

## NWS Holdings Announces FY2022 Interim Results

(25 February 2022, Hong Kong) NWS Holdings Limited (“NWS” or the “Group”; Hong Kong stock code: 659) today announced its interim results for the six months ended 31 December 2021 (the “Current Period”).

### Financial Highlights

- Profit attributable to shareholders: HK\$1,595.3 million, surged by 161%
- Maintain sustainable and progressive dividend policy
  - Interim dividend: HK\$0.3 per share (increased by 3.4%, compared with the interim dividend of FY2021)
- AOP of recurring businesses, excluding Strategic Investments segment and Disposed/Held-for-sale Assets, increased by 5%
- The Group’s overall AOP: HK\$2,326.3 million
  - Core Business AOP: HK\$2,141.5 million
  - Strategic Portfolio AOP: HK\$184.8 million
- Net gearing ratio further declined to 13% (30 June 2021: 25%).
- The Group’s share of the net asset value of ATL Logistics Centre Hong Kong Limited (“ATL”) increased to approximately HK\$7.3 billion for a share of gain from revaluation of a property, representing approximately 11% of the Group’s net asset value as at 31 December 2021.
- Recuperated approximately HK\$6.2 billion upon the completion of the disposal of SUEZ NWS Limited and Xiamen Container Terminal Group Co., Ltd.

### Outlook

- NWS has transitioned to the next stage of development with all the efforts done in optimizing its business portfolio since 2018.
- The Group will continue to look for investment opportunities in area of toll roads and modern logistics, while maintaining its sustainable and progressive dividend policy to share rewards with our stakeholders.
- Adhering to the New World Group's spirit of "Creating Shared Value", the Group is committed to bringing long-term and sustainable growth to our stakeholders.

## Business Performance Highlights

### *Core Business*

#### *Roads*

- Overall Roads segment's performance remained largely stable, with AOP of HK\$968.7 million.
- AOP contribution from the three expressways that the Group acquired in the past few years, including Suiyuenan Expressway, Sui-Yue Expressway and Changliu Expressway, grew 3% year-on-year and accounted for over 11% of the Roads segment's AOP, excluding the financial incentives associated with Changliu Expressway and Sui-Yue Expressway.
- The overall average remaining concession period of our roads portfolio as at 31 December 2021 was around 10 years.

#### **Aviation**

- Goshawk Aviation Limited's ("Goshawk") AOP was HK\$274.4 million.
- Collection rate continued to improve to 127% in the fourth quarter of 2021 from 92% in the second quarter of 2021. Goshawk encompassed a customer base spanning across 60 airlines in 34 countries.
- Financial position of Goshawk continued to be strong with US\$1.5 billion cash and undrawn liquidity as at 31 December 2021. The number of aircraft owned, managed and committed totalled 219.
- The Group is reviewing the business and will implement different strategies to mitigate the risks.

#### **Construction**

- AOP of the Construction segment was HK\$407.5 million, mainly from Hip Hing Group.
- Hip Hing Group's business remained stable. The gross value of contracts on hand improved by 21% year-on-year to approximately HK\$54.4 billion, and the remaining works to be completed was around HK\$28.3 billion with projects from private and public sectors. In the Current Period, Hip Hing Group was awarded approximately HK\$8.6 billion of new projects, including but not limited to, the residential development at Kai Tak, development of Micro-Electronics Centre for Hong Kong Science and Technology Parks Corporation, composite development at Shing Kai Road, Kai Tak and piling works for integrated basement and underground road at The West Kowloon Cultural District.

## Insurance

- FTLife Insurance Company Limited (“FTLife”) recorded a growth of 6% in AOP to HK\$490.9 million.
- Value of New Business (“VONB”) grew by 53% to HK\$362.3 million.
- Embedded value increased by 6% year-on-year to HK\$21.3 billion.
- In the third quarter of 2021, overall Annual Premium Equivalent (“APE”) grew by 1%, outperforming the 5% decline in the industry.
- As at 30 September 2021, FTLife’s ranking among Hong Kong life insurance companies by APE has further advanced to 11<sup>th</sup> from 12<sup>th</sup> as at 30 June 2021

## Strategic Portfolio

### Logistics

- ATL Logistics Centre accounted for over 85% of the segment’s AOP. The average rent grew by 2% with a high occupancy rate of 99%.
- To reflect the latest income mix and business model of the property, the Group reclassified ATL from property, plant and equipment to investment property. Following the reclassification, NWS’s share of the net asset value of ATL increased to approximately HK\$7.3 billion.
- AOP of China United International Rail Containers Co., Limited increased by 9% year-on-year. The new Guangzhou terminal commenced operation in late December 2021, while doubling of handling capacity of Wuhan terminal was completed and expansion of Zhengzhou terminal capacity is underway.
- The Group has made progress in expanding in the modern logistics sector through investing in ANE (Cayman) Inc., and Worldex (Shanghai) Supply Chain Technology Limited. (全球捷運(上海)供應鏈科技有限公司). The Group aims to build an ecosystem within the Logistics segment.

### Facilities Management

- Gleneagles Hospital Hong Kong continued to generate positive EBITDA after achieving breakeven since May 2021. Outpatient visits and inpatient admissions increased by 49% and 20% respectively.
- Attributable Operating Loss (“AOL”) of Hong Kong Convention and Exhibition Centre narrowed noticeably. The number of events held increased by 219% to 335, while the total patronage increased by 611% to around 2.6 million.
- AOL of Free Duty narrowed. In addition to the cost-saving efforts, the only operating Free Duty outlet at Hong Kong-Zhuhai-Macao Bridge and other new business initiatives such as pop-up stores at D·PARK and THE FOREST as well as the e-commerce website, FDMALL contributed positive AOP to the Group.

### **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 logistics to facilities management. Please visit [www.nws.com.hk](http://www.nws.com.hk) for details.

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