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周大福創建有限公司 CTF Services Limited

(incorporated in Bermuda with limited liability)
(stock code: 00659)

ANNOUNCEMENT

PROPOSED ISSUE OF HK\$780,000,000 4.00 PER CENT. CONVERTIBLE BONDS DUE 2025

Joint Bookrunners



PROPOSED ISSUE OF HK\$780,000,000 4.00 PER CENT. CONVERTIBLE BONDS DUE 2025 BY THE COMPANY

The Board announces that on 15 January 2025 (after trading hours), the Company and the Managers have entered into the Subscription Agreement whereby, subject to the terms and conditions of the Subscription Agreement, the Managers have conditionally and severally (and not jointly or jointly and severally) agreed to subscribe or procure to subscribe and pay for the Bonds to be issued by the Company in an aggregate principal amount of HK\$780,000,000. The issue price of the Bonds shall be 100% of the aggregate principal amount of the Bonds and the denomination of each Bond shall be HK\$2,000,000 and integral multiples thereof.

Based on the initial Conversion Price of HK\$8.043 per Share and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 96,978,739 New Shares, representing:

- (i) approximately 2.426% of the existing issued share capital of the Company of 3,997,540,085 Shares as at the date of this announcement; and
- (ii) approximately 2.369% of the issued share capital of the Company as enlarged by the allotment and issue of the New Shares upon full conversion of the Bonds.

The New Shares will be allotted and issued pursuant to the General Mandate (as defined below) and will be fully paid and rank *pari passu* in all respects with fully paid Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law. Save as set out in terms and conditions of the Bonds, a holder of New Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

It is intended the Bonds will be listed on the Vienna Stock Exchange. An application has been made to the Vienna Stock Exchange for the listing of the Bonds. The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

USE OF PROCEEDS

The Net Proceeds will be approximately HK\$769 million. The Company intends to use the Net Proceeds from the issue of the Bonds for the Group's general corporate purposes including but not limited to replenishment of working capital and settlement of principal and interest of a portion of the Group's bonds and loans.

The completion of the subscription and issuance of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the section headed "The Subscription Agreement" below for further information.

As the issue of the Bonds may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PROPOSED ISSUE OF HK\$780,000,000 4.00 PER CENT. CONVERTIBLE BONDS DUE 2025

The Board announces that on 15 January 2025 (after trading hours), the Company and the Managers have entered into the Subscription Agreement whereby, subject to the terms and conditions of the Subscription Agreement, the Managers have conditionally and severally (and not jointly or jointly and severally) agreed to subscribe or procure to subscribe and pay for the Bonds to be issued by the Company in an aggregate principal amount of HK\$780,000,000. The issue price of the Bonds shall be 100% of the aggregate principal amount of the Bonds and the denomination of each Bond shall be

HK\$2,000,000 and integral multiples thereof. It is intended that the Bonds will be listed on the Vienna Stock Exchange.

A summary of the principal terms of the Subscription Agreement is set out below.

THE SUBSCRIPTION AGREEMENT

Date 15 January 2025

Parties

1. The Company (as issuer); and
2. The Managers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each Manager is an Independent Third Party of the Company.

Proposed Issue of the Bonds Subject to the satisfaction and/or waiver of the conditions precedent set forth in the Subscription Agreement, the Managers have agreed to severally (and not jointly or jointly and severally) subscribe or procure to subscribe and pay for the Bonds at the Issue Price in an aggregate principal amount of HK\$780,000,000.

Conditions Precedent The obligation of the Managers to subscribe or procure to subscribe and pay for the Bonds is conditional on, among others, the following conditions precedent:

1. **Legal Opinions:** the Managers receive on the Closing Date legal opinions dated the Closing Date and addressed to the Managers in respect of the laws of Bermuda and the laws of England, each in a form acceptable to the Managers;
2. **Certificate:** the Managers receive on the Closing Date a certificate dated the Closing Date in the form as set out in the Subscription Agreement signed by a director or other equivalent senior officer of the Company addressed to the Managers, to the effect that:
 - (i) the representations and warranties deemed to be made by the Company on the Closing Date pursuant to the Subscription Agreement are true and correct; and
 - (ii) the Company is in compliance with its undertakings under the Subscription Agreement;

3. **Process agent's acceptance:** the Managers receive on the Closing Date evidence that Law Debenture Corporate Services Limited has agreed to receive process in the manner specified in the Subscription Agreement;
4. **Issue documentation:** the Issue Documents are executed on or before the Closing Date by or on behalf of all parties thereto;
5. **Shareholder's Lock-up:** Century Acquisition Limited, the holding company of the Company, shall have executed and delivered to the Managers the Shareholder's Lock-Up Undertaking on the date of the Subscription Agreement in the form set out in Subscription Agreement;
6. **No material adverse change:** since the date of the Subscription Agreement, there having been no change (nor any development or event involving a prospective change of which the Company is, or might reasonably be expected to be, aware) which is materially adverse to the financial condition, prospects, results of operations, profitability, business, properties or general affairs of the Company or the Group, respectively;
7. **Accuracy of representations:** the representations and warranties by the Company in the Subscription Agreement are true and correct on the date of the Subscription Agreement and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the Closing Date with reference to the facts and circumstances then subsisting;
8. **Delivery of authorisations:** there being in full force and effect all corporate, governmental or regulatory authorisations, approvals or consents required (if any) for the Company to issue the Bonds on the Closing Date, and for the Company to fulfil its obligations under the Issue Documents, and the Company having delivered to the Managers certified copies of those authorisations, approvals or consents; and
9. **Listing and trading:** the Managers receive confirmation on or before the Closing Date that the Bonds will be listed on the Vienna Stock Exchange and the New Shares will be listed on the Hong Kong Stock Exchange upon conversion of the Bonds.

The Managers may, at their discretion, waive satisfaction of any of the conditions precedent.

As at the date of this announcement, except for the Shareholder's Lock-Up Undertaking which has been executed and delivered by Century Acquisition Limited to the Managers, the above conditions precedent are yet to be satisfied and/or waived.

Completion

Completion of the subscription and issue of the Bonds will take place on the Closing Date.

Distribution

The Managers have informed the Company that they intend to place the Bonds with no less than six (6) independent Placees. The Bonds will be placed with persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the Securities Act. None of the Bonds will be placed with the retail public in Hong Kong. To the best of the Directors' knowledge, information and belief as at the date of this announcement, each of the Placees of the Bonds (and their respective ultimate beneficial owners) is an Independent Third Party of the Company.

Company Lock-up Undertaking

Neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date hereof and the date which is 60 days after the Closing Date (both dates inclusive); except for (i) the issuance of the Bonds and the New Shares on conversion of the Bonds; (ii) the entering into of any transaction, or the announcing or otherwise making public an intention to enter into a transaction, with respect to the issuance of any Shares as consideration for any acquisition in relation to the Group's business provided that the issuance of any Shares pursuant to any such acquisition occurs after the date which is 60 days after the Closing Date and (iii) the issuance of any Shares or options to subscribe for Shares pursuant to the Share Scheme.

Shareholder's Lock-up

Century Acquisition Limited, the holding company of the Company, undertakes that, for a period commencing from the date of the Shareholder's Lock-Up Undertaking to 60 days after the Closing Date, without the prior written consent of the Managers, except for (i) the 30,000,000 Shares which are subject to the Stock Borrowing and Lending Agreement and (ii) any arrangements in relation to securities of Century Acquisition Limited or the Company pursuant to any agreement entered into between the Managers (or their respective affiliates) and Century Acquisition Limited prior to the date of the Shareholder's Lock-Up Undertaking, it will not (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Shares or securities of the same class as the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or securities of the same class as Lock-up Shares or other instruments representing interests in Lock-up Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise, or (d) announce or otherwise make public an intention to do any of the foregoing.

Termination

The Managers may give a termination notice to the Company at any time prior to the payment of the Net Proceeds of the issue of the Bonds to the Company on the Closing Date if:

1. any representation and warranty by the Company in the Subscription Agreement is or proves to be untrue or incorrect on the date of the Subscription Agreement or on any date on which it is deemed to be repeated;
2. the Company fails to perform any of its obligations under the Subscription Agreement;
3. any of the conditions precedent in the Subscription Agreement is not satisfied or waived by the Managers on the Closing Date;

4. since the date of the Subscription Agreement there has been, in the opinion of the Managers, such a change in national or international financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
5. in the opinion of the Managers, since the date of the Subscription Agreement there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange, the Singapore Stock Exchange and/or the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; or (iii) a general moratorium on commercial banking activities in the United States, the PRC, Singapore, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore or the United Kingdom.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Issuer	CTF Services Limited 周大福創建有限公司.
Issue Price	100% of the principal amount of the Bonds.
Issue	Hong Kong dollar-denominated 4.00 per cent. convertible bonds due 2025 in an aggregate principal amount of HK\$780,000,000, convertible into the Company's fully-paid ordinary shares of par value HK\$1.00 each.
Interest	Interest on the Bonds is payable at the rate of 4.00 per cent. per annum, payable quarterly in arrear in equal instalments on 22 April 2025 and the Maturity Date (as defined below), beginning on 22 April 2025.
Issue Date	22 January 2025 (the " Issue Date ").
Maturity Date	22 July 2025 (the " Maturity Date ").
Negative Pledge	So long as any Bond remains outstanding (as defined in the Trust Deed), the Company will not, and will procure that none of its Material Subsidiaries (as defined in the terms and conditions of the Bonds) (other than the Listed Material Subsidiaries, if applicable) will, create or permit to subsist any Security Interest, other than Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

Conversion Period

At any time (subject to any applicable fiscal or other laws or regulations and as provided in the terms and conditions of the Bonds) on or after the Issue Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling five days prior to the Maturity Date (both days inclusive) (but, except as provided in the terms and conditions of the Bonds, in no event thereafter) or, if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than five days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof.

Conversion Price

Initially HK\$8.043 per Share, subject to adjustment for, among other things, (a) consolidation, reclassification or subdivision of Shares, (b) capitalisation of profits or reserves of the Company, (c) distribution to Shareholders, (d) rights issues of Shares or options over Shares, (e) rights issues of other securities or options over other securities, (f) issues of Shares or options over Shares at less than Current Market Price, (g) issues of other securities which carry conversion, exchange or subscription rights at a consideration per Share at less than Current Market Price, (h) modification of rights of conversion of securities, (i) other offers to Shareholders and (j) other adjustments as determined by the Company in accordance with the terms and conditions of the Bonds.

The initial Conversion Price may not be reduced so that, on conversion of Bonds, New Shares would fall to be issued at a discount to their par value or New Shares would be required to be issued in any other circumstances not permitted by applicable laws (including without limitation the Listing Rules) then in force in Hong Kong and Bermuda.

If an adjustment is required to be made to the initial Conversion Price, a further announcement will be made by the Company in accordance with the Listing Rules.

Interest make-whole

Upon the exercise of the Conversion Rights, the Company shall pay in cash in Hong Kong dollars to the Bondholders an amount equal to the sum of the remaining scheduled payments of interest that would have been made on the relevant Bonds being converted had the Bonds remained outstanding during the period from the Interest Payment Date (as defined in the terms and conditions of the Bonds) immediately preceding the Conversion Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Issue Date) to the Maturity Date.

Redemption at Maturity

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date.

Redemption for Taxation Reasons

The Company may redeem all and not some only of the Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the terms and conditions of the Bonds (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption at its principal amount, together with interest accrued but unpaid up to but excluding such date (if any), if the Company satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that (a) the Company has or will become obliged to pay additional tax amounts as provided or referred to in the terms and conditions of the Bonds as a result of any change in, or amendment to, the laws or regulations of Hong Kong or Bermuda, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 15 January 2025, and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, *provided that* no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

Redemption at the Option of the Company

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the terms and conditions of the Bonds, the Company may, at any time, redeem all and not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with interest accrued but unpaid up to but excluding the Optional Redemption Date (if any), *provided that*, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in aggregate principal amount of the Bonds originally issued (which shall include any further Bonds issued pursuant to the terms and conditions of the Bonds).

Redemption for Delisting or Change of Control

Following the occurrence of a Relevant Event, the holder of each Bond will have the right, at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Put Date (as defined below) at their principal amount, together with interest accrued but unpaid up to but excluding such date (if any). To exercise such right, the holder of the relevant Bond must deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant paying agent)) at the specified office of any paying agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any paying agent, together with the certificate evidencing the Bonds to be redeemed by not later than (i) 60 days following a Relevant Event, or, if later, (ii) 60 days following the date upon which notice of the Relevant Event is given to Bondholders by the Company in accordance with the terms and conditions of the Bonds. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

Clearing Systems

Upon issue, the Bonds will be represented by the Global Certificate, registered in the name of a nominee of, and deposited on or about the Issue Date with, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

Listing

An application has been made to the Vienna Stock Exchange for the listing of the Bonds. The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

Transferability

The Bonds may, subject to the terms and conditions of the Bonds and the terms of the Agency Agreement, be transferred in whole or in part in the denomination of HK\$2,000,000 and integral multiples thereof. Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

Status

The Bonds will constitute direct, unconditional, unsubordinated and (subject to the negative pledge as described above) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge as described above, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

SECURITIES LENDING ARRANGEMENT

In connection with the proposed issue of the Bonds, UBS AG, London Branch (the “**Borrower**”) as borrower and custodian has entered into the Stock Borrowing and Lending Agreement with Century Acquisition Limited, a Shareholder of the Company, as lender (the “**Lender**”), to allow the Lender to provide stock lending to the Borrower in respect of 30,000,000 Shares upon and subject to the terms and conditions stated in the Stock Borrowing and Lending Agreement.

CONVERSION PRICE AND NEW SHARES

The initial Conversion Price of HK\$8.043 per Share represents:

- (i) a premium of approximately 5.00% over the closing price of HK\$7.660 per Share as quoted on the Hong Kong Stock Exchange on 15 January 2025 (being the Trading Day on which the Subscription Agreement was signed);
- (ii) a premium of approximately 4.59% over the average closing price of approximately HK\$7.690 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive Trading Days up to and including 15 January 2025 (being the Trading Day on which the Subscription Agreement was signed); and
- (iii) a premium of approximately 4.14% over the average closing price of approximately HK\$7.723 per Share as quoted on the Hong Kong Stock Exchange for the last ten consecutive Trading Days up to and including 15 January 2025 (being the Trading Day on which the Subscription Agreement was signed).

The initial Conversion Price was determined with reference to the prevailing market price of the Shares and the terms and conditions of the Subscription Agreement and was negotiated on an arm's length basis between the Company and the Managers.

The number of New Shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bonds converted by the Conversion Price in effect on the relevant Conversion Date. Based on the initial Conversion Price of HK\$8.043 per Share and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 96,978,739 New Shares, representing:

- (i) approximately 2.426% of the existing issued share capital of the Company of 3,997,540,085 Shares as at the date of this announcement; and
- (ii) approximately 2.369% of the issued share capital of the Company, as enlarged by the allotment and issue of the New Shares upon full conversion of the Bonds.

Fractions of New Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that New Shares to be issued on conversion are to be registered in the same name, the number of such New Shares to be issued shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of New Shares.

Ranking of the New Shares

The New Shares will be allotted and issued pursuant to the General Mandate (as defined below) and will be fully paid and rank *pari passu* in all respects with fully paid Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law. Save as set

out in terms and conditions of the Bonds, a holder of New Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION

The following table illustrates (1) the existing shareholding structure as at the date of this announcement; and (2) the shareholding structure assuming the Bonds are fully converted into New Shares at the initial Conversion Price of HK\$8.043 each; on the assumptions that (a) there will be no other change to the share capital of the Company from the date of this announcement until the conversion of the Bonds in full, save for the issue of New Shares as a result of the conversion of the Bonds in full (as the case may be); and (b) the Bondholders do not and will not hold any Shares other than New Shares.

Shareholder	Existing (as at the date of this announcement)		Assuming the Bonds are fully converted into New Shares at the initial Conversion Price of HK\$8.043 each	
	<i>No. of Shares</i>	<i>% of issued ordinary share capital of the Company</i>	<i>No. of Shares</i>	<i>% of issued ordinary share capital of the Company</i>
Century Acquisition Limited	2,925,701,291	73.19%	2,925,701,291	71.45%
Chow Tai Fook Enterprises Limited	97,034,424	2.43%	97,034,424	2.37%
Chow Tai Fook Nominee Limited	22,012,500	0.55%	22,012,500	0.54%
Other Shareholders ¹	952,791,870	23.83%	952,791,870	23.27%
Bondholders	—	—	96,978,739	2.37%
Total	<u>3,997,540,085</u>	<u>100%</u>	<u>4,094,518,824</u>	<u>100%</u>

Notes:

¹ Including individuals, institutions, corporates and nominees.

As at the date of this announcement, the Company has no treasury shares and no intention to transfer treasury shares upon the Bondholders' exercise of the Conversion Rights.

INFORMATION REGARDING THE GROUP

The Company is a limited liability company incorporated under the Companies Act 1981 of Bermuda (Bermuda Company Number: 22286). It was incorporated in Bermuda on 3 September 1996 and listed on the Hong Kong Stock Exchange in 1997 (Hong Kong Stock Exchange stock code: 00659). On 17 November 2023, Chow Tai Fook Capital Limited became the ultimate holding company of the Company and Chow Tai Fook Enterprises Limited became an intermediate holding company of the Company. On 22 November 2024, the name of the Company was changed from “NWS Holdings Limited” to “CTF Services Limited”.

The Group has a diversified portfolio of market-leading businesses, predominantly in Hong Kong and the PRC. The Group's principal businesses include toll roads, insurance, logistics, construction and facilities management. Through the Group's sustainable business model, it is committed to creating more value for all stakeholders and the community.

USE OF PROCEEDS

The aggregate principal amount of the Bonds will be HK\$780,000,000. The Net Proceeds will be approximately HK\$769 million. Based on such Net Proceeds and assuming the full conversion of the Bonds at the initial Conversion Price, the net issue price per New Share is approximately HK\$7.93. The Company intends to use the Net Proceeds from the issue of the Bonds for the Group's general corporate purposes including but not limited to replenishment of working capital and settlement of principal and interest of a portion of the Group's bonds and loans.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

With reference to the announcements of the Company issued on 23 May 2024 and 30 May 2024, and as at the date of this announcement, the public float of the Company is approximately 23.83%, which remains slightly below the minimum public float requirement of 25% prescribed in Rule 8.08(1)(a) of the Listing Rules.

The Directors consider the issue of Bonds as an appropriate initiative for the Company to restore public float as required under the Listing Rules which is illustrated in the paragraph "Effect on the Share Capital of the Company as a Result of the Conversion" above. Besides, the Directors consider the issue of the Bonds renders additional benefits of (i) providing the Company with additional funds at lower funding cost for the use of proceeds; (ii) not having an immediate dilution effect on the shareholding of the existing Shareholders; and (iii) enhancing the Company's capital base as well as benefiting the long-term development of the Company in the event that the Bonds are converted into New Shares.

Accordingly, the Directors consider the terms of the Subscription Agreement and the Bonds are fair and reasonable on normal commercial terms and in the interests of the Shareholders and the Company as a whole.

GENERAL MANDATE

Based on the initial Conversion Price of HK\$8.043 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 96,978,739 New Shares.

By resolutions of the Shareholders passed at the annual general meeting held on 22 November 2024, the Company granted a general mandate to the Directors to issue, allot and deal with additional Shares not exceeding 20% of the total number of issued Shares (excluding any treasury shares of the Company) (the "**Issue Mandate**"), a general mandate to the Directors to repurchase Shares not exceeding 10% of the total number of issued Shares (excluding any treasury shares of the Company) (the "**Repurchase Mandate**"), and the extension of the Issue Mandate to include Shares repurchased pursuant to Repurchase Mandate (collectively, the "**General Mandate**").

As at the date of this announcement, no Shares have been issued or committed to be issued pursuant to the Issue Mandate. Accordingly, as of the date of this announcement, the number of Shares that the Company may issue pursuant to the General Mandate is 799,508,017, representing 20% of the issued share capital of the Company of 3,997,540,085 Shares as at the date on which the General Mandate was granted to the Directors. The New Shares will be issued under such General Mandate and no additional approval from Shareholders of the Company is required for the allotment and issue of the New Shares.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not carried out any equity fund raising activities in the last 12 months immediately before the date of this announcement.

The completion of the subscription and issuance of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the section headed “The Subscription Agreement” above for further information.

As the issue of the Bonds may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Agency Agreement”	the agency agreement to be entered into on or around the Closing Date between the Company, the Trustee and The Hongkong and Shanghai Banking Corporation Limited as principal paying agent and principal conversion agent, transfer agent, registrar and the other agents named therein
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Bondholder”	the person in whose name a Bond is registered
“Bonds”	the HK\$780,000,000 4.00 per cent. convertible bonds due 2025

“Change of Control”	<p>the occurrence of one or more of the following events:</p> <p>(a) any Person or Persons acting together acquires Control of the Company if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Company on the Issue Date;</p> <p>(b) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity; or</p> <p>(c) one or more Persons acquires the beneficial ownership of all or substantially all of the Company’s issued share capital</p>
“Closing Date”	22 January 2025, or another date not later than 5 February 2025, as the Company and the Managers may agree
“Closing Price”	in respect of the Shares for any Trading Day, the price published in the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange
“Company”	CTF Services Limited 周大福創建有限公司, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board (Stock Code: 00659)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Control”	the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Conversion Date”	the conversion date in respect of a Bond
“Conversion Price”	the price at which New Shares will be issued upon the conversion of any Bond which will initially be HK\$8.043 per New Share, but will be subject to adjustments in the manner described in the terms and conditions of the Bonds

“Conversion Right”

in respect of a Bond, the right of the holder to convert such Bond into New Shares credited as fully paid at any time during the Conversion Period (as described in the section headed “Principal Terms of the Bonds” above) subject to and upon compliance with the terms and conditions of the Bonds

“Current Market Price”

in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 20 Trading Day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (a) if the New Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or
- (b) if the New Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share,

and *provided further that* if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share and provided further that:

- (i) if such Closing Prices are not available on each of the 20 Trading Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two such Closing Prices); and

(ii) if only one or no such Closing Price is available in the relevant period, then the Current Market Price shall be determined in good faith by an Independent Investment Bank

“Director(s)”	director(s) of the Company
“Fair Market Value”	with respect to any Security on any date, the fair market value of that Security as determined by an Independent Investment Bank, <i>provided that</i> (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend (in which case no determination by an Independent Investment Bank would be required); (ii) the fair market value of any other cash amount shall be equal to such cash amount (in which case no determination by an Independent Investment Bank would be required); and (iii) where Securities are or will be publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such Securities shall equal the arithmetic mean of the daily closing prices of such Securities during the period of five Trading Days on the relevant market commencing on the first such Trading Day as such Securities are publicly traded
“Global Certificate”	a global bond certificate representing the Bonds to be issued
“Group”	the Company and its Subsidiaries
“HK\$” or “Hong Kong Dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited or any successor thereto
“Independent Investment Bank”	an independent investment bank of international repute selected and appointed by the Company (at the cost of the Company), and notified in writing to the Trustee and the Principal Agent in writing. If the Company fails to select an Independent Investment Bank when required by the terms and conditions of the Bonds, the Trustee may in its absolute discretion (but shall not be obliged to) select the Independent Investment Bank, provided the Trustee shall have no liability to the Company, Bondholders or any other person in respect of such selection or non-selection

“Independent Third Party”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Issue Documents”	the Trust Deed and the Agency Agreement
“Listed Material Subsidiary”	any Material Subsidiary (as defined in the terms and conditions of the Bonds), the shares of which are at the relevant time listed on the Hong Kong Stock Exchange, or any other stock exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Lock-up Shares”	the 2,925,701,291 Shares held by Century Acquisition Limited directly (or through nominees) at the date of the Shareholder’s Lock-Up Undertaking in order to facilitate an orderly marketing, distribution and trading of the Bonds, representing approximately 73.19 per cent. of the existing issued share capital of the Company
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“Managers”	UBS AG Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited
“Net Proceeds”	estimated net proceeds from the issue of the Bonds payable to the Company, after deduction of the Managers’ commission and other estimated expenses payable
“New Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds pursuant to the Trust Deed and terms and conditions of the Bonds

“Permitted Security Interest”	(i) any Security Interest over any assets (or related documents of title) purchased by the Company or any Material Subsidiary (as defined in the terms and conditions of the Bonds) as security for all or part of the purchase price of such assets and any substitute Security Interest created on those assets in connection with the financing and/or refinancing (together with interest, fees and other charges attributable to such financing and/or refinancing) of the indebtedness secured on those assets; and (ii) any Security Interest over any assets (or related documents of title) purchased by the Company or any Material Subsidiary (as defined in the terms and conditions of the Bonds) subject to such Security Interest and any substitute Security Interest created on those assets in connection with the financing and/or refinancing (together with interest, fees and other charges attributable to such financing and/or refinancing) of the indebtedness secured on those assets
“Person”	includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include members of the Board (or their respective heirs, executors or assigns) or any other governing board and does not include the wholly owned direct or indirect Subsidiaries of the Company
“Placees”	any professional investors (as defined under the SFO) procured by the Managers to subscribe for any Bonds pursuant to the obligations under the Subscription Agreement
“PRC”	the People’s Republic of China (for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Principal Agent”	The Hongkong and Shanghai Banking Corporation Limited as principal paying agent and principal conversion agent, which expression shall include its successors and all persons appointed from time to time in connection with the Bonds
“Registration Date”	the date the person or persons specified in the Conversion Notice (as defined in the terms and conditions of the Bonds) will become the holder of record of the number of New Shares issuable upon conversion of the Bonds
“Regulation S”	Regulation S under the Securities Act

“Relevant Event”	<p>“Relevant Event” occurs:</p> <p>(a) when the Shares cease to be listed or admitted to trading or are suspended on the Main Board for a period equal to or exceeding 30 consecutive Trading Days; or</p> <p>(b) when there is a Change of Control</p>
“Relevant Indebtedness”	<p>any indebtedness in the form of and represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (whether or not initially distributed by way of private placement) having an original maturity of more than one year from its date of issue but shall not include indebtedness under any secured transferable loan facility (which term shall, for the avoidance of doubt, mean any agreement for or in respect of indebtedness for borrowed money entered into with one or more banks and/or financial institutions whereunder rights and (if any) obligations may be assigned and/or transferred)</p>
“Relevant Stock Exchange”	<p>at any time, in respect of the Shares, the Hong Kong Stock Exchange or the Alternative Stock Exchange</p>
“Securities” or “Security”	<p>any securities including, without limitation, shares, options, warrants or other rights to subscribe for or purchase or acquire securities</p>
“Securities Act”	<p>the US Securities Act of 1933, as amended</p>
“Security Interest”	<p>any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction</p>
“SFO”	<p>the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)</p>
“Share(s)”	<p>the ordinary shares of par value HK\$1.00 each of the Company (ISIN: BMG668971101)</p>

“Share Scheme”	the share option scheme adopted by the Company on 23 November 2021
“Shareholder(s)”	the holder(s) of the Shares
“Shareholder’s Lock-Up Undertaking”	a lock-up undertaking made on 15 January 2025 by Century Acquisition Limited, in favour of UBS AG Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited pursuant to the Subscription Agreement
“Stock Borrowing and Lending Agreement”	the stock borrowing and lending agreement entered into between UBS AG, London Branch as borrower and custodian and Century Acquisition Limited as lender dated 15 January 2025
“Subscription Agreement”	the subscription agreement dated 15 January 2025 entered into between the Company and the Managers in respect of the issue of the Bonds
“Subsidiary(ies)”	in relation to any person, means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of Hong Kong from time to time, should have its accounts consolidated with those of that person
“Trading Day”	a day on which the Relevant Stock Exchange (or in respect of any other security, relevant securities market) is open for business and on which Shares or other securities may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time) provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“Trust Deed”	the trust deed to be entered into on or around the Closing Date between the Company and the Trustee constituting the Bonds

“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“US” or “United States”	the United States of America
“Vienna Stock Exchange”	the Vienna MTF operated by the Vienna Stock Exchange
“%” or “per cent.”	percentage

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

Hong Kong, 15 January 2025

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