

NWS Holdings Announces FY2010 Annual Results

HIGHLIGHTS

	FY2010 HK\$ million	FY2009 HK\$ million	Change (%)
Profit attributable to shareholders	<b>4,011.7</b>	2,528.8	59
Earnings per share (EPS)	<b>HK\$1.92</b>	HK\$1.23	56
Dividend per share	<b>*HK\$0.95</b>	HK\$0.62	53

Cash on hand: HK\$5.2 billion (30 June 2009: HK\$5.2 billion)

\* Apart from dividend, a bonus share on the basis of one bonus share for every two shares will be issued.

(5 October 2010, 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 2010 (“FY2010”).

The Group achieved a record-high profit attributable to shareholders of HK\$4.012 billion (2009: HK\$2.529 billion) representing an increase of 59%. Attributable Operating Profit (“AOP”) rose by 12% to HK\$2.843 billion (2009: HK\$2.537 billion).

A significant gain from the disposal of controlling interest in Taifook Securities Group Limited (“Taifook Securities”) of HK\$728.7 million was recognized during FY2010. The Group also recorded a net gain of HK\$541.1 million through the disposal of several securities investments. Sale of residential flats of Harbour Place continued and contributed a profit of HK\$337.9 million thanks to the robust property market in FY2010. The strong cash flow from operations together with proceeds from disposals enabled the Group to become a net cash company for the first time (with net cash of approximately HK\$0.3 billion as at 30 June 2010).

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新創建集團有限公司 NWS Holdings Limited

(incorporated in Bermuda with limited liability)

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▪ Infrastructure 基建 ▪ Services 服務

The board of directors (the “Board”) has resolved to recommend a final dividend for FY2010 in scrip form equivalent to HK\$0.33 per share (2009: HK\$0.42 per share) with a cash option to shareholders registered by 23 November 2010. Together with the interim dividend of HK\$0.62 per share (2009: HK\$0.20 per share) paid in June 2010, total distributions for FY2010 will be HK\$0.95 per share (2009: HK\$0.62 per share). The dividend payout ratio of approximately 50.6% is in line with the dividend policy declared by the Board in FY2005. To enhance the share liquidity in the market, enlarge the shareholder and capital base, and reward shareholders for their investment in the Group, the Board has also proposed to make a bonus issue of shares to those shareholders registered by 23 November 2010 on the basis of one bonus share for every two shares then held.

### **Stable contribution from Infrastructure**

Infrastructure division achieved an AOP of HK\$1.452 billion, representing a 4% decrease as compared with HK\$1.520 billion last year.

#### Roads

AOP of the Roads segment showed a decline of 34% to HK\$520.6 million in FY2010. The average daily traffic flow of Guangzhou City Northern Ring Road shrank by 18% in FY2010 due to its partial closure for major repair and maintenance works between July and November 2009. The performance of other expressways within the Pearl River Delta Region rebounded during the year, such as Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section), the average daily traffic flow of which rose by 15% when compared to FY2009. The average daily traffic flow of Tangjin Expressway (Tianjin North Section) grew by 15%.

#### Energy

AOP of the Energy segment amounted to HK\$420.0 million, representing a 71% increase over last year. On the strength of economic recovery, the combined electricity sales of Zhujiang Power Plants grew by 12% in FY2010. Chengdu Jintang Power Plant’s electricity sales volume was up by 4% over FY2009 and achieved a better average tariff in FY2010. Benefiting from the opening of new hotels and entertainment facilities during the year, electricity sales of Macau Power reported a healthy growth of 8%.

#### Water

AOP of the Water segment recorded a growth of 26% to HK\$233.3 million in FY2010. Chongqing Water Plant rose by 16% in average daily sales volume. The acquisition of Chongqing Water Group Company Limited in August 2008 provided a full-year contribution in FY2010.

### Ports & Logistics

AOP contribution from the Ports & Logistics segment was reduced by 7% to HK\$278.0 million in FY2010. Since trade activities rebounded, Xiamen New World Xiangyu Terminals Co., Ltd. reported an 8% growth in throughput volume to 753,000 TEUs but its average tariff dropped as competition in Xiamen intensified during FY2010. ATL Logistics Centre made a steady profit contribution with average occupancy remained high at 97%.

China United International Rail Containers Co., Ltd. (“CUIRC”), the joint venture company in which NWS Holdings owns a 22% stake, commenced operations of three terminals in Chongqing, Chengdu and Zhengzhou in FY2010. The throughput volume of Kunming terminal, which was opened in January 2008, increased remarkably by 68% to 267,000 TEUs. As of today, a total of eight terminals, namely Kunming, Chongqing, Chengdu, Zhengzhou, Dalian, Wuhan, Qingdao and Shanghai (to be injected into CUIRC) have become operational. Xi’an terminal is expected to commence operation in October 2010. Based on the current project development progress, all 18 rail container terminals are expected to be completed by end of 2012. It is targeted that a total throughput of 3.5 million TEUs could be achieved in FY2013.

### **Strong growth in Services**

AOP of Services division recorded a significant growth of 37% to HK\$1.391 billion, as compared to HK\$1.017 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. AOP from this segment improved significantly to HK\$825.1 million, representing a 35% growth in FY2010.

HKCEC achieved remarkable success with its exhibition business for FY2010 subsequent to its total rental space being increased to 91,500 sq m after the extension works were completed in April 2009. During FY2010, it was recorded that 1,185 events were held with total patronage in excess of 4.8 million.

Benefiting from the robust growth in visitor arrivals and increased spending per passenger, Free Duty, the duty free tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong, recorded a particularly strong growth during FY2010.

Profit contributions from the facility services business dropped by 14% over FY2009. The loss of revenue and shrinkage in margin caused by keen competition in general led to such a sharp decrease in AOP.

### Contracting & Transport

The Contracting & Transport segment achieved an AOP of HK\$410.1 million, representing an increase of 44% over last year.

The Contracting business gained an increase in AOP over FY2009 mainly due to the general improvement in performance of the construction business in Hong Kong. As at 30 June 2010, the gross value of contracts on hand for the construction business was approximately HK\$17.6 billion.

The Transport business scored an AOP increase over FY2009 as a result of the significant decline in overall fuel costs, which had been hedged at a reasonable price level to better control cost.

### Financial Services

The Financial Services segment achieved an outstanding result with an AOP of HK\$155.9 million in FY2010, representing an increase of 31% as compared to FY2009.

AOP contribution from Taifook Securities improved significantly during the year. The stock market began to show clear signs of a rebound in March 2009, leading to an increase in stock market turnover and subsequently greater contribution to its core operations including brokerage service as well as corporate and margin finance during FY2010. As part of NWS Holdings' continuing corporate strategy to consolidate its service-related businesses, the Group reduced its shareholding interest in Taifook Securities from approximately 61.9% to approximately 9% on 21 December 2009 following the completion of disposal of the controlling shareholding to Hai Tong (HK) Financial Holdings Limited.

Tricor Holdings Limited recorded a steady growth in its corporate and investor services businesses during FY2010. Its business operations in Hong Kong and Singapore together contributed approximately 78% of the total profit during the year.

### **Scaling new heights**

Having achieved record-breaking results in FY2010, NWS Holdings will not rest on its laurels. On 11 June 2010, the Group announced that agreements were entered into in respect of the disposal of some of its non-core businesses under a management buyout arrangement, including laundry and landscaping; security and guarding; trading of building materials; senior residents' homes; insurance brokerage; property management in Hong Kong; cleaning; as well as electrical and mechanical engineering, subject to certain conditions precedent. Total consideration for the disposal was HK\$888.5 million, and the expected gain to be derived from the disposal would amount to approximately HK\$0.3 billion upon completion of the transactions.

The disposal of its controlling interest in Taifook Securities and the general services companies is in line with the Group's continuing corporate strategy to consolidate its non-core businesses and achieve a more streamlined business portfolio. The Group also believes that better risk control can be achieved.

Looking ahead, the Group is confident of its growth prospects. The existing portfolio will continue to provide strong core earnings while green field infrastructure projects will soon start to contribute earnings. With the present strong financial position, NWS Holdings will focus its efforts and resources on stable growth areas. The Group will continue to stay on track and seek quality assets so as to achieve sustainable growth in the long run.

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

*This press release is also available at 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, and bus and ferry services*) and Financial Services (*Tricor*).

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## Attachment

### NWS HOLDINGS LIMITED CONSOLIDATED INCOME STATEMENT

For the year ended 30 June

	2010 HK\$'m	2009 HK\$'m
Revenue	12,089.0	17,250.9
Cost of sales	(10,111.7)	(15,407.3)
Gross profit	1,977.3	1,843.6
Net gain on disposal of controlling interest in subsidiaries	731.2	39.4
Other income (net)	358.8	569.9
General and administrative expenses	(1,145.7)	(1,202.1)
Operating profit	1,921.6	1,250.8
Finance costs	(114.4)	(224.3)
Share of results of		
Associated companies	485.0	(63.5)
Jointly controlled entities	2,122.0	1,780.6
Profit before income tax	4,414.2	2,743.6
Income tax expenses	(332.2)	(162.9)
Profit for the year	4,082.0	2,580.7
Attributable to		
Shareholders of the Company	4,011.7	2,528.8
Non-controlling interests	70.3	51.9
	4,082.0	2,580.7
Dividends	2,028.0	1,281.0
Earnings per share attributable to the shareholders of the Company		
Basic and diluted	HK\$1.92	HK\$1.23