新創建集團有限公司*

NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(stock code: 659)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

FINANCIAL HIGHLIGHTS

Revenue	**:**	**HK$18,889.5 million**
Profit attributable to shareholders	**:**	**HK$3,818.3 million**
Earnings per share - basic	**:**	**HK$1.89**
Proposed final dividend per share	**:**	**HK$0.40**

RESULTS

The board of directors (the "Board") of NWS Holdings Limited (the "Company") is pleased to announce the audited consolidated income statement of the Company and its subsidiary companies (collectively, the "Group") for the year ended 30 June 2008 ("FY2008") and the consolidated balance sheet of the Group as at 30 June 2008, together with comparative figures for the year ended 30 June 2007 ("FY2007") as follows:

Consolidated Income Statement
For the year ended 30 June

	Note	2008 HK$'m	2007 HK$'m
Revenue	*2*	**18,889.5**	15,047.1
Cost of sales		**(16,519.4)**	(13,750.8)
Gross profit		**2,370.1**	1,296.3
Other income	*3*	**474.0**	291.5
General and administrative expenses		**(1,377.6)**	(755.8)
Other charges	*3*	**(135.7)**	(14.4)
Operating profit	*3*	**1,330.8**	817.6
Finance costs		**(298.7)**	(221.1)
Share of results of			
Associated companies		**315.8**	542.6
Jointly controlled entities	*2(a)(i)*	**2,901.7**	1,034.8
Profit before income tax		**4,249.6**	2,173.9
Income tax expenses	*4*	**(215.4)**	(136.0)
Profit for the year		**4,034.2**	2,037.9
Attributable to			
Shareholders of the Company		**3,818.3**	2,005.4
Minority interests		**215.9**	32.5
		4,034.2	2,037.9
Dividends	*5*	**1,939.3**	1,104.4
Earnings per share attributable to the shareholders of the Company	*6*		
Basic		**HK$1.89**	HK$1.01
Diluted		**HK$1.88**	HK$1.01

Consolidated Balance Sheet
As at 30 June

	Note	**2008** **HK$'m**	2007 HK$'m
ASSETS			
Non-current assets			
Investment properties		**1,129.7**	1,103.3
Property, plant and equipment		**1,865.3**	1,957.1
Leasehold land and land use rights		**745.5**	99.1
Intangible assets		**728.9**	499.0
Associated companies		**3,392.6**	4,103.8
Jointly controlled entities		**15,874.8**	10,787.5
Available-for-sale financial assets		**663.3**	623.3
Other non-current assets		**643.7**	229.2
		25,043.8	19,402.3
Current assets			
Inventories		**278.9**	151.1
Trade and other receivables	*7*	**9,579.6**	14,692.1
Financial assets at fair value through profit or loss		**332.3**	246.9
Cash held on behalf of customers		**3,105.8**	2,042.4
Short term deposits		**126.4**	126.4
Cash and bank balances		**3,997.8**	3,120.8
		17,420.8	20,379.7
Total assets		**42,464.6**	39,782.0

Consolidated Balance Sheet (continued)
As at 30 June

	Note	**2008** **HK$'m**	2007 HK$'m
EQUITY			
Share capital		**2,057.6**	2,014.2
Reserves		**18,267.7**	14,577.9
Proposed final dividend		**822.8**	604.4
Shareholders' funds		**21,148.1**	17,196.5
Minority interests		**1,266.4**	1,002.0
Total equity		**22,414.5**	18,198.5
LIABILITIES			
Non-current liabilities			
Borrowings		**5,068.6**	3,937.9
Other non-current liabilities		**628.1**	683.8
		5,696.7	4,621.7
Current liabilities			
Trade and other payables	*8*	**10,362.3**	9,030.3
Taxation		**268.8**	183.8
Borrowings		**3,722.3**	7,747.7
		14,353.4	16,961.8
Total liabilities		**20,050.1**	21,583.5
Total equity and liabilities		**42,464.6**	39,782.0
Net current assets		**3,067.4**	3,417.9
Total assets less current liabilities		**28,111.2**	22,820.2

Notes:

1. Basis of preparation and accounting policies

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

For the year ended 30 June 2008, the Group has adopted the following new standard, amendment to standard and interpretations which are relevant to the Group's operations and are mandatory for FY2008:

HKAS 1 Amendment	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK (IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of these new standards, amendment and interpretations does not have significant change to the accounting policies or any significant effect on results and financial position of the Group. However, the adoption of HKAS 1 Amendment and HKFRS 7 requires additional disclosures in the financial statements.

The following new/revised standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2008 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2009

HK (IFRIC) – Int 12	Service Concession Arrangements
HK (IFRIC) – Int 13	Customer Loyalty Programmes
HK (IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

1. Basis of preparation and accounting policies (continued)

Effective for the year ending 30 June 2010

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 1 and HKAS 32 Amendment	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 2 Amendment	Share-based Payment - Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 8	Operating Segments
HK (IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK (IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The Group has already commenced an assessment of the impact of adopting these new or revised standards and interpretations but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

2. Revenue and segment information

The Group is principally engaged in the businesses of ports, infrastructure operations, facilities rental, facilities management, contracting, financial services and other services.

In accordance with the Group's internal financial reporting and operating activities, the primary reporting format is by business segments and the secondary reporting format is by geographical segments.

(a) Primary reporting format – business segments

	Ports	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Financial services	Other services	Eliminations	Consolidated
HK$'m										
2008										
External sales	3.1	283.7	-	918.2	3,540.7	12,658.4	1,409.3	76.1	-	18,889.5
Inter-segment sales	-	-	-	0.3	101.7	688.2	12.4	5.8	(808.4)	-
Total revenue	3.1	283.7	-	918.5	3,642.4	13,346.6	1,421.7	81.9	(808.4)	18,889.5
Segment results	9.7	143.9	14.5	226.6	268.6	258.3	542.2	7.5	-	1,471.3
Gain on deemed disposals of interests in a subsidiary company	-	-	-	-	-	-	75.3	-	-	75.3
Profit on disposal of subsidiary companies	2.4	-	-	-	-	-	-	2.7	-	5.1
Write-back of provision for receivables or accruals	-	17.3	-	-	-	-	-	-	-	17.3
Fair value gains of investment properties	-	-	-	13.0	-	13.4	-	-	-	26.4
Loss on disposal of subsidiary companies	-	-	-	-	(27.0)	-	-	-	-	(27.0)
Assets impairment loss	-	(10.3)	-	-	-	-	(22.0)	-	-	(32.3)
Unallocated corporate expenses										(205.3)
Operating profit										1,330.8
Finance costs										(298.7)
Share of results of										
Associated companies	36.1	(22.0)	157.8	-	0.2	101.9	66.4	(24.6)	-	315.8
Jointly controlled entities	45.5	665.2	266.2	249.2	0.4	14.9	-	1,660.3 [(i)]	-	2,901.7
Profit before income tax										4,249.6
Income tax expenses										(215.4)
Profit for the year										4,034.2

(i) The share of results of jointly controlled entities included the Group's share of profit of HK$1,632.6 million from a property development project, Harbour Place. The amount was included under other services segment.

2. Revenue and segment information (continued)

(a) Primary reporting format – business segments (continued)

HK$'m	Ports	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Financial services	Other services	Eliminations	Consolidated
2008										
Capital expenditure	0.2	3.7	-	925.5	55.0	17.8	49.7	8.8	-	1,060.7
Depreciation	0.7	95.5	-	23.8	32.3	35.5	26.2	7.9	-	221.9
Amortization of leasehold land and land use rights	-	-	-	-	0.2	1.5	-	0.4	-	2.1
Amortization of intangible assets	-	-	-	-	-	-	7.7	-	-	7.7

2. Revenue and segment information (continued)

(a) Primary reporting format – business segments (continued)

HK$'m	Ports	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Financial services	Other services	Eliminations	Consolidated
2008										
Segment assets	**58.9**	**1,990.6**	**-**	**2,146.7**	**1,078.8**	**6,077.4**	**6,206.1**	**201.8**	**-**	**17,760.3**
Associated companies	**335.7**	**454.1**	**422.2**	**-**	**1.4**	**1,045.6**	**379.3**	**754.3**	**-**	**3,392.6**
Jointly controlled entities	**748.4**	**4,603.7**	**3,789.7**	**2,362.0**	**10.5**	**88.0**	**-**	**4,272.5**	**-**	**15,874.8**
Unallocated assets										**5,436.9**
Total assets										**42,464.6**
Segment liabilities	**6.3**	**594.6**	**0.4**	**290.8**	**502.7**	**5,442.5**	**3,801.5**	**2.5**	**-**	**10,641.3**
Unallocated liabilities										**9,408.8**
Total liabilities										**20,050.1**

2. Revenue and segment information (continued)

(a) Primary reporting format – business segments (continued)

HK$'m	Ports	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Financial services	Other services	Eliminations	Consolidated
2007										
External sales	17.9	239.7	-	890.6	2,467.9	11,205.0	148.0	78.0	-	15,047.1
Inter-segment sales	-	-	-	0.4	107.2	725.5	13.2	5.7	(852.0)	-
Total revenue	17.9	239.7	-	891.0	2,575.1	11,930.5	161.2	83.7	(852.0)	15,047.1
Segment results	1.1	130.2	13.5	229.7	247.4	137.3	60.4	10.9	-	830.5
Write-back of provision for receivables or accruals	-	58.0	-	-	-	-	-	-	-	58.0
Fair value gains on investment properties	-	-	-	7.0	-	16.2	-	-	-	23.2
Assets impairment loss	-	(14.4)	-	-	-	-	-	-	-	(14.4)
Unallocated corporate expenses										(79.7)
Operating profit										817.6
Finance costs										(221.1)
Share of results of										
Associated companies	25.6	(14.9)	272.0	-	0.2	103.3	107.5	48.9	-	542.6
Jointly controlled entities	53.0	493.8	144.2	214.4	0.2	33.8	-	95.4	-	1,034.8
Profit before income tax										2,173.9
Income tax expenses										(136.0)
Profit for the year										2,037.9
Capital expenditure	0.4	1.2	-	27.6	36.8	42.9	173.8	6.4	-	289.1
Depreciation	1.2	89.0	-	23.8	34.2	39.5	2.5	11.0	-	201.2
Amortization of leasehold land and land use rights	-	-	-	-	0.2	4.2	-	0.4	-	4.8

2. Revenue and segment information (continued)

(a) Primary reporting format – business segments (continued)

HK$'m	Ports	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Financial services	Other services	Eliminations	Consolidated
2007										
Segment assets	67.1	1,647.4	-	1,341.5	714.9	5,521.4	11,076.5	128.7	-	20,497.5
Associated companies	300.5	422.9	1,656.2	-	1.2	870.5	364.4	488.1	-	4,103.8
Jointly controlled entities	589.0	3,988.0	1,774.4	2,043.9	10.1	89.8	3.0	2,289.3	-	10,787.5
Unallocated assets										4,393.2
Total assets										39,782.0
Segment liabilities	4.1	677.2	0.4	305.6	460.9	4,770.8	3,005.1	15.6	-	9,239.7
Unallocated liabilities										12,343.8
Total liabilities										21,583.5

(b) Secondary reporting format – geographical segments

HK$'m 2008	**Segment revenue**	**Segment results**	**Capital expenditure**	**Segment assets**
Hong Kong	**11,496.9**	**1,128.7**	**1,035.6**	**12,754.2**
Mainland China	**1,671.4**	**137.1**	**11.6**	**2,837.6**
Macau	**5,716.8**	**198.6**	**13.5**	**2,161.8**
Others	**4.4**	**6.9**	**-**	**6.7**
	18,889.5	**1,471.3**	**1,060.7**	**17,760.3**
2007				
Hong Kong	8,313.1	519.2	278.1	16,842.8
Mainland China	1,622.6	168.0	10.7	2,223.2
Macau	5,108.8	142.8	0.3	1,425.6
Others	2.6	0.5	-	5.9
	15,047.1	830.5	289.1	20,497.5

3. Operating profit

Operating profit of the Group is arrived at after crediting and charging the following:

	2008 **HK$'m**	2007 HK$'m
Crediting		
Interest income from margin and other financing of securities business, included in revenue	**308.8**	17.3
Other income		
Profit on disposal of subsidiary companies	**5.1**	-
Profit on disposal of available-for-sale financial assets	**16.7**	18.4
Net profit on disposal of financial assets at fair value through profit or loss	**50.5**	9.1
Fair value gains on financial assets at fair value through profit or loss	**-**	7.6
Fair value gains on investment properties	**26.4**	23.2
Write-back of provision for receivables or accruals	**17.3**	58.0
Gain on deemed disposal of interests in a subsidiary company	**75.3**	-
Interest income	**188.2**	115.5
Management fee income	**60.6**	35.9
Machinery hire income	**17.7**	12.2
Dividends and others	**16.2**	11.6
	474.0	291.5

3. Operating profit (continued)

Operating profit of the Group is arrived at after crediting and charging the following: (continued)

	2008 **HK$'m**	2007 HK$'m
Charging		
Cost of inventories sold	**1,171.7**	802.5
Write-down of inventories	**0.5**	0.7
Depreciation	**221.9**	201.2
Amortization of leasehold land and land use rights	**2.1**	4.8
Amortization of intangible assets	**7.7**	-
Interest expense for securities broking and margin financing operations, included in cost of sales	**167.1**	11.2
Other charges		
Assets impairment loss	**32.3**	14.4
Fair value losses on financial assets at fair value through profit or loss	**76.4**	-
Loss on disposal of subsidiary companies	**27.0**	-
	135.7	14.4

4. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits for the year. Taxation on Mainland China and overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 3% to 33% (2007: 3% to 33%).

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC (the "New CIT Law"), pursuant to which the corporate income tax rates for domestic and foreign enterprises are unified at 25% effective from 1 January 2008. The New CIT Law also provides for preferential tax rates, tax incentives for prescribed industries and activities, grandfathering provisions as well as determination of taxation profit. On 6 December 2007, the State Council approved the Detailed Implementation Regulations for the implementation of the New CIT Law. The New CIT Law has an impact on the deferred income tax assets and liabilities of the Group and accordingly, the amount of deferred taxation as at 30 June 2008 has been determined based on the best estimation of the applicable corporate income tax rates.

The amount of income tax charged to the consolidated income statement represents:

	2008 **HK$'m**	2007 HK$'m
Current income tax		
Hong Kong profits tax	**154.4**	85.3
Mainland China and overseas taxation	**44.1**	38.9
Deferred income tax	**16.9**	11.8
	215.4	136.0

Share of associated companies' and jointly controlled entities' taxation of HK$50.7 million (2007: HK$117.8 million) and HK$495.6 million (2007: HK$186.8 million) respectively are included in the consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

5. Dividends

	2008	2007
	HK$'m	HK$'m
Interim dividend paid of HK$0.55 (2007: HK$0.25) per share	**1,116.5**	500.0
Final dividend proposed of HK$0.40 (2007: paid of HK$0.30) per share	**822.8**	604.4
	1,939.3	1,104.4

On 8 October 2008, the Board recommended a final dividend of HK$0.40 per share. This dividend will be accounted for as an appropriation of the retained profits for the year ending 30 June 2009.

6. Earnings per share

The calculation of basic and diluted earnings per share for the year is based on the following:

	2008	2007
	HK$'m	HK$'m
Profit attributable to shareholders of the Company	**3,818.3**	2,005.4
Effect of dilutive potential ordinary shares		
Interest on convertible bonds, net of tax	**-**	3.5
Adjustment on the effect of dilution in the results of a subsidiary company	**(0.6)**	-
Profit for calculation of diluted earnings per share	**3,817.7**	2,008.9

	Number of shares	
	2008	2007
Weighted average number of shares for calculating basic earnings per share	**2,022,654,890**	1,978,273,528
Effect of dilutive potential ordinary shares		
Share options	**4,511,958**	1,735,910
Convertible bonds	**-**	15,962,978
Weighted average number of shares for calculating diluted earnings per share	**2,027,166,848**	1,995,972,416

7. Trade and other receivables

Included in trade and other receivables are trade receivables which are further analyzed as follows:

	2008	2007
	HK$'m	HK$'m
Receivables arising from securities business	**586.4**	6,215.6
Other trade receivables	**1,792.8**	1,902.8
	2,379.2	8,118.4

Receivables arising from securities business mainly represent accounts receivable attributable to dealing in securities and equity options transactions which are to be settled two days after the trade date, accounts receivable attributable to dealing in futures, options and bullion contracts transactions which are to be settled one day after the trade date, and accounts receivable attributable to dealing in new shares subscription on clients' behalf which are normally settled within one week.

The ageing analysis of trade receivables is as follows:

	2008	2007
	HK$'m	HK$'m
Under 3 months	**1,994.5**	7,803.5
4 to 6 months	**119.3**	104.0
Over 6 months	**265.4**	210.9
	2,379.2	8,118.4

The Group has various credit policies for different business operations depending on the requirements of the markets and businesses in which these businesses operate. Retention money receivables in respect of Contracting services are settled in accordance with the terms of respective contracts.

8. Trade and other payables

Included in trade and other payables are trade payables which are further analyzed as follows:

	2008	2007
	HK$'m	HK$'m
Payables arising from securities business	**3,667.1**	2,811.4
Other trade payables	**795.3**	661.6
	4,462.4	3,473.0

Payables arising from securities business represent accounts payable attributable to various financial services transactions, including securities, equity options, leveraged foreign exchange, futures and options contracts, bullion contracts and other financial services. The balances are mainly repayable on demand.

The ageing analysis of other trade payables is as follows:

	2008	2007
	HK$'m	HK$'m
Under 3 months	**686.4**	566.1
4 to 6 months	**42.8**	32.9
Over 6 months	**66.1**	62.6
	795.3	661.6

FINAL DIVIDEND

The Board has resolved to recommend a final dividend for the year ended 30 June 2008 in scrip form equivalent to HK$0.40 per share (2007: HK$0.30 per share) with a cash option to shareholders registered on 1 December 2008. Together with the interim dividend of HK$0.55 per share (2007: HK$0.25 per share) paid in June 2008, total distributions for the year ended 30 June 2008 will thus be HK$0.95 per share (2007: HK$0.55 per share).

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") granting the listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholder could elect to receive in cash and they will be given the option to elect to receive payment in cash of HK$0.40 per share instead of the allotment of shares. Full details of the final scrip dividend will be set out in a circular to be sent to shareholders together with a form of election for cash on or about 1 December 2008.

The register of members of the Company will be closed from Wednesday, 26 November 2008 to Monday, 1 December 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with Tricor Standard Limited, the Company's branch share registrars in Hong Kong, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 25 November 2008.

FINANCIAL REVIEW

Group overview

The Group reported a profit attributable to shareholders of HK$3.818 billion for FY2008, an increase of HK$1.813 billion or 90.4%, as compared to HK$2.005 billion for FY2007. Attributable Operating Profit ("AOP") increased by 19% from HK$2.291 billion in FY2007 to HK$2.723 billion in FY2008. Infrastructure division generated an AOP of HK$1.332 billion, an increase of 16% as compared to HK$1.150 billion in FY2007. Service & Rental division achieved a healthy growth of 22% and its AOP increased from HK$1.141 billion in FY2007 to HK$1.391 billion in FY2008.

The operating results were complemented by an encouraging profit of HK$1.633 billion from the sales of the residential flats of Harbour Place and a gain of HK$75.3 million from the deemed disposal of interests in Taifook Securities Group Limited ("Taifook Securities") recognized in FY2008. The year saw a net loss of HK$21.9 million in asset disposal including mainly the disposal of the Group's laundry business in Mainland China. In addition, impairment losses of HK$23.0 million were recorded in respect of two roadways in Shanxi Province and investment funds managed by Taifook Securities. These losses were partially offset by the writing back of provisions and accruals previously made for the proceeds from disposal of roadways amounting to HK$17.3 million.

Contribution by Division For the year ended 30 June	**2008** **HK$'m**	2007 HK$'m
Infrastructure	**1,332.4**	1,150.4
Service & Rental	**1,390.7**	1,140.7
Attributable operating profit	**2,723.1**	2,291.1
Head office and non-operating items		
Net loss on disposal of projects	**(21.9)**	-
Impairment loss, net of tax	**(23.0)**	(13.0)
Write-back of provision for receivable or accruals	**17.3**	58.0
Share of profit from Harbour Place	**1,632.6**	-
Fair value gains on investment properties, net of tax	**22.0**	19.2
Net gain from securities investment	**2.1**	32.3
Other interest income	**43.7**	78.2
Other finance costs	**(284.3)**	(208.0)
Share based payment	**(81.8)**	-
Gain on deemed disposal of interests in a subsidiary company	**75.3**	-
Others	**(286.8)**	(252.4)
	1,095.2	(285.7)
Profit attributable to shareholders	**3,818.3**	2,005.4

Contributions from operations in Hong Kong accounted for 46% of AOP in FY2008 as compared to 44% in FY2007. Mainland China and Macau contributed 42% and 12% respectively, as compared to 45% and 11% respectively in FY2007.

Final dividend for the year ended 30 June 2008 of HK$0.40 per share (2007 : HK$0.30) was proposed by the Board. The dividend has included HK$0.16 per share for reflecting the share of profit from the sales of units of Harbour Place. The final dividend represents payout ratio of approximately 50% which is in line with the dividend policy of the Company.

Earnings per share

The basic earnings per share was increased by 87% from HK$1.01 in FY2007 to HK$1.89 in FY2008.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by segment

For the year ended 30 June

	2008	2007	Change %
	HK$'m	HK$'m	Fav./(Unfav.)
Roads	**744.7**	566.4	31
Energy	**383.5**	402.8	(5)
Water	**107.9**	102.2	6
Ports	**96.3**	79.0	22
Total	**1,332.4**	1,150.4	16

Roads

The outstanding performance of the projects within the Pearl River Delta Region continued to benefit from the strong economic development in the region and remained as the top contributor of the segment. Average daily traffic volume of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) recorded a strong growth of 20%. The combined average daily traffic flow of Shenzhen-Huizhou Roadway and Expressway also increased by 16% when compared to FY2007. Average daily traffic flow of Guangzhou City Northern Ring Road reported a growth of 3% but its toll revenue dropped by 5% as traffic mix changed significantly after East-South-West Ring Roads became toll-free in September 2007.

Toll revenue of Tangjin Expressway (Tianjin North Section) grew 38% in FY2008 after the introduction of toll-by-weight policy in August 2007. Average daily traffic flow grew 8% when compared to FY2007.

AOP from Tate's Cairn Tunnel increased by 4% from a 1% growth in the average daily traffic flow in FY2008.

Energy

Combined electricity sales of Zhujiang Power Plants increased by 3% in FY2008. Average tariff also increased by 2% when compared to FY2007. Its combined AOP, however, dropped by 32% on a year-on-year basis due to the soaring coal price.

Performance of Macau Power is satisfactory as its electricity sales grew 23% during the year.

Guangdong Baolihua New Energy Stock Co., Limited, interest of which was acquired in December 2006, contributed its full-year AOP in FY2008.

Both generation units of Chengdu Jintang Power Plant commenced operation in June and October 2007 respectively.

In 2008, the Group acquired a 35% interest in Guangzhou Fuel Company which is one of the largest coal trading companies in the Pearl River Delta Region.

Water

Average daily sales volume of Macau Water Plant increased by 7% in FY2008. In Mainland China, water sales volume of Tanggu Water Plant in Tianjin and Chongqing Water Plant grew 8% and 10% respectively when compared to FY2007. AOP for FY2008 was also increased by full year contribution from Changshu Water Plant in Jiangsu Province and Chongqing Tangjiatuo Waste Water Treatment Plant.

Ports

Throughput of Xiamen New World Xiangyu Terminals Co., Ltd. dropped 6% to 745,000 TEUs when compared to FY2007, as a major customer was lost in FY2008. The effect was partly compensated by a 4% increase in average tariff. Average tariff of Tianjin Orient Container Terminals Co., Ltd. increased after a rate hike in 2008 but the throughput dropped slightly by 1% to 1,129,000 TEUs. Average tariff of Tianjin Five Continents International Container Terminal Co., Ltd. increased as more foreign cargoes were handled during FY2008. Its throughput stood at around 1,991,000 TEUs.

In September 2007, our 70% interest in Xiamen Xinyuan Container Terminal Co., Ltd. was sold and realized a gain of HK$2.4 million.

OPERATIONAL REVIEW – SERVICE & RENTAL

Service & Rental division achieved an AOP of HK$1.391 billion for FY2008. A significant increase of AOP by HK$250.0 million or 22% was mainly attributable to the continuing growth of business of Contracting segment and increase in contribution from Taifook Securities after the completion of further acquisition of Taifook Securities' shareholding to 61.3% on 8 June 2007.

AOP Contribution by Segment

For the year ended 30 June	**2008**	2007	Change %
	HK$'m	HK$'m	Fav./(Unfav.)
Facilities Rental	**452.9**	404.2	12
Contracting	**347.8**	255.9	36
Financial Services	**335.1**	141.6	137
Other Services	**254.9**	339.0	(25)
Total	**1,390.7**	1,140.7	22

Facilities Rental

Hong Kong Convention and Exhibition Centre ("HKCEC") continued to achieve satisfactory result in FY2008 with 1,345 events held during the year serving over 4.6 million guests. AsiaWorld-Expo, Venetian Macau and other conference and exhibition facilities in Mainland China and other Asian countries have increased competition in this market. The Atrium Link expansion of HKCEC is under construction and is due for completion in the first half of 2009. The new 19,400 sq m expansion will increase its available space for lease up to a total of 83,400 sq m and will further enhance its overall competitiveness.

ATL Logistics Centre ("ATL") recorded a steady profit with average occupancy rate maintaining at a high level of 98% in FY2008. It has also benefited from the increase in average rental and higher tariffs rate as the demand for storage space has continued to surge. Being Hong Kong's largest multi-storey drive-in warehousing / container freight station complex, ATL continues to provide professional warehousing and terminal services for a demanding global clientele. As such, it remains as the market leader in the industry. Although the economic growth in Hong Kong has slowed down in the first half of 2008, the Group expects ATL will continue to deliver stable profits.

Contracting

The operating environment has improved during FY2008 although the recovery in the construction industry is still lagging behind in Hong Kong. In Mainland China, the competition is keen and risk is high. The Group continues to adopt a selective approach in tendering new projects and has achieved stable contribution. The business in Macau is very encouraging which remains the major profit contributor to the segment.

As at 30 June 2008, the gross value of contracts on hand for the Construction Group was HK$28.3 billion, representing a decrease of 10% resulting from completion of certain sizeable projects both in Hong Kong and Macau. Nevertheless, the Group has well positioned itself to take advantage of the mega size projects in Hong Kong, e.g. the design and construction works of Tamar Development Project was awarded to the Group’s 50/50 joint venture with Gammon in January 2008. The Group is also exploring business opportunities cautiously in other overseas markets including the Middle East and the South East Asia.

Although the overall mechanical and engineering industry remains competitive together with the financial risks associated with material price fluctuation and subcontractors’ repudiation, average gross profit margin of our engineering business has improved which is mainly attributable to the performance of its projects in Macau. The mechanical and engineering contracts awarded for the year ended 30 June 2008 were HK$2.527 billion in which 16% was secured in Mainland China whereas 84% was secured in Hong Kong and Macau while the total contracts on hand as at 30 June 2008 amounted to HK$5.971 billion.

Financial Services

The Financial Services segment mainly comprises the results of Taifook Securities and Tricor Holdings Limited (“Tricor”). The contribution attributable to this segment has become more significant after the Group increased its shareholding in Taifook Securities to 61.3% on 8 June 2007 and the benefit of buoyant stock market in 2007.

Taifook Securities achieved excellent results for FY2008. The remarkable achievement can be mainly attributed to an exceptional robust stock market in 2007, in which contributions from Taifook Securities’ core operations all grew substantially during the first half of FY2008. However, its businesses were affected by the drastic market downturn in the second half of FY2008, which was triggered by deepened concerns over the US economy after the meltdown of its sub-prime mortgage market and the shakeout in investment sentiment for fears of the overvaluation of mainland stock market. As measured by the benchmark Hang Seng Index, the Hong Kong stock market declined over 20% in the second half of FY2008. Contributions from areas including margin finance, corporate finance, and other financial activities declined materially in the second half of FY2008 as they are directly impacted by the performance of the stock market, which was mainly attributed to the poor performance of China stocks.

Also benefited from the booming stock market in 2007, Tricor achieved excellent results with a growth of 18% during FY2008. Tricor had successfully expanded into the Mainland China and Singapore markets following the opening of offices in Shanghai and Beijing and the acquisition of Singapore business. In addition, new offices have been established in Barbados and England during FY2008.

Other Services

This segment comprises various service businesses including the transport and other general services such as retail, property management, cleaning and security guarding.

The Group's transport business achieved an AOP of HK$32.5 million for FY2008, a 68% decrease over FY2007. The decrease was due chiefly to the vastly increased fuel costs. The increase in staff wages and repairs and maintenance charges also added pressure to the overall profitability.

Free Duty engaged in duty free tobacco and liquor retail business at Hong Kong International Airport and the ferry terminals in China Hong Kong City and Shun Tak Centre has achieved excellent result in FY2008 following robust patronage arising from the rebound in Hong Kong's tourism sector and the increasing trend in spending per passenger. The Group has also commenced duty free operations in Lok Ma Chau Station in August 2007 and Lo Wu Station in January 2008.

The property management business contributed a stable profit to the Group despite tough market competitions and maintained a clientele of over 108,000 residential units under management. The Group continued to explore new market opportunities in Mainland China.

OUTLOOK

Under the new income tax law of the PRC, which became effective on 1 January 2008, income tax rates for domestic enterprises and foreign invested enterprises ("FIEs") are unified at a rate of 25% over a 5-year transitional period. Although the existing privilege policies for FIEs such as 5-year tax holiday are still enforceable, foreign investors' tax burden will inevitably increase.

Under the 85,000 km national expressway network plan, up to 2010, an annual average of 3,000 km expressway at an investment cost of RMB140 billion will be constructed. This offers immense investment opportunities for investors in the coming years. In short term, however, the high oil price will dampen the use of private cars. The adoption of toll-by-weight policy for trucks in some provinces and municipal cities has proved effective in reducing the numbers of overloaded trucks and increasing traffic flow and toll revenue and this toll-by-weight policy will become a growth agent for road business in other provinces in general.

The operating environment for the power industry in Mainland China remains challenging. Electricity utilization is under pressure across the Mainland. Soaring crude oil price continuously drives up both demand and prices of other primary fuel such as natural gas and coal. Despite efforts by the Chinese government to cool down the coal market, the coal price has continued to climb since late 2007 and doubled in late July 2008. To ease the pressure of the loss-making coal-fired power producers, the Chinese Government has to date implemented two on-grid tariff hikes in 2008. The market is still expecting further upward adjustments in the fourth quarter, as the recent tariff increases are far less than sufficient to meet the increasing coal costs.

To cater for the large demand in the waste water treatment service in the Shanghai Chemical Industry Park, the joint venture company has already started its third phase of investment which will be operational in October 2008. Furthermore, the joint venture company also expands its business line to provide demineralized water service in order to meet the expected demand from potential industrialists. To cope with the increasing water demand, Macau Water has contracted to expand its existing treatment capacity which has been operational in August 2008.

In the first half of 2008, Xiamen achieved a recorded 40,000 TEUs of international transshipment, representing 279.3% increment. In 2008, Xiamen targets to achieve 5.3 million TEUs with plans to upgrade various facilities such as navigation channels, highway and railway network. Haicang Free Trade Zone was also approved in June to enhance Xiamen's unique position for cross-strait trade. Tianjin reported a 21.6% growth in container throughput and reached 4.1 million TEUs in the first half of 2008. In 2008, Tianjin targets to achieve 8.5 million TEUs by attracting cargo flow from inland provinces.

The Facilities Rental segment is expected to deliver consistently stable contributions as a result of HKCEC's and ATL's market leadership positions across the region. To consolidate its position as Asia's foremost international exhibition centre and Hong Kong's premier venue of choice, HKCEC will continue to enhance its service quality, facilities and equipment. Moreover, a tender bid for a site with gross floor area 700,000 sq ft in Kwai Chung Container Terminals was awarded by the Government in April 2008 for the development of a new logistics warehouse which would generate synergies with the nearby ATL.

China United International Rail Containers Co., Ltd., the JV company that develops 18 rail container terminals in Mainland China, was established in March 2007. The construction works of the first-batch terminals in Chongqing, Zhengzhou, Qingdao and Dalian are well underway and are expected to be completed and operational by the second half of 2009 and the next batch of terminals recently approved to be built includes Xian, Wuhan and Chengdu.

The overall operating environment of the Contracting segment has improved during FY2008. The business in Macau is still encouraging and remains as a major contributor in the coming year.

The Group will continue to strengthen its Financial Services business by exploring and developing new markets in the region such as Japan, Korea and Taiwan through joint ventures with local partners or setting up of investment funds for clients of these countries. The prospects of the China economy and its capital markets continue to be our major focus and we remain confident that the hiccups on the Mainland would be remedied.

For the transport business, the overall business environment continues to be volatile and challenging. The high fuel prices, intense competition from railway, the construction of new rail lines on Hong Kong Island and the bus fleet replacement programme are some of the major issues which the management has to contend with in the next few years. Therefore, further streamlining in bus utilization through route rationalization programmes and greater overall cost control will continue to strive for better operational efficiency.

FINANCIAL RESOURCES

Treasury management and cash funding

The Group's funding and treasury policy is designed to maintain a comprehensively diversified and balanced debt profile to minimize the Group's financial risks. Management of the Group's financing and treasury activities are centralised at the corporate level. The Group's treasury function regularly reviews the funding requirements in order to enhance the cost-efficiency of funding initiatives. With adequate cash deposit and available banking facilities, the Group maintains strong liquidity position to provide sufficient financial resources to finance its operations and potential investments.

Liquidity

As at 30 June 2008, the Group's total cash and bank balances amounted to HK$4.124 billion, as compared to HK$3.247 billion as at 30 June 2007. Net Debt decreased from HK$8.438 billion at the end of FY2007 to HK$4.667 billion at the end of FY2008. The Group's Gearing Ratio decreased from 46% as at 30 June 2007 to 21% as at 30 June 2008. Net Debt at the end of FY2007 included IPO loans which were borrowed back-to-back from banks and were repaid in early July 2007 following the allotment of the corresponding new issues. Taking out these short-lived IPO loans, the Gearing Ratio at the end of FY2007 would be only 15%. The capital structure of the Group was 28% debt and 72% equity as at 30 June 2008, as compared to 39% debt and 61% equity as at 30 June 2007.

Debt profile and maturity

As at 30 June 2008, the Group's Total Debt decreased to HK$8.791 billion from HK$11.686 billion as at 30 June 2007. Long-term bank loans and borrowings increased from HK$3.938 billion as at 30 June 2007 to HK$5.069 billion as at 30 June 2008, with HK$1.838 billion maturing in the second year and the remaining in the third to fifth year. Secured bank loans and overdrafts amounted to HK$90.0 million as at 30 June 2008 and were secured by listed shares held by the Group as security for advances to securities customers. All bank loans were denominated in Hong Kong dollars and were bearing interest at floating rate. The Group did not have any material exposure in exchange risk other than RMB during FY2008. No property, plant and equipment, investment properties nor leasehold land and land use rights were pledged as at 30 June 2008.

Commitments

The Group's commitments for capital expenditure were HK$2.967 billion as at 30 June 2008 as compared to HK$1.665 billion as at 30 June 2007. This represented commitment for capital contributions in certain associated companies, jointly controlled entities and other projects of HK$2.662 billion as at 30 June 2008 as compared to HK$1.451 billion as at 30 June 2007, and commitments for properties and equipment of HK$305.0 million as at 30 June 2008 as compared to HK$213.8 million as at 30 June 2007. The share of commitments for capital expenditure committed by jointly controlled entities was HK$1.336 billion as at 30 June 2008 as compared to HK$1.055 billion as at 30 June 2007. Sources of funding for capital expenditure are internally generated resources and banking facilities.

CONTINGENT LIABILITIES

Contingent liabilities of the Group were HK$638.0 million as at 30 June 2008 as compared to HK$1.107 billion as at 30 June 2007. These were composed of guarantees for credit facilities granted to associated companies, jointly controlled entities and a related company of HK$11.9 million, HK$571.1 million and HK$55.0 million as at 30 June 2008 as compared to HK$11.9 million, HK$1.041 billion and HK$55.0 million respectively as at 30 June 2007. The share of contingent liabilities of jointly controlled entities was HK$56.2 million as at 30 June 2008 as compared to HK$70.6 million as at 30 June 2007.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2008, over 48,000 staff were employed by entities under the Group's management of which some 25,000 were employed in Hong Kong. Total staff related costs, excluding directors' remunerations, were HK$3.024 billion, of which provident funds and staff bonuses were included, as compared to HK$2.249 billion for FY2007. Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed according to general market conditions every year. Structured training programmes are provided to employees on an ongoing basis.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited financial statements of the Company for the year ended 30 June 2008.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance practices within the Group. Throughout FY2008, the Group has made every endeavour in improving itself by adopting the best corporate governance practices.

Except the deviations in code provisions A.5.4 and E.1.2, the Company has complied with all the applicable code provisions and most of the recommended best practices as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") during FY2008.

As required under code provision A.5.4 of the CG Code, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") for relevant employees in respect of their dealings in the securities of the Company. The Board had established guidelines for employees in respect of their dealings in the Company's securities as set out in the handbook for "Corporate Policy on Staff Responsibility" but the guidelines contained therein fall short of the requirements under the Model Code. The deviation was mainly due to the fact that the Company currently has over 48,000 employees and operates diversified businesses, it would cause immense administrative burden for processing written notifications from the relevant employees by the Company. During FY2008, the Executive Committee of the Company had reconsidered the compliance of this code provision and identified certain senior executives as relevant employees of the Company. They are subject to the "*Code for Securities Transactions by Relevant Employees*", which was adopted by the Executive Committee in February 2008 and are on no less exacting terms than the Model Code, in the same manner as directors of the Company with respect to the notification requirements to the Company for dealing in its securities and prohibitions to deal. Since then, the Company has complied with the requirement under code provision A.5.4 of the CG Code.

Moreover, pursuant to code provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting of the Company. Due to the engagement by another important meeting held overseas, Dr Cheng Kar Shun, Henry, Chairman of the Board, was unable to attend the annual general meeting of the Company held on 26 November 2007.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiary companies has purchased, sold or redeemed any of the Company's listed securities during the FY2008.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.nws.com.hk) and the Hong Kong Stock Exchange (www.hkexnews.hk). The 2008 annual report will be dispatched to shareholders and available on the above websites on or about 28 October 2008.

THE BOARD

As at the date of this announcement: (a) the executive directors of the Company are Dr Cheng Kar Shun, Henry, Mr Doo Wai Hoi, William, Mr Chan Kam Ling, Mr Tsang Yam Pui, Mr Wong Kwok Kin, Andrew, Mr Lam Wai Hon, Patrick, Mr Cheung Chin Cheung and Mr William Junior Guilherme Doo; (b) the non-executive directors of the Company are Mr Wilfried Ernst Kaffenberger (alternate director to Mr Wilfried Ernst Kaffenberger: Mr Yeung Kun Wah, David), Mr To Hin Tsun, Gerald and Mr Dominic Lai; and (c) the independent non-executive directors of the Company are Mr Kwong Che Keung, Gordon, Mr Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 8 October 2008

* *For identification purposes only*