

HIGHLIGHTS

	For the six months ended 31 December		
	2006 HK\$ million	2005 HK\$ million	Change (%)
Turnover	6,902.7	5,753.7	20
Profit attributable to shareholders	912.2	909.0	0.4
Total assets	26,840.5**	25,587.6*	5
Earnings per share (EPS)	HK\$0.47	HK\$0.50	(6)***
Dividend per share	HK\$0.25	HK\$0.24	4

- Gearing ratio: 8% (30 June 2006: 13%)
- Cash on hand: HK\$2.445 billion (30 June 2006: HK\$2.548 billion)

* As at 30 June 2006

** As at 31 December 2006

*** If excluding the net profit on the disposal of infrastructure projects recorded for the six months ended 31 December 2005 (the “Last Period”), earnings per share actually increased by 4%

(16 March 2007, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Hong Kong stock code: 0659) today announced its interim results for the six months ended 31 December 2006 (the “Current Period”).

Profit attributable to shareholders increased by 0.4% to HK\$912.2 million (2005: HK\$909.0 million). Turnover increased by 20% to HK\$6,902.7 million (2005: HK\$5,753.7 million). Though there were no exceptional gains during the Current Period, the net profit stays at the similar level as the Last Period. If excluding the exceptional gains recorded in the Last Period, the net profit for the Current Period was actually up 11%.

The Board of Directors (the “Board”) has resolved to recommend an interim dividend for the year ended 30 June 2007 in scrip form equivalent to HK\$0.25 per share with a cash option to shareholders registered on 13 April 2007. The interim dividend of the Current Period represents a 4% growth when compared with the Last Period. The dividend payout ratio of 55% exceeds the dividend strategy declared by the Board in FY2005.



Infrastructure seeking new Investments

Infrastructure division achieved an attributable operating profit (“AOP”) of HK\$597.0 million for the Current Period, a slight decrease of 5% as compared to HK\$626.2 million for the Last Period.

Roads

AOP of Roads segment amounted to HK\$285.0 million for the Current Period, which represented a 19% increase over the Last Period. Performance of the projects within the Pearl River Delta Region continues to shine. Toll income of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) soared by 34% while Guangzhou City Northern Ring Road reported a 15% growth in its average daily traffic flow. Tangjin Expressway (Tianjin North Section) also performed remarkably with an average daily traffic flow surged by 22%.

Energy

Macau Power reported a 14% increase in electricity sales while average utilization of Zhujiang Power Plant stayed in the high level of about 80%. Despite of the above, AOP of Energy segment dropped 29% during the Current Period due to a one-off gain arising from change in depreciation policy in the Last Period. The Group remains optimistic about the outlook for its energy business and continues to explore new investment opportunities. It has taken a 35% stake in Chengdu Jintang Power Plant, which will commence operation in mid-2007. NWS Holdings has also invested 9.45% in Guangdong Baolihua New Energy, which operates a 2x135MW power plant in Guangdong. This company is constructing another 2x300MW power plant that will become operational in 2008.

Water

Water segment recorded solid growth with AOP amounted to HK\$56.0 million, a 9% increase when compared with the Last Period. Chongqing Water Plant and Shanghai SCIP Water Treatment Plants reported a remarkable growth of 20% and 54% respectively in water sales volume, while Macau Water Plant recorded a 10% increase in average daily water sales volume. During the Current Period, the Group secured a new water project in Changshu, Jiangsu Province with positive contributions beginning in December 2006. It also acquired an indirect stake of 25% in Chongqing Tangjiatuo Waste Water Plant which began operation in January 2007.

Ports

Ports segment performed well. AOP of the Ports segment increased 14% during the Current Period. Xiamen New World Xiangyu Terminals Co., Ltd. recorded a 4% volume growth to 380,000 TEUs while Tianjin Five Continents International Container Terminal Co., Ltd. handled 1,036,000 TEUs and produced positive contribution to AOP during the Current Period. The Group acquired 55% interest of Wenzhou Zhuangyuan Ao New World International Terminals Company Limited in August 2006, expected to commence operation by early 2008.



Excellent performance of Service & Rental

The Service & Rental division reported a remarkable increase in AOP by 31% to HK\$521.5 million, compared with HK\$398.2 million in the Last Period.

Facilities Rental

The Facilities Rental segment performed satisfactorily during the Current Period, with AOP reaching HK\$222.5 million, an 8% increase over the Last Period. The Hong Kong Convention and Exhibition Centre (“HKCEC”) marked a record high of over 3.5 million visiting guests during the Current Period. The expansion of the atrium link, which will increase HKCEC’s available space by 30% to 83,400 sq m is due for completion in 2009. On the other hand, ATL Logistics Centre continued to benefit from local economic recovery with average occupancy rate reaching 98% during the Current Period.

Contracting

Performance of the Contracting segment was encouraging, with its AOP rose to HK\$110.1 million during the Current Period, representing a 50% increase when compared with the Last Period. Macau is expected to be the major profit contributor in the upcoming years. As at 31 December 2006, gross value of contract-on-hand of the Group’s Contracting business was HK\$29.6 billion, including HK\$11 billion contracts from Macau with higher margin.

Transport

Increased patronage and lower interest expenses served to improve the profitability of the Transport segment which recorded an AOP of HK\$56.2 million, a 50% increase over the Last Period. With the help of a fare rise in February 2006, the operating loss of local ferry services has been reduced.

Others

The Others segment reported an AOP of HK\$132.7 million, a sharp 64% increase over the Last Period. Free Duty achieved excellent result during the Current Period, driven by the ongoing robust tourism sector and patronage. The profitability of Tricor Holdings Limited and Taifook Securities Group Limited benefited from an increase in IPO activities and increased demand from Hong Kong and Mainland China companies for financial management services.

Building a brighter future

NWS Holdings aims to maintain a balanced portfolio in focused areas of business where we have a proven track record. In addition, we will sustain our growth momentum and realize shareholder value by making prudent, focused investments while maintaining our healthy capital structure and dividend policy.



We strongly believe there is strong growth potential in both Infrastructure and Service & Rental businesses. We will actively seek for new investment opportunities, particularly Mainland China. At the same time, local economy continues to show signs of a full recovery and our Service & Rental business in Hong Kong is yielding good results. Looking ahead, the Group remains committed to building service excellence and expanding brand recognition.

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Attachment : NWS Holdings' Condensed Consolidated Income Statement — Unaudited

This press release will be posted to the Group's website (www.nwsh.com.hk).

NWS Holdings Limited

NWS Holdings Limited (Hong Kong stock code: 0659), the infrastructure and service flagship of New World Development Company Limited (Hong Kong stock code: 0017), embraces a diversified range of businesses in Hong Kong, Mainland China and Macau. Its **Infrastructure** portfolio includes Roads, Energy, Water and Ports projects. Its **Service & Rental** division comprises Facilities Rental (the management of *Hong Kong Convention and Exhibition Centre* and *ATL Logistics Centre*), Contracting (*Hip Hing Construction Group* and *NWS Engineering Group*), Transport (*New World First Bus*, *Citybus* and *New World First Ferry*), etc.

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Attachment

CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

**For the six months
ended 31 December**

	2006 HK\$m	2005 HK\$m
Turnover	6,902.7	5,753.7
Cost of sales	(6,321.3)	(5,176.4)
Gross profit	581.4	577.3
Other income	76.6	160.4
General and administrative expenses	(367.6)	(375.4)
Operating profit	290.4	362.3
Finance costs	(118.8)	(125.4)
Share of results of		
Associated companies	248.5	297.5
Jointly controlled entities	545.9	433.3
Profit before income tax	966.0	967.7
Income tax expense	(40.4)	(47.1)
Profit for the year	925.6	920.6
Attributable to		
Shareholders of the Company	912.2	909.0
Minority interests	13.4	11.6
	925.6	920.6
Dividend	500.0	455.0
Earnings per share attributable to the shareholders of the Company		
Basic	HK\$0.47	HK\$0.50
Diluted	HK\$0.46	HK\$0.49