWS Share Offer Closing Date, or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code, and is:

(i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of NWS Offer Shares for which you intend to accept the NWS Share Offer and, if that/ those share certificate(s) and/or any other document(s) of title is/are not in your name, such other document(s) (e.g. a duly stamped form of transfer of the relevant NWS Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant NWS Offer Shares; or

(ii) from a registered NWS Offer Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the NWS Offer Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

(iii) certified by the Registrar or the Stock Exchange,

and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received.

(f) If the **WHITE** Form of NWS Share Offer Acceptance is executed by a person other than the registered NWS Offer Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

- (g) If the number of NWS Offer Shares for which you intend to accept the NWS Share Offer as inserted into the completed and signed **WHITE** Form of NWS Share Offer Acceptance delivered to the Registrar is greater than your registered holding of NWS Share(s), or is greater or smaller than that represented by the accompanying share certificate(s) for NWS Share(s) tendered for acceptance of the NWS Share Offer, the Registrar will return such **WHITE** Form of NWS Share Offer Acceptance to you for correction and resubmission. Any corrected **WHITE** Form of NWS Share Offer Acceptance must be resubmitted and received by the Registrar on or before the latest time and date for acceptance of the NWS Share Offer.
- (h) If the NWS Share Offer is withdrawn or lapses, the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after the NWS Share Offer is withdrawn or lapses, return by ordinary post at your own risk the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the NWS Offer Shares tendered for acceptance together with the duly cancelled **WHITE** Form of NWS Share Offer Acceptance to the relevant NWS Offer Shareholder(s).
- (i) Before delivering the **WHITE** Form of NWS Share Offer Acceptance to the Registrar, please ensure it has been duly completed and signed and that the signature has been witnessed.
- (j) No acknowledgement of receipt of any **WHITE** Form of NWS Share Offer Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your NWS Offer Shares tendered for acceptance will be given.

1.2 The NWS Option Offer

- (a) If you are an NWS Optionholder and you wish to accept the NWS Option Offer in respect of your NWS Options, you must deliver the duly completed and signed **PINK** Form of NWS Option Offer Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the NWS Options and/ or any other document(s) (if applicable) evidencing the grant of the NWS Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) for your holding of the NWS Options or if applicable, for not less than the number of the NWS Options in respect of which you intend to accept the NWS Option Offer, by post or by hand, to the company secretary of NWS at 21st Floor, NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong, marked “NWS Holdings Limited — NWS Option Offer” on the envelope so as to reach the company secretary of NWS as soon as possible but in any event no later than 4:00 p.m. on Monday, 13

November 2023, being the first NWS Share Offer Closing Date, or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.

- (b) If the **PINK** Form of NWS Option Offer Acceptance is executed by a person other than the registered NWS Optionholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the company secretary of NWS must be produced.
- (c) For an acceptance of the NWS Option Offer to be valid, the NWS Options for which the relevant NWS Optionholder intends to accept the NWS Option Offer must remain subsisting and have not lapsed as at the date of receipt of such acceptance by the company secretary of NWS (irrespective of the date of delivery of such acceptance).
- (d) If the NWS Option Offer is withdrawn or lapses, the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after the NWS Option Offer is withdrawn or lapses, return by delivering the relevant certificate(s), document(s) of title or entitlement in respect of the NWS Options, and/or any other document(s) (if applicable) evidencing the grant of the NWS Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) together with the duly cancelled **PINK** Form of NWS Option Offer Acceptance to the office of NWS in Hong Kong for collection by the relevant NWS Optionholders.
- (e) Before delivering the **PINK** Form of NWS Option Offer Acceptance to the company secretary of NWS, please ensure that it has been duly completed and signed and that the signature has been witnessed.
- (f) No acknowledgement of receipt of any **PINK** Form of NWS Option Offer Acceptance and/or the relevant certificate(s), document(s) of title or entitlement in respect of your NWS Options and/or any other document(s) (if applicable) evidencing the grant of the NWS Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. SETTLEMENT UNDER THE NWS OFFERS

2.1 The NWS Share Offer

Subject to the NWS Offers becoming or being declared unconditional in all respects and provided that a duly completed **WHITE** Form of NWS Share Offer Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant NWS Offer Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar before the close of the NWS Share Offer, a cheque for the amount due to each of the NWS Offer Shareholders who accepts the NWS Share Offer less seller's ad valorem stamp duty in respect of the NWS Offer Shares for which the NWS Share Offer was accepted by him/her under the NWS Share Offer, together with the share certificate(s) representing any untendered NWS Offer Shares (if applicable), will be despatched to such NWS Offer Shareholder by ordinary post at his/her own risk as soon

as possible but in any event no later than seven (7) Business Days after the later of (i) the date on which the NWS Offers become or are declared unconditional in all respects; and (ii) the date of receipt of a duly completed **WHITE** Form of NWS Share Offer Acceptance together with all of the relevant document(s) by the Registrar to render such acceptance under the NWS Share Offer complete and valid.

Settlement of the consideration to which any NWS Offer Shareholder is entitled under the NWS Share Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such NWS Offer Shareholder.

No fraction of a cent will be payable and the amount of consideration payable to an NWS Offer Shareholder who accepts the NWS Share Offer will be rounded down to the nearest cent.

Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

2.2 The NWS Option Offer

Subject to the NWS Offers becoming or being declared unconditional in all respects and provided that a duly completed and signed **PINK** Form of NWS Option Offer Acceptance and the relevant certificate(s), document(s) of title or entitlement in respect of the NWS Options and/or any other document(s) (if applicable) evidencing the grant of the NWS Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the company secretary of NWS before the close of the NWS Option Offer, a cheque for the amount due to each of the NWS Optionholders who accepts the NWS Option Offer in respect of the NWS Options surrendered by him/her in acceptance of the NWS Option Offer will be drawn in favour of him/her (or his/her nominee) which will be available for collection at the office of NWS in Hong Kong at 21st Floor, NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong, or, if indicated in the **PINK** Form of NWS Option Offer Acceptance, in favour of and delivered to NWS (for further handling of the relevant remittance (“**Remittance**”)), in each case no later than seven (7) Business Days after the later of (i) the date on which the NWS Offers become or are declared unconditional in all respects; and (ii) the date of receipt of a duly completed **PINK** Form of NWS Option Offer Acceptance together with all the relevant document(s) by the company secretary of NWS to render such acceptance, surrender and cancellation under the NWS Option Offer complete and valid.

Settlement of the consideration to which any NWS Optionholder is entitled to under the NWS Option Offer will be implemented in full in accordance with its terms, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such NWS Optionholder.

No fraction of a cent will be payable and the amount of consideration payable to an NWS Optionholder who accepts the NWS Option Offer will be rounded down to the nearest cent.

Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

By indicating in his/her duly signed and completed **PINK** Form of NWS Option Offer Acceptance that the cheque for the amount due to him/her in respect of the NWS Options surrendered by him/her in acceptance of the NWS Option Offer shall be drawn in favour of and delivered to NWS for further handling of the Remittance, the accepting NWS Optionholder irrevocably consents, agrees, instructs and authorises NWS (i) to handle the Remittance, and subject to deduction and withholding of any charges, fees and liabilities (tax or otherwise) applicable to him/her, transfer the balance of the Remittance by wire transfer to his/her bank account in the relevant jurisdiction outside Hong Kong; and (ii) to calculate the amount of the aforementioned balance (“**Calculation**”) and the result of which shall be final and conclusive, for which he/she waives any and all his/her rights to claim against NWS on the ground(s) relating to the Remittance, the Calculation and any other matters in connection with his/her acceptance of the NWS Option Offer.

3. ACCEPTANCE PERIOD AND REVISIONS

Unless the NWS Offers are revised or extended in accordance with the Takeovers Code, to be valid, the **WHITE** Form of NWS Share Offer Acceptance must be received by the Registrar and the **PINK** Form of NWS Option Offer Acceptance must be received by the company secretary of NWS, in each case, in accordance with the instructions printed thereon and in this Composite Document by 4:00 p.m. on Monday, 13 November 2023, being the first NWS Share Offer Closing Date, or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.

If the NWS Offers are revised or extended, the Offeror will issue an announcement in relation to such revision or extension of the NWS Offers, which announcement will either state the next NWS Share Offer Closing Date or, if the NWS Offers have become or been declared unconditional as to acceptances, include a statement that the NWS Offers will remain open until further notice. In the latter case, at least fourteen (14) days’ notice in writing must be given, before the NWS Offers are closed, to those NWS Offer Shareholders and NWS Optionholders who have not accepted the relevant NWS Offers. If, in the course of the NWS Offers, the Offeror revises the terms of the NWS Offers, all the NWS Offer Shareholders and the NWS Optionholders, whether or not they have already accepted the NWS Offers, will be entitled to accept the revised NWS Offers under the revised terms. Any revised NWS Offers must be kept open for at least fourteen (14) days after the date of the revised offer document. In any case where the NWS Offers are revised, and the consideration offered under each of the revised NWS Offers does not represent on such date a reduction in the value of the NWS Offers in its original or any previously revised form(s), the benefit of such revised NWS Offers will be made available as set out herein to acceptors of the NWS Offers in its original or any

previously revised form(s) (hereinafter called “previous acceptor(s)”). The execution by, or on behalf of, a previous acceptor of any Form of Acceptance shall be deemed to constitute acceptance of the NWS Offers as so revised.

The Offeror may introduce new conditions to be attached to any revision to the terms of the NWS Offers, or any subsequent revision thereof, but only to the extent necessary to implement the revised NWS Offers and subject to the consent of the Executive.

If the NWS Share Offer Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the NWS Share Offer Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent NWS Share Offer Closing Date.

There is no obligation on the Offeror to extend the NWS Offers if the Conditions are not satisfied or waived (where applicable) by the first NWS Share Offer Closing Date (being Monday, 13 November 2023).

4. NOMINEE REGISTRATION

To ensure equality of treatment of all the NWS Offer Shareholders, those NWS Offer Shareholders who hold NWS Offer Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the NWS Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the NWS Offers. Acceptance of the NWS Share Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of NWS Offer Shares it has indicated in the Form of NWS Share Offer Acceptance is the aggregate number of NWS Offer Shares for which such nominee has received authorisations from the beneficial owners to accept the NWS Share Offer on their behalf.

5. ANNOUNCEMENTS

An announcement will be made when the NWS Offers become or are declared unconditional as to acceptances and when the NWS Offers become or are declared unconditional in all respects.

By 6:00 p.m. on the NWS Share Offer Closing Date (or such later time(s) and/or date(s) as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the NWS Offers. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange’s website by 7:00 p.m. on the NWS Share Offer Closing Date stating the results of the NWS Offers and whether the NWS Offers have been revised, extended, expired or have become or been declared unconditional (whether as to acceptances or in all respects). The announcement will state the following:

- (a) the total number of NWS Offer Shares and NWS Options for which acceptances of the NWS Offers have been received;

- (b) the total number of NWS Offer Shares and NWS Options held, controlled or directed by the Offeror and the Offeror Concert Parties before the NWS Offer Period;
- (c) the total number of NWS Offer Shares and NWS Options acquired or agreed to be acquired during the NWS Offer Period by the Offeror and the Offeror Concert Parties; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in NWS which the Offeror and any of the Offeror Concert Parties have borrowed or lent, save for any borrowed NWS Shares which have been either on-lent or sold.

The announcement will specify the percentages of the issued share capital, and the percentages of voting rights, represented by these numbers of NWS Offer Shares.

In computing the total number of NWS Offer Shares and NWS Options represented by acceptances, only valid acceptances that are complete, in good order and fulfil the conditions set out in this Appendix I, and which have been received by the Registrar or the company secretary of NWS (as the case may be) no later than 4:00 p.m. on the NWS Share Offer Closing Date, being the latest time and date for acceptance of the NWS Offers, shall be included.

As required under the Takeovers Code, all announcements in relation to the NWS Offers will be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

If any of the Offeror, the Offeror Concert Parties or their respective advisers make any statement during the NWS Offer Period about the level of acceptances or the number or percentage of accepting NWS Offer Shareholder or NWS Optionholders, the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

6. RIGHT OF WITHDRAWAL

The NWS Share Offer is conditional upon the fulfilment of the Conditions set out in the “Letter from the Joint Financial Advisers” in this Composite Document and the NWS Option Offer is conditional upon the NWS Share Offer becoming or being declared unconditional in all respects. Acceptances of the NWS Offers tendered by the NWS Offer Shareholders and the NWS Optionholders, respectively, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in this paragraph and the paragraph below. Rule 17 of the Takeovers Code provides that an acceptor of any of the NWS Offers shall be entitled to withdraw his acceptance after Monday, 4 December 2023, being twenty-one (21) days from the first NWS Share Offer Closing Date (being Monday, 13 November 2023) if the NWS Share Offer has not by then become unconditional as to acceptances and up to the earlier of: (a) such time as the NWS Share Offer becomes or is declared unconditional as to acceptances; and (b) 4:00 p.m. on Tuesday, 12 December 2023, being the 60th day from the date of despatch of this Composite Document (being Friday, 13 October 2023) (or the date beyond which the Offeror has stated that the NWS Offers will not be extended, if applicable).

If acceptance of the NWS Share Offer or the NWS Option Offer is withdrawn by an accepting NWS Offer Shareholder or an accepting NWS Optionholder (as the case may be) with the consent of the Executive in accordance with the Takeovers Code, the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after receipt of the notice of withdrawal, return the relevant share certificate(s) and/or transfer receipt(s) or the relevant certificate(s), document(s) of title or entitlement in respect of the NWS Options and/or any other document(s) (if applicable) evidencing the grant of the NWS Options (as the case may be) lodged with the Form of NWS Share Offer Acceptance or the Form of NWS Option Offer Acceptance (as the case may be) to the relevant accepting NWS Offer Shareholder or accepting NWS Optionholder (as the case may be) by ordinary post.

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements set out in section headed “5. Announcements” in this Appendix I above, the Executive may require that the holders of NWS Offer Shares and NWS Options who have tendered acceptances to the relevant NWS Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that section are met.

7. HONG KONG STAMP DUTY

Seller’s ad valorem stamp duty at a rate of 0.13% of the market value of the NWS Offer Shares or the consideration payable by the Offeror in respect of the relevant acceptances of the NWS Share Offer, whichever is higher (rounded up to the nearest HK\$1.00), will be deducted from the amount payable to the relevant NWS Offer Shareholder on acceptance of the NWS Share Offer. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of the accepting NWS Offer Shareholders in connection with the acceptance of the NWS Share Offer and the transfer of the NWS Offer Shares.

No stamp duty is payable in connection with the acceptances of the NWS Option Offer and the cancellation of the NWS Options.

8. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipt(s), document(s) of title or entitlement in respect of the NWS Offer Shares or the NWS Options and/or documentary evidence of authority (and/or any satisfactory indemnity or indemnities required in respect thereof) if delivered by or sent to or from the NWS Offer Shareholders or the NWS Optionholders or their designated agents by post, shall be posted at their own risk, and none of CTFE, the Offeror, NWS, the Joint Financial Advisers and any of their respective directors, the Registrar or any other parties involved in the NWS Offers and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the relevant NWS Offer.

- (c) The accidental omission to despatch this Composite Document, the NWS Option Offer Letter and/or Form(s) of Acceptance or any of them to any person to whom the NWS Offers are made will not invalidate the NWS Offers in any way.
- (d) The NWS Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of any person will constitute the agreement of such person that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the NWS Offers.
- (e) Due execution of a Form(s) of Acceptance will constitute an authority to the Offeror, NWS (as applicable), the Joint Financial Advisers, the Registrar and/or such person or persons as any of them may direct to complete, amend and execute any document on behalf of the person or persons accepting the NWS Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the NWS Offer Shares and/or cancelling the NWS Options in respect of which such person or persons has/have accepted the NWS Offers.
- (f) Acceptance of the NWS Offers by any person will be deemed to constitute a representation and warranty by such person or persons to:
 - (i) CTFE, the Offeror, NWS and the Joint Financial Advisers that the NWS Offer Shares sold by such person or persons to the Offeror are free from all Encumbrances and are sold together with all rights attaching to them as at the NWS Share Offer Closing Date or subsequently becoming attached to them, including the right to receive all dividends and distributions, if any, declared, made or paid on or after the NWS Share Offer Closing Date, save, for the avoidance of doubt, for the NWS FY2023 Final Dividend; and
 - (ii) CTFE, the Offeror, NWS and their respective advisers, including the Joint Financial Advisers, the financial advisers to CTFE and the Offeror in respect of the NWS Offers, that if such NWS Offer Shareholder/NWS Optionholder accepting the NWS Share Offer/NWS Option Offer is a citizen, resident or national of a jurisdiction outside Hong Kong, he/she has observed and is permitted under all applicable laws and regulations to which such overseas NWS Offer Shareholder/NWS Optionholder is subject to receive and accept the NWS Share Offer/NWS Option Offer and any revision thereof, and that he/she has obtained all requisite governmental, exchange control or other consents and made all registrations or filings required in compliance with all necessary formalities and regulatory or legal requirements, and have paid all issue, transfer or other taxes, duties or other required payments due from him/her in connection with such acceptance in any jurisdiction, and that he/she has not taken or omitted to take any action which will or may result in CTFE, the Offeror, NWS or their respective advisers, including the Joint Financial Advisers, the financial advisers to CTFE and the Offeror, or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in

connection with the NWS Offers or his/her acceptance thereof and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations.

- (g) Subject to the NWS Share Offer becoming or being declared unconditional in all respects, the acceptance of the NWS Option Offer by an NWS Optionholder will result in the cancellation of those relevant NWS Options, together with all rights attaching thereto.
- (h) Reference to any of the NWS Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.
- (i) In making their decisions with regard to the NWS Offers, the NWS Offer Shareholders and the NWS Optionholders should rely on their own examination of CTFE, the Offeror, the NWS Group and the terms of the NWS Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form(s) of Acceptance shall not be construed as any legal or business advice on the part of CTFE, the Offeror, NWS and/or their respective advisers, including the Joint Financial Advisers. The NWS Offer Shareholders and the NWS Optionholders should consult their own professional advisers for professional advice.
- (j) Unless otherwise expressly stated in this Composite Document, the NWS Option Offer Letter and/or Form(s) of Acceptance, none of the terms of the NWS Offers or any terms contained in the aforementioned documents will be enforceable, under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong), by any person other than the Offeror and the accepting NWS Offer Shareholder(s) and/or the accepting NWS Optionholder(s) (as the case may be).
- (k) The English text of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

1. SUMMARY OF FINANCIAL INFORMATION OF THE NWS GROUP

The following table is a summary of certain audited consolidated financial information of the NWS Group for the three financial years ended 30 June 2021, 2022 and 2023, as extracted from the 2022 Annual Report and the 2023 Annual Results Announcement.

	For the year ended 30 June		
	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>	2021 <i>HK\$'million</i> (restated)
Continuing operations			
Revenue	45,213.8	31,138.6	28,197.3
Cost of sales	(40,011.1)	(27,609.3)	(24,406.1)
Other income and gains, net (<i>note 1</i>)	1,487.4	966.6	1,948.5
Selling and marketing expenses	(1,906.7)	(1,290.9)	(969.0)
General and administrative expenses	(2,043.4)	(1,918.2)	(1,810.6)
Overlay approach adjustments on financial assets	<u>687.5</u>	<u>1,845.9</u>	<u>(1,270.6)</u>
Operating profit (<i>note 2</i>)	3,427.5	3,132.7	1,689.5
Finance costs	(938.2)	(760.1)	(838.7)
Share of results of			
Associated companies	176.8	340.5	311.6
Joint ventures	<u>754.1</u>	<u>(254.9)</u>	<u>1,280.6</u>
Profit before income tax	3,420.2	2,458.2	2,443.0
Income tax expenses	<u>(757.3)</u>	<u>(576.2)</u>	<u>(691.2)</u>
Profit from continuing operations	2,662.9	1,882.0	1,751.8
Discontinued operations			
Profit/(loss) from discontinued operations	<u>—</u>	<u>302.3</u>	<u>(43.8)</u>
Profit for the year	<u><u>2,662.9</u></u>	<u><u>2,184.3</u></u>	<u><u>1,708.0</u></u>
Profit attributable to			
NWS Shareholders	2,026.7	1,586.8	1,113.5
Holders of perpetual capital securities	612.0	583.1	583.1
Non-controlling interests	<u>24.2</u>	<u>14.4</u>	<u>11.4</u>
	<u><u>2,662.9</u></u>	<u><u>2,184.3</u></u>	<u><u>1,708.0</u></u>

	For the year ended 30 June		
	2023	2022	2021
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i> (restated)
Basic and diluted earnings per share attributable to NWS Shareholders from continuing and discontinued operations	<u>HK\$0.55</u>	<u>HK\$0.41</u>	<u>HK\$0.29</u>
Dividends to NWS Shareholders	<u>2,385.5</u>	<u>2,385.6</u>	<u>2,307.5</u>
Dividends per share	<u>HK\$0.61</u>	<u>HK\$0.61</u>	<u>HK\$0.59</u>
Total comprehensive (loss)/income attributable to			
NWS Shareholders	(1,337.5)	(2,258.2)	3,814.9
Holders of perpetual capital securities	612.0	583.1	583.1
Non-controlling interests	<u>18.6</u>	<u>13.2</u>	<u>32.3</u>
	<u>(706.9)</u>	<u>(1,661.9)</u>	<u>4,430.3</u>

Note 1: Other income and gains, net:

	For the year ended 30 June		
	2023	2022	2021
	HK\$'million	HK\$'million	HK\$'million (restated)
Continuing operations			
Net gain/(loss) associated with investments related to unit-linked contracts	257.7	(2,201.6)	2,187.9
Gain on redemption of fixed rate bonds	90.5	117.0	—
Net gain/(loss) on fair value of derivative financial instruments	67.9	55.7	(59.1)
Net gain/(loss) on fair value of investment properties	59.5	—	(13.2)
Profit on disposal/partial disposal of interests in associated companies	—	118.6	69.0
Reversal of provision for onerous contract	—	230.0	—
Interest income			
— Debt instruments as financial assets at fair value through other comprehensive income (“FVOCI”)	1,923.6	1,625.5	1,392.0
— Debt instruments as financial assets at amortized cost	124.3	—	—
— Bank deposits and others	424.3	226.3	261.1
Dividend income	290.8	323.1	190.4
Other income	151.3	106.2	40.3
Net exchange (loss)/gain	(129.5)	85.8	47.1
Net (loss)/gain on fair value of financial assets at fair value through profit or loss	(847.6)	(1,327.9)	1,936.7
(Charges)/credits associated with liabilities related to unit-linked contracts	(250.5)	2,198.8	(2,171.0)
Impairment/remeasurement loss related to associated companies	(104.1)	(109.9)	(1,558.3)
(Loss)/profit on disposal of interest in a joint venture	(101.9)	—	40.4
Net (loss)/profit on disposal of debt instruments as financial assets at FVOCI	(6.1)	137.6	40.7
Loss on disposal of an asset held-for-sale	—	(56.0)	—
Expected credit loss provision, net of reversal			
— Debt instruments as financial assets at FVOCI	(511.6)	(333.1)	(37.1)
— Debt instruments as financial assets at amortized cost	(10.4)	—	—
— Trade, premium and other receivables	59.2	(229.5)	(418.4)
	<u>1,487.4</u>	<u>966.6</u>	<u>1,948.5</u>

Note 2: Operating profit of the NWS Group from continuing operations is arrived at after crediting and charging the followings:

	For the year ended 30 June		
	2023	2022	2021
	HK\$'million	HK\$'million	HK\$'million
Crediting			
Gross rental income from investment properties	218.5	67.3	49.5
Less: outgoings	<u>(56.9)</u>	<u>(16.6)</u>	<u>(11.2)</u>
	<u>161.6</u>	<u>50.7</u>	<u>38.3</u>
Charging			
Auditors' remuneration	34.8	22.4	19.1
Cost of inventories sold	507.4	57.9	32.0
Cost of construction	17,132.1	12,495.4	12,436.8
Claims and benefits, net of reinsurance	18,260.7	11,436.7	8,331.3
Depreciation of property, plant and equipment	297.8	257.0	266.0
Depreciation of right-of-use assets	245.7	264.0	271.6
Amortization of intangible concession rights	1,039.4	962.2	1,052.5
Amortization of intangible assets	94.5	83.0	69.1
Amortization of value of business acquired	131.9	155.3	256.4
Agency commission and allowances, net of change in deferred acquisition costs	1,749.5	1,171.4	856.3
Expenses on short-term leases	20.1	20.3	15.6
Expenses on variable lease payments	170.9	75.1	57.2
Staff costs (including directors' emoluments and share-based payment)	2,995.5	2,609.8	2,442.2
Other costs and expenses	<u>1,280.9</u>	<u>1,207.9</u>	<u>1,079.6</u>
	<u>43,961.2</u>	<u>30,818.4</u>	<u>27,185.7</u>
Represented by			
Cost of sales	40,011.1	27,609.3	24,406.1
Selling and marketing expenses	1,906.7	1,290.9	969.0
General and administrative expenses	<u>2,043.4</u>	<u>1,918.2</u>	<u>1,810.6</u>
	<u>43,961.2</u>	<u>30,818.4</u>	<u>27,185.7</u>

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial statements of the NWS Group for each of the three financial years ended 30 June 2021, 2022 and 2023.

PricewaterhouseCoopers, the auditor of NWS did not issue any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern in respect of the NWS Group's audited consolidated financial statements for each of the three financial years ended 30 June 2021, 2022 and 2023.

2. CONSOLIDATED FINANCIAL INFORMATION OF THE NWS GROUP

NWS is required to set out or refer to in this Composite Document:

- (a) the consolidated statement of financial position, consolidated statement of cash flows and any other primary statements as shown in (i) the 2021 Financial Statements; and (ii) the 2022 Financial Statements; and
- (b) the financial information as shown in the 2023 Annual Results Announcement,

together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2021 Financial Statements are set out on pages 132 to 271 in the 2021 Annual Report, which is posted on the websites of the Stock Exchange and NWS and is accessible via the following links:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1020/2021102000681.pdf>

<https://www.nws.com.hk/pdf/en/reportfull/EW00659.pdf>

The 2022 Financial Statements are set out on pages 186 to 330 in the 2022 Annual Report, which is posted on the websites of the Stock Exchange and NWS and is accessible via the following links:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1019/2022101900332.pdf>

https://www.nws.com.hk/pdf/en/reportfull/EW00659_AR2022.pdf

The audited consolidated results of the NWS Group for the year ended 30 June 2023 are set out on pages 18 to 39 in the 2023 Annual Results Announcement, which is posted on the websites of the Stock Exchange and NWS and is accessible via the following links:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0929/2023092900407.pdf>

<https://www.nws.com.hk/pdf/en/202392916405177334.pdf>

The 2021 Financial Statements, the 2022 Financial Statements and the audited consolidated results of the NWS Group for the year ended 30 June 2023 (but not any other part of the 2021 Annual Report, 2022 Annual Report and the 2023 Annual Results Announcement) are incorporated by reference into the Composite Document and form part of the Composite Document.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2023, the indebtedness of the NWS Group was as follows:

Borrowings and other indebtedness

The NWS Group had outstanding borrowings and other interest-bearing liabilities, lease liabilities, and loans from and amounts due to non-controlling interests of HK\$20,083.1 million, details of which are set out as follows:

	<i>HK\$'million</i>
Borrowings and other interest-bearing liabilities	
Secured bank loans	4,339.3
Unsecured bank loans	10,967.9
Unsecured fixed rate bonds	3,496.1
Financing received under a financial reinsurance arrangement	183.1
Cash collateral received for cross currency swap and forward starting interest rate swap contracts	<u>24.8</u>
	19,011.2
Lease liabilities	950.4
Loans from and amounts due to non-controlling interests	<u>121.5</u>
Total	<u><u>20,083.1</u></u>

Pledge of assets

The NWS Group's intangible concession rights of two expressways in Hunan with net book value of HK\$6,631.7 million, certain investment properties in Hong Kong and Suzhou with net book value of HK\$1,313.9 million were pledged as securities for the Group's certain bank loans.

The NWS Group has also provided a pledge over a proportion of equity interest in a joint venture, which the carrying amount of the pledged portion is HK\$1,408.1 million, as a security for bank loans made to that joint venture.

Financial guarantees and contingent liabilities

The NWS Group's financial guarantees were as follows:

	<i>HK\$'million</i>
Guarantees for credit facilities granted to	
Associated companies	1,520.0
Joint ventures	<u>3,128.2</u>
 Total financial guarantees of the NWS Group	 <u><u>4,648.2</u></u>

In addition, NWS and NWD, through their respective wholly-owned subsidiaries, provided a joint and several guarantee in favour of the Hong Kong Government for the punctual, true and faithful performance and observance by Kai Tak Sports Park Limited (“**KTSP**”) under the contract entered into between the Hong Kong Government and KTSP for the design, construction and operation of Kai Tak Sports Park. Taking into consideration the deed of counter-indemnity which has been entered into, the NWS Group's guarantee towards KTSP was up to the extent of 25% of the contract sum or an amount of approximately HK\$7.5 billion as at 31 August 2023. KTSP is an associated company of the NWS Group in which the NWS Group has a 25% interest.

Under the main transaction agreement and the related transaction documents in relation to the disposal of aircraft leasing business by Goshawk Aviation Limited (“**Goshawk**”) to SMBC Aviation Capital Limited (“**SMBC**”), NWS Group provided a financial guarantee to support the performance of Goshawk of its payment obligation to satisfy claims that may be brought by SMBC against Goshawk. The NWS Group's potential liability under the financial guarantee was limited to a total amount of US\$197.1 million (equivalent to HK\$1,537.4 million) as at 31 August 2023.

Save as set out above, as at the close of business on 31 August 2023, the NWS Group did not have any material outstanding indebtedness in respect of mortgages, charges, bank overdrafts or loans, or other similar indebtedness, or any guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

As at the Latest Practicable Date, the NWS Directors confirm that, there has been no material change in the financial or trading position or outlook of the NWS Group since 30 June 2023, being the date on which the latest published audited consolidated results of the NWS Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENTS

The issue of this Composite Document has been approved by the CTFE Directors and the Offeror Directors.

The directors of the Offeror, CTFE, CTFH and CTFC jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the NWS Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the NWS Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURES OF INTERESTS IN NWS' SECURITIES

For the purpose of paragraphs 2 and 3 in this Appendix III, "interested" has the same meaning as ascribed to that term in Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed in "12. Shareholding structure of NWS" in the "Letter from the Joint Financial Advisers" in this Composite Document:

- (a) the Offeror did not own, control or have direction over any NWS Shares, NWS Options or convertible securities, warrants, options or derivatives in respect of NWS Shares;
- (b) no Offeror Director was interested in any NWS Shares, NWS Options or convertible securities, warrants, options or derivatives in respect of NWS Shares; and
- (c) no Offeror Concert Party owned or controlled any NWS Shares, NWS Options or convertible securities, warrants, options or derivatives in respect of NWS Shares (excluding NWS Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the HSBC Group, the BOCI Group and the ING Group, respectively).

3. DEALINGS IN NWS' SECURITIES

None of the Offeror and the Offeror Concert Parties (including the Offeror Directors) had dealt for value in any NWS Shares, NWS Options or convertible securities, warrants, options or derivatives in respect of NWS Shares during the Relevant Period.

4. ARRANGEMENTS IN CONNECTION WITH THE NWS OFFERS

As at the Latest Practicable Date:

- (a) there were no agreements or arrangements to which the Offeror was a party which relate to the circumstances in which it might or might not invoke or seek to invoke any Condition;
- (b) none of the NWS Directors had been or will be given any benefit as compensation for loss of office or otherwise in connection with the NWS Offers;
- (c) no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or any Offeror Concert Parties and any of the NWS Directors, recent NWS Directors, NWS Shareholders or recent NWS Shareholders having any connection with or was dependent upon the NWS Offers;
- (d) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had been entered into between the Offeror or any Offeror Concert Parties and any other person;
- (e) no person had irrevocably committed themselves to accept or reject the NWS Offers;
- (f) there were no NWS Shares, NWS Options or convertible securities, warrants, options or derivatives in respect of NWS Shares which the Offeror or any Offeror Concert Parties had borrowed or lent, save for any borrowed NWS Shares which have been either on-lent or sold;
- (g) save for the NWS Share Charge, the Offeror had no intention to transfer, charge or pledge any NWS Shares acquired pursuant to the NWS Offers to any other persons and had no agreement, arrangement or understanding with any third party to do so; and
- (h) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any NWS Shareholder on the one hand, and the Offeror or an Offeror Concert Party on the other hand.

5. MISCELLANEOUS

- (a) As at the Latest Practicable Date, the Offeror is wholly-owned by CTFE, which is beneficially wholly-owned by CTFH, which is held as to approximately 81.03% by CTFC, which is in turn held as to approximately 48.98% by Cheng Yu Tung Family (Holdings) Limited and as to approximately 46.65% by Cheng Yu Tung Family (Holdings II) Limited. Dr. Cheng Kar Shun, Henry, Mr. Cheng Kar Shing, Peter, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited. The principal members of the Offeror's concert group in relation to the NWS Offers are CTFE and CTFH.
- (b) The Offeror is a company incorporated in the British Virgin Islands with limited liability. The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address in Hong Kong of the Offeror is at 38th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong.
- (c) The Offeror Board comprises two directors, namely Mr. Tsang On Yip, Patrick and Mr. Lam Man Kwong.
- (d) CTFE is a company incorporated in Hong Kong with limited liability. The registered office of CTFE is at 38th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong.
- (e) The CTFE Board comprises 12 directors, namely Dr. Cheng Kar Shun, Henry, Mr. Cheng Kar Shing, Peter, Mrs. Sun Cheng Lai Ha, Cecilia, Mrs. Doo Cheng Sau Ha, Amy, Mr. Cheng Chi Heng, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Leong, Christopher, Mr. Cheng Kam Bui, Wilson, Mr. Cheng Sek Hung, Timothy, Mr. Cheng Yu Wai, Mr. Tsang On Yip, Patrick and Mr. Wong Siu Kee.
- (f) CTFH is a company incorporated in the British Virgin Islands with limited liability. The registered office of CTFH is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address in Hong Kong of CTFH is at 38th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong.
- (g) The directors of CTFH are Dr. Cheng Kar Shun, Henry, Mr. Cheng Kar Shing, Peter, Mrs. Sun Cheng Lai Ha, Cecilia, Mrs. Doo Cheng Sau Ha, Amy, Mr. Cheng Chi Heng, Dr. Cheng Chi Kong, Adrian, Mr. Tsang On Yip, Patrick, Mr. Cheng Yu Wai, Mr. Cheng Sek Hung, Timothy and Mr. Chan Sau Kit, Allan.
- (h) The directors of CTFC are Dr. Cheng Kar Shun, Henry, Mr. Cheng Kar Shing, Peter, Mrs. Sun Cheng Lai Ha, Cecilia and Mrs. Doo Cheng Sau Ha, Amy.

- (i) The registered offices of the Joint Financial Advisers are at the following addresses:
- (i) *HSBC*: 1 Queen's Road Central, Hong Kong;
 - (ii) *BOCI*: 26th Floor, Bank of China Tower, 1 Garden Road, Hong Kong; and
 - (iii) *ING*: 8th & 20th Floors (Suite 2001–2003), Three Pacific Place, 1 Queen's Road East, Hong Kong.

1. RESPONSIBILITY STATEMENT

The NWS Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and the Offeror Concert Parties), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the directors of the Offeror, CTFE, CTFH and CTFC in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL OF NWS

As at the Latest Practicable Date, the authorised and issued share capital of NWS were as follows:

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>6,000,000,000</u> ordinary shares of HK\$1 each	<u>6,000,000,000</u>
<i>Issued and fully paid share capital:</i>	
<u>3,911,076,849</u> ordinary shares of HK\$1 each	<u>3,911,076,849</u>

As at 9 October 2023 (being the latest practicable date for ascertaining the number of NWS ADSs traded in the U.S. prior to the printing of this Composite Document, due to the time difference between the U.S. and Hong Kong), 416,880 NWS Shares (representing 0.01% of the issued share capital of NWS) were represented by 41,688 NWS ADSs. Each NWS ADS represents 10 NWS Shares deposited with Deutsche Bank Trust Company Americas, the depositary bank appointed by NWS. There are no other classes of shares of NWS in issue.

All of the NWS Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of return of capital, dividends and voting. The issued NWS Shares are listed on the Main Board of the Stock Exchange. Other than the NWS ADS, no part of the NWS Shares is listed or dealt in on, nor is any listing of or permission to deal in the NWS Shares being or proposed to be sought on, any other stock exchange.

Since 30 June 2023 and up to the Latest Practicable Date, 594,500 NWS Shares have been issued by NWS.

As at the Latest Practicable Date, there were 83,636,850 NWS Options entitling the NWS Optionholders to subscribe for an aggregate of 83,636,850 NWS Shares. Details of the NWS Options held by the NWS Optionholders are set out in the table in the section headed “12. Shareholding Structure of NWS” in the “Letter from the Joint Financial Advisers” in this Composite Document. Other than the NWS Options and the NWS ADSs, NWS did not have in issue any convertible securities, warrants, options or derivatives in respect of NWS Shares as at the Latest Practicable Date.

3. MARKET PRICES

The table below sets out the closing prices of the NWS Shares quoted on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the Last Full Trading Date; (iii) the Last Trading Date; and (iv) the Latest Practicable Date:

Date	Closing price per NWS Share (HK\$)
30 December 2022	6.75
31 January 2023	7.38
28 February 2023	6.91
31 March 2023	7.03
28 April 2023	6.79
31 May 2023	6.46
21 June 2023 (being the Last Full Trading Date)	7.49
23 June 2023 (being the Last Trading Date)	7.99
30 June 2023	8.89
31 July 2023	8.93
31 August 2023	8.93
29 September 2023	8.92
10 October 2023 (being the Latest Practicable Date)	9.06

During the Relevant Period, the highest and lowest closing prices of the NWS Shares as quoted on the Stock Exchange were HK\$9.06 per NWS Share on 10 October 2023 and HK\$6.46 per NWS Share on 31 May 2023, respectively.

4. NWS DIRECTORS' INTERESTS IN SECURITIES OF NWS AND ITS ASSOCIATED CORPORATIONS

For the purpose of paragraphs 4 to 7 in this Appendix IV, “interested” and “interests” have the same meaning as ascribed to that term in Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed in “12. Shareholding Structure of NWS” in the “Letter from the Joint Financial Advisers” in this Composite Document and below, no NWS Director had any interests in the shares, underlying shares or debentures of NWS and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to NWS and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register maintained by NWS referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to NWS and the Stock Exchange; or (d) to be disclosed in the Composite Document pursuant to the Takeovers Code.

(a) Long position in NWS Shares and NWD Shares

NWS Director's name	Number of shares			Total	Approximate percentage of the issued share capital of NWS or NWD (as applicable) as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
<u>NWS Shares</u>					
Dr. Henry Cheng	18,349,571	—	12,000,000 (Note 1)	30,349,571	0.78%
Mr. William Doo Junior	—	—	128,869 (Note 2)	128,869	0.00%
Mr. Lam Wai Hon, Patrick	1,446,207	—	7,608 (Note 3)	1,453,815	0.04%
<u>NWD Shares</u>					
Dr. Henry Cheng	5,168,909	—	—	5,168,909	0.21%
Dr. Adrian Cheng	2,559,118	—	—	2,559,118	0.10%
Mr. William Doo Junior	—	10,000 (Note 4)	—	10,000	0.00%

Notes:

1. The NWS Shares were held by Dragon Noble Group Limited, a company wholly-owned by Dr. Henry Cheng.
2. The NWS Shares were held by Brilliant Gain Company Limited, a company wholly-owned by Mr. William Doo Junior.
3. The NWS Shares were held by a company wholly owned by Mr. Lam Wai Hon, Patrick.
4. The NWD Shares were held by the spouse of Mr. William Doo Junior.

(b) Long position in underlying shares — NWS Options

NWS Director's name	Date of grant	Vesting period/ exercisable period	Number of NWS Options outstanding as at the Latest Practicable Date	Exercise price per NWS Share (HK\$)
Dr. Henry Cheng	25 July 2022	(Note 1)	10,990,000	7.830
Mr. Ma Siu Cheung	25 July 2022	(Note 1)	7,693,000	7.830
Mr. Ho Gilbert Chi Hang	25 July 2022	(Note 1)	7,418,250	7.830
Dr. Adrian Cheng	25 July 2022	(Note 1)	5,495,000	7.830
Mr. Brian Cheng	25 July 2022	(Note 1)	6,868,750	7.830
Mr. Christopher Cheng	25 July 2022	(Note 1)	6,868,750	7.830
Mr. To Hin Tsun, Gerald	25 July 2022	(Note 1)	769,300	7.830
Mr. Dominic Lai	25 July 2022	(Note 1)	769,300	7.830
Mr. William Doo Junior	25 July 2022	(Note 1)	769,300	7.830
Mr. Shek Lai Him, Abraham	25 July 2022	(Note 1)	1,648,500	7.830
Mr. Lee Yiu Kwong, Alan	25 July 2022	(Note 1)	1,648,500	7.830
Mrs. Oei Wai Chi Grace Fung	25 July 2022	(Note 1)	1,648,500	7.830
Mr. Wong Kwai Huen, Albert	25 July 2022	(Note 1)	1,648,500	7.830
Professor Chan Ka Keung, Ceajer	25 July 2022	(Note 1)	1,648,500	7.830

Notes:

1. Details of the vesting schedule are as follows:
 - (i) 15% of the NWS Options granted were vested on 25 August 2022 and are exercisable from 25 August 2022 to 24 July 2032;
 - (ii) 15% of the NWS Options granted were vested on 25 July 2023 and are exercisable from 25 July 2023 to 24 July 2032;
 - (iii) 20% of the NWS Options granted shall be vested on 25 July 2024 and become exercisable from 25 July 2024 to 24 July 2032; and
 - (iv) 50% of the NWS Options granted shall be vested on 25 July 2025 and become exercisable from 25 July 2025 to 24 July 2032.
2. The cash consideration paid by each of the NWS Directors for the grant of NWS Options is HK\$10.

(c) Long position in debentures of NWS' associated corporations

NWS Director's name	Personal interests	Amount of debentures		Total	Approximate percentage to the total amount of debentures in issue as at the Latest Practicable Date
		Family interests	Corporate interests		
<u><i>New World China Land Limited</i></u>					
Mr. William Doo Junior	—	—	HK\$7,800,000 <i>(Note 1)</i>	HK\$7,800,000	0.110%
<u><i>NWD Finance (BVI) Limited</i></u>					
Mr. William Doo Junior	—	US\$660,000 <i>(Note 2)</i>	US\$6,000,000 <i>(Note 3)</i>	US\$6,660,000	0.142%
<u><i>NWD (MTN) Limited</i></u>					
Mr. William Doo Junior	—	HK\$3,900,000 <i>(Note 4)</i>	—	HK\$3,900,000	0.015%

Notes:

1. The debentures, which were issued in US\$, were held by a company wholly owned by Mr. William Doo Junior and had been translated into HK\$ using the rate of US\$1 = HK\$7.8.
2. The debentures were held by a company wholly owned by the spouse of Mr. William Doo Junior.
3. The debentures were held by a company wholly owned by Mr. William Doo Junior.
4. The debentures, which were issued in US\$, were held by the spouse of Mr. William Doo Junior and had been translated into HK\$ using the rate of US\$1 = HK\$7.8.

5. OTHER DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (i) NWS did not own, control or had direction over any shares in the Offeror or any convertible securities, warrants, options or derivatives in respect of shares of the Offeror;
- (ii) save as disclosed in “12. Shareholding Structure of NWS” in the “Letter from the Joint Financial Advisers” in this Composite Document, no NWS Director was interested in any shares in the Offeror or any convertible securities, warrants, options or derivatives in respect of shares in the Offeror;

- (iii) save as disclosed below or in “12. Shareholding Structure of NWS” in the “Letter from the Joint Financial Advisers” in this Composite Document, none of the subsidiaries of NWS, pension funds of NWS or of any member of the NWS Group or persons who is presumed to be acting in concert with NWS by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of NWS by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) owned or controlled any NWS Shares or any convertible securities, warrants, options or derivatives in respect of NWS Shares;

Name of legal entity	No. of NWS Shares	Approximate percentage of the issued share capital of NWS as at the Latest Practicable Date
Financial Concepts Investment Limited ¹	2,979,975	0.076%

Note:

1. Financial Concepts Investment Limited is an indirect wholly-owned subsidiary of NWS.

- (iv) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with NWS or with any person who is presumed to be acting in concert with NWS by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of NWS by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (v) no fund manager (other than exempt fund managers) connected with NWS had managed any NWS Shares, NWS Options or convertible securities, warrants, options or derivatives in respect of NWS Shares on a discretionary basis;
- (vi) neither NWS nor any of the NWS Directors had borrowed or lent any NWS Shares, NWS Options or any convertible securities, warrants, options or derivatives in respect of NWS Shares, save for any borrowed NWS Shares which have been either on-lent or sold; and
- (vii) there was no understanding, arrangement or agreement which constituted a special deal (as defined under Rule 25 of the Takeovers Code) between any NWS Shareholder on the one hand, and NWS, its subsidiaries or associated companies on the other.

6. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS

During the Relevant Period:

- (i) none of NWS and the NWS Directors had dealt for value in any NWS Shares, NWS Options or convertible securities, warrants, options or derivatives in respect of NWS Shares; and
- (ii) none of NWS and the NWS Directors had dealt for value in any shares in the Offeror or any convertible securities, warrants, options or derivatives in respect of shares in the Offeror.

During the NWS Offer Period and up to the Latest Practicable Date:

- (i) none of the subsidiaries of NWS, pension funds of NWS or of any member of the NWS Group or any person who is presumed to be acting in concert with NWS by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of NWS by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) had dealt for value in any NWS Shares, NWS Options or any convertible securities, warrants, options or derivatives in respect of NWS Shares;
- (ii) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with NWS or with any person who is presumed to be acting in concert with NWS by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of NWS by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and hence no such person had dealt for value in any NWS Shares, NWS Options or any convertible securities, warrants, options or derivatives of NWS; and
- (iii) no fund manager (other than exempt fund managers) connected with NWS had managed any NWS Shares, NWS Options or any convertible securities, warrants, options or derivatives in respect of NWS Shares on a discretionary basis, and hence no such person had dealt for value in any NWS Shares, NWS Options or any convertible securities, warrants, options or derivatives of NWS.

7. ARRANGEMENTS AFFECTING NWS DIRECTORS

As at the Latest Practicable Date:

- (i) no benefit (other than statutory compensation) was or would be given to any NWS Director as compensation for loss of office or otherwise in connection with the NWS Offers;
- (ii) there was no agreement or arrangement between any NWS Director and any other person which is conditional or dependent upon the outcome of the NWS Offers or otherwise connected with the NWS Offers; and
- (iii) no material contract had been entered into by the Offeror in which any NWS Director has a material personal interest.

8. SERVICE CONTRACTS WITH NWS DIRECTORS

Save as disclosed below, as at the Latest Practicable Date, none of the NWS Directors had any service contracts with NWS or any of its subsidiaries or associated companies in force which: (a) (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the commencement of the NWS Offer Period; (b) are continuous contracts with a notice period of 12 months or more; or (c) are fixed term contracts with more than 12 months to run irrespective of the notice period.

Name of NWS Director	Date of service contract	Term of service contract	Remuneration payable under the service contract
Dr. Henry Cheng	1 June 2023	1 July 2023–30 June 2026	See note 1 below.
Mr. Ma Siu Cheung	3 November 2021	1 January 2022– 31 December 2024	See note 1 below.
Dr. Adrian Cheng	2 October 2022	11 October 2022– 10 October 2025	See note 1 below.
Mr. Christopher Cheng	4 September 2023	1 December 2023– 30 November 2026	See note 1 below.
Mr. To Hin Tsun, Gerald	1 June 2023	1 July 2023–30 June 2026	See note 1 below.
Mr. Dominic Lai	1 June 2023	1 July 2023–30 June 2026	See note 1 below.
Mr. William Doo Junior	1 June 2023	1 July 2023–30 June 2026	See note 1 below.
Mr. Shek Lai Him, Abraham	1 June 2023	1 July 2023–30 June 2026	See note 1 below.
Mrs. Oei Wai Chi Grace Fung	17 November 2021	1 January 2022– 31 December 2024	See note 1 below.
Professor Chan Ka Keung, Ceajer	18 January 2022	1 January 2022– 31 December 2024	See notes 1 and 2 below.
Ms. Ng Yuen Ting, Yolanda	1 December 2022	1 December 2022– 30 November 2025	See note 1 below.

Note:

1. The remuneration package for each NWS Director (including director's fee, committee membership fees, allowances and any other form of remuneration) is reviewed and determined by the NWS Board annually with the authorisation granted by the NWS Shareholders at an annual general meeting of NWS or by the NWS Shareholders from time to time.
2. Pursuant to the service contract, Professor Chan Ka Keung, Ceajer is entitled to a total fixed annual remuneration of HK\$470,000 and other allowances and benefits.

9. MATERIAL CONTRACTS

Save as disclosed below, the NWS Group had not, within the two years before the NWS Offer Period and up to and including the Latest Practicable Date, entered into any contract (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the NWS Group), which is or may be material:

- (i) the framework agreement dated 30 June 2021 entered into between New World (Xiamen) Port Investments Limited (新世界(廈門)港口投資有限公司) (an indirect wholly-owned subsidiary of NWS) (“**NWXP**”) and 廈門國際港務股份有限公司 (Xiamen International Port Co., Ltd*) (“**XIPC**”), pursuant to which and subject to the terms and conditions of the formal sale and purchase agreement entered into between NWXP and XIPC, NWXP proposed to sell, and XIPC proposed to acquire the 20% equity interest in 廈門集裝箱碼頭集團有限公司 (Xiamen Container Terminal Group Co., Ltd.*) (“**XCTG**”) at a consideration of RMB1,568 million;
- (ii) the sale and purchase agreement dated 20 August 2021 entered into between NWXP and XIPC, pursuant to which NWXP agreed to sell, and XIPC agreed to acquire the 20% equity interest in XCTG at a consideration of RMB1,568 million;
- (iii) the formal agreement dated 7 September 2021 entered into between Modern Elite (Hong Kong) Limited (an indirect wholly-owned subsidiary of NWS) (“**Modern Elite**”), as purchaser, and Good Sense Development Limited (嘉勝發展有限公司) (an indirect wholly-owned subsidiary of NWD) (“**Good Sense**”), as vendor, in relation to the sale and purchase of office units on 18th Floor, No. 888 Lai Chi Kok Road, Kowloon, Hong Kong at a consideration approximately HK\$333 million, together with the priority to purchase nine parking spaces for each floor purchased at a price of not higher than HK\$1.5 million per parking space;
- (iv) the formal agreement dated 7 September 2021 entered into between FTLife Insurance Company Limited (富通保險有限公司) (an indirect wholly-owned subsidiary of NWS) (“**FTLife**”), as purchaser, and Good Sense, as vendor, in relation to the sale and purchase of office units on 19th Floor and 20th Floor, No. 888 Lai Chi Kok Road, Kowloon, Hong Kong, at a consideration approximately HK\$679 million, together with the priority to purchase nine parking spaces for each floor purchased at a price of not higher than HK\$1.5 million per parking space;
- (v) the formal agreement dated 7 September 2021 entered into between Tycoon Estate Investments (HK) Limited (an indirect wholly-owned subsidiary of NWS), as purchaser, and Good Sense, as vendor, in relation to the sale and purchase of office units on 21th Floor, No. 888 Lai Chi Kok Road, Kowloon, Hong Kong at a

consideration approximately HK\$355 million, together with the priority to purchase nine parking spaces for each floor purchased at a price of not higher than HK\$1.5 million per parking space;

- (vi) the equity, dividend receivable and creditor's rights transfer agreement dated 26 April 2022 entered into between NWS (Guangdong) Investment Co. Ltd.* (新創建(廣東)投資有限公司) (an indirect wholly-owned subsidiary of NWS) ("**NWS (Guangdong)**"), Shenzhen Logan Infrastructure Investment Consultancy Co., Ltd* (深圳市龍光基業投資諮詢有限公司) ("**Logan Infrastructure**"), Logan Transport Group Co., Ltd* (龍光交通集團有限公司) ("**Logan Transport**") and Guangxi Logan Guiwu Expressway Co., Ltd* (廣西龍光貴梧高速公路有限公司) ("**Guangxi Logan Guiwu**"), pursuant to which (a) NWS (Guangdong) conditionally agreed to acquire, and Logan Infrastructure conditionally agreed to sell 40% of the equity interests in Guangxi Logan Guiwu at a consideration of approximately RMB1,634.9 million; (b) NWS (Guangdong) conditionally agreed to acquire, and Logan Infrastructure conditionally agreed to sell the non-interest bearing dividend declared but unpaid by Guangxi Logan Guiwu for the year ended 31 December 2021 and the receivable by Logan Infrastructure in the amount of approximately RMB46.8 million as at 26 April 2022 at a consideration of approximately RMB46.8 million; and (c) NWS (Guangdong) conditionally agreed to acquire, and Logan Transport conditionally agreed to sell the non-interest bearing creditor's rights of Logan Transport against Guangxi Logan Guiwu in relation to a loan repayable by Guangxi Logan Guiwu to Logan Transport in the amount of approximately RMB220.7 million as at 26 April 2022 at a consideration of approximately RMB220.7 million;
- (vii) the equity interest and creditor's rights transfer agreement dated 5 September 2022 entered into between NWS (Guangdong), Logan Transport and Guangxi Logan Guiwu, pursuant to which NWS (Guangdong) conditionally agreed to acquire and Logan Transport conditionally agreed to sell (a) the 40% of the equity interest in Guangxi Logan Guiwu at a consideration of approximately RMB1,634.9 million; and (b) the non-interest bearing creditor's rights of Logan Transport against Guangxi Logan Guiwu in relation to a loan repayable by Guangxi Logan Guiwu to Logan Transport in the amount of approximately RMB220.7 million as at 5 September 2022 at a consideration of approximately RMB220.7 million;
- (viii) the dividend receivable transfer agreement dated 5 September 2022 entered into between Logan Infrastructure, Logan Transport, Guangxi Logan Guiwu and NWS (Guangdong), pursuant to which NWS (Guangdong) conditionally agreed to acquire, and Logan Infrastructure conditionally agreed to sell the non-interest bearing dividend declared but unpaid by Guangxi Logan Guiwu for the year ended 31 December 2021 and receivable by Logan Infrastructure in the amount of approximately RMB46.8 million as at 5 September 2022 at a consideration of approximately RMB46.8 million;
- (ix) the share purchase agreement dated 14 May 2022 entered into among Glorious Hope Limited ("**Glorious Hope**"), Goodman Developments Asia ("**GDA**") and Goodman China Logistics Holding Limited ("**Goodman China Logistics**"), pursuant to which Glorious Hope agreed to acquire, and GDA and Goodman China Logistics agreed to sell, (a) the entire equity interests in Goodman Chengdu Developments No.3 Limited ("**Goodman Chengdu Developments No.3**") (嘉民成都第三發展有限公司); and (b) all the shareholder's loans owed by Goodman Chengdu Developments No.3 to

Goodman China Logistics at a total consideration of approximately RMB322 million (representing the aggregate of the initial purchase price and estimated adjusted net asset value and subject to adjustment);

- (x) the share purchase agreement dated 14 May 2022 entered into among Glorious Hope, GDA and Goodman China Logistics, pursuant to which Glorious Hope agreed to acquire, and GDA and Goodman China Logistics agreed to sell, (a) the entire equity interests in Goodman Chengdu Longquan Logistics Development Limited (“**Goodman Chengdu Longquan Logistics**”) (嘉民成都龍泉物流開發有限公司); and (b) all the shareholder’s loans owed by Goodman Chengdu Longquan Logistics to Goodman China Logistics at a total consideration of approximately RMB321 million (representing the aggregate of the initial purchase price and estimated adjusted net asset value and subject to adjustment);
- (xi) the share purchase agreement dated 14 May 2022 entered into among Glorious Hope, GDA and Goodman China Logistics, pursuant to which Glorious Hope agreed to acquire, and GDA and Goodman China Logistics agreed to sell (a) the entire equity interests in GCD2 (BVI) Limited (“**GCD2 (BVI)**”); (b) certain equity interests in Goodman Chengdu Developments No.2 Limited; and (c) all the shareholder’s loans owed by GCD2 (BVI) to Goodman China Logistics at a total consideration of approximately RMB90 million (representing the aggregate of the initial purchase price and estimated adjusted net asset value and subject to adjustment);
- (xii) the share purchase agreement dated 14 May 2022 entered into among Glorious Hope, GDA and GCLP Core HoldCo (“**GCLP Core**”), pursuant to which Glorious Hope agreed to acquire, and GDA and GCLP Core agreed to sell (a) the entire equity interests in QHGCD1 LLC; (b) certain equity interests in Qin Hen Goodman Hong Kong (Chengdu) Developments No.1 Limited (勤恒嘉民港成第一發展有限公司); and (c) all the shareholder’s loans owed by QHGCD1 LLC to GCLP Core at a total consideration of approximately RMB419 million (representing the aggregate of the initial purchase price and estimated adjusted net asset value and subject to adjustment);
- (xiii) the share purchase agreement dated 14 May 2022 entered into among Glorious Hope, GDA and Goodman China Logistics, pursuant to which Glorious Hope agreed to acquire, and GDA and Goodman China Logistics agreed to sell (a) the entire equity interests in GHKHD1 (BVI) Limited (“**GHKHD1 (BVI)**”); (b) certain equity interests in Goodman Hong Kong (Hubei) Developments No.1 Limited (嘉民楚港第一發展有限公司); and (c) all the shareholder’s loans owed by GHKHD1 (BVI) to Goodman China Logistics at a total consideration of approximately RMB653 million (representing the aggregate of the initial purchase price and estimated adjusted net asset value and subject to adjustment);
- (xiv) the share purchase agreement dated 14 May 2022 entered into among Glorious Hope, GDA and Goodman China Logistics, pursuant to which Glorious Hope agreed to acquire, and GDA and Goodman China Logistics agreed to sell (a) the entire equity interests in GCD4 LLC; (b) certain equity interests in Goodman Chengdu Developments No.4 Limited (嘉民成都第四發展有限公司); and (c) all the shareholder’s loans owed by GCD4 LLC to Goodman China Logistics at a total

consideration of approximately RMB499 million (representing the aggregate of the initial purchase price and estimated adjusted net asset value and subject to adjustment);

- (xv) the share purchase agreement dated 14 May 2022, entered into between Quality Vibe Limited (“**Quality Vibe**”) and GCLAM Holdings Limited (“**GCLAM**”), pursuant to which Quality Vibe agreed to acquire, and GCLAM agreed to sell, 50% of the total issued share capital of Goodman China (Western) Limited (“**Goodman China (Western)**”) at a consideration of RMB3 million (representing the sum of RMB100 and 50% of the estimated net asset value of Goodman China (Western) and Goodman Enterprise Management Consulting (Chengdu) Co., Ltd* (“**Goodman Enterprise Management**”) (嘉民企業管理諮詢(成都)有限公司) and subject to adjustment);
- (xvi) the shareholders’ agreement dated 1 June 2022 entered into among Quality Vibe, Goodman China (Western) and GCLAM governing the operation of the business carried on by Goodman China (Western) and Goodman Enterprise Management from time to time, and regulate the rights and obligations of Quality Vibe and GCLAM as shareholders of Goodman China (Western); and
- (xvii) the equity transfer agreement dated 1 December 2022 entered into between NWS (Guangdong), Good Sign Limited (“**Good Sign**”), Huayu Expressway Group Limited (“**Huayu Expressway**”), Mr. Chan Yeung Nam (陳陽南) (“**Mr. Chan**”) and Hunan Daoyue Expressway Industry Co., Ltd.* (湖南道岳高速公路實業有限公司) (“**Hunan Daoyue**”), pursuant to which NWS (Guangdong) has conditionally agreed to acquire, and Good Sign has conditionally agreed to sell 60% of the equity interests in Hunan Daoyue at a consideration of approximately RMB555.7 million, subject to certain adjustments, where Huayu Expressway and Mr. Chan have irrevocably agreed to be jointly and severally liable to NWS (Guangdong) for the fulfilment of all the obligations and responsibilities of Good Sign.

10. MATERIAL LITIGATION

As at the Latest Practicable Date, save for any existing claim by NWS Group in respect of its six aircraft located in Russia, none of the members of the NWS Group was engaged in any litigation or arbitration or claim of material importance and, so far as the NWS Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened by or against any member of the NWS Group.

* For identification purposes only

11. CONSENTS AND QUALIFICATIONS OF EXPERTS

The following are the names and qualifications of each of the experts who has been named in this Composite Document or who has given a report, opinion or advice, which is contained in or referred to in this Composite Document:

Name	Qualification
HSBC	the sole structuring adviser to CTFE and the Offeror in relation to the NWS Offers and one of the Joint Financial Advisers. HSBC is a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
BOCI	one of the Joint Financial Advisers. BOCI is a registered institution under the SFO, registered to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
ING	one of the Joint Financial Advisers. ING is a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
UBS	the financial adviser of NWS. UBS is a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
Quam Capital	the NWS IFA appointed by the NWS IBC in relation to the NWS Offers. Quam Capital is a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Each of the abovenamed experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the opinion, letter or report (as the case may be) and references to its name, in the form and context in which they are included.

12. MISCELLANEOUS

- (i) The company secretary of NWS is Mr. Tang Wai Yau.
- (ii) The address of the registered office of NWS is Clarendon House, 2 Church Street, Hamilton, Pembroke, HM11, Bermuda.
- (iii) The address of the principal place of business of NWS in Hong Kong is 21/F., NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon.
- (iv) The Hong Kong branch share registrar of NWS is Tricor Standard Limited, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (v) The financial adviser of NWS is UBS whose address is at 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (vi) The NWS IFA is Quam Capital whose registered office address is at 5/F and 24/F (Rooms 2401 and 2412), Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (vii) In case of inconsistency, the English text of this Composite Document and the Forms of Acceptance shall prevail over the Chinese text.

13. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) on the website of the SFC at www.sfc.hk; and (ii) on the website of NWS at www.nws.com.hk, from the date of this Composite Document up to and including the NWS Share Offer Closing Date:

- (a) the memorandum of association and bye-laws of NWS adopted on 21 November 2022;
- (b) the memorandum and articles of association of the Offeror;
- (c) the 2021 Annual Report, the 2022 Annual Report and the 2023 Annual Results Announcement;
- (d) the letter from the Joint Financial Advisers, the text of which is set out on pages 15 to 39 of this Composite Document;
- (e) the letter from the NWS Board, the text of which is set out on pages 40 to 49 of this Composite Document;
- (f) the letter from the NWS IBC, the text of which is set out on pages 50 to 52 of this Composite Document;
- (g) the letter from the NWS IFA, the text of which is set out on pages 53 to 82 of this Composite Document;

- (h) the material contracts referred to in the section headed “9. Material Contracts” in this Appendix IV;
- (i) the facility agreement dated 26 June 2023 pursuant to which the Offer Facility was obtained by the Offeror for the purpose of financing a portion of the cash required for the NWS Offers;
- (j) the service contracts of the NWS Directors referred to in the section headed “8. Service Contracts with NWS Directors” in this Appendix IV;
- (k) the written consents as referred to in the section headed “11. Consents and Qualifications of Experts” in this Appendix IV; and
- (l) this Composite Document and the accompanying Forms of Acceptance.

The following is the form of the NWS Option Offer Letter being sent to the NWS Optionholders in connection with the NWS Option Offer.



**The Hongkong and Shanghai
Banking Corporation Limited**



BOCI Asia Limited



ING Bank N.V.

13 October 2023

To the NWS Optionholders

Dear Sir or Madam,

OPTION OFFER

IN RELATION TO THE CONDITIONAL VOLUNTARY GENERAL CASH OFFERS BY THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, BOCI ASIA LIMITED AND ING BANK N.V. ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF NWS (OTHER THAN THOSE ALREADY BENEFICIALLY OWNED BY THE CTFH GROUP) AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF NWS

A composite offer and response document (the “**Composite Document**”) dated the same date as this letter jointly issued by Chow Tai Fook Enterprises Limited (“**CTFE**”), Century Acquisition Limited (the “**Offeror**”) and NWS Holdings Limited (“**NWS**”) is enclosed with this letter. Terms used but not defined in this letter shall have the same meanings and construction as in the Composite Document. This letter should be read in conjunction with the Composite Document and the **PINK** Form of NWS Option Offer Acceptance.

CTFE, the Offeror, NWS and New World Development Company Limited jointly issued an announcement dated 26 June 2023 (the “**Joint Announcement**”) which stated that, among others, the Joint Financial Advisers, on behalf of the Offeror, subject to the satisfaction or waiver (where applicable) of the Pre-Conditions, would (i) make the NWS Share Offer; and (ii) in accordance with Rule 13 of the Takeovers Code, make an appropriate offer to all the NWS Optionholders for the cancellation of every NWS Option, whether vested or unvested, by way of the NWS Option Offer.

On 6 October 2023, CTFE, the Offeror and NWS jointly announced that all Pre-Conditions had been satisfied.

This letter explains the actions you may take in relation to your outstanding NWS Options. You are advised to refer to the Composite Document and the **PINK** Form of NWS Option Offer Acceptance when considering them.

Your attention is also drawn to the terms and conditions of the NWS Share Option Scheme.

TERMS OF THE NWS OPTION OFFER

In accordance with Rule 13 of the Takeovers Code, the Joint Financial Advisers, on behalf of the Offeror, are making an appropriate offer to all the NWS Optionholders for the cancellation of every NWS Option, whether vested or unvested, by way of the NWS Option Offer.

Under the NWS Option Offer, in accordance with Rule 13 of the Takeovers Code, the NWS Optionholders are being offered the NWS Option Offer Price (which is the “see-through” price, being the NWS Share Offer Price minus the exercise price of the relevant NWS Option) in cash for the cancellation of each NWS Option they hold, whether vested or unvested. The table below sets out the exercise price and the corresponding “see-through” price for the 83,636,850 NWS Options outstanding as at the Latest Practicable Date:

NWS Option exercise price per NWS Share (HK\$)	NWS Option Offer Price per NWS Option based on the NWS Share Offer Price of HK\$9.15 per NWS Offer Share (HK\$)	Number of NWS Options (each carrying the right to subscribe for one new NWS Share)
7.83	1.32 ⁽¹⁾	83,636,850 ⁽²⁾

Notes:

- (1) If the NWS Share Offer Price is subsequently adjusted (please see “2. The NWS Share Offer” in the “Letter from the Joint Financial Advisers” in the Composite Document for the circumstances under which the NWS Share Offer Price may be reduced), such that the exercise price of any NWS Option will be equal to or greater than the NWS Share Offer Price (i.e. the “see-through” price will be zero or negative), the NWS Option Offer Price will be a nominal amount of HK\$0.01 for every 100 NWS Options (or, if lesser, any part thereof), under Rule 13 of the Takeovers Code.
- (2) The vesting dates and the exercise periods of these 83,636,850 NWS Options are as follows:
 - (i) 12,315,280 NWS Options were vested on 25 August 2022 and are exercisable from 25 August 2022 to 24 July 2032;
 - (ii) 12,352,130 NWS Options were vested on 25 July 2023 and are exercisable from 25 July 2023 to 24 July 2032;
 - (iii) 16,848,410 NWS Options shall be vested on 25 July 2024 and become exercisable from 25 July 2024 to 24 July 2032; and
 - (iv) the remaining 42,121,030 NWS Options shall be vested on 25 July 2025 and become exercisable from 25 July 2025 to 24 July 2032.

If any NWS Option is exercised in accordance with the terms of the NWS Share Option Scheme, any NWS Shares issued prior to the close of the NWS Share Offer as a result of such exercise will be subject to the NWS Share Offer.

As the Offeror would have control (as defined in the Takeovers Code) of NWS after completion of the NWD Disposal, pursuant to the rules of the NWS Share Option Scheme the NWS Optionholders shall be entitled to exercise any NWS Option (whether or not it has vested at the relevant time) in whole or in part at any time within the period of six (6) months after completion of the NWD Disposal, and to the extent that it has not been so exercised, any NWS Option shall lapse upon the expiry of such six-month period, provided that if, during such six-month period, the Offeror becomes entitled to exercise rights of compulsory acquisition of NWS Shares pursuant to Section 103 of the Companies Act and gives notice in writing to any NWS Offer Shareholders that it intends to exercise such rights, the NWS Options shall remain exercisable until 14 days from the date of such notice and, to the extent that they have not been exercised, shall thereupon lapse. As stated in “10. Public float and maintaining the listing status of NWS” in the “Letter from the Joint Financial Advisers” in the Composite Document, the Offeror intends to maintain the listing status of the NWS Shares on the Main Board of the Stock Exchange after the close of the NWS Offers, and does not intend to avail itself of the powers of compulsory acquisition under the Companies Act.

The NWS Option Offer is subject to and conditional upon the NWS Share Offer becoming or being declared unconditional in all respects. The Conditions are set out in “8. Conditions to the NWS Offers” in the “Letter from the Joint Financial Advisers” in the Composite Document.

You are further advised to refer to “15. Overseas NWS Offer Shareholders and NWS Optionholders” and “22. Taxation and independent advice” in the “Letter from the Joint Financial Advisers” in the Composite Document, and “4. Nominee Registration” in “Appendix I — Further Terms of the NWS Offers” to the Composite Document.

Your attention is drawn to the “Letter from the NWS IBC” to the Disinterested NWS Shareholders and the Disinterested NWS Optionholders set out in the Composite Document and the “Letter from the NWS IFA” set out in the Composite Document, which contain the recommendations of the NWS IBC and of the NWS IFA, respectively, in relation to the NWS Offers.

COURSES OF ACTION AVAILABLE TO THE NWS OPTIONHOLDERS

In summary, the choices available to you in respect of your outstanding NWS Options are:

- (a) to the extent any of your outstanding NWS Options (whether vested or unvested) is not exercised or lapses on or prior to the NWS Share Offer Closing Date (being Monday, 13 November 2023 or such later date(s) as the Offeror may determine and announce), you may accept the NWS Option Offer in accordance with its terms (as set out in the Composite Document and the **PINK** Form of NWS Option Offer Acceptance) and receive the NWS Option Offer Price if the NWS Offers become or are declared unconditional in all respects, by keeping such outstanding NWS Options unexercised on or prior to the NWS Share Offer Closing Date, and returning, duly completed and signed, the **PINK** Form of NWS Option Offer Acceptance enclosed

together with the relevant document(s) (if applicable) as soon as possible and in any event by no later than 4:00 p.m. (Hong Kong time) on the NWS Share Offer Closing Date;

- (b) you may in accordance with the terms of the NWS Share Option Scheme exercise all of your outstanding vested NWS Options (to the extent not already exercised or lapsed) or only some of them to the extent specified in your notice of exercise, by (i) submitting a notice of exercise of NWS Options to the company secretary of NWS or (ii) giving instruction to the existing external administrator of the NWS Share Option Scheme engaged by NWS, at any time after the date of this letter (being 13 October 2023) and up to the NWS Share Offer Closing Date. Any NWS Shares issued as a result of the exercise of such outstanding NWS Options as mentioned above will be subject to and eligible to participate in the NWS Share Offer. Please refer to the Composite Document for the details of the NWS Share Offer in this regard; or
- (c) take no action, in which case, if the NWS Offers become or are declared unconditional in all respects, you shall continue to be entitled to exercise, in accordance with the terms and conditions of the NWS Share Option Scheme, any unexercised NWS Option (whether or not it has vested at the relevant time, but only to the extent that it has not otherwise lapsed) in whole or in part at any time within the period of six (6) months after completion of the NWD Disposal, and to the extent that any such NWS Option has not been so exercised, it shall lapse upon the expiry of such six-month period.

Each outstanding NWS Option you hold is independent and you should make a separate decision for each one.

For further details, please refer to the remaining sections of this letter, the Composite Document, the **PINK** Form of NWS Option Offer Acceptance and the terms and conditions of the NWS Share Option Scheme.

LAPSED NWS OPTIONS

Please note that nothing in this letter or the Composite Document serves to extend the life of an NWS Option which lapses, will lapse, or has already lapsed under the terms of the NWS Share Option Scheme. You cannot exercise or accept the NWS Option Offer in respect of an NWS Option once it lapses in accordance with its terms.

For an acceptance of the NWS Option Offer to be valid, the NWS Options for which the relevant NWS Optionholder intends to accept the NWS Option Offer must remain subsisting and have not lapsed as at the date of receipt of such acceptance by the company secretary of NWS (irrespective of the date of delivery of such acceptance).

PROFESSIONAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

If you are in any doubt as to any aspect of this letter, the Composite Document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

GENERAL

- (a) All communications, notices, the **PINK** Form of NWS Option Offer Acceptance, cheques, certificates and other documents of any nature, if delivered by or sent to or from you as an NWS Optionholder or your designated agents by post, shall be posted at your own risk, and none of CTFE, the Offeror, NWS or the Joint Financial Advisers and any of their respective directors, the Registrar and other parties involved in the NWS Offers and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Composite Document and the **PINK** Form of NWS Option Offer Acceptance form part of the terms of the NWS Option Offer.
- (c) The NWS Option Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (d) The due execution of a **PINK** Form of NWS Option Offer Acceptance in respect of the NWS Option Offer will constitute an authority to the Offeror, NWS, the Joint Financial Advisers or such person(s) as any of them may direct (i) to complete on behalf of the accepting NWS Optionholder the **PINK** Form of NWS Option Offer Acceptance and any other document(s); (ii) to do any other act that may be necessary or expedient for the purpose of cancelling all rights of the NWS Optionholders in respect of the outstanding NWS Options which are the subject of such acceptance; and (iii) (where applicable) for NWS to handle the relevant Remittance (as defined in “Appendix I — Further Terms of the NWS Offers” to the Composite Document) and subject to deduction and withholding of any charges, fees and liabilities (tax or otherwise) applicable to you, transfer the balance of the Remittance to your bank account.
- (e) By completing the **PINK** Form of NWS Option Offer Acceptance in respect of a particular outstanding NWS Option, you irrevocably authorise the Offeror, the Joint Financial Advisers and/or their respective agents to send a cheque (i) for collection at 21st Floor, NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong; or (ii) (where applicable) to NWS for further handling of the relevant Remittance.

ACTIONS TO BE TAKEN FOR ACCEPTING THE NWS OPTION OFFER

In order to accept the NWS Option Offer, you must deliver the duly completed and signed **PINK** Form of NWS Option Offer Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the NWS Options, and/or any other document(s) (if applicable) evidencing the grant of the NWS Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) for your holding of NWS Options (or if applicable, for not less than the number of NWS Options in respect of which you intend to accept the NWS Option Offer), by post or by hand, to the company secretary of NWS at 21st Floor, NCB Innovation Centre, 888 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong, marked “NWS Holdings Limited — NWS Option Offer” on the envelope so as to reach the company secretary of NWS as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on Monday, 13 November 2023, the first NWS Share Offer Closing Date (or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code). If you do not return a duly completed and signed **PINK** Form of NWS Option Offer Acceptance or exercise your NWS Options, subject to and conditional upon the NWS Offers becoming unconditional in all respects, your outstanding NWS Options (whether vested or unvested, but provided that they have not otherwise lapsed) will remain valid and exercisable within the period of six (6) months after completion of the NWD Disposal.

Before delivering the **PINK** Form of NWS Option Offer Acceptance to the company secretary of NWS, please ensure that you have signed the **PINK** Form of NWS Option Offer Acceptance and that your signature has been witnessed.

Payment of the NWS Option Offer Price is expected to be made no later than seven (7) Business Days after the later of (i) the date on which the NWS Offers become or are declared unconditional in all respects; and (ii) the date of receipt of the duly completed **PINK** Form of NWS Option Offer Acceptance and all relevant document(s) (if applicable) by the company secretary of NWS to render such acceptance, surrender and cancellation under the NWS Option Offer valid.

No acknowledgment of receipt of any **PINK** Form of NWS Option Offer Acceptance and/or NWS Options relevant certificate(s) (if applicable) and/or any other document(s) evidencing the grant of the outstanding NWS Options and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

RESPONSIBILITY STATEMENTS

The directors of the Offeror, CTFE, CTFH and CTFC jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than that relating to the NWS Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the NWS Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this letter the omission of which would make any statement in this letter misleading.

The NWS Directors jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the directors of the Offeror, CTFE, CTFH and CTFC in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this letter the omission of which would make any statement in this letter misleading.

Yours faithfully,
For and on behalf of

**The Hongkong and Shanghai
Banking Corporation Limited**
Edmond Tin
*Managing Director,
Head of Hong Kong Investment
Banking Coverage*

BOCI Asia Limited
Kin Chung Lui
Director

ING Bank N.V.
Shaw Ming Chia
Director
Andrew Lau
Director

The Hongkong and Shanghai Banking Corporation Limited is a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

BOCI Asia Limited is a registered institution under the SFO, registered to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.

ING Bank N.V. is a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).