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新創建 NWS

新創建集團有限公司*
NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)
(stock code: 00659)

INSIDE INFORMATION ANNOUNCEMENT

PROFIT ALERT

This announcement is made by NWS Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the financial year ended 30 June 2022 (“**FY2022**”) and the information currently available, the Group is expected to record an increase of at least 35% in the profit attributable to Shareholders for FY2022 to no less than HK\$1.5 billion as compared to that for the financial year ended 30 June 2021 (“**FY2021**”) and a decrease in the overall attributable operating profit (“**AOP**”) of the Group within an estimated range of 15% to 20% for the same period, whilst the AOP of the core business of the Group remained stable.

The increase in the profit attributable to Shareholders for FY2022 as compared to that in FY2021 is primarily due to the following reasons:

- (i) a reduction in net non-operating losses attributable to remeasurement, impairment and provisions in FY2022, after including the share of remeasurement loss resulting from the reclassification of Goshawk Management Limited to asset held-for-sale by Goshawk Aviation Limited (“**GAL**”), a joint venture in which the Company indirectly holds 50% equity interest, and the net impairment charge in respect of the 6 aircraft previously leased to airlines based in Russia (please see below for further details);

- (ii) the increase in net gains associated with the disposal of projects, partial repurchase of the 4.25 per cent. guaranteed senior notes due 2029 and fair value change of certain derivative financial instruments;
- (iii) a reduction in the net loss arising from the Facilities Management segment under the Strategic Portfolio for FY2022 as compared to that in FY2021 attributable to the improvement in operating performance of all the three businesses under the segment; and
- (iv) the above favourable factors are partly offset by the attributable operating loss arising from the Strategic Investments segment under the Strategic Portfolio (compared to an AOP of HK\$739.4 million in FY2021) mainly due to the absence of net fair value gain of the Group's investment portfolio as a result of the downturn in global bond and equity markets during FY2022 as well as the operating environment of certain businesses within the Strategic Investments segment being negatively affected by the global economic slowdown, which mainly caused the aforesaid decrease in the overall AOP of the Group notwithstanding that the performance of the Group's core business remained stable in FY2022.

Reference is made to the announcement made by the Company on 16 May 2022 (the “**Announcement**”) in relation to the proposed disposal by GAL of its interest in the commercial aircraft leasing platform. As an update, since the making of the Announcement and due to the continuing challenges associated with the Russia-Ukraine crisis, GAL has made a full provision of impairment charge in respect of the 6 aircraft previously leased to airlines based in Russia and not yet repossessed by GAL, and the Group's 50% share of such impairment charge of approximately HK\$0.8 billion is recorded in the second half of FY2022. Such net impairment charge does not have any material cash flow impact to the Group and will not impact the consideration receivable by GAL from the aforesaid disposal. As stated in the Announcement, GAL will continue to own the 6 aircraft after the aforementioned disposal and therefore, should the 6 aircraft be recovered or repossessed or the value of which be recovered in the future, there will be a potential write-back of the net impairment charge in part or in full. Taking into account such impairment charge and the aforementioned remeasurement loss totaling approximately HK\$1.7 billion and recognised in the second half of FY2022, the Group expects to record a share of loss from GAL of approximately HK\$1.4 billion for FY2022. As of 30 June 2022, the shareholder's loan receivable from GAL and the carrying value of the Group's investment in GAL is expected to be approximately HK\$6.2 billion and approximately HK\$0.3 billion, respectively.

The information contained in this announcement only represents a preliminary assessment based on the information available as at the date hereof and such information has not been reviewed or audited by the independent auditor of the Company or reviewed by the Audit Committee of the Company. The Company is still in the process of finalizing its annual results for FY2022, which are expected to be announced by the Company by the end of September 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 14 July 2022

As at the date of this announcement, (a) the executive directors of the Company are Dr. Cheng Kar Shun, Henry, Mr. Ma Siu Cheung, Mr. Ho Gilbert Chi Hang, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher; (b) the non-executive directors of the Company are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai and Mr. William Junior Guilherme Doo (alternate director to Mr. William Junior Guilherme Doo: Mr. Lam Wai Hon, Patrick); and (c) the independent non-executive directors of the Company are Mr. Kwong Che Keung, Gordon, Mr. Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Fung Wai Chi, Grace, Mr. Wong Kwai Huen, Albert and Professor Chan Ka Keung, Ceajer.

* *For identification purposes only*