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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

- (1) PROPOSED CONCURRENT REPURCHASE OF HK\$780,000,000 4.00 PER CENT. CONVERTIBLE BONDS DUE 2025; AND  
(2) PROPOSED ISSUE OF CONVERTIBLE BONDS**

**Sole Global Coordinator, Joint Bookrunner and Sole Dealer Manager**



Joint Bookrunners



## **BACKGROUND**

With reference to the announcements of the Company issued on 23 May 2024, 30 May 2024 and 24 March 2025, and as at the date of this announcement, the public float of the Company is approximately 24.18% (which included 18,263,361 new Shares issued upon conversion of the Existing Convertible Bonds), which remains slightly below the minimum public float requirement of 25% prescribed in Rule 8.08(1)(a) of the Listing Rules.

The Company considers issue of convertible bonds as an appropriate initiative for the Company to restore public float as required under the Listing Rules and proposes to conduct the Concurrent Repurchase of the Existing Convertible Bonds and issue of the Bonds.

### **PROPOSED CONCURRENT REPURCHASE OF HK\$780,000,000 4.00 PER CENT. CONVERTIBLE BONDS DUE 2025 BY THE COMPANY**

Reference is made to the announcements of the Company dated 15 January 2025 and 22 January 2025 in relation to the issue of the Existing Convertible Bonds. Pursuant to Condition 8(E) (*Purchase*) of the terms and conditions of the Existing Convertible Bonds, the Company or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase the Existing Convertible Bonds at any price in the open market or otherwise. The Company proposes to repurchase the Existing Convertible Bonds pursuant to such terms and conditions.

On 10 July 2025, the Sole Dealer Manager and the Company entered into the Dealer Manager Agreement, pursuant to which the Sole Dealer Manager has been appointed in connection with the proposed Concurrent Repurchase to, amongst others, assist the Company in collecting indications of interest from holders of the Existing Convertible Bonds who may be willing to sell their Existing Convertible Bonds to the Company.

### **PROPOSED ISSUE OF CONVERTIBLE BONDS BY THE COMPANY**

The Company is planning to issue convertible bonds (the “**Bonds**”) to institutional investors. The Joint Bookrunners have been appointed to coordinate the pricing of the proposed issue of the Bonds. Upon finalisation of the terms of the Bonds, including the size, issue price and other terms, the Joint Bookrunners will enter into a subscription agreement in respect of the proposed issue of the Bonds with the Company.

None of the Bonds will be placed with the retail public in Hong Kong and it is expected that each of the Placees of the Bonds (and their respective ultimate beneficial owners) will be an Independent Third Party of the Company. The Bonds have not been and will not be registered under the Securities Act. The Bonds will only be offered outside of the United States in compliance with Regulation S under the Securities Act.

If the proposed issue of the Bonds completes, the Company intends to use the net proceeds from the issue of the Bonds to fund the Concurrent Repurchase, with the remaining portion for the Group’s general corporate purposes.

## **REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS**

The Company considers the proposed issue of the Bonds as an appropriate initiative for the Company to restore public float as required under the Listing Rules. Besides, the proposed issue of the Bonds renders additional benefits of (i) providing the Company with additional funds at lower funding cost for the purposes of funding the Concurrent Repurchase, with the remaining portion to be used for general corporate purposes; (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.

## **GENERAL MANDATE**

It is intended that any Shares which may be allotted and issued by the Company upon conversion of the Bonds will be issued under the General Mandate and no additional approval from the Shareholders is required for the allotment and issue of such Shares.

## **PROPOSED CONCURRENT REPURCHASE OF HK\$780,000,000 4.00 PER CENT. CONVERTIBLE BONDS DUE 2025 BY THE COMPANY**

Reference is made to the announcements of the Company dated 15 January 2025 and 22 January 2025 in relation to the issue of the Existing Convertible Bonds. Pursuant to Condition 8(E) (*Purchase*) of the terms and conditions of the Existing Convertible Bonds, the Company or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase the Existing Convertible Bonds at any price in the open market or otherwise. The Company proposes to repurchase the Existing Convertible Bonds pursuant to such terms and conditions.

On 10 July 2025, the Sole Dealer Manager and the Company entered into the Dealer Manager Agreement, pursuant to which the Sole Dealer Manager has been appointed in connection with the proposed Concurrent Repurchase to, amongst others, assist the Company in collecting indications of interest from holders of the Existing Convertible Bonds who may be willing to sell their Existing Convertible Bonds to the Company.

**The completion of the Concurrent Repurchase is subject to the satisfaction and/or waiver of the conditions precedent contained in the Dealer Manager Agreement. In addition, the Dealer Manager Agreement may be terminated under certain circumstances. As the Concurrent Repurchase may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Concurrent Repurchase will be made by the Company as and when appropriate.**

## PROPOSED ISSUE OF CONVERTIBLE BONDS BY THE COMPANY

The Company is planning to issue Bonds to institutional investors. The Joint Bookrunners have been appointed to coordinate the pricing of the proposed issue of the Bonds. Upon finalisation of the terms of the Bonds, including the size, issue price and other terms, the Joint Bookrunners will enter into a subscription agreement in respect of the proposed issue of the Bonds with the Company.

None of the Bonds will be placed with the retail public in Hong Kong and it is expected that each of the Placees of the Bonds (and their respective ultimate beneficial owners) will be an Independent Third Party of the Company. The Bonds have not been and will not be registered under the Securities Act. The Bonds will only be offered outside of the United States in compliance with Regulation S under the Securities Act.

If the proposed issue of the Bonds completes, the Company intends to use the net proceeds from the issue of the Bonds to fund the Concurrent Repurchase, with the remaining portion for the Group's general corporate purposes.

**As no binding agreement in respect of the proposed issue of the Bonds has been entered into as at the time of publication of this announcement, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the proposed issue of the Bonds will be made by the Company as and when appropriate.**

## REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

With reference to the announcements of the Company issued on 23 May 2024, 30 May 2024 and 24 March 2025, and as at the date of this announcement, the public float of the Company is approximately 24.18% (which included 18,263,361 new Shares issued upon conversion of the Existing Convertible Bonds), which remains slightly below the minimum public float requirement of 25% prescribed in Rule 8.08(1)(a) of the Listing Rules. The Company considers the issue of Bonds as an appropriate initiative for the Company to restore public float as required under the Listing Rules. Besides, the proposed issue of Bonds renders additional benefits of (i) providing the Company with additional funds at lower funding cost for the purposes of funding the Concurrent Repurchase, with the remaining portion to be used for general corporate purposes; (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.

## GENERAL MANDATE

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, other than the 18,263,361 new Shares issued on conversion of the Existing Convertible Bonds, 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 781,244,656, representing approximately 19.54% 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.

It is intended that any Shares which may be allotted and issued by the Company upon conversion of the Bonds will be issued under the General Mandate and no additional approval from the Shareholders is required for the allotment and issue of such Shares.

## DEFINITIONS

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

“Bonds”	the convertible bonds proposed to be issued by the Company
“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 of The Stock Exchange of Hong Kong Limited (Stock Code: 00659)
“Concurrent Repurchase”	the repurchase of the Existing Convertible Bonds
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Dealer Manager Agreement”	the dealer manager agreement dated 10 July 2025 entered into between the Company and the Sole Dealer Manager
“Director(s)”	director(s) of the Company
“Existing Convertible Bonds”	the HK\$780,000,000 4.00 per cent. convertible bonds due 2025 issued by the Company on 22 January 2025
“Group”	the Company and its Subsidiaries
“Joint Bookrunners”	UBS AG Hong Kong Branch, DBS Bank Ltd., Merrill Lynch (Asia Pacific) Limited and BOCI Asia Limited
“Placees”	any professional investors (as defined under the SFO) procured by the Joint Bookrunners to subscribe for any Bonds
“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

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Regulation S”	Regulation S under the Securities Act
“Securities Act”	the US Securities Act of 1933, as amended
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares of par value HK\$1.00 each of the Company (ISIN: BMG668971101)
“Shareholder(s)”	the holder(s) of the Shares
“Sole Dealer Manager”	UBS AG Hong Kong Branch
“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
“US” or “United States”	the United States of America
“%” or “per cent.”	percentage

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

Hong Kong, 10 July 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.*