



新創建 NWS

FY2021 Annual Results

Analyst Presentation

30 September 2021

New World Group Member

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≡ Simplified Business Portfolio

Core Business



15 toll roads in the Mainland
(total length c.742 km)

Roads



Aviation (aircraft leasing)



Construction



Insurance

Strategic Portfolio



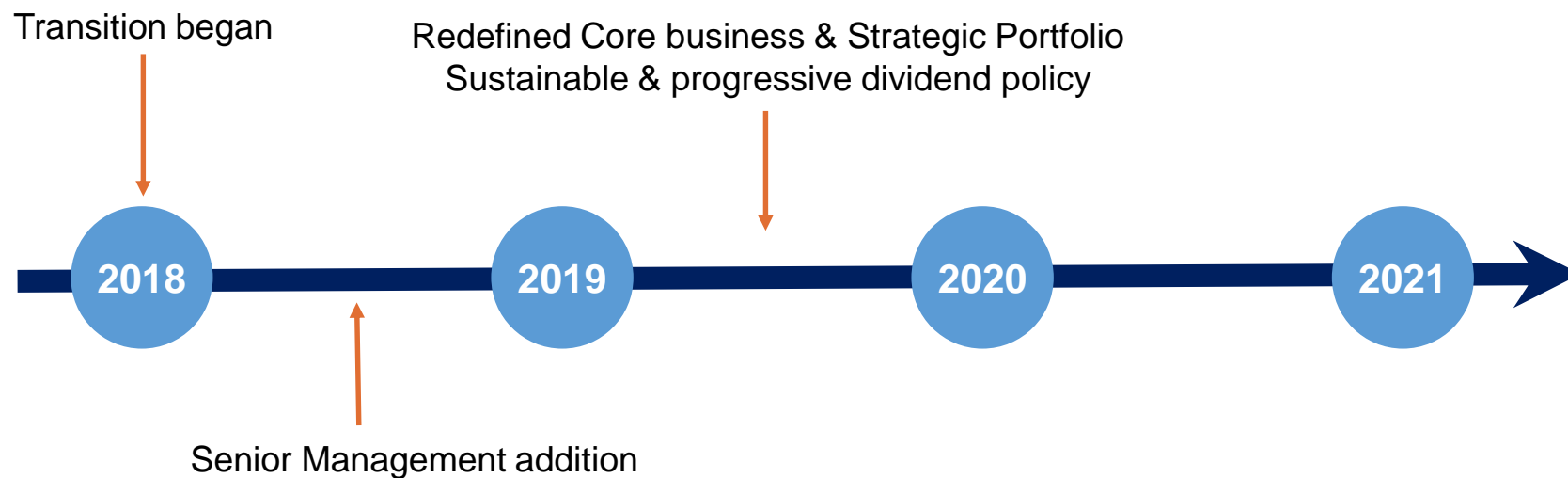
Logistics



Facilities Management

Significant achievement in corporate transformation

Acquired: FTLife & 3 expressways in Central Region
Total considerations over HK\$28Bn



Significant Progress Achieved

- ✓ Maintained healthy gearing level at 25%
- ✓ Simplified business portfolio
- ✓ Sustainable & Progressive Dividend Policy

Disposal: Non-core assets in Ports, Transport & Environment
Total considerations¹ c.HK\$20Bn



Notes:


1.Non-core disposal since FY2018 incl. disposal of SUEZ NWS & XCTG, which are pending completion

Excellent track record in capital recycling & delivering value accretive acquisitions & disposals

Major acquisitions




- ✓ Attractive transaction valuation vs precedent deals
- ✓ Immediate AOP contribution



 Insurance	 New World Group Member 新世界集團成員		Peers Avg. ¹	<ul style="list-style-type: none"> • Contribute 19% of FY21 AOP • EV +26% (vs. 1H FY20)
	P/B	1.5x	3.5x	
	P/EV	1.3x	1.7x	




 Roads		<u>Consideration</u>	<u>FY21 AOP</u>
	Suiyuanan (FY18)	c.RMB1,100M	Contribute
	Suiyue (FY19)	c.RMB470M	>10% of FY21
	Changliu (FY20)	c.RMB4,570M	Roads AOP
Total	RMB6,140M		



Major disposals

- ✓ Value accretive with NAV uplift
- ✓ Disposal businesses with dim outlook at premium valuation

 Transport	 		Peers Avg. ²
	P/E ¹	359.6x	25.8x
	P/B ¹	0.8x	0.6x

 Transport			Peers Avg. ³
	P/E	20.0x	8.8x
	EV/EBITDA	13.2x	5.2x

 Environment	 		Peers Avg ⁴ 10.7x (HK listed: 5.6x Asia listed: 14.5x)
	P/E	SUEZ NWS: 17.9x Derun: 16.0x	

 Logistics			Peers Avg. ⁵
	P/E	17.0x	7.1x
	P/B	0.9x	0.6x

Notes:

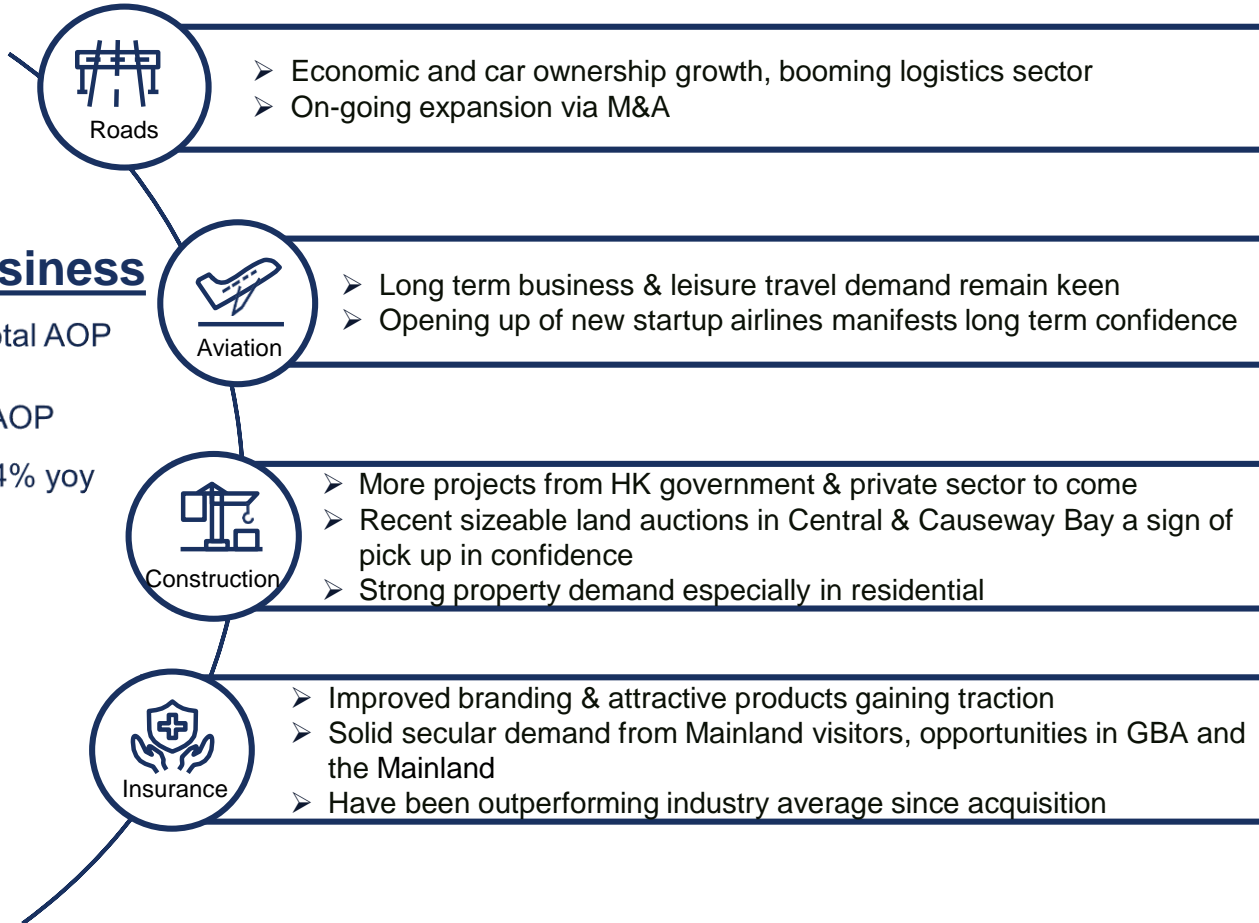
1. Average of peers' transaction valuations incl. Tahoe/Dah Sing Life, Jenration AXA Wealth Mgt, RL360/Friends Provident Int'l, Yunfeng Financial/MassMutual Asia and Pacific Century Group/ING HK & TH
2. P/E & P/B of NWS Transport Services Ltd (owns New World First Bus & Citybus) calculated based on FY2019 net profit & unaudited NAV as at 31 Dec 2019. Peer incl. Transport International, as at 21 Aug 2020
3. As at 4 May 2020, incl. Chu Kong Shipping and Transport International
4. As at 12 Jan 2021. HK listed water operation companies include Beijing Enterprises Water Group, China Water Affairs Group, and SIIC Environment; China listed water operation companies include Jiangxi Hongcheng Waterworks, Beijing OriginWater Tech, Beijing Capital and Grandblue Environment
5. As at 30 Jun 2021, incl. the most relevant peers listed on HKEx, namely China Merchants Ports, IPC and Qingdao Port International
6. Excl. transaction of NWS Transport Services Ltd

Sustainable long term growth


Core business

✓ 81% of total AOP

✓ FY2021 AOP growth 34% yoy



Future Capital Deployment

-  Partnership with SOE & major Mainland investors in [regional clusters](#)
-  Warehouse / Cold chain / Technology & integrated service provider in [the Mainland & SEA](#)
-  Insurance Expansion in [the Mainland \(with GBA focus\)](#)

Key investment selection criteria

- Strong growth prospect / attractive risk adjusted returns
- Solid recurring cash flow / income
- Target at least high single digit return on capital deployed

Enhanced earnings quality underpinned by resilient and strengthened Core Business

Strong rebound with potentials yet to be fully reflected

Short term catalyst (the Mainland border reopens)



Insurance

- 1H21 overall APE & HK business +27% & +49%, respectively
- Mainland visitors (pre-COVID-19: c.30% of APE) set to return
- Uptrend in interest rate beneficial to insurance company
- New product launch in Sep/Oct 2021



Facilities Management – HKCEC

- Stringent cost savings
- Gradual resumption of exhibitions & local events amid stabilizing COVID-19.



Facilities Management – GHK

- GHK & Central clinic ramp up ahead of budget
- Quality healthcare service with improved brand recognition attracting Mainland visitors especially GBA



Facilities Management – Free Duty

- Stringent cost savings
- Well-positioned for swift rebound upon border reopening

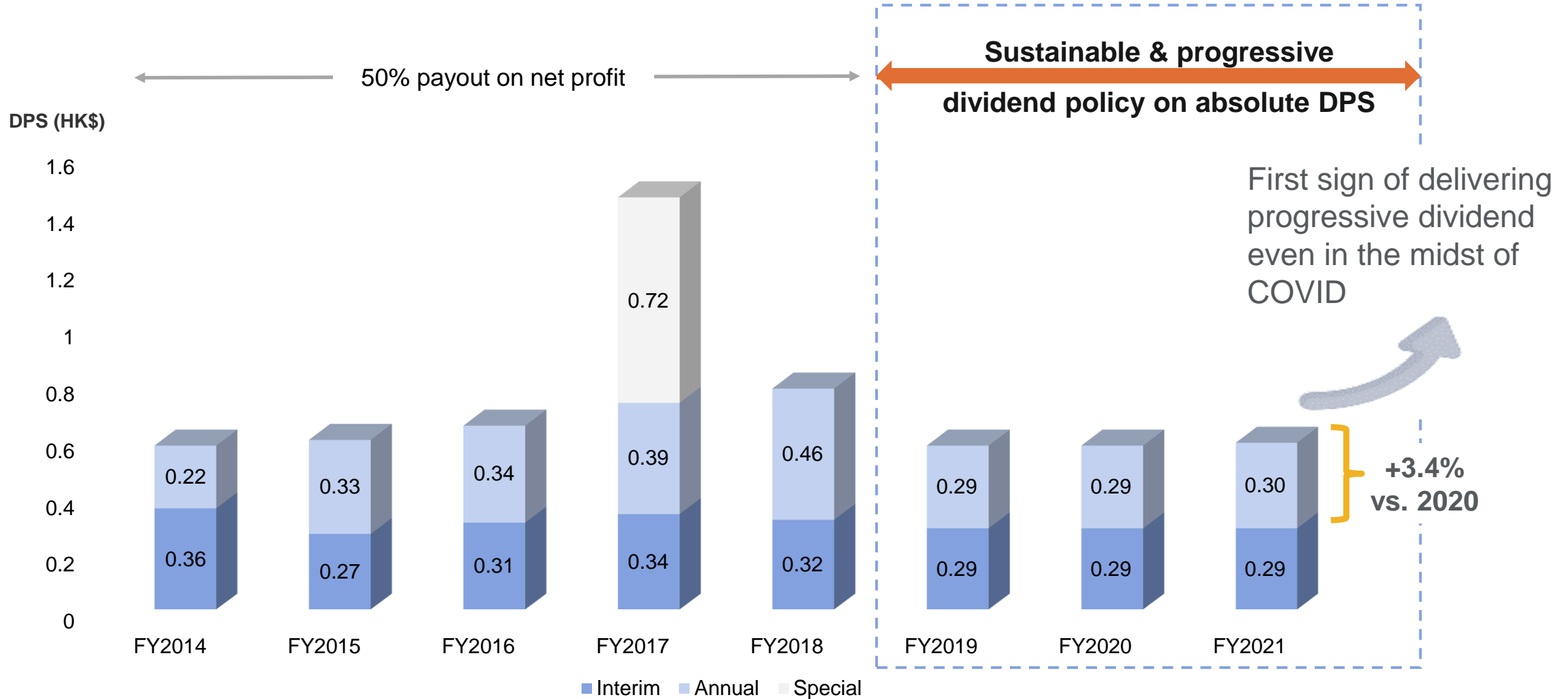
AOP ↑ 49%
(vs FY2020)

Jun 2020

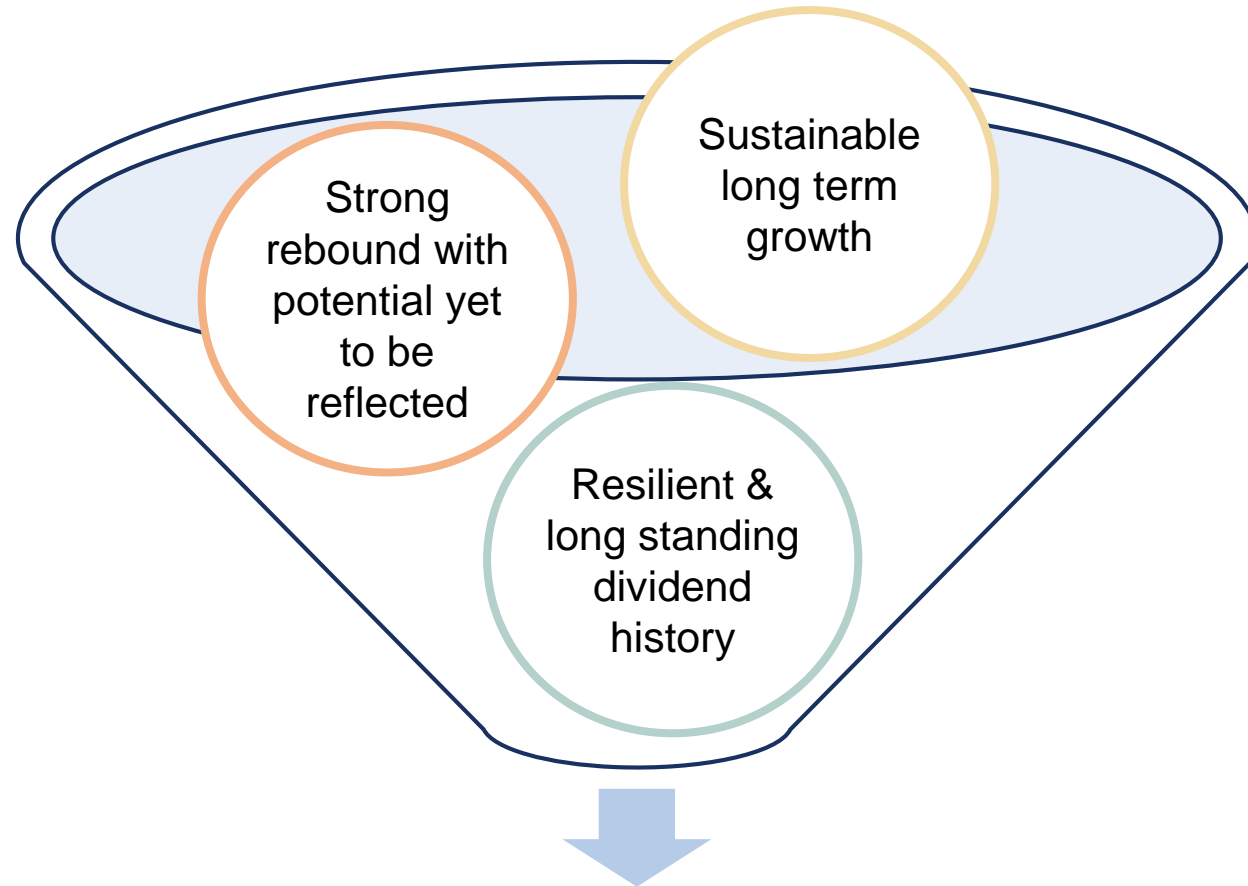
Jun 2021

Jun 2022+

Resilient & long standing dividend history



≡ Sustainable shareholders value creation



Enhanced Earnings Quality + DPS growth

Financial highlights

For the year ended 30 Jun	2020 (HK\$MM)	2021 (HK\$MM)	YoY change %
Revenue¹	22,612.2	28,197.3	25
Attributable Operating Profit (AOP)²	3,514.3	5,225.9	49
<i>Core Business</i>	3,145.7	4,223.7	34
<i>Strategic Portfolio</i>	368.6	1,002.2	172
Non-operating gains/(losses)³	(1,631.3)	(2,555.5)	
Finance costs	(737.4)	(483.4)	34
Expenses and others	(491.1)	(435.8)	11
Profit for the year⁴	835.1	1,729.6	107
Profit attributable to			
Shareholders of the Company	253.2	1,146.5	353
Holders of perpetual capital securities	581.9	583.1	-
Basic Earnings per share (HK\$)	0.06	0.29	383
Dividend per share (HK\$)	0.58	0.59	
Adjusted EBITDA⁵	4,729.9	5,637.5	

- Roads & full period contribution of FTLife

- Improved performance of Facilities Management
- Strategic Investments – improved performance of investments & upward revaluation with market recovery

- Lower finance cost due to stronger balance sheet and lower interest rate

- Stringent cost control

Non-operating losses mainly include:-

- remeasurement loss HK\$1,373.8MM upon the reclassification of investment in Wai Kee to an asset held-for-sale
- provision for expected credit loss and aircraft repossession/recovery costs for Goshawk HK\$553.3MM
- remeasurement loss associated with the disposal of Derun Environment HK\$228.1MM

Notes:

1.Excluding revenue from discontinued operations

2.Attributable operating profit (“AOP”) is defined as profit available for appropriation before corporate office & non-operating items

3.Including loss on fair value of investment properties HK\$13.2MM, remeasurement, impairments and provisions HK\$2.6Bn & net gain on disposal of projects (net of tax) HK\$9.3MM

4.Profit for the year after tax after non-controlling interest

5.Adjusted EBITDA is calculated as gross profit minus general & administrative expenses, & selling & marketing expenses plus depreciation/amortization, dividends received from associated companies & joint ventures & interest income from financial assets at fair value through other comprehensive income

Performance by segment

For the year ended 30 Jun		2020 (HK\$MM)	2021 (HK\$MM)	YoY change %	
Core Business	Roads	907.4	1,807.5	99	Rapid traffic recovery after resumption of toll fee collection. Excl. RMB appreciation, AOP +88%.
	Aviation	421.9	496.0	18	
	Construction	1,066.0	948.5	(11)	Ceased account for the profit of Wai Kee since 31 Dec 2020
	Insurance	750.4	971.7	29	Full year contribution from FTLife
	<i>Subtotal</i>	<i>3,145.7</i>	<i>4,223.7</i>	<i>34</i>	
Strategic Portfolio	<i>Continuing Operations</i>				
	Logistics	627.8	663.0	6	<ul style="list-style-type: none"> GHK AOL narrowed AOL from HKCEC (c.50% of segment AOL) Free Duty AOL narrowed due to stringent cost control
	Facilities Management	(771.8)	(649.3)	16	
	Strategic Investments	251.0	739.4	195	<ul style="list-style-type: none"> Strong AOP recovery from JV & associated companies Upward revaluation with market recovery
	<i>Discontinued Operations</i>				
	Environment	380.4	244.3	(36)	
	Transport	(118.8)	4.8	104	
<i>Subtotal</i>	<i>368.6</i>	<i>1,002.2</i>	<i>172</i>		
Grand Total		3,514.3	5,225.9	49	

Core Business



Swift recovery

- ▶ Rapid economic recovery & fast-growing logistics sector drove swift recovery

Noticeable rebound in traffic and toll revenue

	FY2021 vs FY2020	FY2021 vs FY2019
Overall portfolio traffic volume	+45%	+13%
Overall portfolio toll revenue	+42%	+9%
4 anchor expressways traffic volume	+38%	+2%

- ▶ 4 anchor expressways¹ contributed c.80% of Roads AOP
- ▶ 3 expressways in Central Region² start to bear fruits, contributing >10% of Roads AOP
- ▶ Compensation measures for toll fee exemption still in discussion with Government

Outlook

- Continue to pursue new investment opportunities in the Mainland such as GBA & Central region
- Explore new technologies or technology upgrade to improve safety, efficiency & traffic
- First premium service centre in the Mainland - HZRR Westlake Service Area's cashierless and contactless convenience store & hotel
 - Potentially expand to other toll roads & franchise to other toll road operators



Notes:

1. 4 anchor expys: Hangzhou Ring Road (100%), Tangjin Expy (TJ North Section) (60%), Guangzhou City Northern Ring Road (65.29%) & Beijing-Zhuhai Expy (GZ-ZH Section) (25%)
 2. 3 expys in Central Region: Suiyuanan Expressway (30%), Sui-Yue Expressway (40%) & Changliu Expressway (100%)



Improving business environment

- ▶ Our lessees benefited from global rollout of vaccination, gradual resumption of domestic flights, formation of travel bubbles programmes & relaxation of travel restrictions in certain countries
- ▶ No. of requests for rental deferral continued to decrease & deferred rental payment continued to be repaid
- ▶ Collection rate improved to 92% in 2Q 2021 (2Q 2020: 68% & 4Q 2020: 82%)
- ▶ Firm financial footing; record high cash & undrawn liquidity of US\$1.6Bn
 - US PP: well received by investors with over subscription
- ▶ Impairments, expected credit loss and aircraft repossession/recovery costs c.HK\$553.3MM

Young & in-demand aircraft portfolio with diversified customer base

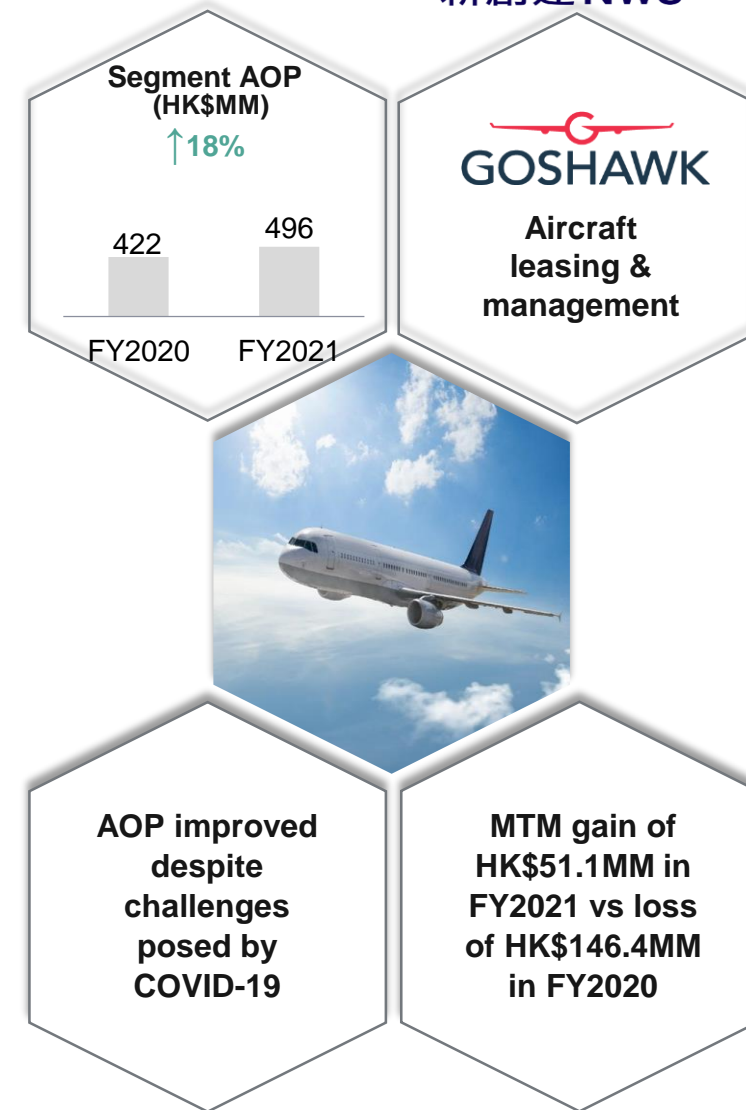
Fleet size¹	222 aircraft (incl. 40 direct orders)
Overall appraised value	c.US\$9.9Bn
Narrowbody aircraft	c.78%
Global customer base ²	60 airlines over 34 countries
Age ²	Avg 5.4 years
Long remaining lease terms ²	Avg 5.6 years
Owned aircraft utilization rate in FY2021	99%

Outlook

- Constructive long term outlook; Goshawk's most liquid narrowbody aircraft set to spearhead post-COVID19 recovery once int'l travel returns to normal
- Maintain prudent & disciplined business strategy to strike a balance between growth & risk
- Potentially further expanding asset management and exploring innovative financing solutions

Notes:

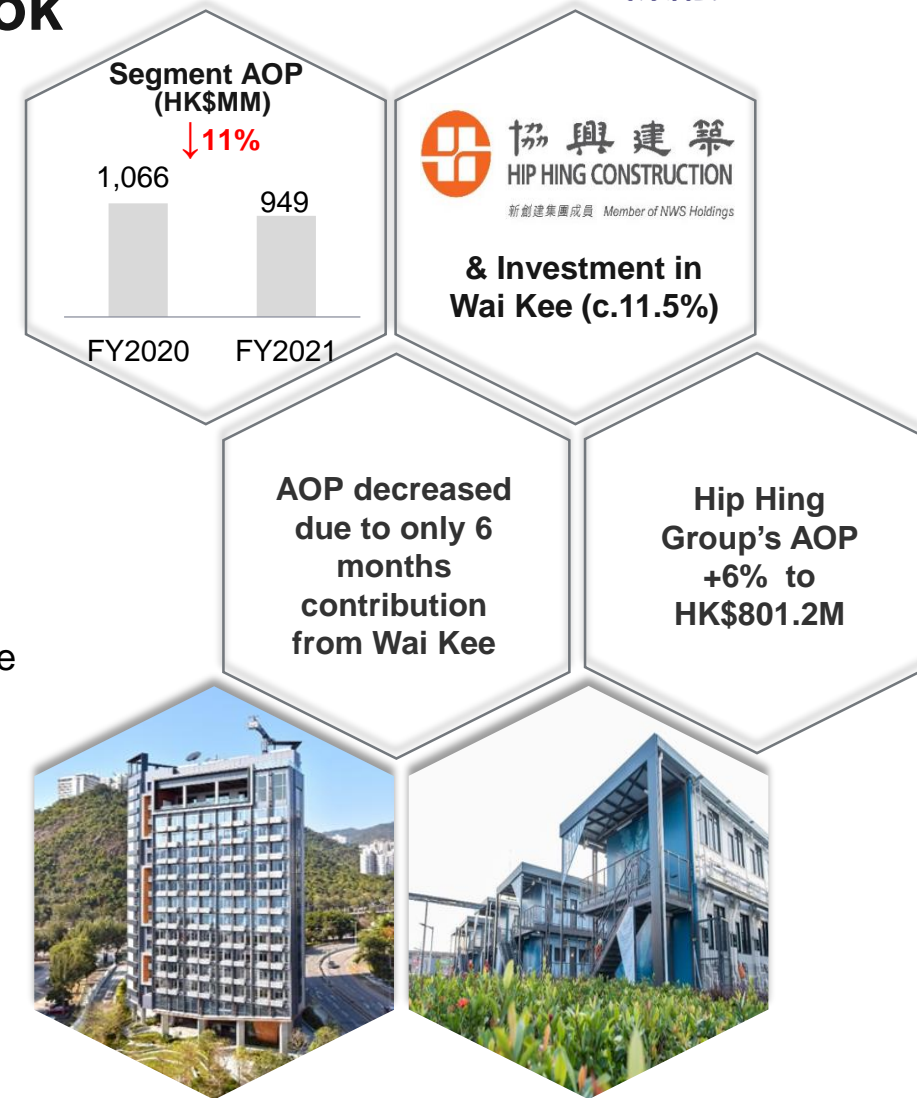
1. Incl. owned, managed & committed
2. Based on 162 aircraft on book as at 30 Jun 2021





Steady performance with positive long term outlook

- ▶ FY2021 New contract awarded: HK\$7.0Bn¹
- ▶ Delay in tenders offered in market due to COVID-19
 - Contract on hand HK\$49.4Bn (-6% yoy)
 - Backlog HK\$28.2Bn (-22% yoy)
- ▶ Improve construction efficiency, reduce onsite energy use & construction waste via adoption of wider electrification & innovative technologies (e.g MiC)
- ▶ Type of projects (as at 30 June 2021)
 - 70% Private²
 - 30% Government³ & Institution
- ▶ Investment in Wai Kee reclassified from an associated company to an asset held-for-sale on 31 Dec 2020. No equity pick up since 1 Jan 2021.



Outlook

- Optimistic long term construction demand from government & private sectors underpinned by HK Government's resolution in alleviating housing shortage
- Adoption of construction technologies to further improve construction efficiency and mitigate cost pressure

Notes:

1. Incl. the residential development in Tai Wo Ping, AIA urban campus redevelopment, transitional housing project in Tung Tau, Yuen Long, the design and construction of temporary quarantine facilities in Penny's Bay & foundation works for public rental housing development in Sheung Shui
2. All external/third parties' projects
3. Incl. Kai Tak Sports Park



Quality HK life insurer outperforming market

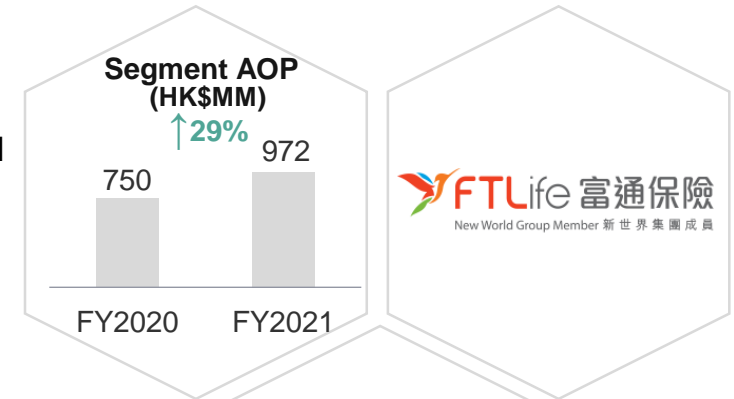
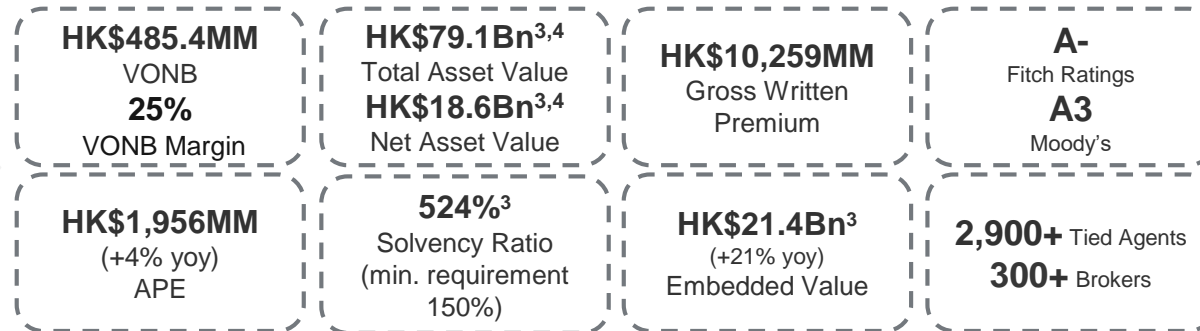
- ▶ New brand strategy “Think Beyond Insurance”
- ▶ Insurance product enrichment¹ fueled growth of APE of HK domestic business by 49% in FY2021

APE growth outperformed HK overall industry in 1H 2021

	FTLife	Industry
APE - Overall	+27%	0%
APE - HK domestic business	+49%	+16%
Market Rank by APE (as at 30 Jun 2021)	12 th (From 13 th)	

- ▶ Overall investment return² of FTLife’s investment portfolio was 4.3%

FY2021 Key figures



Full period contribution in FY2021 vs 8-month contribution in FY2020



Flexible business strategy, swift product innovation & adjustments prompted the solid results

Outlook

- Secular growth outlook remains driven by raising healthcare awareness, solid demand for insurance protection and pent-up demand from Mainland visitors to boost post-COVID-19 growth
- Continue to recruit high-calibre talents, strengthen agency force & distribution channel, create more innovative products & collaborate with NW Group to propel growth

Notes:

1. New insurance plans such as “On Your Mind” Insurance Plan, “Prosperous Deferred Annuity Plan 2” & new Qualifying Deferred Annuity Policy for 20 years old or above
2. Investment return includes interest/dividend and realized gain/loss on disposal
3. As at 30 Jun 2021
4. Excl. goodwill arising from business combination

Strategic Portfolio



Outstanding assets driving resilient performance

- ▶ **ATL Logistics Centre (ATL) (Contributed c.70% of Logistics AOP)**
 - Leader in HK market with premium facilities & quality services
 - Occupancy 99.7%; average rent +1%
- ▶ **CUIRC**
 - AOP +63% yoy; Throughput 4.9MM TEUs (+25% yoy)
 - Benefit from further development of rail intermodal transportation, international block train & brisk expansion of logistics services
 - New Guangzhou terminal to commence operation in FY2022
- ▶ **Xiamen Container Terminal Group (XCTG)**
 - AOP +16% yoy (-3% vs FY2019)
 - Throughput 9.2MM TEUs (+9% yoy)
 - Announced proposed disposal and signed SPA in Jun and Aug 2021 respectively¹ at a total consideration of RMB1,568MM (see appendix for details)

		Peers Avg. ²
- P/E	17.0x	7.1x
- P/B	0.9x	0.6x

Outlook

- Actively expanding in modern logistics to capture the rising demand of specialized logistics & to ride on the synergies with ATL & CUIRC to build a holistic logistic platform
- ATL – continue benefit from solid demand for high quality large scale warehouse in HK
- CUIRC – continue to ride on favourable government initiatives & policies and further expansion of its terminal network

Notes:

1. Subject to completion
2. As at 30 Jun 2021, incl. the most relevant peers listed on HKEx, namely China Merchants Ports, IPC and Qingdao Port International





Improving performance

- ▶ **GHK Hospital – AOL further narrowed & EBITDA breakeven since May 2021**
 - Outpatient & inpatient admission +45% & +29% yoy
 - Central clinic continues to ramp up (breakeven since July 2021)
 - Collaborate with NW Group & major insurance companies to fuel growth
 - Launched DrGo (a teleconsultation platform) & My Gleneagles SmartHealth (GHK Hospital’s patient mobile application)
 - Regularly utilized beds increased to 210 (FY2020: 194)
- ▶ **HKCEC – sequential improvement in 2H FY2021 (c.50% of segment AOL)**
 - No. of events held: 235 (-45% yoy) (130 in 2H vs 105 in 1H)
 - Total patronage: c.1.0MM (-77% yoy) (c.672K in 2H vs c.365K in 1H)
- ▶ **Free Duty**
 - 3 outlets at Lo Wu, Hung Hom & Lok Ma Chau remain closed
 - New business initiatives, such as pop-up stores at D•Park and THE FOREST and e-commerce website, FD Mall, to expand source of income with immediate profit contribution

Outlook

- GHK with improved brand recognition – continual improvement in performance & service quality, deepening collaboration with major insurance companies in HK and further integration with NW Group’s ecosystem
- Overall segment bottoming out and well positioned for swift rebound upon border reopening



Discontinued operations

▶ SUEZ NWS & Derun Environment

- Disposal of Derun Environment completed in May 2021
- Disposal of SUEZ NWS expects to be completed in FY2022¹
- Attractive valuation with implied FY2020 P/E:
 - SUEZ NWS: c.18x
 - Derun Environment: c.16x

Notes:

1. Subject to completion



Environment, Social & Governance (ESG)

Achievements in ESG

Performance highlights for 2021

ESG ratings and recognitions (as of 20/8/2021)



Overall Rating: **AA+**

- Listed on Hang Seng Corporate Sustainability Benchmark Index since 2013

MSCI ESG Rating: **BBB from BB**



Sector ranking: **29 out of 267**

FTSE ESG Rating: **3.1 from 2.8 out of 5**

Vigio Eiris Sector ranking: **3 out of 25**



Best Corporate Governance Award 2020

Gold Award in the Non-Hang Seng Index (Medium Capitalization) Category in the Institute's 20th Anniversary Best Corporate Governance Awards



Racial Diversity & Inclusion Charter for Employers 2020

- "Equal Opportunity Employer – Family Status Equality"
- "Racial Diversity & Inclusion Charter for Employers"



HR Asia Best Companies to Work for in Asia 2021

Sustainability financing

NWS First Sustainability-linked Loan

- On 29 June, NWS announced first sustainability-linked loan of HK\$1Bn with Crédit Agricole Corporate and Investment Bank



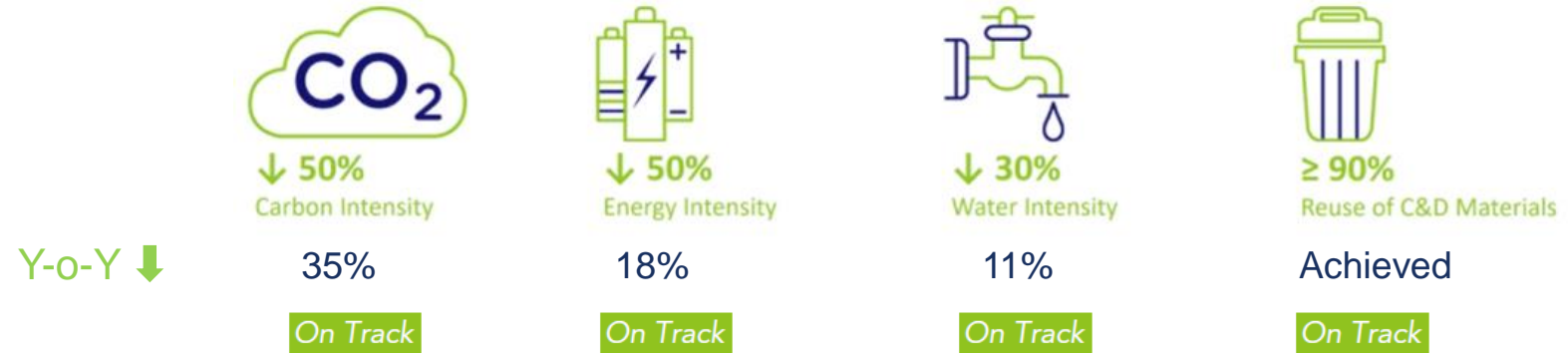
Total amount of sustainability financing as of 30 June 2021 - HK\$3.8Bn



Three additional Sustainability-linked Loans in 2021

- Totaled HK\$2.8Bn

Environmental Targets (Baseline: FY2013)



The environmental metrics for FY2021 suggest significant progress towards our 2030 targets. However, the impact of the pandemic has led to a reduction in business activities and correspondingly reduction in energy and water consumption intensity. For example, the energy consumption of HML has reduced by >50% in FY2021 comparing to FY2019 (before COVID-19) and the three outlets of Free Duty has remained closed as a result of border closure. We should take a longer-term perspective in monitoring the target performances as we anticipate sequential business rebound from the pandemic.

Social Targets (Since FY2015)

Wellness

Promoting health in body and mind



Maintain Lost-Time Injury Rate ("LTIR") below 3.0 per 100 Employees

On Track

Improve the well-being of >4 million beneficiaries

On Track

Caring

Nurturing our communities and culture



Enhance quality of life of >17 million beneficiaries

On Track

Accumulate 175,000 hours of voluntary service to the Community

On Track

Key initiatives in place

- **Completed 1st Climate-related Transition Risk Assessment towards low carbon economy in 2021** (updated Feb 2021)
- **NWS' Sustainability-Linked Loans totaled HK\$3.8 billion as of 30 June 2021**
- Climate Change Policy established (along with Sustainability Policy)
- Progress of climate related targets: GHG⁽¹⁾ and Energy intensity reduction of 50% by 2030 (on track)
- Climate scenario planning study piloted to assess physical risks for HKCEC
- Sustainability Forum conducted “***Building Our Resilience against Climate Change***”
- Signatory of BEC Low Carbon Charter
- BEC⁽²⁾ Climate Change Business Forum Advisory Group – Steering Committee member
- As an investor:
 - Progressively phasing out investments relating to coal fired power
 - Adopting ESG considerations for future investments

Notes:

1. GHG – Greenhouse Gas

2. BEC – Business Environment Council



Hangzhou Ring Road: Innovation for enhanced, sustainable customer experience

- A pioneering concept for **West Lake Service Area**, scheduled to begin operation by end of 2021
- Awarded a number of international accolades for innovation
- Offering holistic experience to refresh and engage road users with
 - Unmanned convenience store
 - Two modern capsule hotels and
 - Opportunities for cultural immersion in the history of Hangzhou
- Sustainability Design features include:
 - Renewable energy from solar panels with estimated energy generation of 440,000 kWh/ year (equivalent to 94 households annual energy use in HK)
 - Installation of >50EV chargers, including NIO Battery Swap Station
 - Zero wastewater discharge design including wastewater treatment facilities and rainwater collection system
 - Energy efficient AC designs and Double-/ Triple- glazed façade etc.





≡ Hip Hing: Technological Innovation for premium services

- A leading contractor in Hong Kong committed to continual innovation to enhance performance in quality and safety
- Adoption of Advanced Construction Technologies including the use of:
 - Building Information Management (BIM)
 - Highly recognized BIM Achievement Awards in 2021, scooped 7 accolades for sustainable construction, reducing waste and costs
 - Modular Information Construction (MiC)
 - Built 1st high-rise MiC building – Innocell in HK
 - Built temporary quarantine facilities at Penny's Bay with 857 units in 3 months
 - Use of 5G-powered application, robotics, IoT, augmented and virtual reality in BIM, drones for surveillance and smart analytics to help boost work efficiency, enhance safety and building quality
- Adoption of decarbonization roadmap

Decarbonization in Construction

Industrial technology in Sustainable Construction
e.g., BIM, MiC

Electrification in construction sites

Digitalization in construction

Practicing green construction



Application of BIM →

← Adoption of MiC →





FTLife Insurance: Innovation for Long-term Customer Wellbeing

- Awarded seven accolades at the Bloomberg Businessweek/ Chinese Edition Financial Institution Awards 2021 and the Metro Finance GBA Insurance Awards
- Award-winning insurance product to meet society’s rapidly revolving needs in a time of crisis
 - “HealthCare 168 Plus” Critical Illness Protector – 1st in market to protect against loss of functionality of key organs
 - “On Your Mind” offers policy holders a “reverse mortgage”
- Wellness protection during COVID
 - Offered extended grace period for payments affected by the pandemic



5 awards won in Bloomberg Business/ Chinese Edition Financial Institution Awards 2021

Endorsement of FTLife Insurance’s Commitment to Innovation and Excellence

Bloomberg Businessweek/Chinese Edition Financial Institution Awards 2021

- Life Insurance – Excellence Performance – “On Your Mind” Insurance Plan
- Critical Illness – Outstanding Performance – “HealthCare 168 Plus” Critical Illness Protector
- Recruitment Program of the Year – Excellence Performance – LEAP & Beyond Programme
- Training and Development Achievement – Excellence Performance – Agency Force
- Integrated Marketing (Branding Promotion) – Outstanding Performance – “Embrace Change for Better Future”

Metro Finance GBA Insurance Awards – Hong Kong Region 2021

- Most Innovative Product Award – “On Your Mind” Insurance Plan
- Outstanding Training and Development Award



Appendices

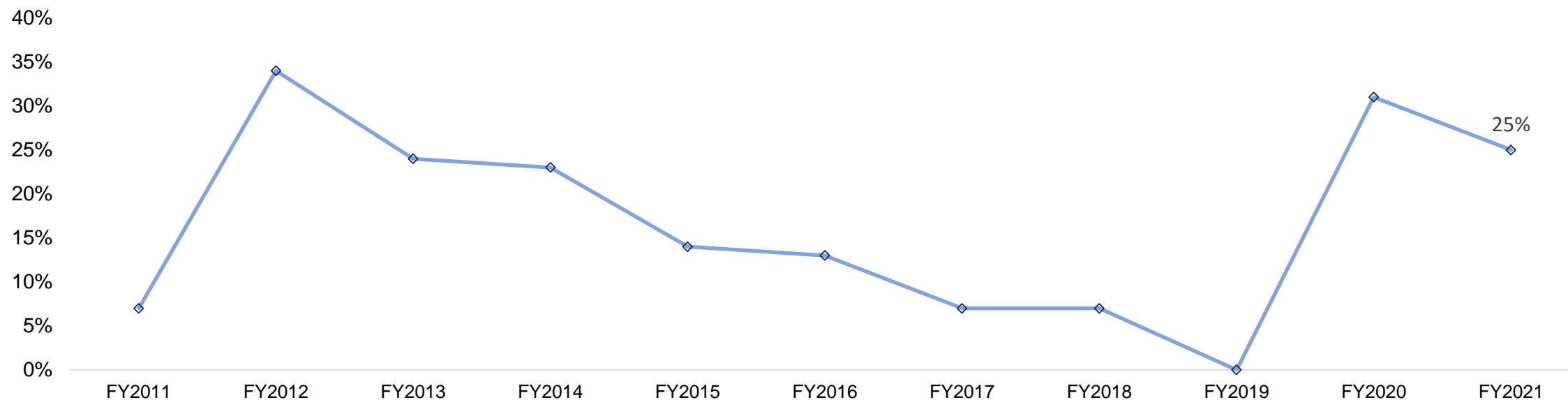
Corporate Structure



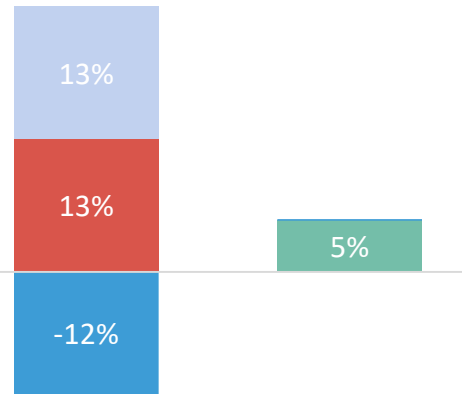
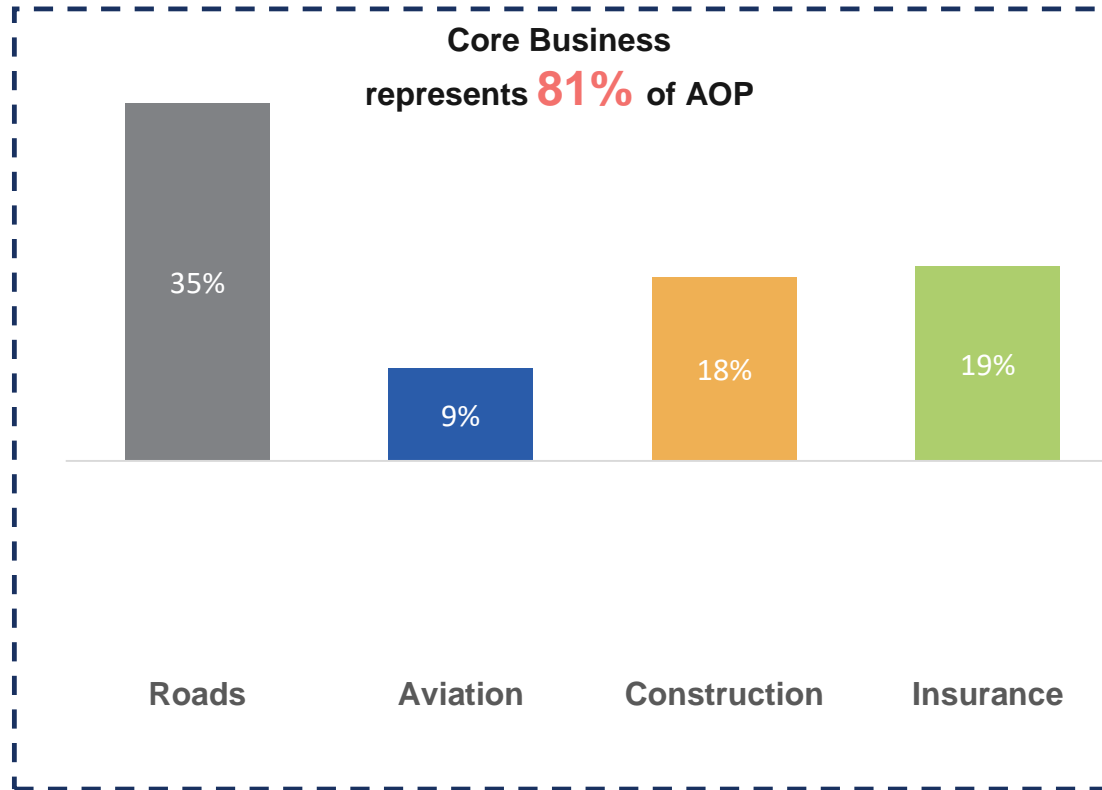
Financial highlights

As at	30 Jun 2020 (HK\$MM)	30 Jun 2021 (HK\$MM)
Total cash & bank balances	13,221.8	10,804.6
Total debt	30,955.7	25,348.0
Net debt position	17,733.9	14,543.4
Net gearing ratio	31%	25%

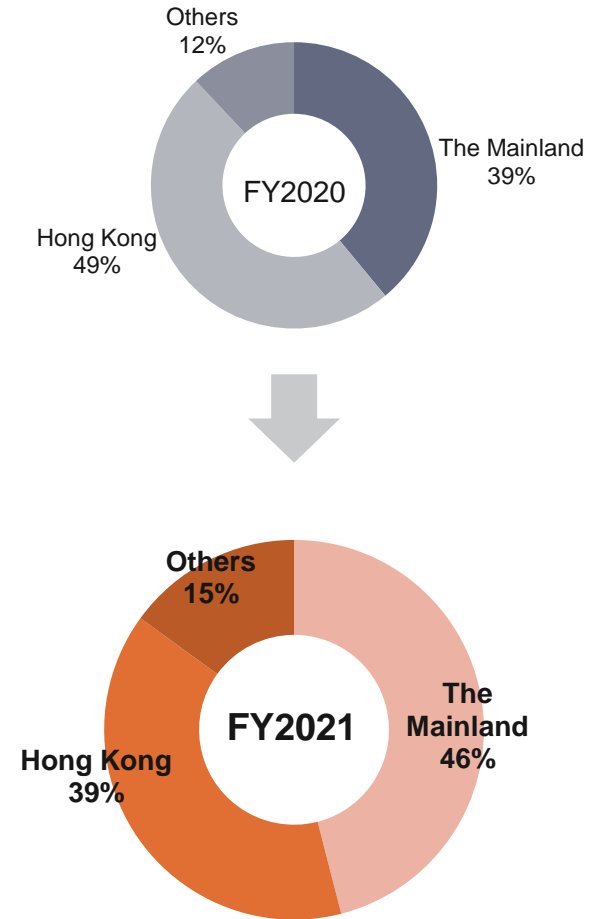
Net Gearing Ratio
















AOP by segment and geography



- Logistics
- Facilities Management
- Strategic Investments
- Environment
- Transport

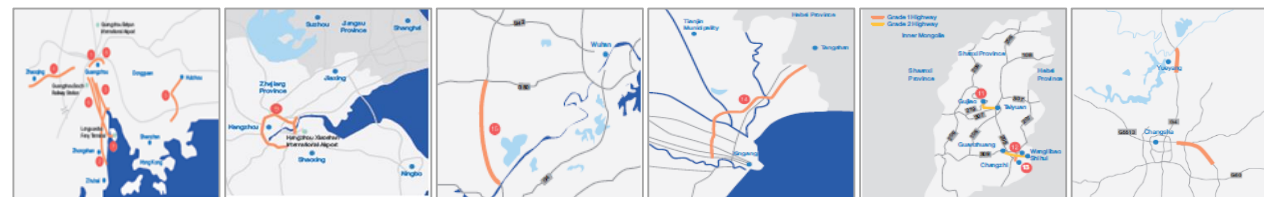


Summary of FY2021 non-core asset disposal – AOP Impact

		Completion Date	FY2021 AOP Contribution	FY2022 AOP Contribution
 Transport  	15 Oct 2020	HK\$4.8M	Nil	
	 Transport 			8 Dec 2020
 Environment 	11 May 2021	FY2021: 6-month HK\$244.3M	Nil	
 Environment 	Expected in FY2022	FY2020: SUEZ NWS – HK\$232.7M Derun – HK\$147.8M	Dividend covering the period from 1 Jan 2021 till the date of completion	
 Construction  Wai Kee Holdings Limited <small>(Incorporated in Bermuda with limited liability)</small> 惠記集團有限公司 <small>(於百慕達註冊成立之有限公司)</small>	7 Apr 2021	6-month HK\$147.3M	Dividend from the remaining stake: 11.49% (asset held-for-sale)	
 Logistics  廈門集裝箱碼頭集團 XIAMEN CONTAINER TERMINAL GROUP	Expected in FY2022	Approx. 15% of Logistics AOP	Nil	



Portfolio of 15 toll roads in the Mainland c.742 km



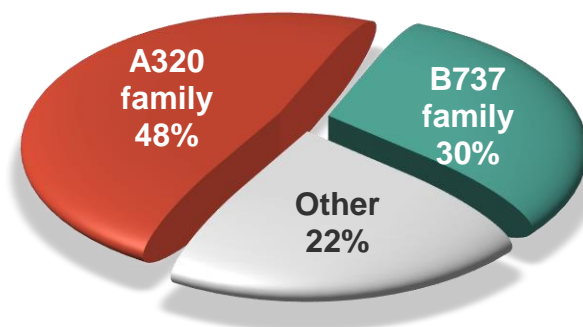
	Guangdong	Zhejiang	Hubei	Tianjin	Shanxi	Hunan
# of Roads	7	1	1	1	3	2
Length	313.9 km	103.4 km	98.06 km	60.67 km	76.52 km	89.08 km
Concession Expiry	2023–2035	2029	2040	2039	2023–2025	2038-2043
Cumulative Average Daily Traffic Flow ('000)	1,220	341	33	80	6	82

- 4 anchor expys, namely Hangzhou Ring Road (100%), Tangjin Expy (TJ North Section) (60%), Guangzhou City Northern Ring Road (65.29%) & Beijing-Zhuhai Expy (GZ-ZH Section) (25%), contributed c.80% of Roads segment's AOP

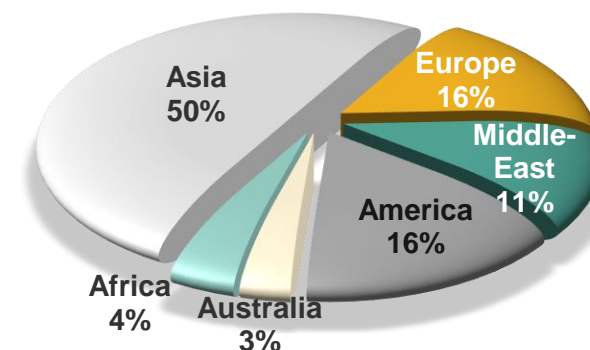
Goshawk – Leading global aircraft leasing platform

As at 30 Jun 2021, 162 aircraft on book¹

Aircraft Type



Geographical Spread



Aircraft leasing portfolio

Fleet size²	222 aircraft (incl. 40 direct orders)
Overall appraised value	c.US\$9.9Bn
Narrowbody aircraft	c.78%
Global customer base³	60 airlines over 34 countries
Age⁽²⁾	Avg 5.4 years
Long remaining lease terms³	Avg 5.6 years
Owned aircraft utilization rate in FY2021	99%

Note:

1. Based on net book value
2. Incl. owned, managed & committed
3. Based on 162 aircraft on book as at 30 Jun 2021



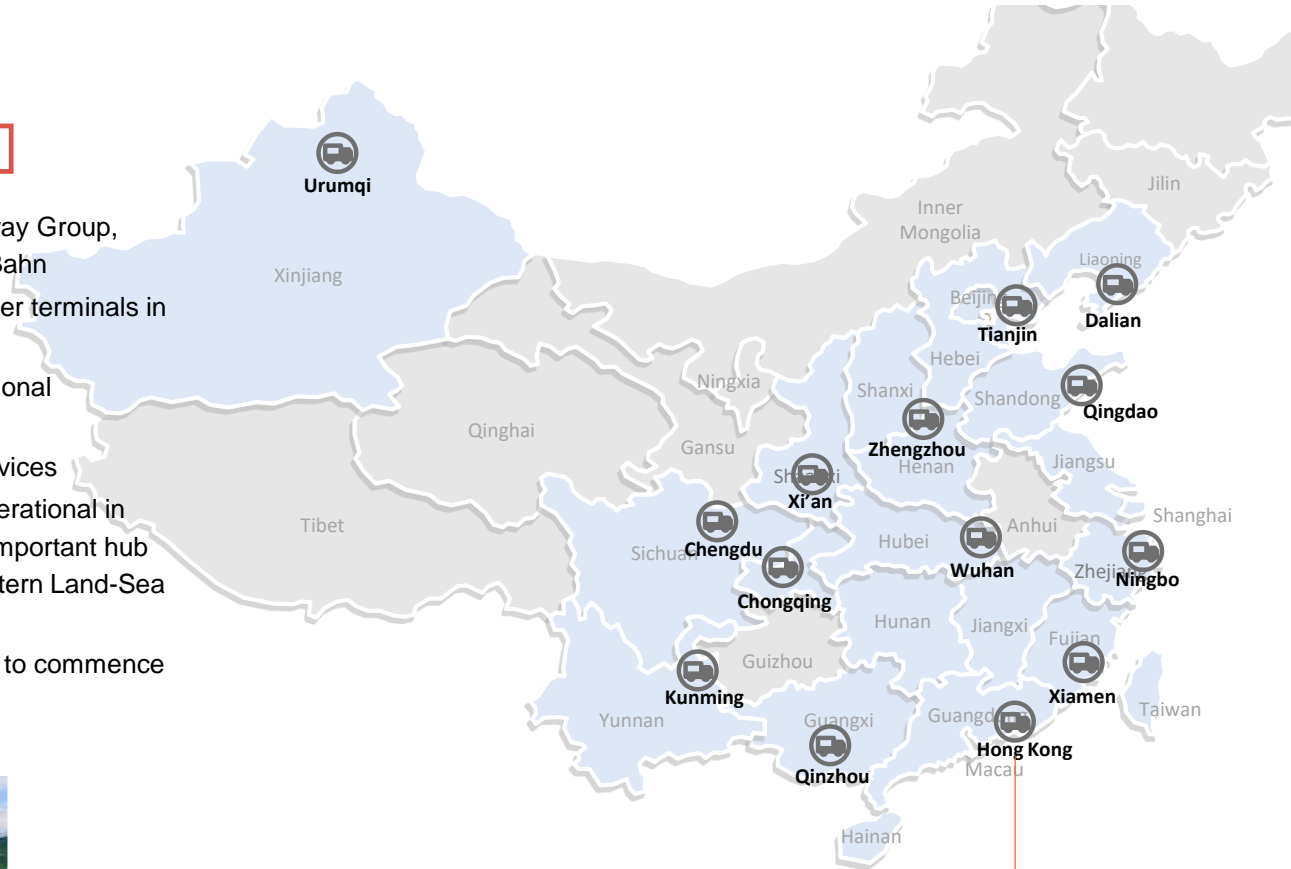
Strategic investments in logistics in Greater China

CUIRC

- JV with China State Railway Group, PSA, CIMC & Deutsche Bahn
- 12 large-scale rail container terminals in the Mainland
- Rail intermodal & international transportation
- Expansion of logistics services
- New Qinzhou terminal operational in June 2019 serves as an important hub on the National New Western Land-Sea Corridor
- New Guangzhou terminal to commence operation in FY2022



CUIRC (Multiple locations across the Mainland)



ATL Logistics Centre

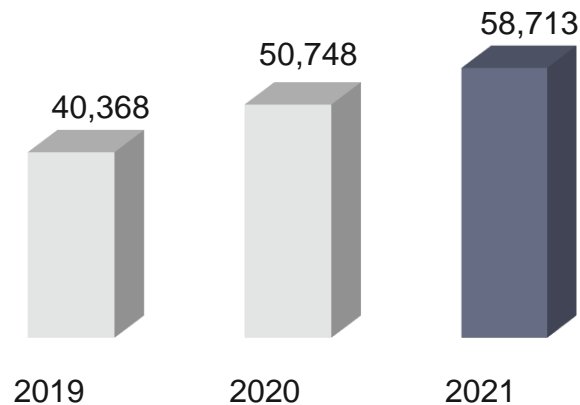


- Located in HK - Largest logistics centre with ramp access in the world
- Total leasable area: 5.9MM sqft



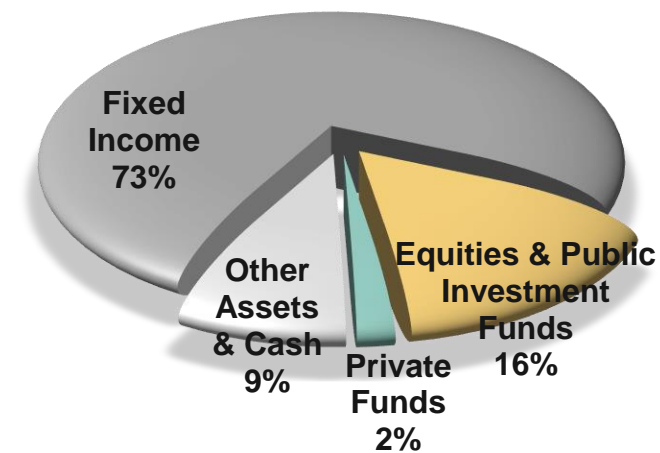
Investment Portfolio (As of 30 June 2021)

Investment Portfolio AUM* (HK\$'M)

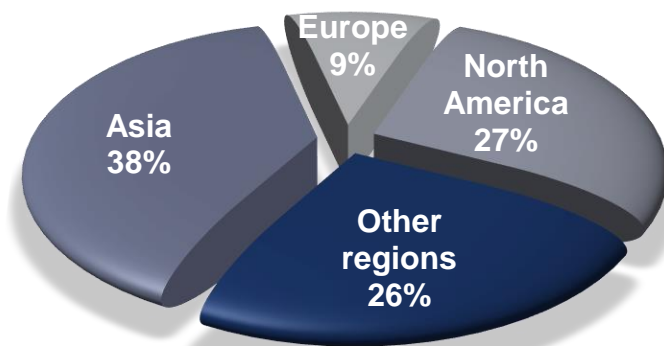


* Exclude Investment-Linked Assurance Scheme business

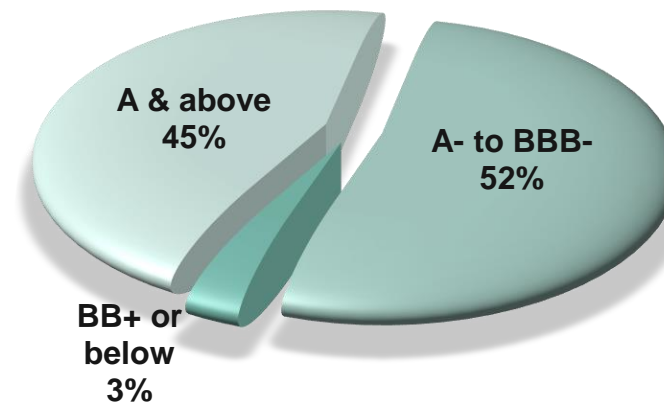
Asset Types



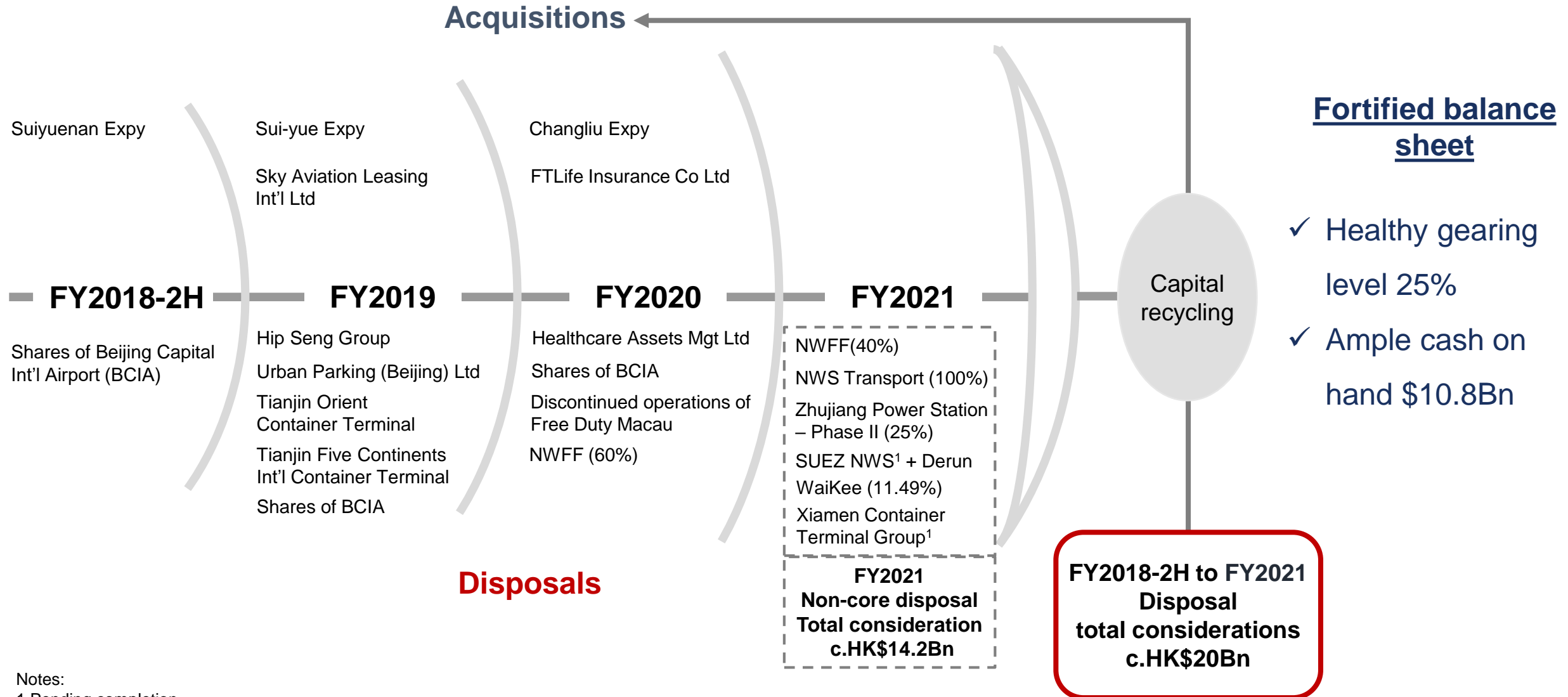
Geographical Distribution



Credit Rating Distribution



Optimization of business portfolio



Notes:
1. Pending completion

Transaction Update

Proposed Disposal of Entire Interest in Xiamen
Container Terminal Group Co., Ltd.

≡ NWS crystallizes value through the disposal

Transaction Summary

- On 30 June 2021, NWS announced the proposed disposal of its **entire 20% stake in Xiamen Container Terminal Group (“XCTG”)** at a consideration of **RMB1,568M (HK\$1,877.8M)**
- NWS shall be entitled to the profit to be distributed by XCTG for the year ended 31 December 2020
- After completion of the proposed disposal, NWS will have fully exited all investments in port-related projects

Transaction Valuation

RMB M	XCTG	
Consideration	1,568	
Net profit after tax	460.5	
Implied 2020A P/E	17.0x	
Net asset value	8,487.5	
Implied 2020A P/B³	0.9x	
Peers average ^{1,2}	2020A P/E	2020A P/B
HK listed	9.4x	0.7x

Financial Impact to NWS

HK\$M		
Est. gain on disposal* (before taxation and transaction costs)	31	
Est. loss on disposal* (after taxation and transaction costs)	67	

*Subject to change on completion

Notes:
 (1) Includes the most relevant peers listed on HKEx namely China Merchants Ports, IPC and Qingdao Port International
 (2) As at 2 June 2021
 (3) Includes non-controlling interests
 Source: CapIQ

Transaction rationale and benefits

1 Unlocks investment value of XCTG for NWS shareholders

- Consistent with NWS’s corporate strategy of disposing non-core assets and crystalizing value from its business portfolio to achieve sustainable long-term growth
- After the proposed disposal, NWS will have fully exited all investments in port-related projects

2 Opportunity to allocate resources to core competencies, invest in projects with higher growth prospects and synergistic to core segments

- NWS has been optimizing its business portfolio since 2018. Prior to XCTG disposals, c.HK\$18 billion has been recouped from the disposal of other assets in the past three and a half years.
- XCTG has been a passive investment for NWS
- Redeploy capital into core segments and capture investment opportunities ahead (e.g. investments in Roads, Modern Logistics and Insurance) with growth potential, strong recurring income/ cash flow and lucrative returns
- Support our sustainable and progressive dividend policy

3 Attractive valuation

- Offer of RMB1,568M for 20% stake in XCTG translates into an equity value of RMB7,840M
- This represents 17.0x P/E and 0.9x P/B³ to XCTG’s December 2020 financials, which are well above its most relevant peers¹ listed on HKEx with average P/E of 9.4x² and P/B of 0.7x²

Notes:

(1) Includes the most relevant peers listed on HKEx namely China Merchants Ports, IPC and Qingdao Port International

(2) As at 2 June 2021

(3) Includes non-controlling interests

Source: CapIQ

Overview of Xiamen Container Terminal Group (“XCTG”)

XCTG

- Sino-foreign JV formed and operational since December 2013
- Provides port facilities and services for vessels; cargo and container loading/ unloading, transshipment, warehousing, logistics services; container piling, dissembling and maintenance
- Length of berth: 6,838m
- No. of quay cranes: 63 units
- Annual handling capacity: 9.1 million TEUs¹

Key financials

	For the financial year ended 31 December	
	2019	2020
Profit before income tax	RMB660.2M (HK\$790.7M)	RMB560.0M (HK\$670.7M)
Profit after income tax	RMB531.7M (HK\$636.8M)	RMB460.5M (HK\$551.5M)
Net asset value		RMB8,487.5M (HK\$10,164.7M)

Note:

(1) Terminal total area, Length of berth, No of quay cranes and Annual handling capacity - For XCTG and all its invested companies.

JV structure of XCTG



Xiamen International Port
(3378-HK)



NWS
Holdings
(659-HK)

Others

60%

20%

20%





新創建 NWS



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