

January 17, 2020

Mr. Gilbert Ho
Executive Director
28/F New World Tower,
18 Queen's Road Central,
Hong Kong

Dear Mr. Ho,

We hope this letter finds you and your company well. As shareholders of NWS Holdings Limited ("NWS" or the "Company"), we are grateful for your recent meetings with us to discuss the various ways to maximize long term shareholder value. To continue in the spirit of openness, we would like to take the opportunity to highlight several observations for the management team.

First and foremost, we would like to extend our congratulations on the acquisition of FTLife Insurance Company Limited. This has demonstrated to shareholders both the Company's investment acumen and its commitment to repositioning NWS since management reorganization in 2018. To continue these efforts towards differentiation, we would recommend the following proposal:

1. Stronger business integration to create a sustainable corporate vision

NWS is an infrastructure conglomerate with more than seven business segments. Although each segment may be generating profit, investors are presented with the challenge of gauging these segments to understand their integration with one another in forming a corporate identity. Therefore, we highly encourage management to look beyond each segment's profitability and instead consider how they contribute to the company's overall mission and vision. This enables the management team to focus on its core strengths and allows investors to embark on a clear journey with the company in the years to come.

2. Divestiture or spinoff non-core assets

- a. NWS owns non-core businesses and strategic assets across financial holdings, environmental, logistics, facility management and transport. As some of them only make up a small percentage of total operating profits, this may be a distraction for the management team.
- b. After reviewing the Company's non-core businesses and strategic assets, we highly recommend that the management team divest or spin off some of them. For example: Divestment of investments in Wai Kee Holding (610:HK) and certain container terminals in China.

- c. The environmental segment could be an option of a spin-off. Although this segment presents ample opportunities, it plays a small part in the overall strategy of the Company and may not be management's priority. A standalone management team, however, would not only focus on unlocking the segment's potential, but would also give investors direct exposure to its growth prospects and increase interest in the environmental sector. Overall, we believe the proceeds from any divestment or spinoff could be reinvested more efficiently in NWS' core businesses or could reward shareholders through special dividends or share buybacks.

3. Enhance reporting transparency to improve clarity

Having followed the Company's financial reports for a number of years, we encourage management to provide additional information on certain business segments. This enables investors to keep track of each segment more clearly when evaluating the company and its competitiveness. For example:

- a. Toll Roads – The Company operates 15 toll roads in China. As four of them contribute close to 80% of the segment's attributable operating profits, we encourage further breakdown and commentary on them.
- b. Logistics – Our research suggests that the ATL Logistics Centre is a major contributor to the logistic segment. Similarly, a breakdown of its performance is recommended.
- c. ESG reporting – The Company has done a remarkable job with its ESG reporting. We acknowledge that certain figures in the environmental and social sections were unreported. However, as the Hong Kong Stock Exchange (of which I am a member of the ESG sub-committee working group) recently released the ESG Guide Consultation Conclusions and its ESG Disclosure Review Findings on December 18, 2019, I highly recommend the management team to review the latest guidelines for future reporting.

We sincerely hope that management will consider these recommendations. If you have any questions, please do contact us. Thank you for your time.

Sincerely,



Ronald W. Chan
Chief Investment Officer
Chartwell Capital Limited