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</tr>
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Section 1

NWS Business Overview
NWS Corporate Structure

Chow Tai Fook (Holding) Limited

New World Development Company Limited

17.HK
Market Cap: HK$102Bn

Chow Tai Fook Jewellery Group

1929.HK
Market Cap: HK$68Bn

61%

新世界中國
New World China

825.HK
Market Cap: HK$2.2Bn

新創建 NWS
NWS HOLDINGS LIMITED
(“NWS” or the “Group”)

659.HK
Market Cap: HK$51Bn

65%

75%

Note: Market cap as at 23 Sep 2019
NWS Business at a Glance

Core Business

Rods
- 15 toll roads in the PRC (total length of c.700 km)

Aviation
- Goshawk Aviation Limited provides commercial aircraft leasing and management services

Construction
- Hip Hing Group provides professional construction services in HK

Strategic Portfolio

Environment
- 117 projects in 48 cities across Greater China through SUEZ NWS and Derun Environment
- Water and wastewater treatment, sludge treatment, waste collection and treatment, waste to energy, landfills, environmental remediation, design, engineering and procurement services
- Expanded into European solar power platform during FY2019

Logistics
- ATL Logistics Centre in HK
- Pivotal rail container terminal network across the PRC through China United Int'l Rail Containers ("CUIRC")
- Port in Xiamen

Facilities Management
- Operation and management of HK Convention and Exhibition Centre
- Gleneagles HK Hospital ("GHK")
- Free Duty shops

Transport
- New World First Bus
- Citybus
- New World First Ferry

Contributes 75% to AOP – resilient recurring income with growth potential; Continue to invest in quality assets and increase stable cash flow
NWS in China
Broad Presence Across Greater China

Presence in Greater Bay Area

- 7 road projects in GBA
  - Total Length: Approx. 320 km
  - Total Average Daily Traffic Flow: Over 1.1M

- Goshawk
  - Platforms set up in HK and Tianjin Dongjiang Free Trade Port Zone

- SUEZ NWS projects located in GBA: HK, Macau, Shenzhen, Zhongshan, Zhuhai
  - Water & Wastewater treatment (8), Sludge incineration (1), Waste projects (21)

- China United International Rail Containers
  - Guangzhou terminal at construction preparation stage

- ATL Logistics Centre
  - Largest multi-level logistics centre with ramp access in the world

- HKCEC
  - World-class venue with excellent service in global MICE industry

- Gleneagles HK Hospital
  - High quality medical and healthcare services with 35 specialties and subspecialties

- Free Duty
  - Stores located at HK-Zhuhai-Macao Bridge and most land ports

- Citybus, New World First Bus and New World First Ferry
  - Key bus routes from heart of HK to airport, ferry terminal and most of the key ports / border control points leading to GBA
Optimization of Businesses

Fortify Core Business

- Hunan Sui-Yue Expressway
- Hunan Changliu Expressway\(^{(1)}\)

Disposal of Non-Core Assets

Total consideration: HK$1.4 billion

- Hip Seng Group
- Urban Parking (Beijing) Limited
- Tianjin Orient Container Terminal
- Tianjin Five Continents International Container Terminals
- Shares of Beijing Capital Int’l Airport (BCIA)

Notes:
1. Upon completion in FY2020
2. Owned, managed and committed

- Goshawk acquired Sky Aviation (fleet size increased to 223 aircraft\(^{(2)}\))
- Inaugural Asset-Backed Securities (“ABS”) Issuance of US$643.6 million

Notes:
1. Upon completion in FY2020
2. Owned, managed and committed
Vision

*Nurture a Resilient and Prospering Enterprise with Sustainable Long-Term Growth*
Section 2

FY2019 Financial Summary
AOP by Segment and Geography

AOP Contribution by Segment

Core Business represents 75% of AOP

- Roads: 38%
- Aviation: 11%
- Construction: 26%
- Strategic Portfolio: 7%
- Logistics: 14%
- Transport: 13%
- Facilities Management: -9%
- Strategic Investments: 7%

AOP Contribution by Geography

- Mainland China: 50%
- Hong Kong: 39%
- Others: 11%

FY2018

- Mainland China: 50%
- Hong Kong: 39%
- Others: 11%

FY2019

- Mainland China: 60%
- Hong Kong: 28%
- Others: 12%
## Financial Summary

<table>
<thead>
<tr>
<th>For the year ended 30 Jun</th>
<th>2018 (HK$MM)</th>
<th>2019 (HK$MM)</th>
<th>YoY change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>35,114.8</td>
<td>26,833.5</td>
<td>(24)</td>
</tr>
<tr>
<td><strong>Attributable Operating Profit (AOP)</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>5,231.9</td>
<td>4,707.4</td>
<td>(10)</td>
</tr>
<tr>
<td><em>One-off exceptional gains / losses</em>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>1,425.6</td>
<td>318.8</td>
<td></td>
</tr>
<tr>
<td>Profit Attributable to Shareholders (PAT)</td>
<td>6,068.8</td>
<td>4,043.2</td>
<td>(33)</td>
</tr>
<tr>
<td>Basic Earnings per share (HK$)</td>
<td>1.56</td>
<td>1.04</td>
<td>(33)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>As at 30 Jun 2018 (HK$MM)</th>
<th>As at 30 Jun 2019 (HK$MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash and bank balances</td>
<td>6,656.6</td>
</tr>
<tr>
<td>Total debt</td>
<td>10,174.6</td>
</tr>
<tr>
<td>Net debt position</td>
<td>3,518.0</td>
</tr>
<tr>
<td>Net gearing ratio</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Attributable operating profit ("AOP") is defined as profit available for appropriation before corporate office and non-operating items.
2. One-off exceptional gains / losses include gains on partial disposal and remeasurement related to an associated company, gain on fair value of investment properties, gain on disposal of projects, net of tax and impairment losses related to joint ventures.
3. Upon the completion of divestment in Jan 2018, BCIA was reclassified from investment in an associated company to an AFS financial asset in FY2018.

**References:**
- Disposal of Hip Seng Group
- In FY2018, partial disposal and remeasurement gain of Beijing Capital Int'l Airport ("BCIA") accounted for HK$1.9Bn<sup>(3)</sup> and impairment losses of HK$600MM on three joint ventures.
## Performance by Segment

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 30 Jun</th>
<th>2018 (HK$MM)</th>
<th>2019 (HK$MM)</th>
<th>YoY change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td></td>
<td>1,947.1</td>
<td>1,805.5</td>
<td>(7)</td>
</tr>
<tr>
<td>Aviation</td>
<td></td>
<td>695.2</td>
<td>500.3</td>
<td>(28)</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td>1,055.3</td>
<td>1,203.8</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>3,697.6</td>
<td>3,509.6</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Strategic Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td>494.1</td>
<td>629.0</td>
<td>27</td>
</tr>
<tr>
<td>Logistics</td>
<td></td>
<td>654.6</td>
<td>650.6</td>
<td>(1)</td>
</tr>
<tr>
<td>Facilities Management</td>
<td></td>
<td>(73.1)</td>
<td>(393.4)</td>
<td>(438)</td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td>157.6</td>
<td>(10.1)</td>
<td>(106)</td>
</tr>
<tr>
<td>Strategic Investments</td>
<td></td>
<td>301.1</td>
<td>321.7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,534.3</td>
<td>1,197.8</td>
<td>(22)</td>
</tr>
<tr>
<td><strong>Grand Total AOP</strong></td>
<td></td>
<td>5,231.9</td>
<td>4,707.4</td>
<td>(10)</td>
</tr>
</tbody>
</table>

- Excl. exchange rate effect AOP +4%
- BCIA reclassification
- Mark-to-market ("MTM") loss on interest rate swap contracts
- One-off acquisition expenses of Sky Aviation
- Continuous improvement in operational efficiency and satisfactory job progress
- One-off FV gain from SUEZ NWS' restructuring of a JV
- Cancellation of CUIRC’s special settlement policy and reduction of AOP contribution from the two Tianjin ports
- HKCEC higher royalty and provision for committed CAPEX
- GHK ramp up period operating loss narrowed
- Rising operating pressures of Free Duty
- Delay in bus fare adjustment and escalating operating costs
- Steady AOP contribution from New World First Ferry
Optimize Capital Structure Whilst Upholding A Prudent Financial Policy

**NWS Financial Policy**

- Ample cash on balance sheet with HK$15.1Bn as at 30 Jun 2019
- Prudent financial policy and well managed maturity profile allow NWS to maintain financial flexibility for operations, potential investments and growth plans
- Well supported by local and international banks with approx. HK$12.4Bn of unutilized committed banking facilities as at 30 Jun 2019

**Current leverage as of 30 Jun 2019**

<table>
<thead>
<tr>
<th></th>
<th>Jun 18</th>
<th>Jun 19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Debt</strong> (HK$MM)</td>
<td>3,518.0</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Net Gearing Ratio (%)</strong></td>
<td>7%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Debt Maturity Profile (as of 30 Jun 2019)**

- **2nd year**: 12%
- **3rd - 5th year**: 49%
- **after 5th year**: 39%

**Capital Structure - Debt & Equity**

- **Equity**: 17% (Jun 18), 21% (Jun 19)
- **Debt**: 83% (Jun 18), 79% (Jun 19)

**Actively optimizing our balance sheet with prudent financial policy – recent issuance of a**

- **US$1.0Bn** Senior Perpetual Capital Securities in Jan 2019 and
- **US$300MM** in Jul 2019, **US$650MM** 10-year Senior Notes in Jun 2019

**Note:**
1. Net debt defined as total debt less cash and bank balances and short-term deposits
2. Net gearing ratio defined as net debt divided by total equity
Section 3

Business Segment Overview and Update
Core Business – Roads

Strategy
• Continue to acquire quality roads assets with strong cashflow and upside potential to sustain growth

<table>
<thead>
<tr>
<th>Portfolio of 15 toll roads in PRC approximating 700 km</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td># of Roads</td>
</tr>
<tr>
<td>Length</td>
</tr>
<tr>
<td>Concession Expiry</td>
</tr>
<tr>
<td>Cumulative ADTF(1) (’000)</td>
</tr>
<tr>
<td>Highest YoY Growth Rate</td>
</tr>
</tbody>
</table>

Segment AOP

<table>
<thead>
<tr>
<th>HK$MM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
</tr>
<tr>
<td>FY2019</td>
</tr>
</tbody>
</table>

Notes:
1. ADTF represents Average Daily Traffic Flow
2. Hunan Sui-Yue Expressway was acquired in Dec 2018, the cumulative ADTF only represented the data for the period from Dec 2018 to Jun 2019

Business Updates
• 4 anchor expressways
  • Hangzhou Ring Road (100%)
  • Tangjin Expressway (Tianjin North Section) (60%)
  • Guangzhou City Northern Ring Road (65.29%)
  • Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) (25%)

• In Dec 2018, NWS completed the acquisition of 40% interest in Hunan Sui-Yue Expressway (湖南隨岳高速公路); 24.08 km with concession rights ending in 2038 and has immediate contribution to our AOP

• In Jul 2019, NWS won the concession rights of Hunan Changliu Expressway (湖南長瀏高速公路); 65 km with average daily traffic flow of 29,000+ vehicles in 2018, 24 years of concession period remaining, being the longest amongst NWS’ portfolio

Contribute over 80% of Roads AOP
Highest traffic flow growth rate of 14% yoy
Core Business – Aviation

**Strategy**
- Multiple sourcing channel to propel sustainable growth via sale and leasebacks, aircraft trading, direct OEM orders and asset management
- Continue to invest in narrow-body aircraft (82% of portfolio) and young fleet with long remaining lease terms

**Goshawk’s major developments**
- Completed the acquisition of Sky Aviation which added 51 aircraft
- Inaugural ABS issuance of US$643.6MM\(^{(1)}\)
- Together with 40 aircraft directly ordered from Airbus & Boeing, total fleet increased to 223 aircraft (including owned, managed and committed aircraft), US$11.3Bn portfolio value
- Global top 10 aircraft lessor\(^{(2)}\)

---

**As at 30 Jun 2019, 154 aircraft on book**
- Lessees: 60 airlines over 33 countries
- Young fleet (avg. 3.9 years)
- Long remaining lease terms (avg. 6.8 years)

**Aircraft Type**
- B737 33%
- A320/A321 49%
- Others 18%

**Geographical Spread**
- Asia and Middle-East 57%
- Europe 17%
- America 18%
- Others 8%

**Segment AOP**

<table>
<thead>
<tr>
<th>Year</th>
<th>AOP HK$MM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>695</td>
</tr>
<tr>
<td>FY2019</td>
<td>500</td>
</tr>
</tbody>
</table>

AOP decreased due to BCIA’s reclassification as a financial asset\(^{(3)}\), non-cash MTM loss on interest rate swap contracts and one-off acquisition expenses

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**Business Updates**
- In Jun 2019, the Group further divested a partial interest of 2.78% in BCIA for a consideration of approximately HK$778.8MM
- In Sep 2019, the Group completely exited BCIA by divesting the remaining interest of 2.77% approximately HK$778.3MM
- In Aug 2019, Goshawk committed to acquire 11 additional aircraft, increasing Goshawk’s owned, managed and committed fleet to 234

---

**Notes:**
1. In Jun 2019, Goshawk raised its inaugural ABS issuance of US$643.6MM, effecting new revenue stream and capital recycling. Goshawk will act as servicer and asset manager for the portfolio (16 narrow-body, 1 wide-body and 1 regional aircraft)
2. Source: Ascend database as of 30 Jun 2019
3. BCIA contributed HK$45.9MM and HK$204.9MM to the Group’s AOP in FY2019 and FY2018 respectively
Core Business – Construction

Strategy
- Continue to build strong pipeline of projects riding on HK’s well supported demand for residential and commercial property market, as well as Government and institutional projects such as hospitals and universities

Contracts on hand

<table>
<thead>
<tr>
<th></th>
<th>HK$Bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backlog</td>
<td></td>
</tr>
<tr>
<td>30 Jun 2018</td>
<td>47</td>
</tr>
<tr>
<td>30 Jun 2019</td>
<td>56</td>
</tr>
<tr>
<td>YoY Growth: 18%</td>
<td></td>
</tr>
</tbody>
</table>

Type of Projects

- Commercial & Residential: 51%
- Government: 47%
- Institutional: 2%

Segment AOP

<table>
<thead>
<tr>
<th></th>
<th>HK$MM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>1,055</td>
</tr>
<tr>
<td>FY2019</td>
<td>1,204</td>
</tr>
<tr>
<td>YoY Growth: 14%</td>
<td></td>
</tr>
</tbody>
</table>

AOP ↑14% due to improvement in operational efficiency and satisfactory job progress

Business Updates

Major projects completed in FY2019

- **Government**
  - Xiqu Centre
  - Home Ownership Scheme (Tin Shui Wai)

- **Commercial & Residential**
  - SAVANNAH (Tseung Kwan O)
  - Oasis (Kai Tak)

Major new tenders awarded in FY2019

- **Government**
  - Kai Tak Sports Park
  - Immigration Headquarters (Tseung Kwan O)
  - Inland Revenue Tower (Kai Tak)

- **Commercial & Residential**
  - Commercial development in Kai Tak Area
  - Two Taikoo Place in Quarry Bay
  - Residential development at Ap Lei Chau Island

Notes:
1. Based on backlog projects as at 30 Jun 2019
2. Including Kai Tak Sports Park
Strategic Portfolio – Environment

- Environment business includes 117 projects spanning 48 cities across the Greater China region through two strategic platforms, SUEZ NWS Limited (“SUEZ NWS”) and Chongqing Derun Environment Co., Ltd. (“Derun Environment”)

### SUEZ NWS

<table>
<thead>
<tr>
<th>Nature of business</th>
<th>Total Design Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Wastewater Treatment</td>
<td>9.4MM m³ / day</td>
</tr>
<tr>
<td>Sludge Treatment</td>
<td>2,140 tonnes / day</td>
</tr>
<tr>
<td>Waste collection &amp; treatment</td>
<td>11,283 tonnes / day</td>
</tr>
<tr>
<td>Industrial &amp; municipal waste incineration</td>
<td>778,300 tonnes / year</td>
</tr>
<tr>
<td>Landfill</td>
<td>96MM m³</td>
</tr>
</tbody>
</table>

**Business updates**

- Total projects increased to 73 (↑6 projects)
- Average daily waste treatment volume ↑4%
- Overall water and wastewater treatment volume ↑5%

**New projects**

- Acquisition of ALS Analytical Testing (Shanghai) Co. Ltd to expand business into the third-party environmental testing sector
- Commencement of the waste-to-energy plants in Jiangsu Province & Taiwan as well as the first food waste treatment plant in HK
- Zhuhai & Macao – Secured an industrial wastewater treatment project in Zhuhai and an improvement, operation and maintenance contract for the wastewater treatment plant in Macao in 1Q 2019

### Derun Environment

**New projects**

- Waste-to-energy contracts with total daily treatment capacity of 6,180 tonnes in Chongqing, Henan, Sichuan and Liaoning
- Commenced operations of three waste-to-energy plants in Chongqing, Zhejiang and Jiangsu and total daily operating waste-to-energy capacity increased by 7,200 tonnes

### ForVEI II S.r.l.

**New projects (solar plants)**

- Total installed capacity of 5.52MW as of Aug 2019
- Contracted to further acquire 43MW installed capacity with completion expected to take place in 2H 2019

---

Segment AOP

<table>
<thead>
<tr>
<th>Year</th>
<th>Segment AOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>HK$494</td>
</tr>
<tr>
<td>FY2019</td>
<td>HK$629</td>
</tr>
</tbody>
</table>

With one-off FV gain

YoY Growth: 27%
### ATL Logistics Centre
- Located in HK
- Largest logistics centre with ramp access in the world: Total leasable area: 5.9MM sqft
- FY2019 average occupancy rate: 99.3%
- FY2019 average rental: ↑1%

### CUIRC (Multiple locations across PRC)
- JV with China State Railway Group, PSA, CIMC and Deutsche Bahn
- 12 large-scale rail container terminals in the PRC
- FY2019 throughput: 3.44MM TEUs
- Ramp up of new Urumqi terminal and development of rail intermodal transportation
- New terminal in Qinzhou Guangxi to link up sea-rail transportation between Western China and Southeast Asia
- Guangzhou terminal expects to start construction in FY2020

### Business Updates
- Two ports projects in Tianjin were disposed in FY2019, recorded a one-off exceptional gain of HK$104.3MM

### Belt and Road Initiatives
- 26% yoy throughput growth driven by rail container and sea-rail intermodal transportation

### Port
- 1 port project in Xiamen, PRC
- FY2019 throughput: 8.6MM TEUs (up 4%)

### Segment AOP
- HK$MM
- YoY -1%
- FY2018
- FY2019
**Strategic Portfolio – Facilities Management**

### HKCEC
- Includes operation and management of HKCEC, HK’s largest multi-functional facility
  - Gross rentable space: 91,500 sqm
  - Held 1,000 events in FY2019
  - Approx. 8.5MM visitors in FY2019
  - Won Phase II contract extension to 2028 through a global tender exercise

### Healthcare
- GHK Hospital
  - 40% interest
  - Joint venture with Parkway Pantai
  - Continue ramping up; operating loss narrowed
  - Outpatient and inpatient/day case admissions increased by 93% and 87% yoy
  - Over 1,100 doctors have been accredited

### Free Duty Shops
- Retails of duty free tobacco, liquor, perfume, cosmetics, packaged food and general merchandise
- Shop locations in HK and Macau, including MTR stations at Lo Wu, Hung Hom and Lok Ma Chau, HK and Macau International Airports
- Recent commencement of operation of HK-Zhuhai-Macao Bridge outlet

### Segment AOP

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$MM</td>
<td>(73)</td>
<td>(393)</td>
</tr>
</tbody>
</table>

AOP decreased due to (i) higher royalty and provision for committed capital expenditure for HKCEC’s operation agreement and (ii) rising operating pressures of Free Duty

---

**Business Updates**
- HKCEC: Actively drive incremental business by targeting at upmarket and new exhibitions and conferences under various themes including e-sports, medical and technology
- GHK Hospital: Deliver innovative, transparent and high-quality healthcare services (all-inclusive packages, fee advisory service, automated drug dispensing system, 24-hour fully-automated track system in laboratory)
- Only private hospital in HK for psychiatry inpatient wards and first satellite clinic in Central opened in Mar 2019
- Free Duty: Thorough review of the business and vigorous cost optimization are underway to stabilize and improve its profitability
## Strategic Portfolio – Transport

### Fleet Size

<table>
<thead>
<tr>
<th></th>
<th>New World First Ferry</th>
<th>Citybus (F1 + F2)</th>
<th>New World First Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fleet Size</strong></td>
<td>20 vessels</td>
<td>1,019 buses</td>
<td>690 buses</td>
</tr>
<tr>
<td><strong>No. of Routes</strong></td>
<td>5 (-)</td>
<td>118 (↑5)</td>
<td>93 (↓1)</td>
</tr>
<tr>
<td><strong>Average Daily Patronage</strong></td>
<td>37,000 (↓3%)</td>
<td>622,000 (↑6%)</td>
<td>463,000 (↑3%)</td>
</tr>
</tbody>
</table>

### Segment AOP

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$MM</td>
<td>158</td>
<td>(10)</td>
</tr>
</tbody>
</table>

*YOY -106%*

AOP decreased due to delay in bus fare adjustments and rising costs
Steady AOP contribution from New World First Ferry

### Business Updates

- Citybus (F1) and New World First Bus have applied to the Transport Department for a fare increase of 12% in Aug 2019
- Ramp-up of ridership of bus routes to/from the HK-Zhuhai-Macao Bridge Hong Kong Port
- On-going fleet replacement to environmentally friendly buses, continue to upgrade facilities for bus maintenance, improve passenger information and keep abreast of the latest technology development
- New World First Ferry continues its service excellence and green initiatives to build a more environmental friendly community

### Note:

1. Effective from 20 Jan 2019, average fare increases to be borne by passengers for Citybus (F1) and New World First Bus will be 7% and 5.6% respectively. With the effect from Franchised Bus Toll Exemption Funds, the rate will be 9.9%.
Section 4

NWS Core Competencies
NWS Core Competencies

- Sustainable Long Term Growth Focusing in Core Business
- Resilient Portfolio with Highly Visible Recurring Income
- Sustainable and Progressive Dividend Policy
- Prudent Financial Policy Provides a Solid Underpinning for Growth
### Sustainable Long Term Growth Focusing in Core Business

#### AOP (HK$MM)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Business (~75%)</td>
<td>4,707</td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>1,806</td>
<td></td>
</tr>
<tr>
<td>Aviation</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>1,204</td>
<td></td>
</tr>
<tr>
<td>Strategic Portfolio (~25%)</td>
<td>1,197</td>
<td></td>
</tr>
<tr>
<td>Environment Logistics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Growth drivers for Core Business – Major AOP contributors

- Products are long term in nature with recurring cashflow and income
- Hunan Sui-Yue Expressway (湖南隨岳高速公路) - Remaining concession period (19 years)
- Hunan Changliu Expressway (湖南長瀏高速公路) - Remaining concession period (24 years)
- Acquisition of Sky Aviation
- Direct order from Airbus and Boeing (Delivery 2023-25)
- Inaugural ABS issuance
  - Capital recycling and asset management platform
- Maintain strong pipeline of projects
  - Kai Tak Sports Park (DBO model)
  - Steady construction income for next few years

#### Acquisition Strategy

- **Strong recurring income and cashflow**
- **Sustainable long term growth potential**

1. Represents illustrative FTLife AOP contribution post completion
## Resilient Portfolio with Highly Visible Recurring Income

<table>
<thead>
<tr>
<th></th>
<th>Highly Visible Recurring Income</th>
<th>Concession Based</th>
<th>Long-term Contracts / Remaining Lease Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Business</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Aviation</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Construction</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Strategic Portfolio</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Logistics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total AOP</strong></td>
<td>Over 90%</td>
<td>c.51%</td>
<td>c.50%</td>
</tr>
</tbody>
</table>
## Sustainable and Progressive Dividend Policy

### Committed to Deliver a Sustainable and Progressive Dividend Policy

<table>
<thead>
<tr>
<th>Dividend Payout Ratio on Net Profit</th>
<th>50%</th>
<th>51%</th>
<th>100%</th>
<th>50%</th>
<th>56%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS (HK$)</td>
<td>0.60</td>
<td>0.65</td>
<td>1.45</td>
<td>0.78</td>
<td>0.58</td>
</tr>
</tbody>
</table>

- **FY2015**
  - Normalized DPS (w/o one-off items): 0.51
  - DPS from one-off items: 0.09
  - Special DPS: 0.05

- **FY2016**
  - Normalized DPS (w/o one-off items): 0.53
  - DPS from one-off items: 0.12
  - Special DPS: 0.05

- **FY2017**
  - Normalized DPS (w/o one-off items): 0.53
  - DPS from one-off items: 0.20
  - Special DPS: 0.00

- **FY2018**
  - Normalized DPS (w/o one-off items): 0.60
  - DPS from one-off items: 0.18
  - Special DPS: 0.00

- **FY2019**
  - Normalized DPS (w/o one-off items): 0.53
  - DPS from one-off items: 0.00
  - Special DPS: 0.00

- Disposal of Tricor
- Fair value gain of Kwai Chung Logistics Centre
- Partial disposal and remeasurement gain of BCIA
- Disposal of Macau Power & remeasurement gain of Haitong

Committed to Deliver a Sustainable and Progressive Dividend Policy
Prudent Financial Policy Provides a Solid Underpinning for Growth

Raise Sources of Cash...
- Well timed and executed fund raising transactions
- US$1.3Bn\(^{(1)}\) Senior Perpetual Capital Securities
- US$650MM 10-year Senior Notes
- Goshawk ABS Issuance
- Disposal of Non-Core Assets

With Prudent Financial Policy...
- Healthy balance sheet with optimized capital structure
- Evenly spread debt maturity profile
- Cash on hand HK$15.1Bn
- Unutilized committed banking facilities HK$12.4Bn

To Acquire Quality Assets for Sustainable Growth
- Immediate cash flow contribution and recurring AOP
- Hunan Sui-Yue Expressway
- Hunan Changliu Expressway\(^{(2)}\)
- Direct order
- Sky Aviation
- Sale & lease back
- Trading

Notes:
1. Issuance of US$1.0Bn and US$300MM Senior Perpetual Capital Securities in Jan and Jul 2019 respectively
2. Upon completion in FY2020
Resilient and Sustainable Long-Term Growth

Core Business
- Roads
- Aviation
- Construction
- Insurance

Strategic Portfolio
- Environment
- Logistics
- Facilities Management
- Transport
Appendix A

Acquisition of FTLife
**Transaction Update**

**Valuation**
- Net consideration of HK$21,482MM (subject to further adjustments\(^1\)), representing
  - P/BV of 1.5x (vs. 1.6x when acquired by Jiuding in 2015) based on 2018 BV of HK$14,063MM\(^1\)
  - P/EV of 1.3x (vs. 1.4x when acquired by Jiuding in 2015) based on 2018 EV of HK$16,076MM\(^1\)

**Financing Update**
- As part of the overall financing strategy, NWS continually evaluates options to maintain financial flexibility:
  - Issuance of US$1.0Bn Senior Perpetual Capital Securities in Jan 2019 and US$300MM in Jul 2019
  - Issuance of US$650MM 10-year Senior Notes in Jun 2019

**Approvals and Closing**
- Transaction is subject to approvals from:
  - HK Insurance Authority and other relevant regulatory authorities
  - Other customary closing conditions\(^1\)
- Both NWS and the vendor (Jiuding) have obtained shareholders’ approvals

**Target Highlights**
- **Outstanding Business Highlights:**
  - Strong distribution channels with a highly productive sales force of 2,858 tied agents and 248 brokers
  - Prestigious flagship products and quality product portfolio, highly recognized by the market
  - Ranked as 11th largest HK life insurance company by 2018 APE
  - A visionary management team with extensive industry experience and profound insights
- **Impressive Financial Performance:**
  - Proven track record with superior APE growth of 44% y-o-y from 2017 to 2018 (vs. industry growth of 10%);
  - Net profit amounted to HK$1,228 MM, up by 23% y-o-y from 2017 to 2018
  - Strong solvency position with solvency margin consistently over 500%, laying solid foundation for sustainable growth
  - Focusing on quality and value growth with 2018 VONB reaching HK$604MM, representing a remarkable y-o-y growth of 74%, with expanding VONB margins from 26% in 2017 to 31% in 2018

**Future Strategy**
- Continue to focus on key strategic initiatives, upgrading existing products while tapping into Voluntary Health Insurance Scheme (VHIS) market, upgrading and transforming both technology systems and business processes, and fully collaborate with NWS and the whole New World Group to realize strong synergies

**Notes:**
1. Please refer to the “Letter from the Board” and the “Unaudited Pro Forma Financial Information of the Enlarged Group” section in the Circular for details; taking into account of the adjustments as agreed in the SPA.
2. Assuming US$HK$ = 7.8460 (as at 24 Jan 2019)
Attractive Valuation Compared to Precedent Insurance Deals

### Price to Book (x)

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Price to Book</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tahoe / Dah Sing Life (2016)</td>
<td>6.9x</td>
</tr>
<tr>
<td>Jeneration / AXA Wealth Management (2017)</td>
<td>5.9x</td>
</tr>
<tr>
<td>RL360 / Friends Provident International (2017)</td>
<td>3.2x</td>
</tr>
<tr>
<td>Yunfeng Financial / MassMutual Asia (2017)</td>
<td>1.9x</td>
</tr>
<tr>
<td>Pacific Century Group / ING HK &amp; TH (2012)</td>
<td>1.9x</td>
</tr>
<tr>
<td>Jiuding / Ageas HK (2015)</td>
<td>1.6x</td>
</tr>
<tr>
<td>NWS / FTLife (2018)</td>
<td>1.5x</td>
</tr>
</tbody>
</table>

Precedent Average: 3.5x

### Price to Embedded Value (x)

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Price to Embedded Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tahoe / Dah Sing Life (2016)</td>
<td>2.9x</td>
</tr>
<tr>
<td>Jeneration / AXA Wealth Management (2017)</td>
<td>1.4x</td>
</tr>
<tr>
<td>Yunfeng Financial / MassMutual Asia (2017)</td>
<td>1.2x</td>
</tr>
<tr>
<td>Jiuding / Ageas HK (2015)</td>
<td>1.4x</td>
</tr>
<tr>
<td>NWS / FTLife (2018)</td>
<td>1.3x</td>
</tr>
</tbody>
</table>

Precedent Average: 1.7x

### Announced Transaction Size (US$Bn)

- Tahoe / Dah Sing Life (2016): 1.4
- Jeneration / AXA Wealth Management (2017): 0.3
- RL360 / Friends Provident International (2017): 0.4
- Yunfeng Financial / MassMutual Asia (2017): 1.7
- Pacific Century Group / ING HK & TH (2012): 2.1
- Jiuding / Ageas HK (2015): 1.4
- NWS / FTLife (2018): 2.7

Source: Press releases, company filings

Notes:
1. Based on consideration of HK$10.6Bn, total net asset value of HK$1,366MM for DSLA, HK$18MM for DSIS, HK$161MM for MLIC, and carrying value (by definition is similar to embedded value) of HK$3,489MM for DSLA, HK$18MM for DSIS, HK$191MM for MLIC, per Dah Sing Financial Hldgs announcement dated 2 Jun 2016
2. Based on consideration of HK$2.2Bn, shareholders’ equity of HK$376MM as of 2016YE per AXA WM 2016 annual accounts, and price to embedded value multiple of 1.4x per AXA announcement dated 22 Dec 2017
3. Based on consideration of GBP340MM and price to 2016 net asset value multiple of 3.2x per Aviva announcement dated 19 Jul 2017; embedded value is not available in the public domain
4. Based on consideration of HK$13.1Bn, target 1H 2017 net asset value of HK$6,861MM and target 1H 2017 embedded value of HK$11,077MM (after adjustments for impact of MassMutual Japan business carve-out and maintenance of solvency ratio) per Yunfeng Financial Group Ltd circular dated 21 Dec 2017
5. Based on consideration of US$2.14Bn (EUR1.64Bn) and estimated 2012 book value of EUR865MM per ING Group press release dated 19 Oct 2012; embedded value is not available in the public domain
6. Based on consideration of HK$10.688Bn per Ageas press release dated 30 Aug 2015, shareholders’ equity of HK$6,890MM as of 2014YE per Ageas Asia Holdings Ltd 2014 annual accounts, and embedded value of HK$7,908MM as of 2014YE per Jiuding’s announcement
7. Based on net consideration payable of HK$21.48Bn and FTLife 2018YE embedded value and shareholders’ equity post SPA adjustments
FTLife – High Quality HK Life Insurer

Business Highlights

Company Overview

- Premier HK life insurer with 30+ years of history
- Comprehensive product offerings including whole life, term life, endowment, investment-linked, accident and health

Notes:
1. Assuming the insured is male, age 35, non-smoker

Premium Product Offerings

Regent Insurance Plan 2 (Prestige Version)

- #1 Top 10 Whole Life Savings Insurance with Highest Projected Returns (9-12 years payment term)¹
- #1 Top 10 Whole Life Savings Insurance with Highest Projected Returns (15 years or above payment term)¹

"HealthCare 168 2" Critical Illness Protector

- Whole life critical illness overall score

Source: FTLife Company Information, 10Life

Source: FTLife Company Information, 10Life

Notes:
1. Assuming the insured is male, age 35, non-smoker
FTLife – High Quality HK Life Insurer

**Superior and Sustainable Growth**

- FTLife has achieved outstanding new business growth, with APE growth outperforming the overall industry from 2016 to 2018. Strong sale of high savings products and health and critical illness products has contributed to the increase in GWP.
- While achieving superior business growth, FTLife maintained adequate solvency margin to support sustainable development.

### Gross Written Premiums

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY18</th>
<th>CAGR:</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$MM</td>
<td>5,135</td>
<td>6,191</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Notes:**
1. GWP excludes premiums from investment contracts
2. APE includes investment linked business
3. Annual APE market ranking based on the HK Insurance Authority (“HKIA”) statistics

### Above-industry APE Growth

<table>
<thead>
<tr>
<th></th>
<th>FTLife:</th>
<th>Industry:</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$MM</td>
<td>1,128</td>
<td>-4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Market Rank

- FY16: #14
- FY18: #11

### Expanding Net Income

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>CAGR:</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$MM</td>
<td>609</td>
<td>996</td>
<td>1,228</td>
<td>42%</td>
</tr>
</tbody>
</table>

### Adequate Solvency Margin

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>Minimum requirement:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solvency ratio</td>
<td>573%</td>
<td>515%</td>
<td>555%</td>
<td>150%</td>
</tr>
</tbody>
</table>

Source: FTLife Company Information, HKIA Long Term Business Statistics
FTLife – High Quality HK Life Insurer

Focus on Value Creation

- FTLife has been focusing on quality and value growth and achieved expanding margins. VONB achieved a remarkable annual growth rate of 74% from 2017 to 2018.

### Net Asset Value

<table>
<thead>
<tr>
<th>HK$MM</th>
<th>FY14</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre JD acquisition:</td>
<td>6,890</td>
<td>14,063</td>
</tr>
</tbody>
</table>

### Embedded Value

<table>
<thead>
<tr>
<th>HK$MM</th>
<th>FY14</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre JD acquisition:</td>
<td>7,806</td>
<td>16,076</td>
</tr>
</tbody>
</table>

### Value of New Business (“VONB”)

<table>
<thead>
<tr>
<th>HK$MM</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>347</td>
<td>604</td>
</tr>
</tbody>
</table>

### VONB Margin

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: FTLife Company Information, audited report of FTL Asia Holdings Limited

Notes:
1. Due to limited disclosure, net asset value and embedded value of FTL Asia Holdings Limited (formerly Ageas Asia Holdings Limited, the target company acquired by JD, and the indirect parent of FTLife) are used.
2. Adjusted for the undertakings as agreed in the SPA.
# FTLife – High Quality HK Life Insurer

## Looking Forward

### Channel Development
- Recruit high-calibre talents to expand the sales teams through various innovative platforms
- Continue to focus on key strategic initiatives in areas such as talent development, product innovation, sales and distribution management, finance and actuarial, as well as investment portfolio management

### Product Innovation
- Continue to upgrade existing products in light of latest market developments and emerging customer needs, leveraging the success in innovating and marketing new flagship products
- Enter the market of Voluntary Health Insurance Scheme (VHIS) with a series of new medical products to generate additional growth

### Technology Upgrade
- Continue to upgrade and transform both technology systems and business processes with different automation and digitalization initiatives in all aspects of business
  - developing online distribution platforms
  - supporting customer self-servicing capability on mobile
  - optimizing back-end systems

### Synergy and Collaboration
- The NWS’ development strategy is highly complementary with FTLife’s long-term vision of “achieving long-term growth in HK, while strengthening integration with China and focusing on the Greater Bay Area”
- After the completion of the transaction, FTLife will achieve synergy through collaboration with New World Group’s expanding healthcare portfolio, as well as with the New World Group’s well-known brand name in HK and the PRC to attract new customers
Robust Long-term Outlook for HK Life Insurance Supported by Strong Growth Fundamentals & Structural Factors

**High Savings Rate**
Gross Savings Rate (% Gross National Income)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>47.1</td>
<td>36.1</td>
<td>34.0</td>
<td>33.4</td>
</tr>
<tr>
<td>South Korea</td>
<td>26.5</td>
<td>33.4</td>
<td>33.4</td>
<td>33.4</td>
</tr>
<tr>
<td>Taiwan</td>
<td>25.5</td>
<td>25.5</td>
<td>25.5</td>
<td>25.5</td>
</tr>
</tbody>
</table>

Source: World Bank, Taiwan Statistical Databook 2018

**Fast HNW Population Growth**
2014-17 CAGR (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>12.2</td>
<td>10.6</td>
<td>8.8</td>
<td>8.7</td>
</tr>
<tr>
<td>South Korea</td>
<td>8.6</td>
<td>7.2</td>
<td>4.5</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: CapGemini Asia Pacific Wealth Report 2018

**Large and Underpenetrated Market in PRC**
2017 Population vs. Premiums per Capita

<table>
<thead>
<tr>
<th>Region</th>
<th>Population (MM)</th>
<th>Premiums per Capita (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1,410</td>
<td>225</td>
</tr>
<tr>
<td>South Korea</td>
<td>69</td>
<td>237</td>
</tr>
<tr>
<td>Taiwan</td>
<td>51</td>
<td>1,999</td>
</tr>
<tr>
<td>Thailand</td>
<td>127</td>
<td>2,411</td>
</tr>
<tr>
<td>Japan</td>
<td>6</td>
<td>3,835</td>
</tr>
<tr>
<td>SG</td>
<td></td>
<td>4,195</td>
</tr>
<tr>
<td>HK</td>
<td></td>
<td>6,756</td>
</tr>
</tbody>
</table>

Source: Swiss Re Institute Sigma Report 2017

**Significant Protection Gap for Life Insurance in PRC**
2017 Health Protection Gap (US$Bn)\(^{(2)}\)

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>249</td>
<td>286</td>
<td>320</td>
<td>28%</td>
<td>44%</td>
<td>41%</td>
</tr>
<tr>
<td>Japan</td>
<td>86%</td>
<td>82%</td>
<td>77%</td>
<td>72%</td>
<td>56%</td>
<td>59%</td>
</tr>
<tr>
<td>South Korea</td>
<td>23%</td>
<td>28%</td>
<td>32%</td>
<td>28%</td>
<td>44%</td>
<td>41%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>14%</td>
<td>18%</td>
<td>23%</td>
<td>28%</td>
<td>44%</td>
<td>41%</td>
</tr>
<tr>
<td>SG</td>
<td>14%</td>
<td>18%</td>
<td>23%</td>
<td>28%</td>
<td>44%</td>
<td>41%</td>
</tr>
<tr>
<td>HK</td>
<td>14%</td>
<td>18%</td>
<td>23%</td>
<td>28%</td>
<td>44%</td>
<td>41%</td>
</tr>
<tr>
<td>Thailand</td>
<td>14%</td>
<td>18%</td>
<td>23%</td>
<td>28%</td>
<td>44%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: HKIA Long Term Business Statistics

**Notes:**
1. 2017 data for China, HK, South Korea, Taiwan and Thailand, 2016 data for Japan; gross savings are calculated as gross national income less total consumption, plus net transfers
2. Estimated health protection gap based on sum of unforeseen, direct out-of-pocket healthcare expenses that cause "financial stress" to households and estimated non-treatment costs due to unaffordability per Swiss Re Institute survey
3. Premiums for PRC customers based on HKIA long term business statistics for direct individual business in respect of policies issued to mainland visitors, including new business single premiums and in force business annualized premiums
Compelling Synergy Opportunities within the New World Group

- Connectivity between FTLife’s and the New World Group’s affluent customer base in properties, hotels, department stores, consumer facing retail chains and education business

- Collaboration with the New World Group’s healthcare and wellness portfolio, e.g. providing integrated healthcare offering, hospital assurance and wellness programme

- Leverage the New World Group’s extensive and expanding footprint in the Greater Bay Area for greater regional integration, especially with the possible launch of “Insurance Connect”

Drive customer insights and engagement within the New World Group ecosystem
In Feb 2019, China government announced the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”, which supports the collaboration of insurance business within the GBA:

- “Subject to compliance with the statutory and supervisory requirements, to support insurance institutions in Guangdong, Hong Kong and Macao to jointly develop innovative cross-boundary motor vehicle and medical insurance products, and provide facilitation services for cross-boundary policyholders in areas such as underwriting, investigation and claims”
- “Subject to compliance with laws and regulations, to progressively promote cross-boundary transactions of financial products such as funds and insurance within the GBA, continue expanding the types of investment products and investment channels, and establish a mechanism for mutual access to capital and products”
- “To support eligible Hong Kong and Macao banks and insurance institutions in setting up operations in Qianhai of Shenzhen, Nansha of Guangzhou, and Hengqin of Zhuhai”

Source: “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”

Notes:
1. GBA is comprised of the two Special Administrative Regions of HK and Macao, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province, as per the Greater Bay Area public information website (www.bayarea.gov.hk)
Complementing NWS’ Diversified Business Portfolio

- Roads
- Aviation
- Logistics
- Environment
- Construction
- Insurance
- Facilities Management
- Transport

Stable, long-term yielding and diversified Core Business with resilient recurring income...

...complemented by Strategic Portfolio of a steady nature
Appendix B

Detailed Financial Statements
## Consolidated Income Statement

<table>
<thead>
<tr>
<th>(In HK$MM)</th>
<th>Fiscal year ended 30 Jun</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>35,114.8</td>
<td>26,833.5</td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(31,331.6)</td>
<td>(23,790.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>3,783.2</td>
<td>3,043.0</td>
<td></td>
</tr>
<tr>
<td>Other income/gains (net)</td>
<td>2,809.4</td>
<td>1,029.6</td>
<td></td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(1,466.4)</td>
<td>(1,417.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>5,126.2</td>
<td>2,654.9</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>(348.0)</td>
<td>(452.2)</td>
<td></td>
</tr>
<tr>
<td>Share of results of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associated companies</td>
<td>756.2</td>
<td>759.3</td>
<td></td>
</tr>
<tr>
<td>Joint ventures</td>
<td>1,331.2</td>
<td>1,948.5</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>6,865.6</td>
<td>4,910.5</td>
<td></td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>(745.0)</td>
<td>(651.8)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year / period</strong></td>
<td>6,120.6</td>
<td>4,258.7</td>
<td></td>
</tr>
</tbody>
</table>

| Attributable to |        |        |
| Shareholders of the Company | 6,068.8 | 4,043.2 |
| Holders of perpetual capital securities | – | 186.9 |
| Non-controlling interests | 51.8 | 28.6 |

| **Profit for the year / period** | 6,120.6 | 4,258.7 |

**Earnings per share attributable to the shareholders of the Company**

| Basic and diluted | HK$1.56 | HK$1.04 |
## Consolidated Statement of Financial Position

### ASSETS

<table>
<thead>
<tr>
<th>(in HK$MM)</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>1,693.3</td>
<td>1,726.5</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5,370.3</td>
<td>5,413.4</td>
</tr>
<tr>
<td>Intangible concession rights</td>
<td>11,491.9</td>
<td>10,060.8</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>753.6</td>
<td>718.7</td>
</tr>
<tr>
<td>Associated companies</td>
<td>13,763.0</td>
<td>14,552.3</td>
</tr>
<tr>
<td>Joint ventures</td>
<td>15,008.3</td>
<td>13,645.1</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>–</td>
<td>2,125.1</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>–</td>
<td>4,300.0</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>6,556.6</td>
<td>–</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>870.4</td>
<td>4,037.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>55,507.4</td>
<td>56,579.8</td>
</tr>
</tbody>
</table>

| **Current assets**          |         |         |
| Inventories                 | 461.9   | 428.6   |
| Trade and other receivables | 12,148.7| 13,997.7|
| Cash and bank balances      | 6,656.6 | 15,058.9|
| **Total assets**            | 19,267.2| 29,485.2|

### LIABILITIES

<table>
<thead>
<tr>
<th>(in HK$MM)</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>9,139.6</td>
<td>12,666.1</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>2,490.2</td>
<td>2,262.2</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>176.9</td>
<td>161.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,806.7</td>
<td>15,089.3</td>
</tr>
</tbody>
</table>

| **Current liabilities**     |         |         |
| Borrowings                  | 1,035.0 | 2,403.3 |
| Trade and other payables    | 11,384.2| 10,842.6|
| Taxation                    | 575.8   | 483.2   |
| Liabilities directly associated with assets held-for-sale | 3,213.1 | – |
| **Total liabilities**       | 28,014.8| 28,818.4|

<table>
<thead>
<tr>
<th><strong>Total equity and liabilities</strong></th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>78,138.6</td>
<td>86,065.0</td>
</tr>
</tbody>
</table>
Appendix C

Historical Net Gearing Ratio
Net Gearing Ratio
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