

For immediate release

NWS Holdings Announces FY2020 Annual Results

Strong recovery based on solid foundations

(30 September 2020, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Hong Kong stock code: 659) today announced its annual results for the year ended 30 June 2020 (“FY2020”).

Financial Highlights

- Group’s AOP: dropped 25% year-on-year to HK\$3,514.3 million
 - AOP from Core Business down 10% to HK\$3,145.7 million (accounted for 90% of Group’s AOP)
 - AOP from Strategic Portfolio was HK\$368.6 million
- Maintain prevailing sustainable and progressive dividend policy
 - Proposed final dividend : HK\$0.29 per share
 - Total dividend for FY2020: HK\$0.58 per share (same as FY2019)
- Net gearing ratio was stable at 31% (31 December 2019:30%)
- Available liquidity amounted to approximately HK\$27.8 billion
 - Cash and bank balances amounted to HK\$13.2 billion
 - Unutilized committed banking facilities approximately HK\$14.6 billion

Optimization of Businesses

Disposal of Non-Core Assets

- Recuperated a total of approximately HK\$1.7 billion from the non-core assets disposals in FY2020. The assets disposed mainly include:
 - Remaining stakes in Beijing Capital International Airport Company Limited (“BCIA”)
 - 60% interest in New World First Ferry Services Limited (“NWFF”)

Completed Acquisitions

- FTLife Insurance Company Limited (“FTLife Insurance”) and the concession right over Changliu Expressway

Outlook

- The Group will continue to optimize the business portfolio and seek new growth driver to boost long-term sustainable growth
- Remain cautious in the near term in deploying capital to minimize potential risks
- Maintain its sustainable and progressive dividend policy

新創建集團有限公司 NWS Holdings Limited

(incorporated in Bermuda with limited liability)

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Business Performance Highlights

Core Business

Roads

- Since the resumption of the Mainland toll fee collection in May 2020, the overall traffic flow and toll revenue have been recovering strongly among the Group's roads portfolio.
- The acquisition of Changliu Expressway has enhanced the Group's toll road portfolio and strengthened the position in central region.
- Together with the contribution from newly acquired Changliu Expressway, Group's overall traffic volume of roads portfolio in June 2020 grew approximately 3% year-on-year, and toll fee income almost reaching the same level as the month of December 2019.
- The overall average remaining concession period of the Group's roads portfolio has been extended to about 11 years as of 30 June 2020.

Aviation

- Excluding dividend income from BCIA in FY2019 and reduced aircraft trading gains in FY2020, AOP would have increased by 8%.
- Goshawk Aviation Limited's liquidity position remains strong, with US\$1.4 billion cash and undrawn banking facilities as at 30 June 2020.
- The collection rate from airline customers during the first half year of 2020 was 78%.

Construction

- In FY2020, new projects have been awarded with a total contract sum of approximately HK\$8.8 billion, including the commercial development in Kai Tak Area, the office development at Murray Road, foundation works for public housing development at Long Bin Phase 1 and foundation works in Ko Chiu Road, to name a few.
- As at 30 June 2020, Hip Hing Group's gross value of contracts on hand amounted to approximately HK\$52.6 billion, with a balanced project mix of public and private sectors. The remaining works to be completed amounted to HK\$36.1 billion.

Insurance

- The acquisition of FTLife Insurance was completed on 1 November 2019, contributing eight month AOP of HK\$750.4 million to the Group.
- The Annual Premium Equivalent ("APE") in the first half of 2020 down 12% year-on-year, to HK\$807.3 million, outperforming Hong Kong overall industry's drop of 44%.
- As at 30 June 2020, the solvency ratio was 542%, far higher than the minimum regulatory requirement of 150%.
- FTLife Insurance launched new innovative products, including "Be With You" Personal Accident Plan in May 2020 and "On Your Mind" Insurance Plan with its first-in-market built-in Policy Reverse Mortgage feature in September 2020.

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Strategic Portfolio

Environment

- After the release of COVID-19 lockdown in the Mainland, SUEZ NWS has seen water volumes recovering, whereas hazardous waste underlying volumes has been progressively catching up to last year's levels.

Logistics

- The average rent of ATL Logistics Centre increased by 4% year-on-year, and the average occupancy rate remained at a high level of 99.7%.

Facilities Management

- Hong Kong Convention and Exhibition Centre ("HKCEC") was severely impacted by the outbreak of COVID-19. As a result, the number of events held at HKCEC plunged 57% to 428 with total patronage dropped 46% to 4.6 million.
- Gleneagles Hospital Hong Kong has a modest growth in revenue, while outpatient visits and inpatient admissions increased by 8% and 2% respectively.

Transport

- In September 2020, NWFF has successfully tendered for the five-year ferry service licences for operating three outlying-island ferry routes between Central – Cheung Chau, Central – Mui Wo and Inter Islands. The new licences will be effective from 1 April 2021.
- In August 2020, the Group announced the disposal of 100% of its interests in New World First Bus Services Limited and Citybus Limited at a total consideration of HK\$3.2 billion after end of FY2020.

AOP Contribution by Segment- Core Business

For the year ended 30 June	2020 HK\$'m	2019 HK\$'m	Change %
Roads	907.4	1,805.5	↓ 50
Aviation	421.9	500.3	↓ 16
Construction	1,066.0	1,203.8	↓ 11
Insurance	750.4	-	N/A
Total	3,145.7	3,509.6	↓ 10

AOP Contribution by Segment- Strategic Portfolio

For the year ended 30 June	2020 HK\$'m	2019 HK\$'m	Change %
Environment	354.8	629.0	↓ 44
Logistics	627.8	650.6	↓ 4
Facilities Management	(771.8)	(393.4)	↓ 96
Transport	(118.8)	(10.1)	↓ 1,076
Strategic Investments	276.6	321.7	↓ 14
Total	368.6	1,197.8	↓ 69

— End —

This press release is also available at the Group's website (www.nws.com.hk)

NWS Holdings Limited

NWS Holdings Limited (Hong Kong Stock Code: 659), as the diversified industries flagship of New World Development Company Limited (Hong Kong Stock Code: 17), invests and operates a wide range of businesses predominantly in Hong Kong and the Mainland. Our core business includes toll roads, commercial aircraft leasing, construction and insurance, while we also manage a strategic portfolio spanning sectors from environment, logistics to facilities management. Please visit www.nws.com.hk for details.

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