For immediate release

NWS Holdings announces FY2019 Interim Results
Backed by Strong Foundation, Embrace New Opportunities

(26 February 2019, Hong Kong) NWS Holdings Limited ("NWS Holdings" or the "Group"; Hong Kong stock code: 659) today announced its interim results for the six months ended 31 December 2018 (the "Period").

Key Highlights:

- While healthy operational growth was achieved in all major segments in the Period, the Group's attributable operating profit ("AOP") decreased 9% year-on-year to HK$2,432 million, as impacted by the depreciation of Renminbi ("RMB"); and the reclassification of Beijing Capital International Airport Company Limited ("BCIA") to a financial asset; and the higher royalty and provision for committed capital expenditure under the new operation agreement of the management and operation of Hong Kong Convention and Exhibition Centre ("HKCEC").
- The operational performance of the Group's Roads, Construction and Commercial Aircraft Leasing businesses has been steadily growing. A stable dividend payout was maintained with interim dividend at HK$0.29 per share.
- Excluding the exchange rate impact, AOP of Roads segment would have risen by 6%.
- The AOP of Construction business increased significantly by 38%. The Xiqu Centre in the West Kowloon Cultural District, built by Hip Hing Engineering Limited ("Hip Hing"), was officially opened in January this year.
- The outlook of the aircraft leasing business is rosy. With the completion of the acquisition of Sky Aviation Leasing International Limited ("Sky Aviation") in September last year, Goshawk Aviation Limited ("Goshawk") was catapulted to become one of the global top 10 aircraft lessors.
- While continuously optimizing its businesses, the Group has been seeking new investment opportunities to strengthen its portfolio by acquiring assets capable of generating stable and long term recurring income. The acquisitions of FTLife Insurance Company Limited ("FTLife") and Hunan Sui-Yue Expressway were in line with the Group's strategy.

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▪ Infrastructure 基建▪Services 服務

Financial Highlights:

- AOP down 9% year-on-year to HK$2,432 million
- Profit attributable to shareholders decreased by 8% to HK$2,274 million
- The basic earnings per share was HK$0.58, down 9%
- Interim dividend was HK$0.29 per share. Payout ratio: approximately 50%
- Contributions from operations in Hong Kong, Mainland China and other territories accounted for 30%, 63% and 7% respectively
- Net gearing ratio: 11%, increased by 4 percentage points
- Cash on hand and bank balances amounted to approximately HK$7,276 million, representing a 9.3% increase from 30 June 2018

Segment Performance Highlights

Roads

- AOP from the Roads segment fell by 8% to HK$948.5 million due to the depreciation of RMB and the expiry of the concession rights of Tate's Cairn Tunnel in Hong Kong in July 2018. Excluding the RMB impact, AOP of Roads segment would have risen by 6%.
- Average daily traffic flow of the Group's four anchor expressways with the largest AOP contributions, namely Hangzhou Ring Road, Tangjin Expressway (Tianjin North Section), Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section), all recorded steady growth with the highest growth rate of 18%.
- The Group operates 15 roads in Mainland China, in which seven are located in the Greater Bay Area. Roads in the Greater Bay Area registered up to 28% year-on-year increase on the average daily traffic flow posted for the Period. Their prospect is set to continue to benefit from the Greater Bay Area development plan.
- Following the acquisition of 40% interest of Hunan Sui-Yue Expressway in December last year, the Group entered a memorandum of understanding with the seller in relation to the proposed acquisition of 25.59% equity interest in Guangxi Guiwu Expressway in January 2019.

Aviation

- Subsequent to the partial divestment of the Group's interest in BCIA in January 2018, the remaining interest of 5.55% was reclassified from an associated company to a financial asset, resulting in the decline of the AOP of the aviation segment.
- Goshawk completed the acquisition of Sky Aviation in September last year and was catapulted to be one of the top 10 aircraft lessors in the world. Together with the order of 40 narrow-body aircraft directly from Airbus and Boeing, Goshawk's owned, managed and committed fleet has reached 216 aircraft with a combined market value of US$11.1 billion.

Construction

- AOP of Construction business soared 38% to HK$655.4 million in the Period, reflecting continuous improvement in gross profit and satisfactory job progress.
- As at 31 December 2018, the gross value of contracts on hand was approximately HK$39.1 billion and the remaining works to be completed amounted to approximately HK$22.1 billion.
- The Xiqu Centre in West Kowloon Cultural District, built by Hip Hing, was officially opened in January this year. This world-class art facility outstands as the first completed landmark in the Cultural District.

Environment

- Notable increase of AOP by 53% to HK$449.6 million due to a one-off fair value gain shared by the Group as a former joint venture was accounted for as a subsidiary by SUEZ NWS Limited (“SUEZ NWS”). Disregarding the one-off gain, the AOP of SUEZ NWS shows steady growth with its business spanning across water, wastewater and waste treatment.
- The water and waste-to-energy business of Chongqing Derun Environment Co., Ltd. remained stable.

Logistics

- Despite the looming China-US trade war, Logistics segment still registered steady performance in the Period with AOP reaching HK$338.5 million.
- The newly renovated ATL Logistics Centre has recorded an average occupancy of 99.4%.

Transport

- Although the fare hike application of New World First Bus Services Limited and Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) gained approval with an average fare increase of 5.6% and 7.0% respectively, the new fare only came into effect on 20 January this year and the escalating pressure from the fuel and operating costs has not been alleviated in time, leading to the Transport business swinging into a loss for the Period.

Facilities Management

- HKCEC's business remained stable; 521 events were held with a total patronage of approximately 5.2 million. Hong Kong Convention and Exhibition Centre (Management) Limited won the Phase II contract in the global tendering process (2018-2028), the higher royalty and provision for committed capital expenditure has impacted the segment's AOP.
- The Free Duty new shop at Hong Kong-Zhuhai-Macau Bridge has recently commenced operation under a 5-year contract.
- The market has a strong demand in quality healthcare. The Gleneagles Hong Kong Hospital, in which the Group has 40% interest, has commenced operation for nearly two years. Its first satellite clinic is set to open in Central in Q1 2019, and it is also planning to launch its psychiatry inpatient service in Q1 2019, which will be the first private hospital to have such service in Hong Kong.

Outlook

- With RMB regaining momentum recently, it is expected to bring a positive impact to the Group's Mainland China business.
- The Group announced the HK$21.5 billion acquisition of FTLife at the end of last year, signaling its entry into the insurance industry. The management believes the acquisition will bring stable cash flow and generate synergies in various aspects, to become one of the Group's growth drivers in the future.
- The Group's Roads, Aircraft Leasing, and the insurance business where the deal is due to complete in the future, is set to benefit from China's commitment in pushing ahead its Greater Bay Area development plan.
- The Group will strive to optimize its business, and continue seek out new investment opportunities proactively and bring in new business with stable cash flow and dynamic growth drivers to enhance operational efficiency and maximize shareholder return.
- Although the China-US trade war will bring uncertainties to the global economy in the short term, the management is confident that the growth momentum of the Group's business remains strong and will strive to continue enhance its return.

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

NWS Holdings Limited

Publicly listed in Hong Kong, NWS Holdings Limited (Stock Code: 659) is the diversified industries flagship of New World Development Company Limited (Stock Code:17) with a focus on infrastructure and services. It has diverse businesses and investments predominantly in Hong Kong and Mainland China, spanning sectors from toll roads, environmental management, commercial aircraft leasing, to logistics facilities, construction and transport, and facilities management. Please visit www.nws.com.hk for details.

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