



For immediate release

NWS Holdings Announces FY2013 Annual Results

HIGHLIGHTS

	FY2013 HK\$ million	FY2012 HK\$ million	Change + / (-)%
Revenue	16,247.9	14,954.3	9
Attributable Operating Profit	4,267.3	4,207.6	1
Profit attributable to shareholders	4,008.0	5,251.1	(24)
Earnings per share	HK\$1.11	HK\$1.53	(27)
Dividend per share	HK\$0.55	HK\$0.75	(27)
Net assets	41,021.0	36,632.8	12

Total cash and bank balances: HK\$7,768 million (30 June 2012: HK\$5,386 million)

Net gearing ratio: 24% (30 June 2012: 34%)

(25 September 2013, 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 2013 (“FY2013”). Revenue rose by 9% to HK\$16,248 million (2012: HK\$14,954 million) and Attributable Operating Profit (“AOP”) recorded a moderate growth of 1% to HK\$4,267 million (2012: HK\$4,208 million) in FY2013. Excluding the exceptional dilution gain of approximately HK\$1.8 billion from the listing of Newton Resources Ltd in the last financial year, profit attributable to shareholders increased by approximately HK\$600 million or 18% to HK\$4,008 million in FY2013. This set of results is a validation of the Group’s long term strategy of deploying well-diversified and counter-cyclical portfolio to maintain its earnings momentum amid macro-economic volatility.

The Board of Directors (the “Board”) has resolved to recommend a final dividend for FY2013 in scrip form equivalent to HK\$0.26 per share (2012: HK\$0.25 per share) with a cash option to the shareholders on the register on 22 November 2013. Together with the interim dividend of HK\$0.29 per share (2012: HK\$0.50 per share) paid in May 2013, total distribution of dividend by the Group for FY2013 will be HK\$0.55 per share (2012: HK\$0.75 per share), representing a payout ratio of approximately 50.2%, which is in line with the dividend strategy declared by the Board in FY2005.



## Infrastructure businesses

The Infrastructure division generated an AOP of HK\$2,288 million, up 7% as compared to HK\$2,133 million in FY2012.

### Roads

The Roads segment recorded an AOP growth of 2% to HK\$1,238 million in FY2013. Toll revenues generally were negatively affected by the implementation of toll standardisation policy in Guangdong Province and introduction of the Holiday Toll-free Policy in 2012. These negative impacts were offset by the increased contribution from the newly acquired Hangzhou Ring Road (“HZRR”), the Group’s shareholding was increased from 58.66% to 95% in January 2012.

HZRR experienced a decrease in average daily traffic flow of 19% which was mainly due to the cancellation of Easy Access Card Programme since January 2012 and the implementation of the Holiday Toll-free Policy during FY2013. However, toll revenue dropped by only 5% resulting from the increased use by heavy vehicles.

AOP of Tangjin Expressway (Tianjin North Section) was affected by the partial closure of the expressway which commenced in June 2012 to carry out expansion works. Its average daily traffic flow dropped by 38% when compared to FY2012. The expansion works are targeted for completion by the end of 2014 to capture traffic growth in step with the development of Tianjin Binhai New Area.

The expressways in the Pearl River Delta Region generally reported healthy traffic growth in FY2013, while the adverse toll policies had a negative impact on toll revenues. The average daily traffic flow of Guangzhou City Northern Ring Road, Shenzhen-Huizhou Expressway (Huizhou Section) and Guangzhou-Zhaoqing Expressway grew by 17%, 8% and 10% respectively. Traffic flow at Guangzhou Dongxin Expressway, which commenced operation in December 2010, rose by 31% in FY2013.

In Hong Kong, the average daily traffic flow of Tate’s Cairn Tunnel increased by 3% in FY2013.

### Energy

AOP of the Energy segment rose by 26% to HK\$330 million in FY2013 primarily due to declining coal prices.

Electricity sales volume of Zhujiang Power Plants reduced by 19% mainly due to the weakened demand in Guangdong Province and more hydro-electricity being imported from the western provinces. Electricity sales volume of Chengdu Jintang Power Plant also dropped by 7%. Coal trading volume of Guangzhou Fuel Company increased by 18%.

Electricity sales volume of Macau Power continued to grow healthily by 5%, in line with the booming entertainment and tourist industry in Macau.

### Water

AOP of the Water segment increased by 8% to HK\$389 million in FY2013.

Fueled by the economic development in Chongqing, sales volume of Chongqing Water Plant grew by 7% while waste water treated by Chongqing Tangjiatuo Waste Water Plant and Chongqing CCIP Water Treatment Plants increased by 15% and 14% respectively. Chongqing Water Group continued to be a key AOP contributor to the Water segment.

Shanghai SCIP Water Treatment Plants reported a healthy growth of waste water sales revenue by 12%. Profitability of the Water segment in FY2013 was however partially offset by escalating operating costs in Mainland China.

### Ports & Logistics

AOP of the Ports & Logistics segment increased by 10% to HK\$330 million in FY2013.

In February 2013, the Group announced the establishment of the joint venture company (“JV Company”) with other major port operators in Xiamen (the “Xiamen Ports Merger”) which would involve the injection of its two port investments in Xiamen - Xiamen New World Xiangyu Terminals Co., Ltd. and Xiamen Haicang Xinhaida Container Terminals Co., Limited in exchange for a 13.8% interest in the JV Company. The Xiamen Ports Merger is expected to be completed by the end of 2013, at which time, an exceptional gain of approximately HK\$0.6 billion arising from the restructuring will be recognised by the Group. Upon forming the strategic alliance with other port operators, the JV Company, which owns 25 berths in Xiamen, will make good use of the synergy effect and operate as the shipping hub for the southeast coast of Mainland China.

The throughput of Tianjin Five Continents International Container Terminal Co., Ltd. and Tianjin Orient Container Terminals Co., Ltd. rose by 6% and 9% respectively, driven by the growth in domestic cargoes during FY2013.

As a key AOP contributor, ATL Logistics Centre recorded a remarkable occupancy rate of 99%, up from 98% in FY2012. The keen demand for logistics and warehouse facilities in Hong Kong drove its average rental rate up by 5% during FY2013. NWS Kwai Chung Logistics Centre, which commenced operation in December 2011, was fully leased out and provided a full-year AOP contribution to this segment in FY2013.

China United International Rail Containers Co., Limited reported an AOP for the first time in FY2013. Total throughput increased by 2% while revenue increased by 8% as a result of the tariff increase in February 2013 and rising demand for ancillary logistics services.

### **Services businesses**

The Services division recorded an AOP of HK\$1,979 million in FY2013, representing a 5% decrease from FY2012.

### Facilities Management

The Facilities Management segment, which mainly comprises the management and operation of Hong Kong Convention and Exhibition Centre (“HKCEC”) and the business of Free Duty, recorded a 5% drop in AOP to HK\$1,124 million in FY2013.

HKCEC continued to record steady growth of business events and activities, with 1,180 events being held and a total patronage of approximately 5.2 million in FY2013. Through upgrading its complex and facilities, turnover from exhibition rental and food and beverage has continued to record healthy growth. Improvement in food and beverage margin was likewise notable in FY2013.

Free Duty’s tobacco and liquor retail business at the land border crossings continues to thrive and experience remarkable growth by capitalising on the strong patronage of high-spending visitors from Mainland China. This growth helped to mitigate the impact of the expiration of the concession contract at the Hong Kong International Airport in November 2012 and the renewed concession terms.

### Construction & Transport

This segment achieved an AOP growth of 18% to HK\$394 million in FY2013.

The Construction business recognised an AOP of HK\$235 million, representing a 25% increase from FY2012. As at 30 June 2013, the gross value of contracts on hand for the Construction business was approximately HK\$43.9 billion.

The Transport business reported an AOP of HK\$159 million in FY2013, representing a 9% increase. This was mainly attributable to the increase in fare revenue in connection with ridership growth. Operation efficiency continues to improve through routes rationalisation between Citybus and New World First Bus. Fuel costs remained steady due to a fuel cost hedging arrangement.

### Strategic Investments

This segment recorded an AOP of HK\$461 million, representing a 17% decrease in FY2013 due to scaling down of securities investment portfolio.

### **Gleneagles Hong Kong Hospital**

To strengthen the Group's service portfolio in Hong Kong, a joint venture in which the Group has 40% interest was formed for the construction, development and operation of a private hospital, Gleneagles Hong Kong Hospital, in Wong Chuk Hang. The hospital will have a total capacity of 500 beds with over 15 specialties and is scheduled for operation in late 2016. With Parkway Pantai Limited, one of Asia's largest private healthcare providers, and the Li Ka Shing Faculty of Medicine of The University of Hong Kong as our strategic partners, the Group is confident that the new hospital will provide quality healthcare service to meet the needs of Hong Kong people.

### **Going forward**

The overall performance in FY2013 endorsed the Group's business strategy and commitment in maintaining a well-diversified and defensive assets portfolio which could generate sustainable earnings growth and cash flows irrespective of market conditions. The Group is well-positioned to capitalise on upcoming infrastructure opportunities associated with Mainland China's urban development, especially roads, water and energy related projects. On the services related businesses, the Group will continue to benefit from the continuous rise in visitors and spending at the land border terminals and the strong housing and infrastructure development in Hong Kong. The opportunity to co-invest in the Gleneagles Hong Kong Hospital will provide a fitting platform for the Group to enter the healthcare industry and develop a new growth driver for the Services division.

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

*This press release is also available on 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), operates businesses in Hong Kong, Mainland China and Macau. Its Infrastructure portfolio includes Roads, Energy, Water and Ports & Logistics projects. Its Services portfolio comprises Facilities Management (*the management of Hong Kong Convention and Exhibition Centre and Free Duty*), Construction & Transport (*construction, bus and ferry services*) and Strategic Investments.

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***Attachment***

Consolidated Income Statement

For the year ended 30 June

	2013	2012
	HK\$'m	HK\$'m
Revenue	16,247.9	14,954.3
Cost of sales	<u>(13,114.0)</u>	<u>(11,876.2)</u>
Gross profit	3,133.9	3,078.1
Gain on deemed disposal of interest in a subsidiary	-	1,842.7
Other income / gains (net)	1,251.3	571.7
General and administrative expenses	<u>(747.1)</u>	<u>(654.5)</u>
Operating profit	3,638.1	4,838.0
Finance costs	(768.7)	(580.1)
Share of results of		
Associated companies	438.0	557.2
Jointly controlled entities	<u>1,415.8</u>	<u>1,237.5</u>
Profit before income tax	4,723.2	6,052.6
Income tax expenses	<u>(640.9)</u>	<u>(625.0)</u>
Profit for the year	<u><u>4,082.3</u></u>	<u><u>5,427.6</u></u>
Attributable to		
Shareholders of the Company	4,008.0	5,251.1
Non-controlling interests	<u>74.3</u>	<u>176.5</u>
	<u><u>4,082.3</u></u>	<u><u>5,427.6</u></u>
Dividends	<u>2,012.4</u>	<u>2,636.8</u>
Earnings per share attributable to the shareholders of the Company		
Basic	<u>HK\$1.11</u>	<u>HK\$1.53</u>
Diluted	<u>HK\$1.11</u>	<u>HK\$1.52</u>