

NWS Holdings Announces FY2021 Interim Results

(26 Feb 2021, Hong Kong) NWS Holdings Limited (“NWS” or the “Group”; Hong Kong stock code: 659) today announced its interim results for the six months ended 31 December 2020 (the “Current Period”).

Financial Highlights

- Group’s AOP: HK\$3,336.3 million, increased by 46%
 - AOP from Core Business increased by 13% to HK\$2,322.2 million
 - AOP from Strategic Portfolio increased by 319% to HK\$1,014.1 million
- Net gearing ratio lowered to 26% (as at 30 June 2020 : 31%)
- Interim dividend was HK\$0.29 per share (FY2020 Interim dividend was HK\$0.29 per share); the Group maintains its sustainable and progressive dividend policy
- Available liquidity amounted to approximately HK\$29.2 billion
 - Cash and bank balances amounted to approximately HK\$11.0 billion
 - Unutilized committed banking facilities approximately HK\$18.2 billion

Optimization of businesses

- Total consideration of approximately HK\$3.6 billion from the non-core assets disposals:
 - All of the stakes in New World First Bus Services Limited and Citybus Limited
 - Remaining 40% interest in New World First Ferry Services Limited
 - 25% interest in Zhujiang Power Station- Phase II

Outlook

- Despite the continuous impact of the COVID-19 on the global economy, there is a light at the end of the tunnel with vaccination programmes being rolled out around the world.
- NWS is well positioned to weather the storm with the solid business foundation and sound financial position. The capital recuperated from the non-core assets disposals has further strengthened the Group’s balance sheet, enabling us to capture investment opportunities with growth potential, such as assets in the roads and logistics sectors.
- In January 2021, the Group has announced the disposal of its equity interests in SUEZ NWS Limited and Chongqing Derun Environment Co., Ltd. for a total consideration of approximately HK\$6.5 billion. The Group will continue to optimize business portfolio to unlock its value.

Business Performance Highlights

Core Business

Roads

- AOP of the Roads segment increased 12% to HK\$1,061 million.
- The overall traffic volume and toll income of our Roads portfolio rebounded 9% and 8% respectively, following the Mainland toll fee exemption policy ended in May 2020.
- The overall average remaining concession period of the Group's roads portfolio was around 10 years as of 31 December 2020, and will provide sustainable income and cash flow to the Group.

Aviation

- The vaccination programmes being launched globally are set to enhance confidence in the international travel.
- Goshawk Aviation Limited's liquidity position remains sound, with US\$1.5 billion cash and undrawn banking facilities as at 31 December 2020.
- The average collection rate from airline customers was 76%, and has sequentially improved from 68% in the second quarter of 2020 to 82% in the fourth quarter of 2020.

Construction

- New projects awarded to Hip Hing Group was approximately HK\$1 billion, including but not limited to, the design and construction of temporary quarantine facilities at Penny's Bay, Lantau Island and foundation works for Public Housing Development at Sheung Shui.
- Gross value of contracts on hand was approximately HK\$45 billion; the remaining works to be completed was HK\$29.6 billion with a balance mix between projects of private and public sectors.

Insurance

- FTLife Insurance Company Limited ("FTLife") contributed an AOP of HK\$462.4 million.
- FTLife launched the innovative insurance products, such as "Be With You" Personal Accident Plan, "On Your Mind" Insurance Plan and "HealthCare 168 Plus" Critical Illness Protector, have spurred the Annual Premium Equivalent ("APE") of Hong Kong business by 49%.
- In the third quarter of 2020 (July-September), FTLife's APE only dropped 11%, compared to the drop of 29% in the industry, and the APE of Hong Kong business alone surged 52% which was significantly higher than the industry's growth of 6%.
- As at 31 December 2020, the solvency ratio was 553%, far higher than the minimum regulatory requirement of 150%.

Strategic Portfolio

Logistics

- The average occupancy rate of ATL Logistics Centre remained high at 99.8%, while average rent grew 1%.

Facilities Management

- Gleneagles Hospital Hong Kong has been ramping up rapidly. Outpatient visits and inpatient admissions increased by 18% and 31% respectively.
- Due to the COVID-19, the number of events held at Hong Kong Convention and Exhibition Centre dropped significantly by 71% to 105 with total patronage plunged 91% to approximately 400,000.

AOP Contribution by Segment- Core Business

For the six months ended 31 December

	2020	2019	Change %	
	HK\$'m	HK\$'m		
Roads	1,061.0	949.6	↑	12
Aviation	271.7	267.9	↑	1
Construction	527.1	670.2	↓	21
Insurance	462.4	160.4	↑	188
Total	2,322.2	2,048.1	↑	13

AOP Contribution by Segment- Strategic Portfolio

For the six months ended 31 December

	2020	2019	Change %	
	HK\$'m	HK\$'m		
Logistics	336.3	339.1	↓	1
Facilities Management	(323.3)	(364.4)	↑	11
Strategic Investments	751.9	49.0	↑	1,434

Discontinued operations

Environment	244.3	247.2	↓	1
Transport	4.9	(29.1)	↑	117
Total	1,014.1	241.8	↑	319

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NWS Holdings Limited

NWS Holdings Limited (Hong Kong Stock Code: 659), as the diversified industries flagship of New World Development Company Limited (Hong Kong Stock Code: 17), invests and operates a wide range of businesses predominantly in Hong Kong and the Mainland. Our core business includes toll roads, commercial aircraft leasing, construction and insurance, while we also manage a strategic portfolio spanning sectors from environment, logistics to facilities management. Please visit www.nws.com.hk for details.

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