

For immediate release
NWS Holdings Announces FY2014 Interim Results
HIGHLIGHTS

	For the six months ended 31 December		
	2013 HK\$ million	2012 HK\$ million	Change + / (-) %
Revenue	10,097.8	7,971.0	27
Attributable Operating Profit (AOP)	2,320.2	2,196.0	6
Profit attributable to shareholders	2,604.9	2,106.2	24
Earnings per share (EPS)	HK\$0.71	HK\$0.59	20
Interim dividend per share	HK\$0.36	HK\$0.29	24
Net assets	43,489.4	41,021.0*	6

*as at 30 June 2013

Net gearing ratio: 21% (30 June 2013: 24%)

AOP Performance for the six months ended 31 December 2013

	HK\$ million	Change + / (-) %
Infrastructure	1,315.7	13
- Roads	673.2	(3)
- Energy	190.8	73
- Water	221.3	7
- Ports & Logistics	230.4	50
Services	1,004.5	(3)
- Facilities Management	499.4	(27)
- Construction & Transport	278.3	126
- Strategic Investments	226.8	1

(25 February 2014, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Hong Kong stock code: 659) today announced its interim results for the six months ended 31 December 2013 (the “Current Period”). Revenue rose by 27% to HK\$10,098 million (2012: HK\$7,971 million) and Attributable Operating Profit (“AOP”) increased 6% to HK\$2,320 million (2012: HK\$2,196 million). Profit attributable to shareholders amounted to HK\$2,605 million for the Current Period, representing an increase of 24% from HK\$2,106 million for the six months ended 31 December 2012 (the “Last Period”).

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(incorporated in Bermuda with limited liability)

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In February 2013, the Group announced the establishment of a joint venture with other major port operators in Xiamen which would involve the injection of its investments in two ports 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 new joint venture. The new joint venture company, Xiamen Container Terminal Group Co., Ltd., was established in December 2013 and a one-off gain on deemed disposal of HK\$594 million arising from the restructuring was recognized during the Current Period.

In December 2013, the Group invested in Beijing Capital International Airport Co., Ltd. (“BCIA”) and became its second largest shareholder. BCIA is currently the world’s second busiest airport in terms of passenger throughput, with more than 80 million passengers per year. This quality infrastructure asset is expected to contribute recurring AOP. The Group is optimistic in BCIA’s future growth prospects including the development of non-aeronautical business activities.

The Board of Directors (the “Board”) has resolved to declare an interim dividend for the year ending 30 June 2014 in scrip form equivalent to HK\$0.36 per share (2012: HK\$0.29 per share) with a cash option to the shareholders registered on 24 March 2014. The dividend payout ratio of 51.3% is in line with the dividend strategy declared by the Board in FY2005.

Infrastructure businesses

Infrastructure division recorded an AOP of HK\$1,316 million for the Current Period, up 13% when compared to the Last Period.

Roads

The Roads segment recorded an AOP of HK\$673 million for the Current Period, representing a 3% or approximately HK\$18 million decrease as compared to the Last Period. Despite a significant decrease in gain on extra profit recognition from Tangjin Expressway (Tianjin North Section) due to the partial closure for its expansion works since June 2012, AOP contributions from a number of road projects increased in line with traffic growth during the Current Period. Excluding the AOP contributions from Tangjin Expressway (Tianjin North Section), AOP of the Roads segment for the Current Period grew by 12%.

Toll revenue of Hangzhou Ring Road increased by 5% mainly due to the growth of heavy vehicles, despite the drop of 3% in average daily traffic flow when compared to the Last Period. The Group’s expressways in the Pearl River Delta Region continued to report robust traffic growth. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) increased by 15% and 9% respectively. Shenzhen-Huizhou Expressway and Guangzhou-Zhaoqing



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Expressway also reported traffic growth of 9% and 20% respectively. Guangzhou Dongxin Expressway registered an increase of 27% in traffic volume while the traffic flow of Guangzhou City Nansha Port Expressway rose by 2%.

Energy

The AOP of the Energy segment grew by 73% from HK\$110 million to HK\$191 million for the Current Period. Falling coal price continued to have a positive impact on the performance of the Group's power plants in Mainland China during the Current Period. Electricity sales of Zhujiang Power Plants posted an increase of 13% as one of the power plants underwent overhaul in the Last Period. On the other hand, electricity sales of Chengdu Jintang Power Plant dropped 19% due to system upgrade.

Trading margin of Guangzhou Fuel Company improved as coal price remained less volatile during the Current Period while trading volume increased by 8%.

Electricity sales of Macau Power grew slightly by 1% when compared to the Last Period.

Water

The AOP of the Water segment increased by 7% from HK\$208 million to HK\$221 million for the Current Period.

Sales volume of Chongqing Water Plant and Tanggu Water Plant increased by 14% and 13% respectively during the Current Period. Waste water treated by Chongqing Tangjiatuo Waste Water Plant and Shanghai SCIP Water Treatment Plants also rose by 27% and 9% respectively. In Macau, sales volume of Macau Water Plant grew healthily by 5%.

Chongqing Water Group continued to perform satisfactorily and contributed to the increase in AOP for the Current Period.

Ports & Logistics

The Ports & Logistics segment recorded an AOP of HK\$230 million for the Current Period, representing an increase of 50% from the Last Period.

The throughput of Tianjin Five Continents International Container Terminal Co., Ltd. grew by 2% to 1,149,000 TEUs but terminal modification at Tianjin Orient Container Terminals Co., Ltd. resulted in a 2% drop in its throughput to 475,000 TEUs.





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Benefiting from the strong demand for logistics and warehousing facilities in Hong Kong, occupancy rate at ATL Logistics Centre increased further from 98% to 99% while average rental grew by 11%. NWS Kwai Chung Logistics Centre, which has been fully leased out, continued to provide steady AOP contribution to the Group during the Current Period.

China United International Rail Containers Co., Ltd. reported throughput growth of 9% to 834,000 TEUs and made positive AOP contribution during the Current Period.

Services businesses

Services division recorded an AOP of HK\$1,005 million in the Current Period, representing a 3% decrease from the Last Period.

Facilities Management

The Facilities Management segment mainly comprises the management and operation of Hong Kong Convention and Exhibition Centre (“HKCEC”) and the business of Free Duty. HKCEC continued to maintain its steady growth momentum by leveraging on the strong demand to host international exhibitions and conventions at prime locations with state-of-the-art facilities. A total of 558 events were held at HKCEC with a total patronage of approximately 3.9 million during the Current Period.

The continuous rise in consumer spending by visitors from Mainland China continued to benefit Free Duty’s tobacco and liquor retail business at all land border crossings. However, the overall performance was affected by the expiry of the concession contract at the Hong Kong International Airport in November 2012 and the renewed concession terms.

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 named Gleneagles Hong Kong Hospital at Wong Chuk Hang. The construction phase kicked off in January 2014. With the strategic partnership of Parkway Pantai Limited and The University of Hong Kong, the Group has every confidence to make this project a success and open up new opportunities within the healthcare sector in the years to come.

Construction & Transport

The AOP contribution from the Construction business increased by fourfold to HK\$153 million in the Current Period mainly due to a more buoyant construction market. As at 31 December 2013, the gross value of contracts on hand for the Construction business was approximately HK\$45.6 billion.





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The Group's Transport business reported an AOP of HK\$125 million in the Current Period, representing a 34% increase. This was mainly attributable to the increase in fare revenue in connection with ridership growth and decrease in depreciation expenses for buses. Fuel costs decreased because of fuel cost hedging arrangements.

Five ferry service licenses will expire either by the end of March or June 2014. Applications for extension for another three years have been submitted to the government and the results are expected to be announced shortly.

Strategic Investments

The AOP of this segment recorded an increase of 1% to HK\$227 million in the Current Period.

This segment comprises contributions from Tricor Holdings Limited, Haitong International Securities Group Limited, Newton Resources Ltd, Hyva Holding B.V. and other securities investments held by the Group.

Going forward

The financial results and business operations in the Current Period exemplified the Group's determination and ability in delivering and maintaining stable and sustainable growth. Having proven its resilience against the full-year impact of the negative government policies in the previous financial year, the Group's roads portfolio is well poised to take advantage of the urban development in Mainland China. In addition, the daily traffic capacity of Tangjin Expressway (Tianjin North Section) will be raised from 50,000 to 75,000 vehicles upon the completion of its expansion works by the end of 2014 and will serve as a future growth driver for the Roads segment. The Group remains confident that the services related business in Hong Kong will continue to produce gratifying results in light of the improving performance of the Construction and Transport segment and unremitting demand for world-class exhibition facilities and duty-free goods.

On the other hand, the recent acquisition of interest in BCIA and investment in Gleneagles Hong Kong Hospital showcased the Group's success in identifying and acquiring high-quality assets in both infrastructure and service sectors. Going forward, the Group will continue its steadfast approach in enhancing operational efficiency and capitalizing on business opportunities arising from the economic growth and development in Mainland China and Hong Kong.

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Attachment: NWS Holdings' Condensed Consolidated Income Statement - Unaudited

This press release is also available on the Group's website (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: NWS Holdings' Condensed Consolidated Income Statement – Unaudited

For the six months ended 31 December

	2013 HK\$m	2012 HK\$m
Revenue	10,097.8	7,971.0
Cost of sales	<u>(8,475.9)</u>	<u>(6,299.6)</u>
Gross profit	1,621.9	1,671.4
Gain on deemed disposal of interests in joint ventures	594.3	-
Other income / gains (net)	501.8	690.5
General and administrative expenses	<u>(470.6)</u>	<u>(376.2)</u>
Operating profit	2,247.4	1,985.7
Finance costs	(351.9)	(383.1)
Share of results of		
Associated companies	225.5	189.0
Joint ventures	<u>797.6</u>	<u>708.4</u>
Profit before income tax	2,918.6	2,500.0
Income tax expenses	<u>(283.0)</u>	<u>(358.6)</u>
Profit for the period	<u>2,635.6</u>	<u>2,141.4</u>
Attributable to		
Shareholders of the Company	2,604.9	2,106.2
Non-controlling interests	<u>30.7</u>	<u>35.2</u>
	<u>2,635.6</u>	<u>2,141.4</u>
Dividend	<u>1,337.4</u>	<u>1,056.7</u>
Earnings per share attributable to the shareholders of the Company		
Basic	<u>HK\$0.71</u>	<u>HK\$0.59</u>
Diluted	<u>N/A</u>	<u>HK\$0.59</u>

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