

NWS Holdings Announces Record-breaking Annual Results

HIGHLIGHTS

	FY2011 HK\$ million	FY2010 HK\$ million	Change (%)
Attributable Operating Profit	<b>4,056.2</b>	3,384.1	20
Profit attributable to shareholders	<b>4,626.8</b>	4,011.7	15
Earnings per share (EPS)	<b>HK\$1.40</b>	HK\$1.26	11
Dividend per share	<b>HK\$0.70</b>	HK\$0.95	*
Net Assets	<b>32,346.1</b>	26,452.1	22

Cash on hand: HK\$4.5 billion (30 June 2010: HK\$5.2 billion)

Net gearing ratio: 7%

\* Increase of 11% after adjusting for bonus issue in FY2011

(28 September 2011, 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 2011 (“FY2011”).

The Group achieved a record-breaking profit attributable to shareholders of HK\$4.627 billion (2010: HK\$4.012 billion) representing an increase of HK\$615.1 million or 15% over the previous financial year. Attributable Operating Profit (“AOP”) rose by 20% to HK\$4.056 billion (2010: HK\$3.384 billion).

The board of directors (the “Board”) has resolved to recommend a final dividend for FY2011 in scrip form equivalent to HK\$0.33 per share (2010: HK\$0.33 per share) with a cash option to shareholders on the register on 25 November 2011. Together with the interim dividend of HK\$0.37 per share (2010: HK\$0.62 per share) paid in May 2011, total distribution of dividend for FY2011 will be HK\$0.70 per share (2010: HK\$0.95 per share). The dividend payout ratio of approximately 50.7% is in line with the Group’s dividend policy.

### Strong growth in Infrastructure

Infrastructure division generated an AOP of HK\$2.067 billion, representing a sharp increase of 42% as compared to HK\$1.452 billion for the year ended 30 June 2010 (“FY2010”).

## 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

Page 1 of 7

### Roads

The Roads segment achieved an outstanding result with AOP amounted to HK\$1.135 billion, marking a significant increase of 118% when compared to FY2010.

The increase in AOP was substantially due to an additional gain of approximately HK\$387.5 million mainly on extra profit distribution from Tangjin Expressway (Tianjin North Section) recognized in FY2011. Its average daily traffic flow rose by 35%, benefitting from the economic development of Bohai Rim Region and other competing roads undergoing maintenance during FY2011.

Operation of Guangzhou City Northern Ring Road has returned to normal after the repair and maintenance work carried out in FY2010 and reported a traffic growth of 28% in FY2011. Performance of other expressways within the Pearl River Delta Region continued to perform satisfactorily. Average daily traffic flow of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Shenzhen-Huizhou Expressway grew by 9% and 31% respectively. Guangzhou-Zhaoqing Expressway reported a strong traffic growth of 29% during FY2011 and the opening of phase two in September 2010 has greatly enhanced its competitiveness in the region. Guangzhou Dongxin Expressway also commenced operation in December 2010.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel rose by 3% in FY2011. A toll increase which became effective in December 2010 also contributed to its increase in AOP.

### Energy

AOP contribution from the Energy segment reduced by 16% to HK\$352.4 million in FY2011, mainly due to surging fuel costs.

Electricity sales of Zhujiang Power Plants dropped slightly by 2% mainly due to lower electricity demand during the Asian Games period. Chengdu Jintang Power Plant and Macau Power, on the other hand, registered an increment of 8% and 3% respectively in electricity sales.

AOP from Guangzhou Fuel Company rose significantly on the strength of the booming coal market during FY2011. Its operation has mitigated the impact of fuel costs on the Group's power plants.

### Water

AOP of the Water segment achieved a remarkable increase of 28% to HK\$297.7 million during FY2011.

Contribution from water projects in Mainland China continued to serve as the growth engine for the segment. Sales volume of Zhongshan Dafeng and Quanlu Water Plants, Changshu Water Plant and Chongqing Water Plant increased by 8%, 6% and 14% respectively. Water sales revenue also benefitted from the tariff hikes of several water plants since FY2010. Sales volume of Macau Water Plant remained at a similar level when compared to FY2010.

Benefitting from the development of Chongqing and tax exemption on waste water treatment revenue, the AOP from Chongqing Water Group grew satisfactorily during FY2011.

#### Ports & Logistics

AOP of the Ports & Logistics segment recorded a slight increase of 1% to HK\$281.9 million in FY2011.

The throughput of Xiamen New World Xiangyu Terminals Co., Ltd. rose by 3% to 774,000 TEUs as trade activities rebounded during FY2011.

ATL Logistics Centre continued to make stable AOP contribution to the Group. Average occupancy rate was maintained at a consistently high level of 96% in FY2011.

In addition to the four existing terminals in Kunming, Chongqing, Chengdu and Zhengzhou, China United International Rail Containers Co., Ltd. (“CUIRC”), the joint venture company in which NWS Holdings increased its effective interest to 30% in December 2010, rolled out another four new terminals in Dalian, Qingdao, Wuhan and Xian during FY2011. These eight terminals of the phase one development formed a network covering both coastal ports and inland regions in Central China and the total throughput increased substantially from 366,000 TEUs in FY2010 to 1,255,000 TEUs in FY2011, representing over twofold increase. Tianjin and Harbin terminals, which form part of the phase two development, are under construction preparation.

#### **Impressive contribution from Services**

AOP of Services division recorded an increase of 3% to HK\$1.989 billion, as compared to HK\$1.932 billion in FY2010.

#### Facilities Management

The Facilities Management segment which comprises mainly the Hong Kong Convention and Exhibition Centre (“HKCEC”) and Free Duty reported an AOP of HK\$876.9 million, representing a 6% growth in FY2011.

The Group continued to benefit from the growth of exhibition industry in FY2011. During the year, 1,235 events were held at HKCEC with total patronage of approximately six million, up by 4% and 25% respectively. Most recurrent international trade exhibitions experienced growth in both gross exhibition space and overall attendance. Food and beverage revenue continued to improve following the opening of three new restaurants and modifications to provide additional banqueting space.

Benefitting from strong patronage of affluent travellers especially Mainland Chinese visitors, Free Duty's tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong continued to achieve steady growth during FY2011.

### Construction & Transport

The segment has been renamed "Construction & Transport" following the disposal of the mechanical and engineering business. Its AOP showed a decline of 32% to HK\$279.1 million during FY2011.

The Construction business recorded a 37% decrease in AOP over FY2010 as a result of provision of job costs for projects in Hong Kong and overseas. As at 30 June 2011, the gross value of contracts on hand for the Construction business was approximately HK\$20.1 billion. After the discontinuation of business in Mainland China and certain overseas markets, the management will continue to focus on cost reduction and right-sizing of workforce while making every effort to minimize exposure to losses incurred by high-risk contracts.

AOP of the Transport business reported a 24% decrease during FY2011 mainly due to rising fuel cost during the year. The bus companies will continue to seek consolidation and rationalization of the existing bus routes to save fuel and enhance efficiency.

### Strategic Investments

Previously known as "Financial Services", the segment has been renamed as "Strategic Investments" to include contributions from Tricor Holdings Limited ("Tricor") and Haitong International Securities Group Limited ("Haitong") and net gains from the securities investments held by the Group for strategic investment purposes. These strategic investments have a clear investment mandate from the Board and have become an established feature in the Group's investment portfolio as well as a significant contributor to segment results. The segment marked an increase of 20% in AOP to HK\$833.3 million in FY2011.

Tricor recorded a steady growth in its corporate services and investor services businesses during FY2011. It captured over 40% of the total share of new listings in Hong Kong during the year. Its business operations in Hong Kong, Singapore and Mainland China together contributed about 84% of the total profit during FY2011.

As at 30 June 2011, NWS Holdings had an effective interest of approximately 60% in Newton Resources Ltd (“Newton Resources”), which owns and operates a major privately-owned iron ore mine in Hebei Province in Mainland China. Following the spin-off of Newton Resources on 4 July 2011, the dealings of its shares on the Main Board of the Hong Kong Stock Exchange also commenced on that date. As a result, the Group’s effective interest in Newton Resources decreased to approximately 48% and Newton Resources ceased to be a subsidiary of NWS Holdings immediately upon listing.

### **A journey of excellence**

As evidenced by the robust operational performance during FY2011, NWS Holdings firmly believes that its defensive and balanced portfolio of high quality assets will remain resilient against unfavourable market conditions including inflationary pressure and financial credit crunch. Furthermore, to pave for continuous development, the Group has secured a strong growth driver through the acquisition of Hangzhou Ring Road during the first quarter of the year ending 30 June 2012 (“FY2012”). Official opening of a number of infrastructure projects, including Xiamen Haicang Xinhaida Container Terminals and the new logistics warehouse in Kwai Chung in the first half of FY2012, will also enhance the Group’s overall profitability in the years to come.

Looking ahead, NWS Holdings is confident that the infrastructure projects will provide a solid platform both in terms of capital resources and expansion capacity for the Group to target and capture new growth opportunities in Mainland China and continue to enjoy the potential return gain from Renminbi appreciation. The Group will, at the same time, make every effort to enhance its operational efficiency to capture the uptrend in the exhibition, financial and retail sectors in Hong Kong.

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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 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*), Construction & Transport (*Hip Hing Construction and bus and ferry services*) and Strategic Investments (*Newton Resources, Tricor, Haitong and securities investments*).

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**Attachment**

**NWS HOLDINGS LIMITED  
CONSOLIDATED INCOME STATEMENT**

**For the year ended 30 June**

	<b>2011</b>	2010
	<b>HK\$'m</b>	HK\$'m
Revenue	<b>9,560.6</b>	12,089.0
Cost of sales	<b>(7,901.7)</b>	(10,111.7)
Gross profit	<b>1,658.9</b>	1,977.3
Other income/ gains (net)	<b>1,715.3</b>	1,090.0
General and administrative expenses	<b>(717.2)</b>	(1,145.7)
Operating profit	<b>2,657.0</b>	1,921.6
Finance costs	<b>(104.3)</b>	(114.4)
Share of results of		
Associated companies	<b>620.4</b>	485.0
Jointly controlled entities	<b>1,922.9</b>	2,122.0
Profit before income tax	<b>5,096.0</b>	4,414.2
Income tax expenses	<b>(440.4)</b>	(332.2)
Profit for the year	<b>4,655.6</b>	4,082.0
Attributable to		
Shareholders of the Company	<b>4,626.8</b>	4,011.7
Non-controlling interests	<b>28.8</b>	70.3
	<b>4,655.6</b>	4,082.0
Dividends	<b>2,344.9</b>	2,029.2
Earnings per share attributable to the shareholders of the Company		
Basic and diluted	<b>HK\$1.40</b>	HK\$1.26