



NWS Holdings Announces Annual Results 2009

**HIGHLIGHTS**

	<b>2009</b>
	<b>HK\$ million</b>
Revenue	<b>17,250.9</b>
Profit attributable to shareholders	<b>2,528.8</b>
Earnings per share (EPS)	<b>HK\$1.23</b>
Dividend per share	<b>HK\$0.62</b>
Gearing ratio: *8%	
Cash on hand: HK\$5,205 million	
* excluding borrowings for IPO financing	

(7 October 2009, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Hong Kong stock code: 659) today announced its annual results for the year ended 30 June 2009 (“FY2009”).

Profit attributable to shareholders slightly decreased by less than 1% to HK\$2.191 billion (2008: HK\$2.204 billion) when the standalone effect from the sale of residential flats of Harbour Place is excluded. Revenue decreased by 9% to HK\$17.251 billion (2008: HK\$18.890 billion). Attributable Operating Profit (“AOP”) decreased by 7% to HK\$2.537 billion (2008: HK\$2.742 billion).

The board of directors (the “Board”) has resolved to recommend a final dividend for FY2009 in scrip form equivalent to HK\$0.42 per share (2008: HK\$0.40 per share) with a cash option to shareholders registered on 8 December 2009. Together with the interim dividend of HK\$0.20 per share (2008: HK\$0.55 per share) paid in June 2009, total distributions for FY2009 will be HK\$0.62 per share (2008: HK\$0.95 per share). The dividend payout ratio of approximately 50.7% is in line with the dividend policy declared by the Board in FY2005.

Despite the volatile market environment last year, the performance of NWS Holdings remained intact with stable growth. The Group’s core business maintained a healthy profit picture which delineates its defensive nature and high profit visibility. The net assets of NWS Holdings has increased notably from HK\$9.9 billion at 30 June 2004 to HK\$24.3 billion at 30 June 2009, representing a 20% 5-year CAGR (Compound Annual Growth Rate).

**新創建集團有限公司 NWS Holdings Limited**

(incorporated in Bermuda with limited liability)

## Stable contribution by Infrastructure

Infrastructure division achieved an AOP of HK\$1.520 billion, representing a 5% decrease as compared with HK\$1.599 billion last year.

### Roads

AOP of the Roads segment amounted to HK\$789.4 million, which represented a 6% increase over last year. Projects within the Pearl River Delta Region have in general recorded a drop in traffic volume due to lower economic activities impacted by the financial tsunami. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) decreased by 2% and 11% respectively. Toll income of Tangjin Expressway (Tianjin North Section) grew by 25% with an increase of 28% in average daily traffic flow, due to the diversion of traffic to the expressway during the Olympic period and the economic development of the Bohai Rim region.

### Energy

AOP of the Energy segment showed a decline of 36% to HK\$245.0 million in FY2009. The combined electricity sales of Zhujiang Power Plants fell by 17% during the year due to the economic downturn. This was aggravated by the soaring fuel costs which resulted in a combined AOP drop of 50% in FY2009. The performance of Macau Power remained satisfactory with a growth of electricity sales of 4% during the year despite delays and suspension of works of some mega-sized construction projects in Macau. Furthermore, electricity sales of Chengdu Jintang Power Plant increased by 19% in FY2009 as two generation units commenced operation in June and October 2007 respectively.

### Water

AOP of the Water segment recorded a remarkable growth of 47% to HK\$185.6 million in FY2009. The acquisition of 7.5% effective interest in Chongqing Water Group and 26.03% effective interest in Tianjin Jieyuan Water Plant were completed in August 2008 and March 2009 respectively, and contributed positively to the overall AOP in FY2009.

### Ports & Logistics

AOP contribution from the Ports & Logistics segment was reduced by 13% to HK\$300.1 million in FY2009 as economic downturn slowed down Mainland China's import and export. Xiamen New World Xiangyu Terminals Co., Ltd. reported a 7% decrease in throughput volume to 696,000 TEUs mainly due to sluggish trade. As a result of competition from new terminals and slowdown of economic activities, the throughputs of Tianjin Orient Container Terminals Co., Ltd. and Tianjin Five Continents International Container Terminal Co., Ltd. fell by 24% to 857,000 TEUs and by 4% to 1.92 million TEUs respectively in FY2009. ATL Logistics Centre recorded a steady profit with a staggering average occupancy rate at 99% in FY2009.

## Healthy profit level of Services

Services division reported an 11% decrease in AOP to HK\$1.017 billion, compared with HK\$1.142 billion last year.

### Facilities Management

The Facilities Management segment comprises various service businesses including the Hong Kong Convention and Exhibition Centre (“HKCEC”), Free Duty and facility services such as property management, security and guarding, cleaning and laundry. This segment achieved an outstanding result with an AOP of HK\$612.1 million in FY2009, representing an increase of 43% over FY2008.

HKCEC continued to provide a steady source of income and cash inflow to the Group. Construction works of the Atrium Link expansion was substantially completed in April 2009 and its total rental space has been increased to 91,500 sq m. The purpose-built exhibition hall space of 66,000 sq m enables HKCEC to host more mega-sized international exhibitions and maintain its leading position in the market.

Free Duty, the duty free tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong, posted very satisfactory results in FY2009. The facility services business continued to contribute a stable profit and cashflow to the Group.

### Contracting & Transport

The Contracting & Transport segment achieved an AOP of HK\$285.7 million in FY2009, representing a decrease of 25% over last year.

For the Construction Group, the gross value of contracts on hand was approximately HK\$20.5 billion and that for the mechanical and engineering business was approximately HK\$6.0 billion as at 30 June 2009. The Group, cautiously optimistic about the medium- to long-term prospects in Hong Kong, is well positioned to take advantage of mega-sized projects.

The Transport business achieved an AOP increase over FY2008. This was primarily due to the drop in fuel costs and a one-off gain on disposal of fixed assets during the year.



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### Financial Services

The financial tsunami made a severe impact on the performance of the Financial Services segment, with a significant drop in AOP by 64% to HK\$119.2 million in FY2009. The lack of turnover volume in the equity markets and contraction in fund-raising activities from IPOs caused Taifook Securities to suffer substantial decline in earnings from its core operations including brokerage service, corporate finance and margin finance. However, the market has shown clear signs of rebound since March 2009 with increased turnover and significant improvement in the segment's AOP contribution was recorded in the second quarter of 2009.

Tricor, a global professional services provider specializing in integrated business, corporate and investor services, has successfully expanded into 21 cities in 12 countries/territories throughout Asia and worldwide. Caught in the global financial market slowdown, Tricor's revenue for FY2009 also dropped slightly as compared with FY2008.

### **Capitalizing on a diversified portfolio**

In this turbulent age, NWS Holdings will continue to capitalize on its defensive and diversified business for a balanced risk profile. With prudent cash and treasury management, the Group is able to maintain a healthy balance sheet. Looking ahead, NWS Holdings remains confident in sustaining growth with new projects scheduled to commence operations in the coming years. Having strong cashflow from recurring businesses, the Group will remain focused in seeking quality assets with potential to maintain long-term and reasonable profitability. At the same time, NWS Holdings will carry on observing service excellence, good corporate governance while enhancing brand image and sustainability.

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***Attachment: NWS Holdings' Consolidated Income Statement***

*This press release will be posted to the Group's website ([www.nws.com.hk](http://www.nws.com.hk)).*

**NWS Holdings Limited**

NWS Holdings Limited (“NWS Holdings”, Hong Kong stock code: 659), the infrastructure and service flagship of New World Development Company Limited (Hong Kong stock code: 17), embraces a diversified range of businesses in Hong Kong, Mainland China and Macau. Its **Infrastructure** portfolio includes Roads, Energy, Water and Ports & Logistics projects. Its **Services** division comprises Facilities Management (the management of *Hong Kong Convention and Exhibition Centre* and *Free Duty*), Contracting & Transport (*Hip Hing Construction*, *NWS Engineering*, *New World First Bus*, *Citybus* and *New World First Ferry*) and Financial Services (*Taifook Securities* and *New World Insurance*).

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## Attachment

### NWS HOLDINGS LIMITED CONSOLIDATED INCOME STATEMENT

For the year ended 30 June

	2009 HK\$'m	2008 HK\$'m (restated)
Revenue	17,250.9	18,889.5
Cost of sales	<u>(15,407.3)</u>	<u>(16,519.4)</u>
Gross profit	1,843.6	2,370.1
Other income (net)	609.3	338.3
General and administrative expenses	<u>(1,202.1)</u>	<u>(1,377.6)</u>
Operating profit	1,250.8	1,330.8
Finance costs	(224.3)	(298.7)
Share of results of		
Associated companies	(63.5)	315.8
Jointly controlled entities	<u>1,780.6</u>	<u>2,920.3</u>
Profit before income tax	2,743.6	4,268.2
Income tax expenses	<u>(162.9)</u>	<u>(215.4)</u>
Profit for the year	<u>2,580.7</u>	<u>4,052.8</u>
Attributable to		
Shareholders of the Company	2,528.8	3,836.9
Minority interests	<u>51.9</u>	<u>215.9</u>
	<u>2,580.7</u>	<u>4,052.8</u>
Dividends	<u>1,281.0</u>	<u>1,937.8</u>
Earnings per share attributable to the shareholders of the Company		
Basic	<u>HK\$1.23</u>	<u>HK\$1.90</u>
Diluted	<u>HK\$1.23</u>	<u>HK\$1.89</u>