

## NWS Holdings Announces Annual Results 2007

### HIGHLIGHTS

	2007	2006	Change
	HK\$ million	HK\$ million	%
Revenue	<b>15,047.1</b>	12,543.9	20
Profit attributable to shareholders	<b>2,005.4</b>	1,656.6	21
Earnings per share - Basic	<b>HK\$1.01</b>	HK\$0.89	13
Proposed final dividend per share	<b>HK\$[*]</b>	HK\$0.20	[*]

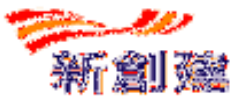
(10 October 2007, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Hong Kong stock code: 0659) today announced its annual results for the year ended 30 June 2007 (“FY2007”).

Profit attributable to shareholders increased by 21% to HK\$2.005 billion (2006: HK\$1.657 billion). Revenue increased by 20% to HK\$15.047 billion (2006: HK\$12.544 billion). Attributable Operating Profit (“AOP”) increased by 18% to HK\$2.291 billion (2006: HK\$1.938 billion).

The Board of Directors (the “Board”) has resolved to recommend a final dividend for FY2007 in scrip form equivalent to HK\$[\*] per share (2006: HK\$0.20 per share) with a cash option to shareholders registered on 26 November 2007. Together with the interim dividend of HK\$0.25 per share (2006: HK\$0.24 per share) paid in June 2007, total distributions for FY2007 will approximately be HK\$[\*] per share (2006: HK\$0.44 per share). The final dividend of FY2007 represents a [\*]% [growth] when compared with the year ended 30 June 2006 (“FY2006”). The dividend payout ratio of approximately [\*]% [exceeds] the dividend strategy declared by the Board in the year ended 30 June 2005.

### New infrastructure investments beginning to bear fruit

Infrastructure division generated an AOP of HK\$1.150 billion, an increase of 3% as compared to HK\$1.115 billion for last year.



## Roads

The AOP of the Roads segment reached HK\$566.4 million, a 21% increase over last year. Benefited from the strong economic development of the Pearl River Delta Region, the performance of the projects within the region continues to shine. The average daily traffic flow of Guangzhou City Northern Ring Road increased by 11% and toll income grew by RMB39.7 million. The toll income of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) soared by 28%.

The newly acquired Guangzhou Dongxin Expressway that the Group owns 40.8% equity interest will become operational in mid-2008, while full operation is expected at the end of 2009. The expressway running from Fangcun District to Panyu District in Guangzhou connects to Guangzhou East-South-West Ring Road and Guangzhou City Nansha Port Expressway.

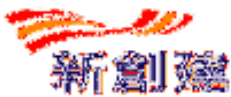
## Energy

The AOP of the Energy segment amounted to HK\$402.8 million, which represented a 17% decrease compared with FY2006. Though the utilization of Zhujiang Power Plants remained high, their combined AOP dropped by 24%, partly due to a one-off gain arising from change in depreciation policy in last year. Such adverse impact was partly compensated by a 5% increase in average tariff mainly from the coal-link tariff adjustments in Mainland China.

NWS Holdings remains optimistic about the outlook for the Energy business and continues to explore new investment opportunities. The Group has taken a 35% stake in Chengdu Jintang Power Plant, a 2 x 600MW coal-fired power plant, which commenced operation in June 2007. NWS Holdings has also invested 9.45% in Guangdong Baolihua New Energy Stock Co., Ltd., which operates a 2 x 135MW power plant in Guangdong. This company is constructing another 2 x 300MW power plant that will become operational in 2008.

## Water

The AOP of the Water segment recorded satisfactory growth of 17% and amounted to HK\$102.2 million compared with FY2006. The water sales volumes of Chongqing Water Plant and Shanghai SCIP Water Treatment Plant reported remarkable growth of 19% and 47% respectively, while Macau Water Plant recorded a 10% increase in average daily water sales volume. The water sales revenue of Tanggu Water Plant in Tianjin increased as its tariff has been raised since April 2006. The newly acquired Changshu Water Plant and Chongqing Tangjiatuo Waste Water Plant with daily treatment capacity of 675,000m<sup>3</sup> and 300,000m<sup>3</sup> respectively have also contributed to the increase in profit during the year.



## Ports

The AOP of the Ports segment increased 12% to HK\$79.0 million. Xiamen New World Xiangyu Terminals Co., Ltd. reported an 8% volume growth to 794,000 TEUs while Tianjin Five Continents International Container Terminal Co., Ltd. handled 1.988 million TEUs and produced positive AOP contribution. The Group acquired 55% interest of Wenzhou Zhuangyuan Ao New World International Terminals Company Limited in August 2006. The terminal is expected to commence operation by 2008.

## **Excellent performance of strategically re-organized Service & Rental**

The Service & Rental division reported a remarkable 39% increase in AOP to HK\$1.1407 billion, compared with HK\$822.9 million in last year. The new Financial Services segment has been formed to highlight the Group's emphasis on the booming financial services market.

## Facilities Rental

The Facilities Rental segment performed satisfactorily, with its AOP reaching HK\$404.2 million, a 3% increase over last year. Hong Kong Convention and Exhibition Centre ("HKCEC") marked a record of exceeding 4.0 million visiting guests in this year. The expansion of the Atrium Link, which will increase HKCECs' available space by 30% to 83,400 sq m, is due for completion in 2009. On the other hand, ATL Logistics Centre recorded a steady profit with average occupancy rate reaching 98%. Regarding China United International Rail Containers Co., Limited which NWS Holdings owns 22% as the second largest shareholder, its 18 pivotal rail container terminals in 18 major cities in Mainland China are scheduled to be completed by 2010. Shanghai and Kunming terminals have been completed, while the construction work at Chongqing, Zhengzhou and Qingdao will commence within 2007.

## Contracting

The performance of the Contracting segment was encouraging with its AOP rising to HK\$255.9 million, representing a 57% increase over last year. Leveraging its proven expertise and reputation in managing mega-sized and high quality construction projects, Hip Hing Construction Company Limited is among the most competitive and successful specialist builder in Macau's rapidly expanding construction market. The Group expected Macau to be the major profit contributing area to the segment in the upcoming years. As at 30 June 2007, gross value of contract-on-hand of the Group's Contracting business was HK\$35.9 billion, including HK\$13.1 billion contracts from Macau with higher margin.



## Financial Services

The AOP of the Financial Services segment achieved HK\$141.6 million, a 115% increase over FY2006. This segment, mainly comprises Taifook Securities Group Limited (“Taifook Securities”) and the investment in Tricor Holdings Limited (“Tricor”), has been formed to highlight the Group’s increased focus to the financial services market. Being confident in the buoyant financial market, NWS Holdings expects that the Financial Services business will become more significant and contribute satisfactory profit.

In view of Taifook Securities’ satisfactory growth history and enviable reputation in financial services business, the Group increased its shareholding in Taifook Securities to approximately 61% in June 2007 and thereafter Taifook Securities became a subsidiary company of the Group. While achieving excellent results in FY2007, Taifook Securities is expected to benefit from the Central Government’s QDII (Qualified Domestic Institutional Investor) and “Through Train” pilot schemes in the future and continually bring satisfactory results.

Also benefited from the booming stock market, Tricor achieved excellent results with a growth of 31% during this year. Tricor has successfully expanded into Mainland China and Singapore market with its professional share registration, company secretary and financial businesses.

## Other Services

The Others Services segment reported an AOP of HK\$339.0 million, a sharp 68% increase over last year. Free Duty achieved excellent results during this year, driven by the ongoing robust tourism sector and patronage. Following the trend of increasing spending per passenger and the new duty free concessions at cross borders Lok Ma Chau Spur Line and Lo Wu starting from August 2007 and January 2008 respectively, it is expected that Free Duty will continually deliver steady revenue for the Group.

The Transport business achieved an AOP of HK\$101.4 million, an 18% increase as compared with last year. The increase, which was partly eroded by rising operating costs, arose from an increase in patronage in the local bus businesses, lower interest and depreciation expenses and the investment in Kwoon Chung Bus Holdings Limited. The local ferry business recorded a loss mainly due to rising staff costs and higher fuel prices despite the 5% growth in fare revenue.

The property management business contributed a stable profit to the Group. NWS Holdings will continue to explore new market opportunities in Mainland China.



## Actively and prudently building a brighter future

NWS Holdings will actively and prudently seek new investment opportunities in the Group's core businesses. The Group is prepared to raise its gearing ratio to 35-45% during 2008-2010. NWS Holdings believes there is strong growth potential in both Infrastructure and Service & Rental divisions. It is expected that Infrastructure will continue to be the Group's major growth engine. At the same time, Service & Rental business is expected to yield good results with the booming economy in Hong Kong and Macau. NWS Holdings will sustain its growth momentum and realize shareholder value while maintaining the Group's healthy capital structure and dividend policy.

Looking ahead, the Group remains committed to building service excellence, enhancing corporate branding, upholding corporate governance and being socially responsible.

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### *Attachment : NWS Holdings' Consolidated Income Statement*

*This press release will be posted to the Group's website ([www.nwsh.com.hk](http://www.nwsh.com.hk)).*

#### **NWS Holdings Limited**

NWS Holdings Limited ("NWS Holdings", 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* and *NWS Engineering*), Financial Services (*Taifook Securities* and *New World Insurance*) and Other Services (*First Bus*, *Citybus* and *First Ferry*).

*For further information, please contact:*

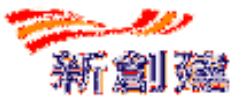
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**Attachment**

**NWS HOLDINGS LIMITED  
CONSOLIDATED INCOME STATEMENT**

**For the year ended 30 June**

	<b>2007</b>	2006
	<b>HK\$'m</b>	HK\$'m
Revenue	<b>15,047.1</b>	12,543.9
Cost of sales	<b>(13,750.8)</b>	(11,444.6)
Gross profit	<b>1,296.3</b>	1,099.3
Other income	<b>291.5</b>	355.1
General and administrative expenses	<b>(755.8)</b>	(774.7)
Other charges	<b>(14.4)</b>	(30.0)
Operating profit	<b>817.6</b>	649.7
Finance costs	<b>(221.1)</b>	(253.8)
Share of results of		
Associated companies	<b>542.6</b>	476.6
Jointly controlled entities	<b>1,034.8</b>	909.4
Profit before income tax	<b>2,173.9</b>	1,781.9
Income tax expenses	<b>(136.0)</b>	(104.7)
Profit for the year	<b>2,037.9</b>	1,677.2
Attributable to		
Shareholders of the Company	<b>2,005.4</b>	1,656.6
Minority interests	<b>32.5</b>	20.6
	<b>2,037.9</b>	1,677.2
Dividends	<b>[ ]</b>	849.4
Earnings per share attributable to shareholders of the company		
Basic	<b>HK\$1.01</b>	HK\$0.89
Diluted	<b>HK\$1.01</b>	HK\$0.85