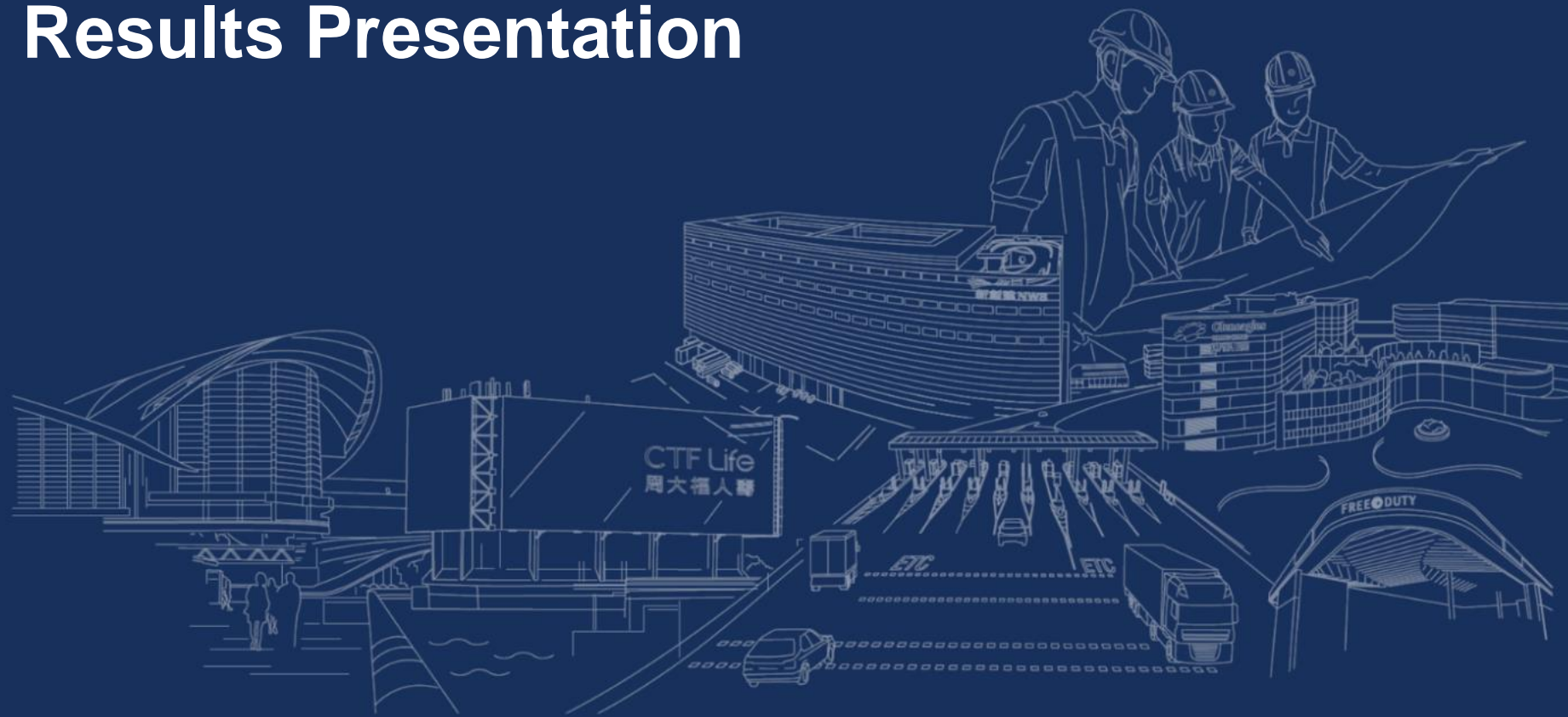


# NWS Holdings Limited (659.HK)

## FY2024 Annual Results Presentation

25 September 2024



Section 1

# NWS at a Glance

CTF Life  
周大福人壽

新創建 NWS

40t  
CRI INTERMODAL  
中铁联集

FREE DUTY  
FD MALL



# Key Investment Thesis

Counter-cyclical & solid businesses with strong cash flow generation supporting value accretive acquisitions & sustainable dividend



- Broad business footprint across diversified industries bring **Resilient Earnings, Cash Flow Generation Capability and Visibility** amid macroeconomic uncertainties



- **Value Creation** to enhance shareholders' **Long-term Return** via continual portfolio optimization and value accretive acquisitions



- **Proactive Financial Management** and **Diversified Sources** of funding



- **Sustainable and Progressive Dividend Policy**



- **Strong Support** from CTF Group<sup>1</sup>; **Seasoned Management Team** with solid execution capability and proven track record

Notes:

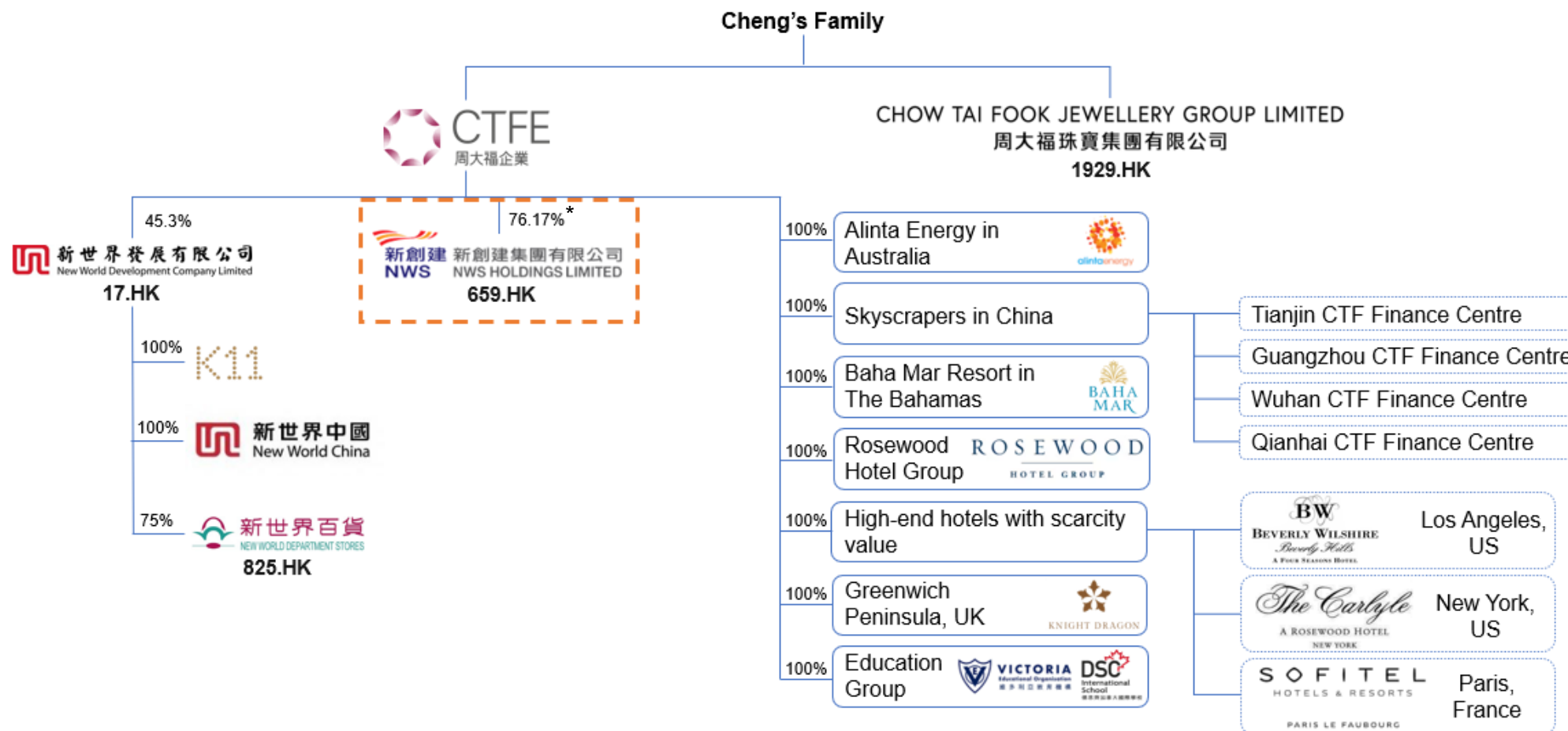
1. Chow Tai Fook Group



# Corporate Structure

Cohesive synergies among business units of the prominent shareholder

Since mid-November 2023, NWS is majority owned by Chow Tai Fook Enterprises Limited and in turn by the Cheng Family, one of the most prominent families in Hong Kong. The Cheng Family's strategic investments across diverse business segments form a **cohesive ecosystem** that provides a wide range of services covering different areas to meet diverse customer needs



Notes:

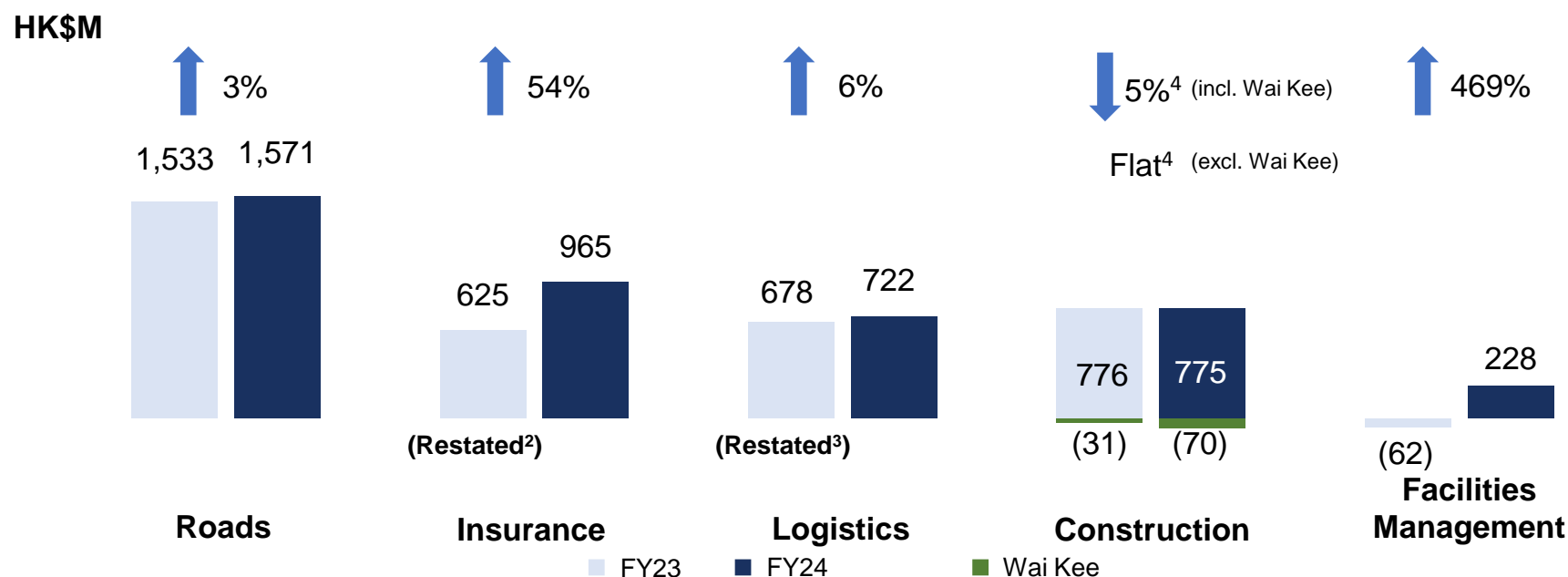
\* The Hong Kong Stock Exchange granted a waiver for the strict compliance of public float requirement till 31 December 2024

# FY24 AOP Soared by 21% YoY

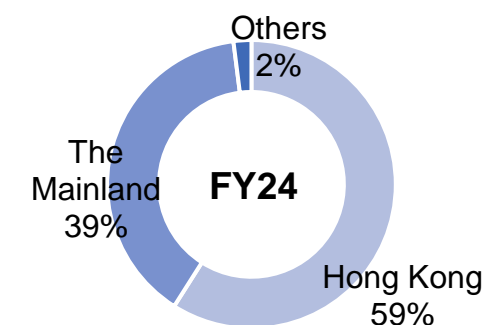
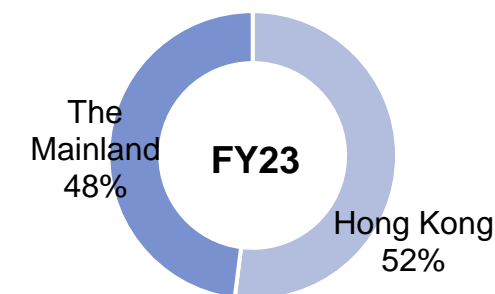
A solid set of results despite the uneven post-pandemic recovery in the Mainland & Hong Kong



AOP by Segment



AOP by Location<sup>(2)(3)</sup>



Notes: Above breakdown does not include the Strategic Investments segment

1. Attributable operating profit ("AOP") is a non-HKFRS measure as defined as profit available for appropriation before non-operating and unallocated corporate office items. It may not be comparable to similar measures presented by other companies
2. AOP of Insurance segment in FY23 has been restated owing to the adoption of HKFRS17
3. AOP of Logistics segment in FY23 has been restated to exclude revaluation gain on investment properties
4. NWS Construction Group's AOP remained stable. Including Wai Kee's AOL, AOP of the Construction segment slightly decreased 5% YoY for FY24

# Business Strategy & Outlook

Uphold vigilant business strategy in investment decisions & business operations



Roads



Insurance



Logistics



Construction



Facilities  
Management

	Roads	Insurance	Logistics	Construction	Facilities Management
<b>Initiatives</b>	<ul style="list-style-type: none"> <li>Actively seeking ways to enhance return on the Roads segment to stakeholders</li> <li>Expansion works on 2 roads in progress</li> </ul>	<ul style="list-style-type: none"> <li>Deepen collaboration with the CTF Group, explore new distribution channels to strengthen market position and brand awareness</li> <li>Expand CTF Life's business as a wealth management platform</li> </ul>	<ul style="list-style-type: none"> <li>Proactively seek out high-quality, well-situated logistics warehouses in prime and strategic locations that generate strong recurring cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Shifted focus towards procuring projects from institutional clients and HK gov't to mitigate the reduction in project supply within private sector in the short term</li> <li>Digitalization to improve efficiency and productivity</li> </ul>	<ul style="list-style-type: none"> <li>HKCEC – introduce additional ancillary services to diversify revenue streams and improve profit margins</li> <li>GHK – expansion of network and service offerings</li> </ul>
<b>Outlook</b>	<ul style="list-style-type: none"> <li>Remained cautiously steady. The anticipated macroeconomic recovery may fuel the resurgence of truck traffic, which may lead to sequential improvement in the profitability of the Roads segment</li> </ul>	<ul style="list-style-type: none"> <li>Insatiable demand for healthcare safeguards, enhanced yields, and asset diversification from Mainland visitors and locals</li> <li>The strong association with CTF Group will further boost the confidence of customers, agents and cooperative partners toward CTF Life</li> </ul>	<ul style="list-style-type: none"> <li>The gov't of the PRC underscored the pivotal role of developing logistics real estate and systems in the Mainland's economic growth</li> <li>Sustained demand in e-commerce and import/export in the Mainland will continue to fuel the logistics industry in the mid-to-long term</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of E&amp;M arm will enhance cost and technical skill competitiveness</li> <li>The HK gov't pursues a multi-pronged approach to augment land supply and increase public housing stock. This presents promising medium to long-term prospects for the construction sector</li> </ul>	<ul style="list-style-type: none"> <li>HKCEC – HK gov't's initiatives to attract exhibition organizers</li> <li>GHK – growing demand for high-quality medical services and enhanced reputation of GHK will drive rapid EBITDA improvement</li> </ul>



Section 2

# Financial Update

CTF Life  
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中铁联集

FREE DUTY  
FD MALL



# FY24 Financial Results Highlights

Resilient growth & strong credit position



**Overall AOP**  
**HK\$4,167M**

**+21% YoY**



**Profit Attributable to Shareholders**  
**HK\$2,084M**

**+44% YoY**



**Adjusted EBITDA<sup>1</sup>**  
**HK\$7,241M**

**+24% YoY**



**Final Ordinary Dividend**  
**HK\$0.35 per share**

**+13% YoY**

Interim ordinary dividend: HK\$0.30 per share  
Total ordinary dividend: HK\$0.65 per share  
One-off special dividend: HK\$1.79 per share

As at 30 June 2024:

**Total available liquidity: c. HK\$26.8Bn**

✓ Cash on hand: c. HK\$14.8Bn

✓ Committed undrawn banking facilities: c. HK\$12.0Bn

**Net debt / adjusted EBITDA: 2.1x**

**Net gearing ratio<sup>2</sup>: 35%**

**Net debt balance: HK\$15.1Bn**

**Total assets: HK\$155.1Bn**

Notes:

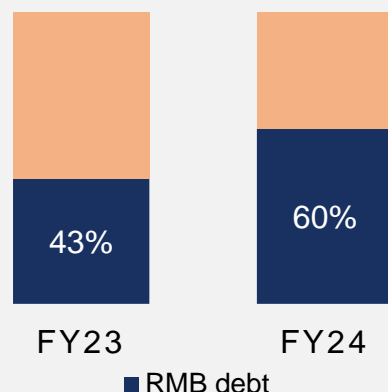
- Adjusted EBITDA is a non-HKFRS measure of the Group's operating profitability and calculated as operating profit excluding depreciation and amortization and other non-operating/non-cash items, plus dividends received from associated companies and joint ventures, and any other relevant adjustments. It may not be comparable to similar measures presented by other companies.
- Net debt divided by total equity



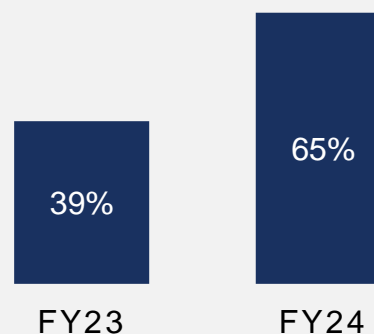
# Strategic Financial Management

Healthy debt profile escorts sustainable business development

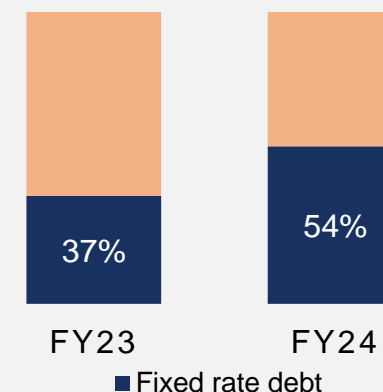
RMB Debt to Total Debt



RMB Liabilities to RMB Assets



Fixed Rate Debt to Total Debt



## Further optimize debt mix & cost of financing

- Increase proportion of RMB-denominated borrowings with lower debt financing cost to repay higher-cost offshore debts
- Provide natural hedge to the RMB assets of the Group
- Average borrowing cost being controlled at 4.7% per annum (FY23: 4.1%)<sup>1</sup>

Notes:

1. Average one-month HIBOR increased by 55% from 3.07% in FY2023 to 4.76% in FY2024

# Diversified Funding Source

Proactive financial management supports robust credit ratings



- Full redemption of 2019 Perpetual Capital Securities with outstanding principal amount of US\$1,019.1M at par in January 2024



- Issuance of 2<sup>nd</sup> tranche of Panda Bonds in November 2023 (principal amount RMB2.0Bn, interest rate 3.9% p.a., 3 years tenor)
- Issuance of first Green Panda Bonds in March 2024 (principal amount RMB100.0M, interest rate 3.55% p.a., 3 years tenor)

Total issuance of Panda Bonds: RMB3.6Bn  
Remaining quota: RMB1.4Bn

- Application to the China Securities Regulatory Commission and the Shanghai Stock Exchange for registration of the corporate bonds in an amount of not more than RMB5.0Bn in the PRC in June 2024



- Issuance of a US\$400.0M 6.375% Guaranteed Senior Notes due 2028 at 99.265% in August 2024 to further diversify the funding source and extend the average debt maturity

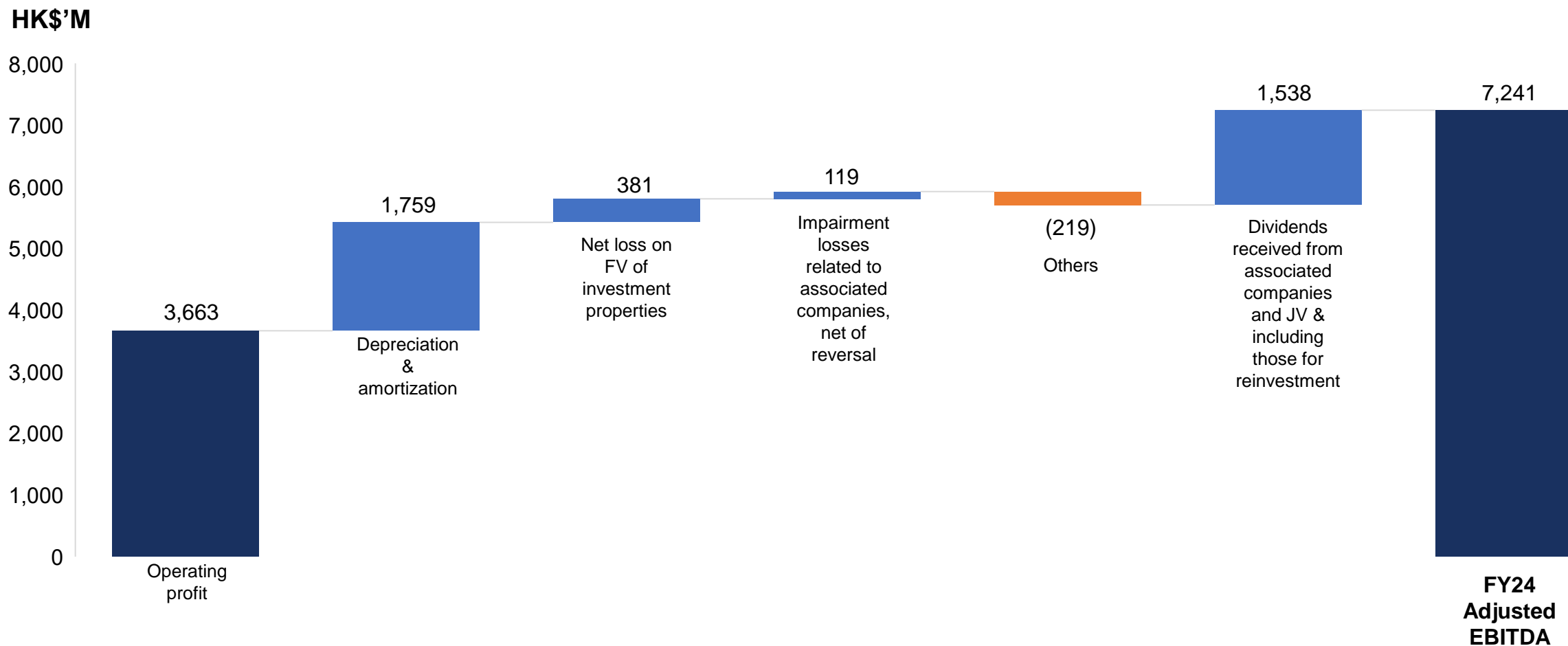
## Credit Rating



株式会社 日本格付研究所

# FY24 Adjusted EBITDA Analysis

Adjusted EBITDA includes dividend from JVs/assocs is the cash proxy

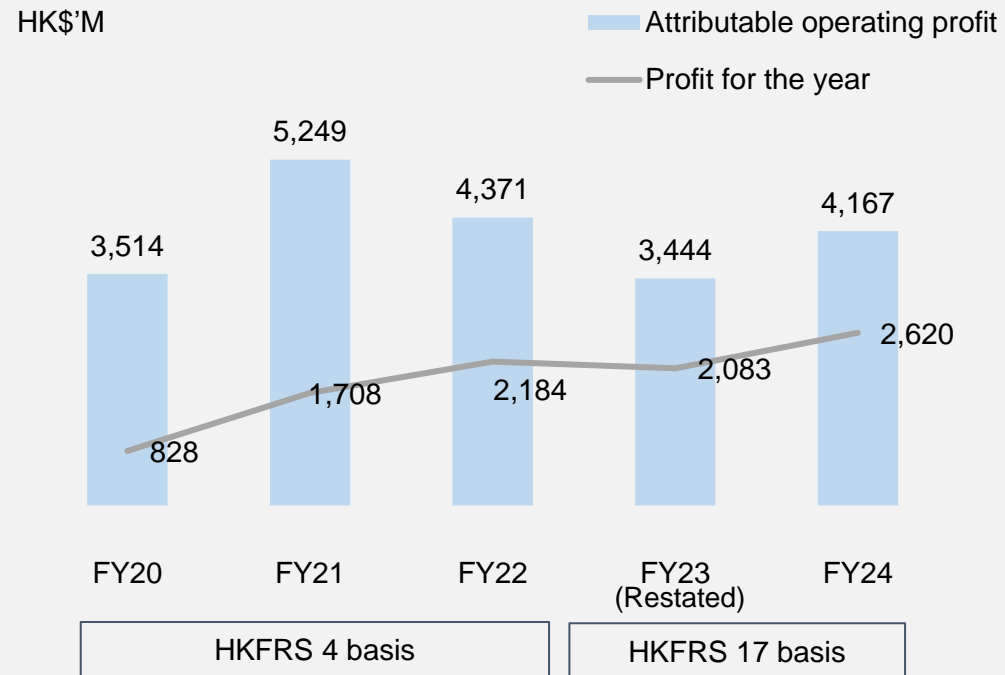




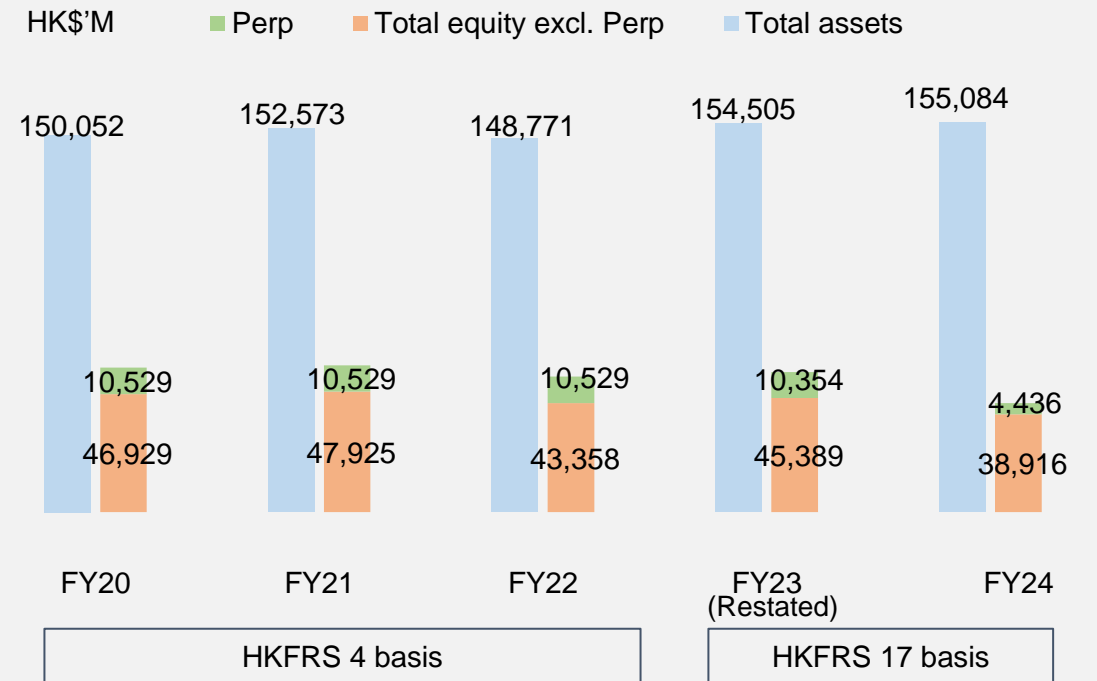
# Resilient Financial Performance

Continued portfolio optimization brings robust earnings quality

## Recurring & Stable AOP amid Market Volatilities



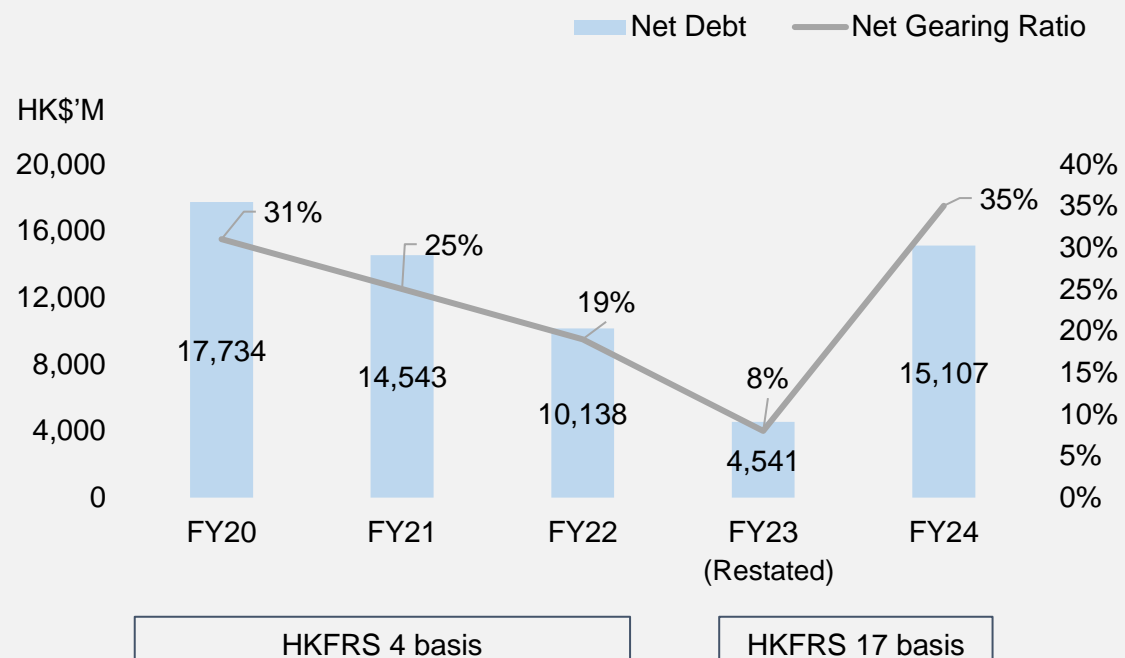
## Continual Portfolio Optimization Drives Portfolio Growth



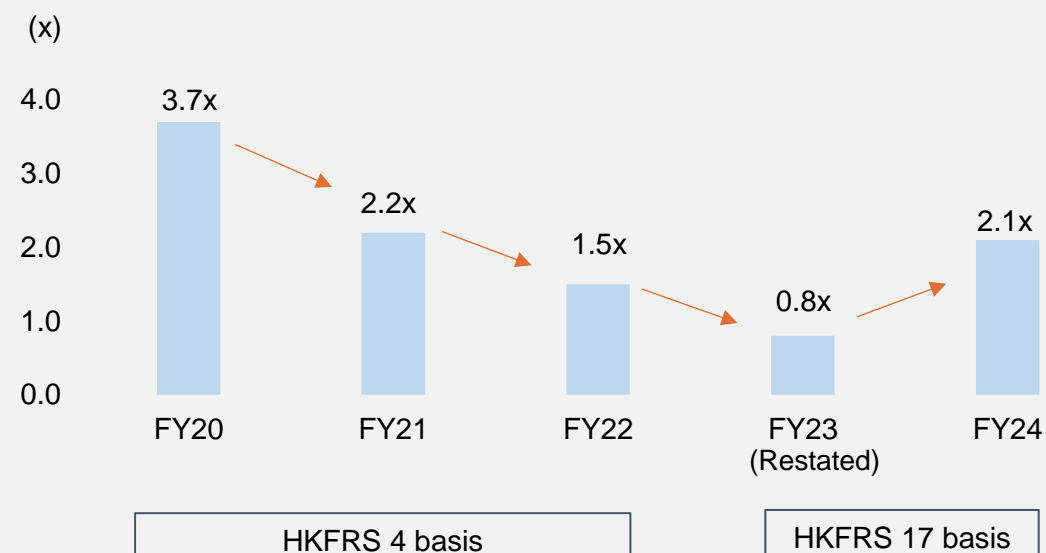
# Solid Financial Position

Prudent financial management safeguards financial health & balance sheet strength

## Prudent Liabilities Management with Well-Controlled Leverage



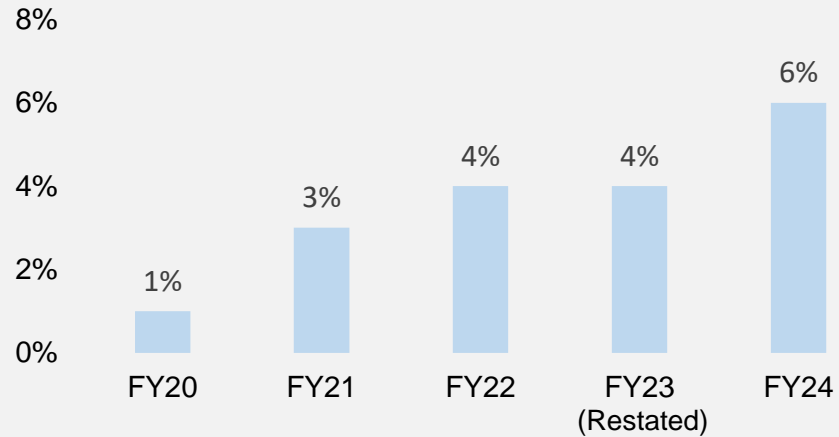
## Healthy Net Debt/Adjusted EBITDA



# Improving Return on Equity

Continued portfolio optimization brings robust earnings quality

## Return on Equity



HKFRS 4 basis

HKFRS 17 basis

## Consistent Total Return Outperformance over HSI

	3-month total return	1-year total return	YTD total return
NWS (659.HK)	6.1%	10.0%	29.2%
Hang Seng Index	3.4%	5.7%	11.6%
<b>Outperformance</b>	<b>2.7%</b>	<b>4.3%</b>	<b>17.6%</b>

\*Source: Bloomberg: as at 24 September 2024

Notes:

1. Return on equity = profit for the year/total equity



# Sustainable & Progressive Dividend Policy

Creating long-term value to shareholders

## Continuous return to shareholders

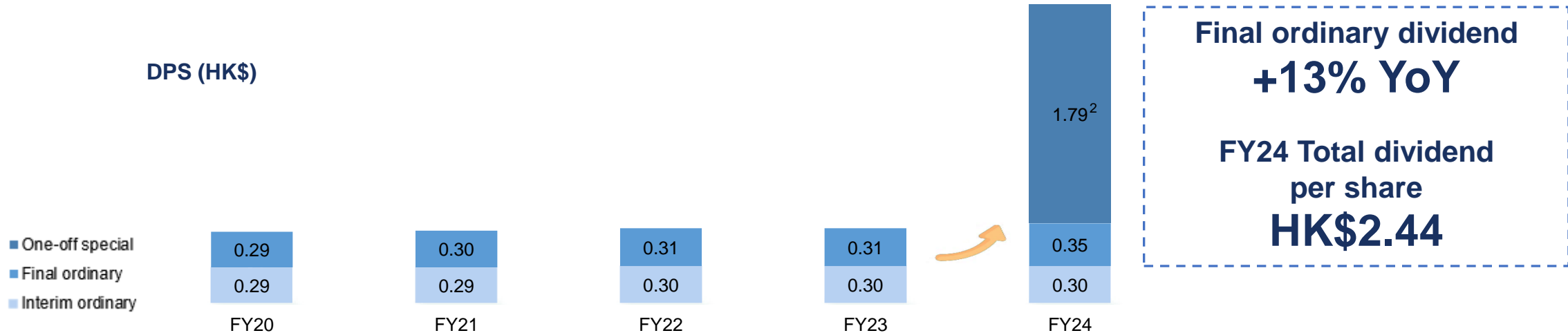
Committed to crystalize value to shareholders on our ordinary dividends.  
21 consecutive years of dividend & counting

## Attractive cash dividend

Current share price implies a dividend yield of >8% (vs. 10-year US treasury yield 3.8%<sup>1</sup>)

## Increase final ordinary dividend in FY24

Demonstrates our confidence in the Company's future growth prospects and our ongoing effort to return capital to our shareholders



Notes:

1. Sources: Bloomberg; as at 23 September 2024

2. One-off special dividend in 1H-FY24 increased public float from 22.17% to 23.83% after implementation

Section 3

# Business Operation Update

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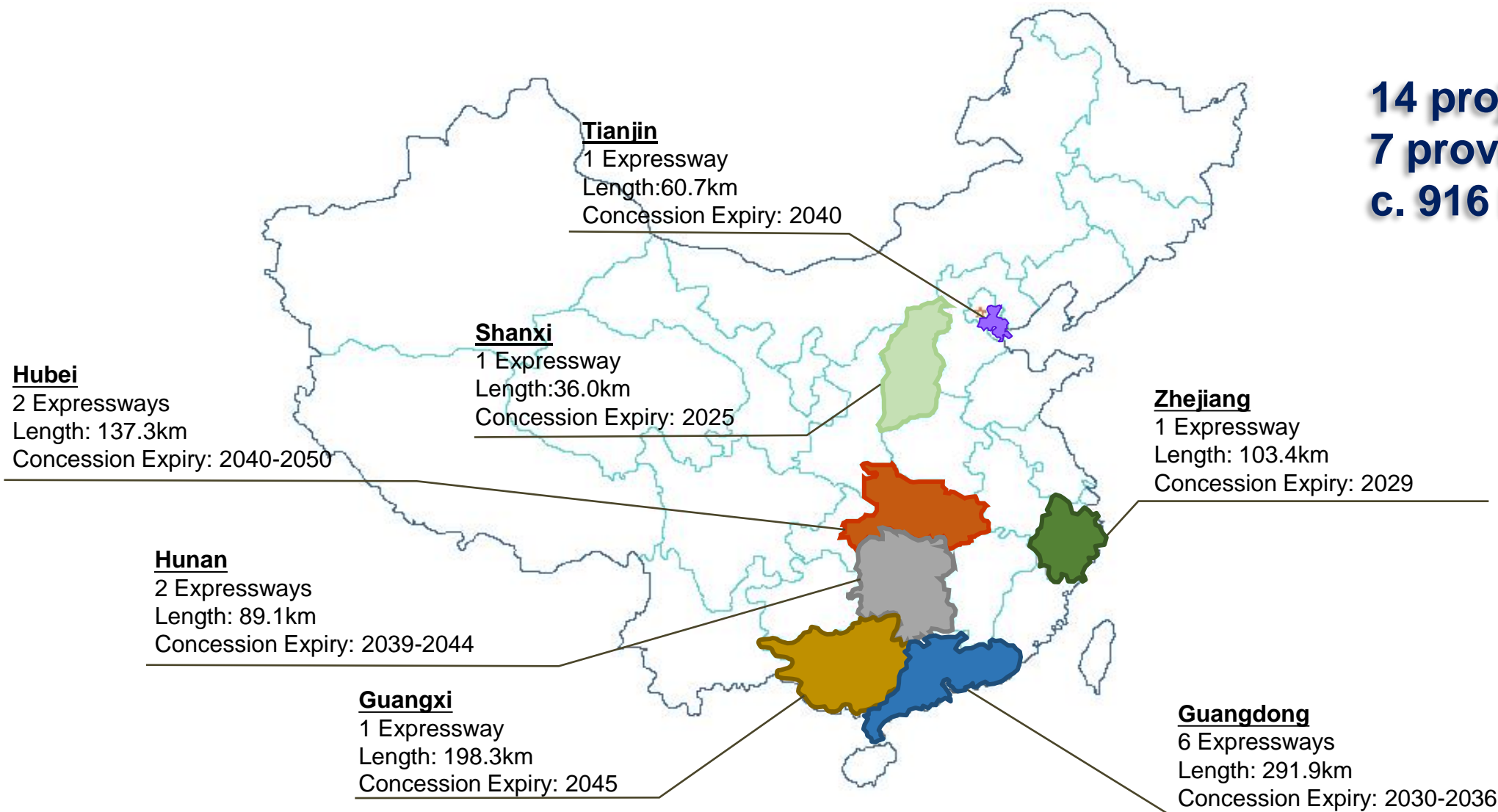




# Roads

Toll Road's Portfolio (as at 30 June 2024)

**14 projects**  
**7 provinces**  
**c. 916 km**



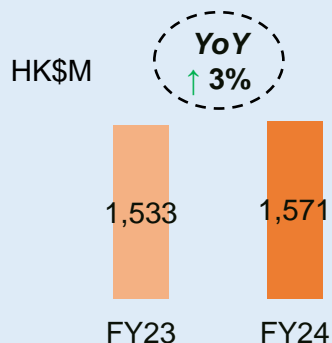




# Roads

Projects located in seven strategic locations in the Mainland with stable development

## Segment AOP<sup>1</sup>



Excl. RMB depreciation,  
underlying AOP +7%

Portfolio of **14 Toll Roads in the Mainland**  
**c.916km**

Average Daily Traffic Flow  
YoY  
**+7%**

Toll Revenue  
YoY  
**+5%**

- The segment **performed robustly in 1H-FY24**. This **pace moderated in 2H-FY24**, largely due to the impact of inclement weather in the Mainland on travel demand and concession expiry of Guangzhou City Northern Ring Road in March 2024
- As at 30 June 2024, the overall average remaining concession period of the Group's road portfolio is **c.12 years**
- Increased stake in Shenzhen-Huizhou Expressway (Huizhou Section) by around 5.2% to **38.5%** in September 2023 after the extension of the concession period for **13 years**
- Concessions expiry of Roadway No. 309 (Changzhi Section) and Taiyuan-Changzhi Roadway (Changzhi Section) in Shanxi in the end of 2023 had immaterial impact on Roads AOP



- Roads segment is expected to remain cautiously steady, though the anticipated macroeconomic recovery may fuel the resurgence of truck traffic, which may lead to sequential improvement in profitability
- **Expansion works of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway**, which commenced in November 2022 and late 2023, respectively, will apply for extension of concession periods once the expansion works are completed

### Notes:

1. Major expys consist of Hangzhou Ring Road (100%), Tangjin Expy (TJ North Section) (60%), Guangzhou City Northern Ring Road (65.29%) & Beijing-Zhuhai Expy (GZ-ZH Section) (25%) & 3 expys in Central region (namely Suiyuenan Expy (30%), Sui-Yue Expy (100%) & Changliu Expy (100%)), which contributed c.85% of Roads AOP, overall like-for-like average daily traffic flow +5% YoY



# Insurance

CTF Life – New Brand, Diverse Experience & Value Beyond Insurance

Rebranded as “**CTF Life**” in July 2024 with the prestigious “CTF” brand, which boosts confidence of customers, Life Planners, business partners and all other stakeholders

Launched “**CTF Life CIRCLE**”: an integrated loyalty platform to meet the evolving needs of customers from wellbeing, growth, healthcare to legacy



Provide a **unique competitive edge through synergy**: leveraging the diverse conglomerate collaboration of the **CTF Group** to support our customers and their loved ones to navigate life's journey with personalised planning solutions, lifelong protection and diverse lifestyle experiences

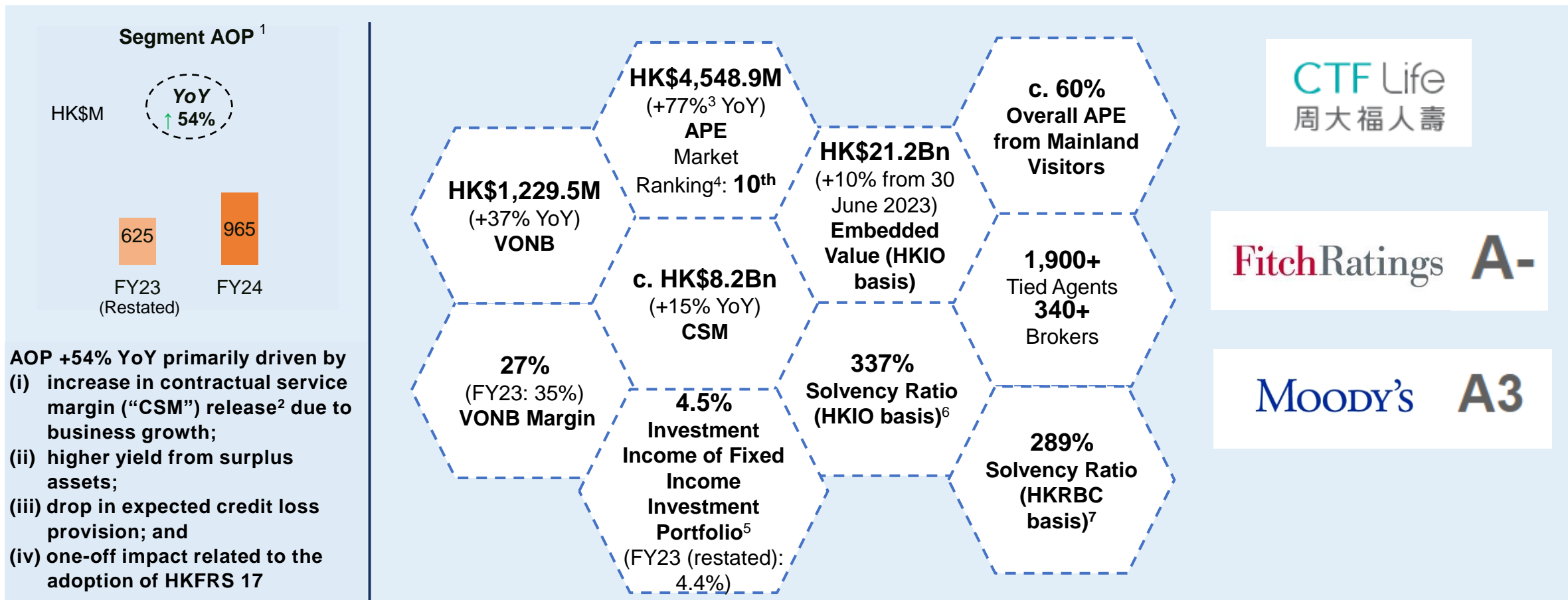
**Attract more talents with professional backgrounds and well-connected interpersonal networks from the Mainland** to join as Life Planners, making further contributions to a sustainable business growth

Leverage the CTF Group's diversified conglomerate to provide a wide range of services and experiences allows CTF Life to create value beyond insurance



# Insurance

CTF Life - delivered solid operating metrics in FY24



Notes:

1. Excl. one-off impact related to the adoption of HKFRS 17, Insurance AOP for FY23 and FY24 would be HK\$710M and HK\$949M, respectively, +34% YoY
2. CSM Release: HK\$881M (FY24); HK\$741M (FY23 Restated)
3. It is higher than +58% YoY for APE of the HK market in FY24. In the first six months of 2024, the agency channel's APE performance of CTF Life +44% YoY, which is higher than +5% YoY of the HK market for the same period
4. In the first six months of 2024 (among Hong Kong life insurance companies)
5. This includes interest income of the fixed income investments in CTF Life's participating, non-participating and surplus portfolios, excluding the unit-linked assets. This excludes the total return assets, for example, listed equities and alternative funds which goal is to deliver long term capital gain on top of the investment income
6. Hong Kong Insurance Ordinance, min. regulatory requirement 150%
7. Hong Kong Risk Based Capital, min. regulatory requirement 100%, which came into effect on 1 July 2024



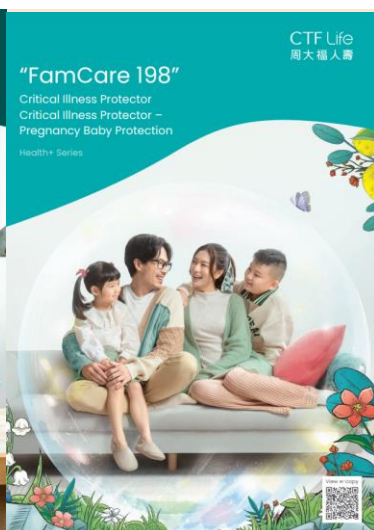


# Insurance

## CTF Life - noticeable AOP achievement & sanguine growth outlook



- CSM **+15%** yoy to **HK\$8.2Bn** contributed by the strong new business, which will fuel the profits to be booked over the contract period in the future
- Overall APE **+77%** yoy to **HK\$4,549M** driven by attractive product offerings, the release of pent-up demand from Mainland visitors post-border reopening, and its marketing efforts
- VONB **+37%** yoy to **HK\$1,230M** due to higher APE; VONB margin decreased to **27%** (FY23: 35%), due to shift of product mix
- Embedded value (HKIO basis) **+c.10%** reaching **HK\$21.2Bn**, spurred by strong VONB and expected returns, despite some adverse effects from unfavourable equity performance and interest rate hikes



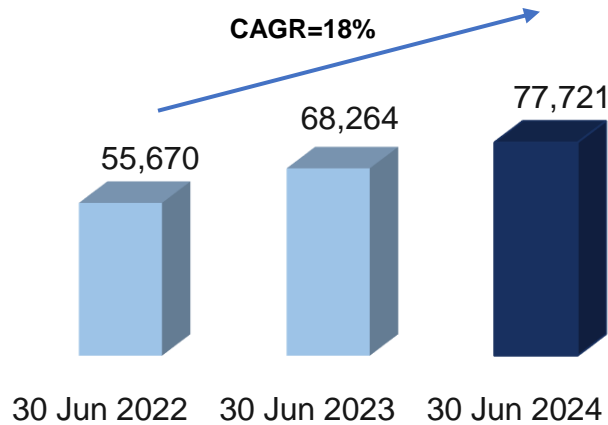
- Focus on clientele with high potential buying power and long-term financial goals by **offering comprehensive wealth management solutions** that address insurance protection, wealth preservation, succession planning, and risk diversification
- Deepen **collaboration with the CTF Group** and explore new distribution channels to strengthen market position and brand awareness through integrated marketing initiatives
- Expand CTF Life's business as a **wealth management platform**, including exploring complementary business opportunities to enhance service offerings and meet the evolving customer needs



# Insurance

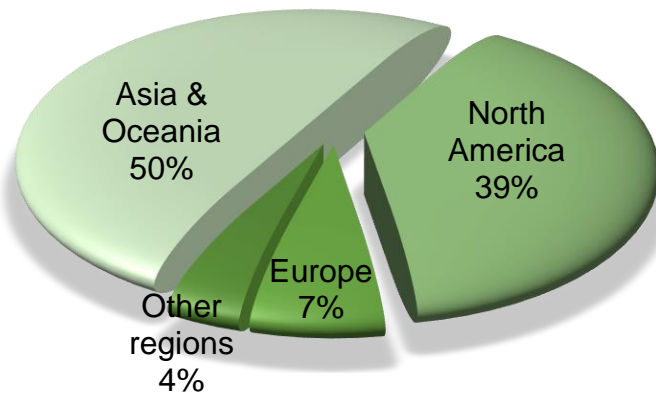
CTF Life - investment portfolio (as of 30 June 2024)

## Investment Portfolio AUM\* (HK\$'M)

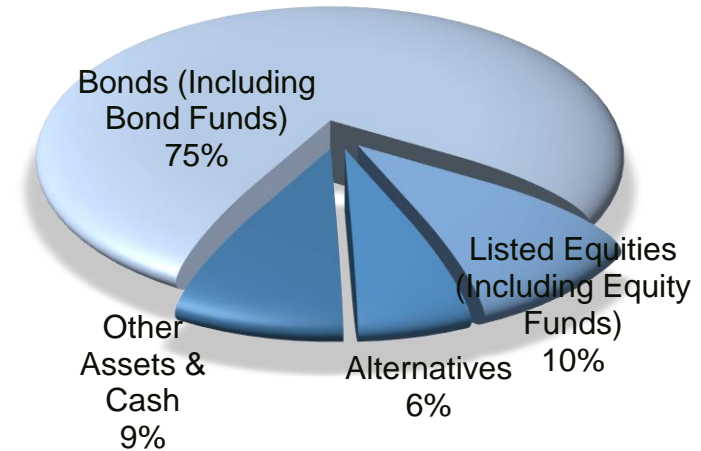


\* Exclude Investment-Linked Assurance Scheme business

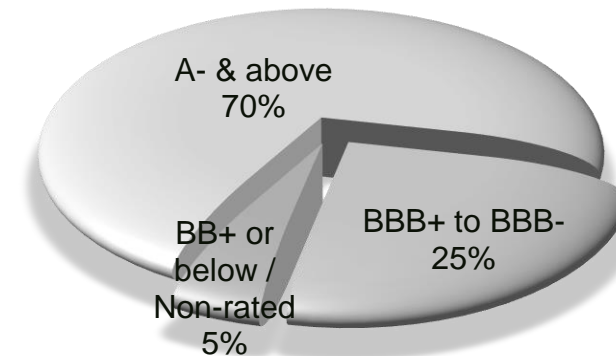
## Geographical Distribution



## Asset Types



## Bond Portfolio Credit Rating Distribution





# Logistics

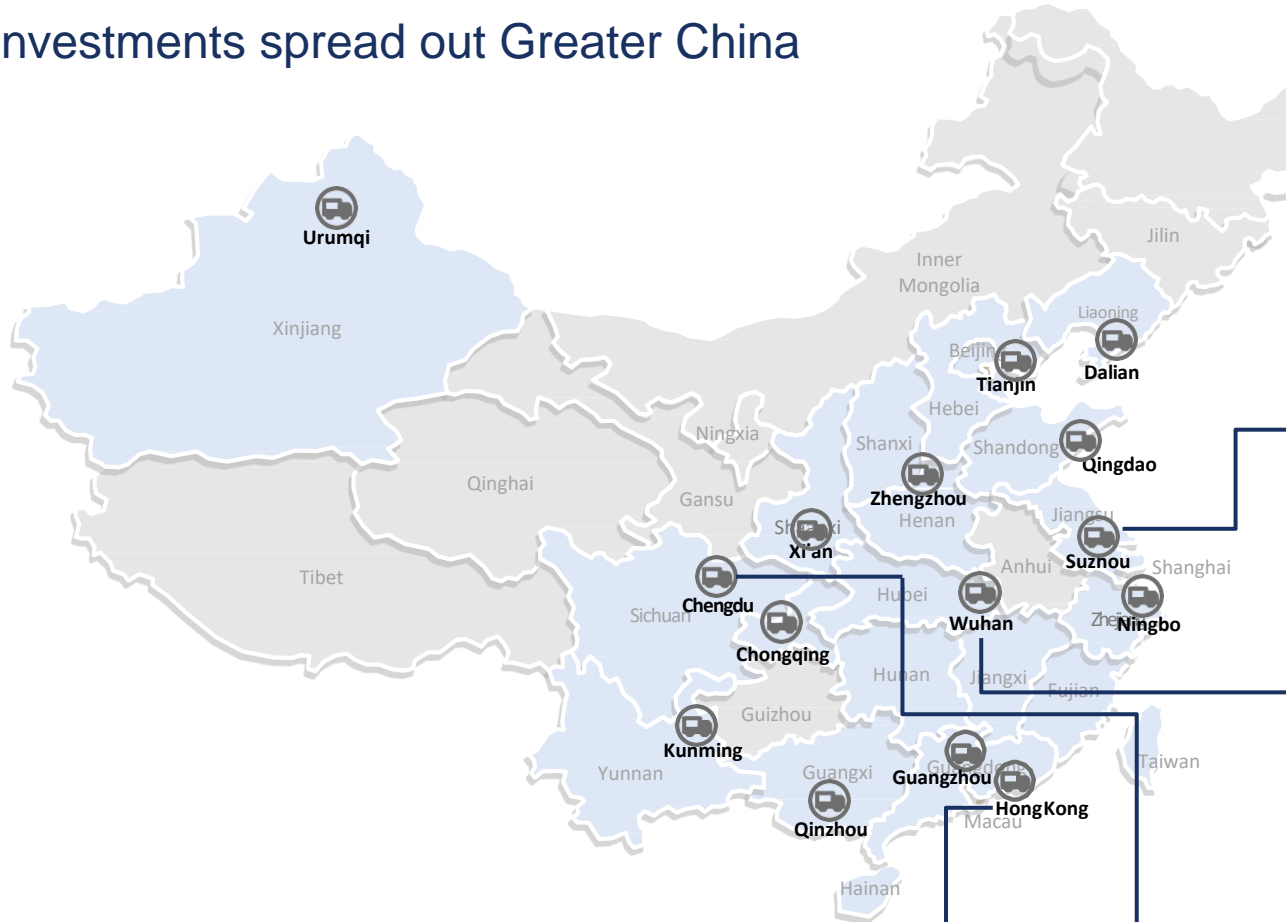
Diversified logistics investments spread out Greater China

## CUIRC (30% interest)

- JV with China State Railway Group, PSA, CIMC & Deutsche Bahn
- **13** large-scale rail container terminals in the Mainland
- Rail intermodal and international transportation



CUIRC (Multiple locations in the Mainland)



## 7 logistics properties in Chengdu, Wuhan & Suzhou

- Total gross leasable area: **6.5M sqft**



## ATL (56% interest)

- The Largest logistics centre with ramp access in the world
- Located in the centre of HK (Kwai Chung)
- Total gross leasable area: **5.9M sqft**



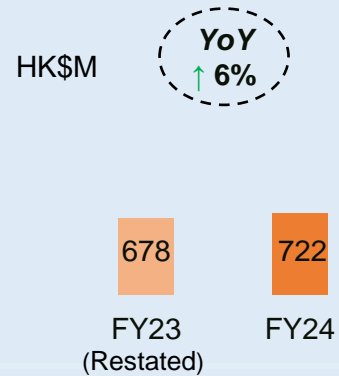




# Logistics

Logistics portfolio with desirable geographical positioning & high occupancy rate

## Segment AOP



- The resilient performance of ATL
- The full-year contribution from the newly acquired logistics properties in the Mainland
- A slight profit drop of CUIRC

## Logistics Asset & Management (“LA&M”) - total gross leasable area c.12.4M sqft

### • ATL - total gross leasable area c.5.9M sqft

Logistics segment's AOP%	Occupancy rate	Average rental growth
>70%	96.3% (As at 30 June 2023: 99.8%)	6%

### • 7 logistics properties in Chengdu, Wuhan & Suzhou - total gross leasable area c.6.5M sqft

Logistics segment's AOP%	Average rental growth
>13%	2%

Average occupancy rate of 6 logistics properties in Chengdu & Wuhan **c.85.4%** (As at 30 June 2023: c.82.8%)

Occupancy rate of the logistics property in Suzhou **100%** (As at 30 June 2023: 100%)

## CUIRC - 13 large-scale rail container terminals in the Mainland

Throughput	TEUs
+15% YoY	6.37M

The expansion works of the Xi'an terminal handling capacity was completed in FY24





# Logistics

Maintain resiliency & growth to bring long-term benefits for the Group

- ATL will persist in surpassing the competition and **maintain its preeminent position in the market**, leveraging its superior warehouse facilities and unparalleled location
- The Group's Mainland logistics operations maintain a sanguine mid-to-long term outlook, buoyed by the **desirable locations of the properties in the strategic hubs of Chengdu, Wuhan and Suzhou**
- **Robust demand on the sea-rail intermodal and international rail container freight** drives CUIRC's sound operating network and logistics services. The doubling of the Tianjin terminal handling capacity has commenced and is targeted to complete in the first half of 2025
- The Group believes that the **sustained demand in e-commerce and import/export in the Mainland** will continue to fuel the logistics industry in the mid-to-long term
- the Group will proactively seek out **high-quality, well-situated logistics warehouses in prime and strategic locations** that generate strong recurring cash flow



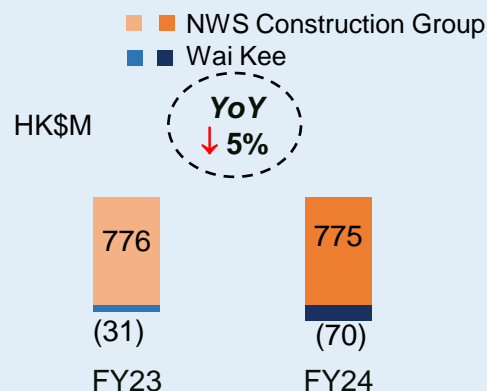




# Construction

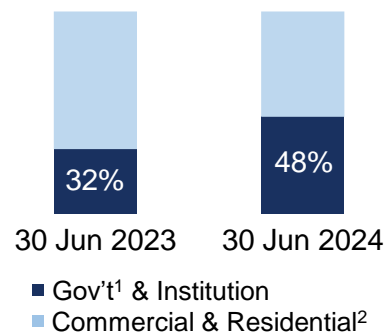
Prime construction companies with a proven record in HK

## Segment AOP



- Excl. Wai Kee, **NWS Construction Group's AOP maintains flat**
- The Group has **reclassified its 11.5% interest in Wai Kee** from an associated company **to financial assets at fair value through other comprehensive income** in June 2024 and it will not be included in the Construction segment going forward
- Strategically shifted its focus towards procuring **projects from institutional clients as well as the Hong Kong Gov't** to mitigate the reduction in project supply within the private sector
- Expansion into **civil-related projects** (eg. site formation and deep excavation works), **use of digitalization and BIM** to further improve efficiency and productivity which facilitate the mitigation of cost pressures

## Type of Projects



## NWS Construction Group includes:



- ✓ Founded in 1961, Hip Hing Group provides comprehensive project management services to clients in design, procurement, engineering and construction



- ✓ Founded in 1929, Vibro Group engaged in the design and construction of civil engineering works, with expertise in foundations and site investigation works



- ✓ Founded in 1985, Quon Hing Group has been providing ready-mixed concrete to various landmarks in HK

### Notes:

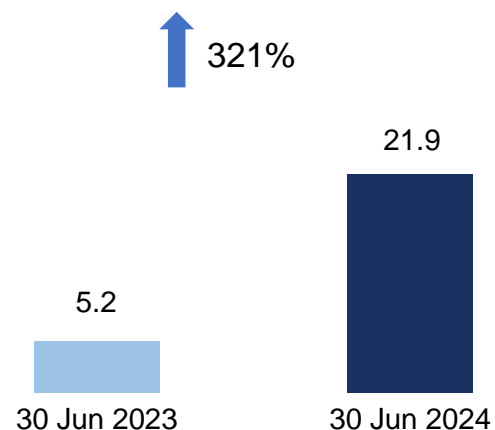
1. Incl. Kai Tak Sports Park
2. All are external/third parties' projects



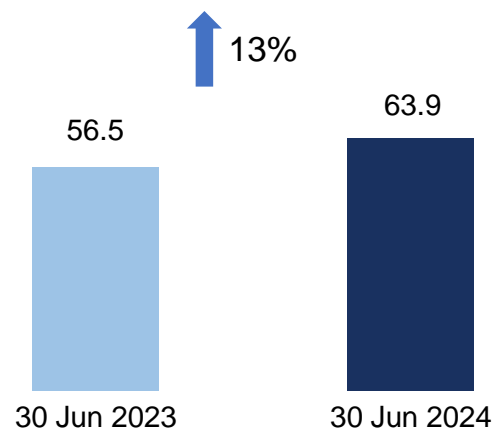
# Construction

HK Govt's determination to increase land & housing supply strengthens segment development

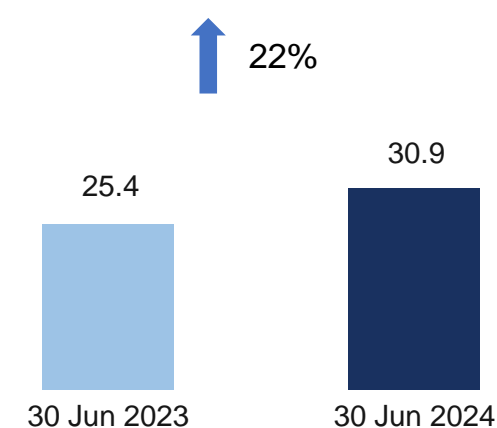
## New Contract Awarded<sup>1</sup> (HK\$'Bn)



## Contracts On Hand (HK\$'Bn)



## Construction Contracts Backlog (HK\$'Bn)



- **Pending the successful completion of the acquisition of Hsin Chong Aster Building Services Ltd**, an electrical and mechanical engineering specialist, will further complement the technical strengths of the NWS Construction Group and increase its overall competitiveness in the delivery of “design and build” projects
- Further **elevate site safety standards by leveraging advanced A.I. and robotics technologies**. This strategic initiative aims to effectively **raise safety awareness and implementation** from management down to on-site personnel
- NWS Construction Group is **expanding its recruitment channels to include the Mainland and overseas markets**, while also **providing enhanced professional training** to young engineers, thereby strengthening its talent pipeline

### Notes:

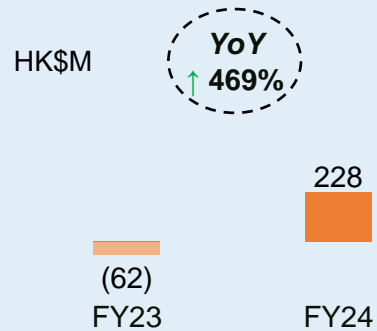
1. Key projects awarded during FY24 included main contract works for Dedicated Rehousing Estate at Kwu Tung North Area 24, commercial development at Caroline Hill Road in Causeway Bay, SOUTHSIDE Package Six property development, subsidized sale flats development at Anderson Road Quarry Site R2-4 and excavation, lateral support, foundation and pile cap works for residential and commercial development at Kai Hing Road, Kowloon Bay as well as foundation and tunnel works for proposed residential development at Kai Tak, Sung Wong Toi Station, New Kowloon Inland Lot No. 6649, Kai Tak Area 2A Site 4, Site 5(B) & Site 10



# Facilities Management

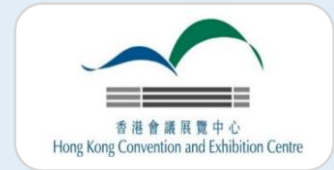
Turned around to AOP post COVID-19 with remarkable growth

## Segment AOP



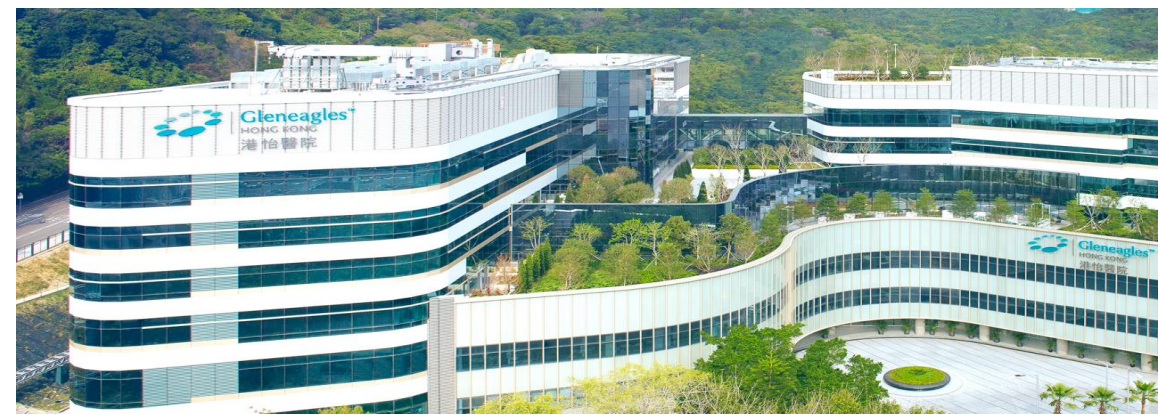
## HKCEC – sustained its rebound trajectory in FY24

- Return of large-scale international and regional exhibitions coupled with the addition of new events
- Number of events **+8% YoY to 823** and total patronage **+33%<sup>1</sup> YoY to 7.3M**



## Free Duty

- The Group entered into a sale and purchase agreement with Avolta Group to dispose of its entire interest in the Free Duty business. The closing of the transaction is subject to satisfaction or waiver of conditions precedent and completion is expected to take place in 4Q2024 upon which the Group will have fully exited the duty free business



### Notes:

1. Total patronage for FY23 has been restated from 5.3M to 5.5M to cover event visitors, exhibitors and contractors



# Facilities Management

Solid recovery & demand drive continual profitability improvement

## GHK Hospital – enhanced reputation leads to continual narrowing of its AOL

- EBITDA **+93%** yoy, EBITDA margin further improved
- Inpatients, outpatients & day cases **+20%, +12% & +10%** yoy, respectively
- Regular utilized beds increased to **313** (30 June 2023: 276)
- Average occupancy rate in FY24: **65%**
- The Group's business venture with IHH, Parkway Medical, opened two new clinics in Wong Chuk Hang and Marina Square in October 2023 and March 2024, respectively.



- **HKCEC: The official Incentive Scheme for Recurrent Exhibitions** encourages private exhibition organizers to expand their recurring events and launch new types of exhibitions aligned with prevailing trends by providing rental subsidies, which has and will continue to benefit HKCEC
- **GHK Hospital:** In May 2024, Parkway Medical signed a MOU with Caritas – Hong Kong to **redevelop Precious Blood Hospital (Caritas)**. This collaboration expands Parkway Medical's footprint to Kowloon, creating synergies together with GHK Hospital to improve efficiency and strengthen market position
- **GHK Hospital:** Parkway Medical continues to expand its clinic network, with **a new facility in the Western District set to open in 4Q2024**, offering general practitioner, health screening, vaccination as well as traditional Chinese medicine and acupuncture. Alongside Gleneagles Medical Clinic Central, Gleneagles Pro-HEART Cardiac Centre and Parkway Laboratory Services Central, this expansion **creates a robust service network** that effectively diverts more patients to GHK Hospital.
- **Kai Tak Sports Park** (Group has 25% interest): **It is set to open in 2025**, which will further enhance the overall performance of the segment in future



Section 4

# Environment, Social & Governance (ESG)

CTF Life  
周大福人壽

新創建 NWS

40t  
CRI INTERMODAL  
中铁联集

FREE DUTY  
FD MALL

# ESG Strategy

## Breakthrough 2050

		Targets	FY2024 Status
<b>Act with Integrity</b> <ul style="list-style-type: none"> <li>Ensuring fairness and a high level of ethical standards in our work.</li> <li>Supporting the growth of our business and helps nurture our long-term relationships.</li> </ul>		<b>Business Ethics and Anti-Corruption</b> <ul style="list-style-type: none"> <li>0 convicted cases on anti-corruption</li> </ul>	<b>0</b> convicted cases of corruption
<b>Advance with Agility</b> <ul style="list-style-type: none"> <li>Being resilient and agile is ingrained in our culture.</li> <li>Staying ready to turn challenges into opportunities to maintain our lead in the market.</li> </ul>		<b>Sustainable Finance and Investment</b> <ul style="list-style-type: none"> <li>50% of bond and loan facilities from green financing by 2030</li> </ul>	<b>32%</b> of bond and loan facilities from green financing
<b>Evolve Sustainably</b> <ul style="list-style-type: none"> <li>Building a more sustainable future for our next generation, communities, and businesses</li> <li>Incorporating new practices and innovations into the way we work every day.</li> </ul>		<b>Climate Change</b> <ul style="list-style-type: none"> <li>Reducing 50% GHG emission by 2035 and reaching global net-zero emissions or at a sector level in eligible 1.5°C-aligned pathways by 2050</li> </ul>	<b>-9%</b> in GHG emissions of Scope 1 & 2 compared to FY2023
<b>Grow as one</b> <ul style="list-style-type: none"> <li>Empowering every team member is to excel at NWS. We grow and share success as one.</li> </ul>		<b>Talent Attraction and Retention</b> <ul style="list-style-type: none"> <li>Rethink upskilling, embrace flexibility and deliver on purpose-driven work to build trust</li> </ul>	Please refer to the "Grow as One" section for FY2024 highlights
<b>Create Shared Value</b> <ul style="list-style-type: none"> <li>Creating long-term value not only for our shareholders but also all stakeholders in the communities we serve.</li> </ul>		<b>Community Investment</b> <ul style="list-style-type: none"> <li>Support 40 scalable and self-sustaining solutions by 2030</li> </ul>	<b>8</b> Projects supported

# OUR RATINGS PERFORMANCE

## S&P Global

S&P Global ESG Score

**43**/100

Data Availability: ■ Very High

Last updated: August 25, 2023

Updated annually or in response to major developments

### Score breakdown

ESG Score | Industry ESG Score Average

#### Environmental



#### Social



#### Governance & Economic

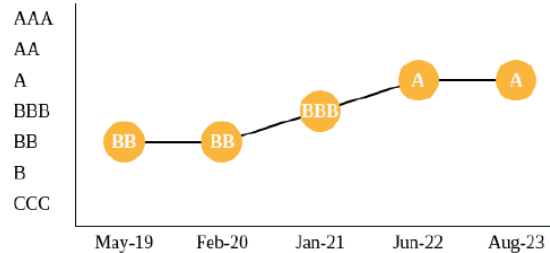


## MSCI ESG RATINGS



CCC B BB BBB A AA AAA

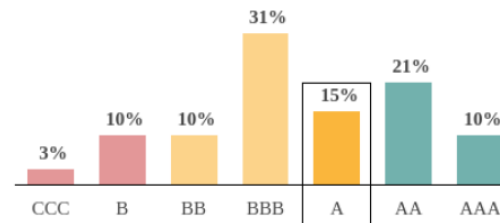
### ESG Rating history



ESG Rating history shows five most recent rating actions

### ESG Rating distribution

Universe: MSCI ACWI Index constituents, Industrial Conglomerates, n=39



Hang Seng Corporate Sustainability Index  
Series Member 2023-2024



- Overall score increased from 82.56 (2023-2024) to 83.65
- Best overall score in the category of conglomerate

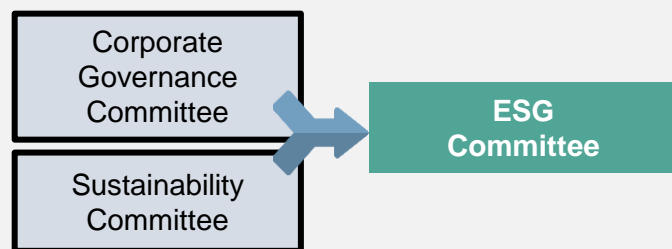


# Act with Integrity

## Enhanced ESG governance

### LEADERSHIP

#### Establishment of ESG Committee



**Comprehensive**  
oversight



**Strategic**  
alignment integrates  
ESG goals with broader  
corporate strategy



**Better  
Allocation**  
resources



**Robust**  
Governance practice by  
having an INED chair the  
committee



#### Members



Alan  
LEE



Grace  
FUNG OEI



Yolanda  
NG



Brian  
CHENG



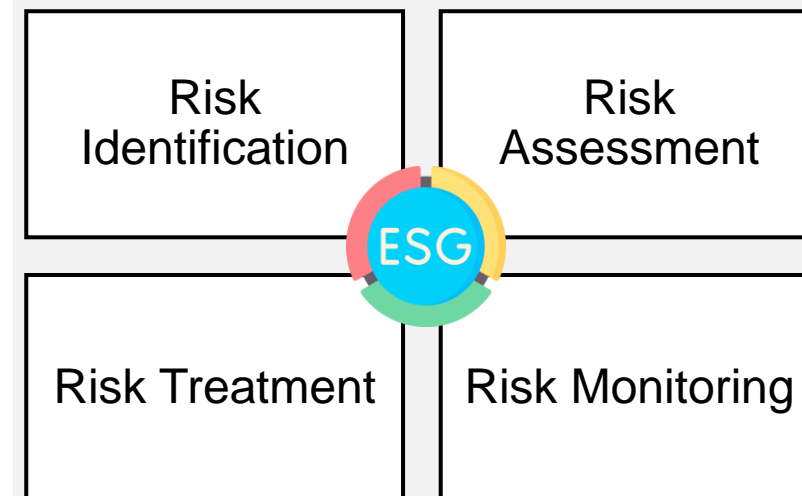
Jim  
LAM



Gilbert  
HO

### OPERATION

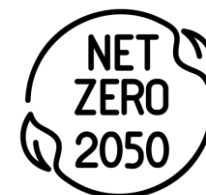
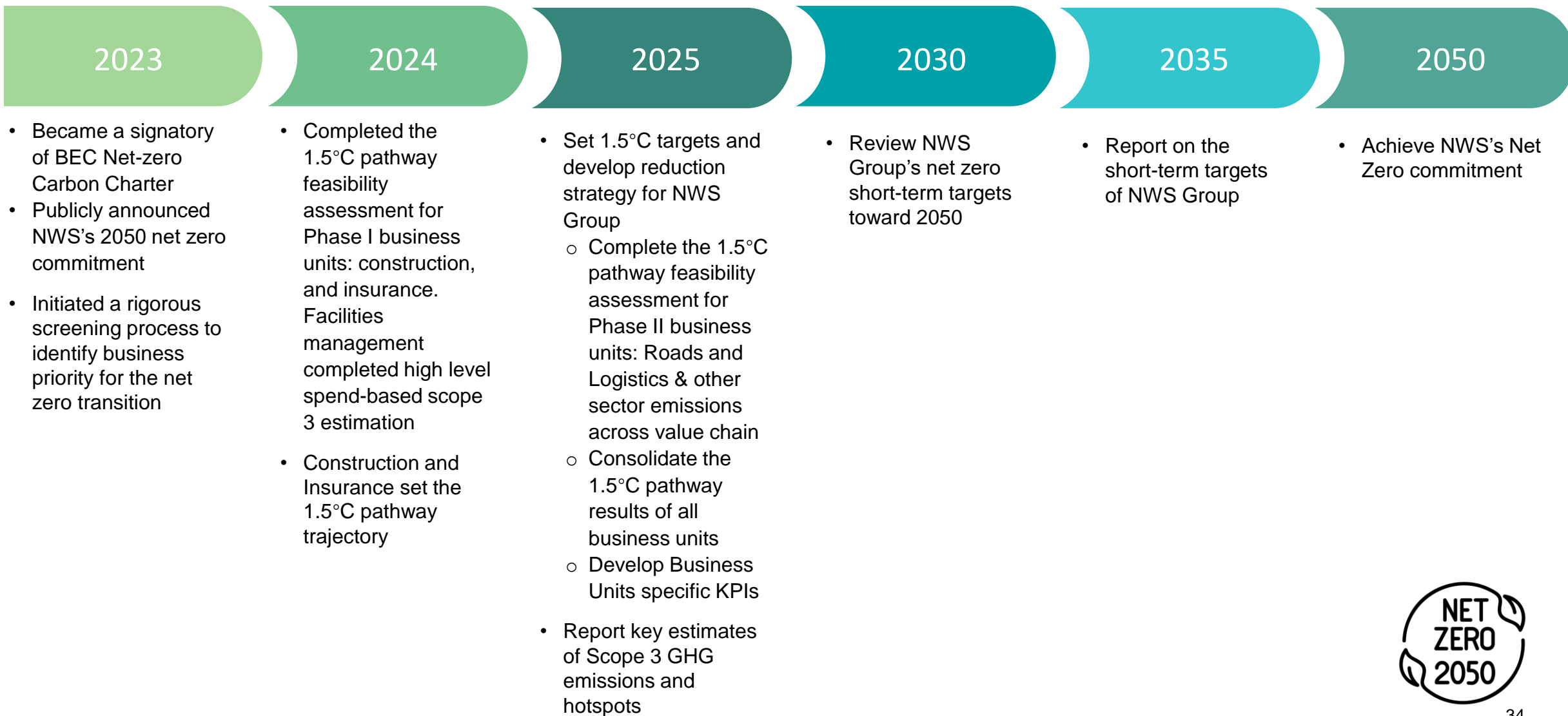
#### Integrating ESG into our ERM process





# Advance with Agility

## Net zero 2050 ambitions



# Evolve Sustainability

## CONSTRUCTION

### Advancement On Construction Technology Application



**1st** multi-storey MiC office building in Hong Kong in the expansion of the LegCo Complex.

Faster

Construction Time



Better

Safety



Less

Environmental Impacts



### Recognitions



Design for Buildings Category  
openBIM Implementation in the Design and Construction of the District Court Building at Caroline Hill Road

is awarded on 18 June 2024 with  
**Grand Award**

As Prof. Ada Fung  
President  
HONGKONG  
Chairperson  
Hong Kong Chapter of  
buildingSMART International

Prof. Jack Cheng  
Chair of Organizing Committee  
The Hong Kong openBIM Awards  
Award 2024

### OpenBIM/Open GIS Awards

- Grand Award of Design for Buildings Category
- 2 Grand Award of Construction for Buildings Category
- Grand Award of Facilities Management / Asset Management Category


## FACILITIES MANAGEMENT

### On-going Efforts On Enhancing Efficiency

### Recognitions


- The Operations & Services Award 2023 by UFI
- Awarded ISO 20121 Event Sustainability Management System certification and the Gold Rating of “LEED Certification of Existing Building”, and the “BEAM Plus EB Gold ratings”

### Launch of “Go HKCEC” Mobile App for Off-site Marshalling



The new ‘Go HKCEC’ app is designed to minimise the reliance on a physical truck marshalling site, by allowing drivers to wait in the queue virtually.


### Ongoing Improvements on A/C system



Four Air Handling Units (AHUs) and 76 Variable Air Volume (VAV) units with energy-saving technologies,, saving approximately 11,000kWh annually.


Reduce

waiting and idling time




Better

monitor the move-in / move-out process



### Improve Energy Efficiency



# Evolve Sustainability

## ROADS

First Smart Service Area in Mainland China to Achieve LEED Platinum Certificate

### Recognition

The West Lake Southern and Northern Service Building renovation project has achieved the prestigious LEED Platinum Certification requirements by implementing in-situ redevelopment, environmentally friendly construction processes, and energy-saving systems.



### Greywater Recycling

- A sewage treatment pond can treat 800 m<sup>3</sup> of wastewater daily
- A rainwater harvesting system is also installed to store 400 m<sup>3</sup> of rainwater

### Photovoltaic ("PV") System

- A PV power generation system with an area of approx. 2,200 m<sup>2</sup> has been installed
- Annually generates 340,000 kWh

### EV Charging Stations

- A total of 79 EV charging stations, featuring 7 different charging station brands

## INSURANCE

### Innovative Protection for a Healthier Future

CTF Life has introduced the "FamCare 198" with rare and innovative features that address customer needs

#### "FamCare 198" Critical Illness Protector

- Most covered critical illness plan in the market\* - Coverage for up to 198 illnesses

#### "FamCare 198" Critical Illness Protector – Pregnancy Baby Protection

- Market First\* - SEN Care Benefits
- Earliest-in-market\* - Insure as early as 18 weeks of gestation
- Market First\* - Neonatal Intensive Care Unit Cash Benefit
- Market First\* - Waiver of Premium Benefit upon Maternal Death

\* "Most covered in market", "Earliest-in-market", and "Market First" are the results of comparing same type of major critical illness protection products of the life insurance market in Hong Kong. Under the SEN Care Benefit, attending a special school for at least 1 academic year due to Special Educational Needs Conditions is Market First. All results are compared as of 26 February 2024.

### Better

coverage for up to 198 illnesses and pioneering benefits like SEN Care



### Extended Coverage

To insure unborn children as early as 18 weeks of gestation and neonatal support





## LOGISTICS

### Acquisition premium for quality warehouses

We are committed to acquiring premium quality assets that meet our rigorous standards for sustainability and operational excellence. Our strategic investments in logistics properties are exemplified by the recent acquisition of six top-tier warehouses in Chengdu and Wuhan.

#### Achieving the Highest Green Building Certification

All six newly acquired logistics properties have achieved Grade 1 (3-star), the highest grading in the esteemed "Green Warehousing Certification" awarded by the China Association of Warehousing and Distribution (CAWD).

**Better** Quality warehouses



**Less** Environmental Impacts



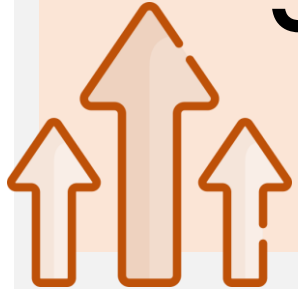


# Grow as One

We place a strong emphasis on employee well-being, health and safety, and we are dedicated to upskilling our workforce as we evolve and grow. To cultivate a strong talent pipeline, we proactively engage with young talents both within and outside our organization, offering them pathways to grow and thrive with us.

## Employee Health and Safety

Increase **37%**



Occupational health and safety training hours, a total of 17,291 hrs, for employees and service providers in compared with FY2023

Reduce **19%**



Lost Day Rate\* to 47.9

\*Lost-day Rate represents the number of Workday Lost due to Work-related Injuries per 100 employees per year

## Training and Development



Capabilities Building

Identify and prioritize the development areas for employees to enhance their general skillsets for their roles



Career Development

Equip potential leaders with the necessary skills to tackle increasingly complex challenges that may arise as they transition into leadership roles.



Leadership Training

Help leaders enhance self-awareness and clarify career goals, enabling them to leverage their strengths and reach their full potential

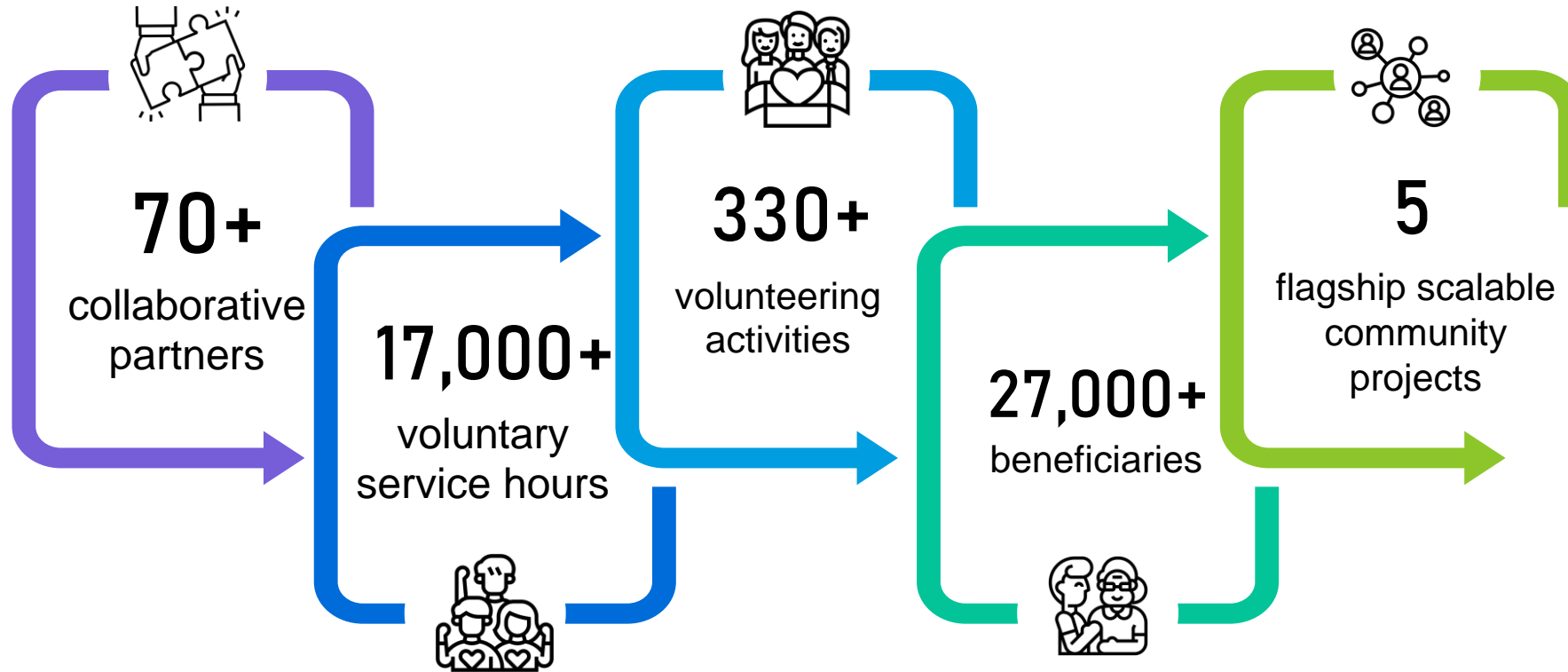
## Evolve Conference 2023

Under the theme “Climate Transition: Collaboration for Success,” sparked an inspiring exchange of ideas and solutions to drive sustainable progress.



# Create Shared Value

## Overview of Our Social Impacts in FY2024



### 3 key focuses of NWS Charities Foundation

#### Empower for Change

- Building capacities for disadvantaged groups to access jobs
- Developing future skills that are relevant and valuable in the evolving workforce to enhance their employability.

#### Build for Support

- Developing robust support networks to mobilize collaborative efforts in the community

#### Drive for the Future

- Supporting innovative solutions for community wellbeing, e.g. energy efficiency, and circular economy



Fun Day with SEN children



Learn-to-Save Ocean Education Scheme



Spring Gathering for Elderly



Thank You



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