

NWS Holdings Announces Interim Results
HIGHLIGHTS

	For the six months ended 31 December		
	2007 HK\$ million	2006 HK\$ million	Change (%)
Revenue	9,367.8	6,902.7	36
Profit attributable to shareholders	2,225.4	912.2	144
Earnings per share (EPS)	HK\$1.10	HK\$0.47	134
Dividend per share	HK\$0.55	HK\$0.25	120

- Gearing ratio: 24% (30 June 2007: 46%)
- Cash on hand: HK\$3,790 million (30 June 2007: HK\$3,247 million)

(17 March 2008, 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 2007 (the “Current Period”). Profit attributable to shareholders increased by 144% to HK\$2,225.4 million (2006: HK\$912.2 million). Revenue increased by 36% to HK\$9,367.8 million (2006: HK\$6,902.7 million). Apart from the operating results, an encouraging profit of HK\$1,015 million from the sale of the residential flats of Harbour Place and gain on deemed disposal of interests in Taifook Securities Group Limited (“Taifook Securities”) and an associated company amounting HK\$78.8 million were recognized in the Current Period.

The Board is pleased to declare an interim dividend for the financial year ended 30 June 2008 of HK\$0.55 per share (2007: HK\$0.25). The dividend has included HK\$0.25 per share for reflecting the share of profit from the sales of units of Harbour Place during the Current Period. The interim dividend represents payout ratio of approximately 50% which is in line with the dividend strategy declared by the Board in FY2005.

Stable growth for Infrastructure

Infrastructure division achieved an attributable operating profit (“AOP”) of HK\$692.6 million for the Current Period, a 16% increase as compared with HK\$597.0 million for the six months ended 31 December 2006 (the “Last Period”).

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(Incorporated in Bermuda with limited liability)

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▪ Infrastructure 基建 ▪ Service & Rental 服務及租務



Roads

AOP of the Roads segment amounted to HK\$363.7 million for the Current Period, which represented a 28% increase over the Last Period. The performance of the projects within the Pearl River Delta Region was outstanding. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) increased by 6% and 23% respectively in the Current Period. Moreover, the average daily traffic flow of Tangjin Expressway (Tianjin North Section) increased by 4% while its toll income grew impressively in the Current Period after the introduction of toll-by-weight policy in August 2007.

Energy

AOP of the Energy segment slightly decreased by 3% amounted to HK\$207.0 million during the Current Period. Both combined electricity sales volume and average tariff of Zhujiang Power Plants increased by 3% in the Current Period. Its combined AOP, however, dropped 22% when compared with the Last Period which was mainly caused by a 19% increase in combined fuel costs due to the soaring coal price. AOP from Macau Power, which was restricted by the Scheme of Control, increased 8% in the Current Period. The electricity sales of Guangdong Baolihua New Energy Stock Co. Ltd. also increased 5% when compared with the Last Period. Furthermore, two generation units of Chengdu Jintang Power Plant commenced operation in June and October 2007 respectively.

Water

Having positive contribution from new projects, such as Changshu Water Plant and Chongqing Tangjiatuo Waste Water Plant, the Water segment recorded solid growth with AOP amounted to HK\$62.5 million, a 12% increase when compared with the Last Period. Average daily sales volume of Macau Water Plant increased by 9% on a period-on-period basis. In Mainland China, water sales volume of both Tanggu Water Plant and Chongqing Water Plant grew 8% when compared with the Last Period.

Ports

The Ports segment achieved an AOP of HK\$59.4 million, a sharp 41% increase over the Last Period. Xiamen New World Xiangyu Terminals Co., Ltd. reported a 6% volume growth to 403,000 TEUs. The throughput of Tianjin Orient Container Terminals Co., Ltd. grew 5% to 577,000 TEUs after the conversion of the coal berth into container handling facility was completed in February 2007. In the Current Period, the throughput of Tianjin Five Continents International Container Terminal Co., Ltd. remained stable and stood at 1,029,000 TEUs. Moreover, our 70% interest in Xiamen Xinyuan Container Terminal Co., Ltd was sold and realized a gain of HK\$2.4 million during the Current Period.

Remarkable performance of Service & Rental

The Service & Rental division has achieved an AOP of HK\$692.8 million for the Current Period. A significant increase of AOP by HK\$171.3 million or 33% was mainly attributable to the increase in contribution from Taifook Securities after the completion of further acquisition of its shareholding to 61.3% on 8 June 2007.

Facilities Rental

AOP of the Facilities Rental segment which slightly decreased by 5% amounted to HK\$212.3 million during the Current Period. Hong Kong Convention and Exhibition Centre (“HKCEC”) continued to achieve satisfactory result for the Current Period with 696 events held during the Current Period serving over 3.3 million guests. Construction works of the Atrium Link expansion in HKCEC commenced in August 2006 and is due for completion in the first quarter of 2009, which will increase HKCEC’s available space by 30% up to 83,400 sq m. ATL Logistics Centre (“ATL”) recorded a steady profit with its average occupancy rate reaching 98% during the Current Period. The Group expects that ATL will continue to deliver stable profits as a result of the continuous growth of Hong Kong economy.

Contracting

The Contracting segment performed well, with a 26% increase in AOP amounted to HK\$138.8 million during the Current Period, which is attributed to the gradual improvement of the overall operating environment in Hong Kong and the substantial contribution from Macau. It is expected that Macau will continue to be the major profit contributor in the next year. Performance of the Group’s engineering business remained satisfactory albeit substantial upsurge of workers’ salary, material price fluctuations and tender price war.

Financial Services

Performance of the Financial Services segment was encouraging, with its AOP rose to HK\$214.6 million, a sharp 362% increase over the Last Period. The contribution attributable to this segment has become more significant after the Group increased its shareholding in Taifook Securities to 61.3% in June 2007. Taifook Securities achieved excellent results for the Current Period which is mainly attributed to an exceptional robust stock market in 2007, while Taifook Securities’ solid business foundation and massive client base placed the company in an advantageous position to tap the unprecedented business opportunities that arose. Also benefited from the booming stock market, Tricor Holdings Limited, which has successfully expanded into the Mainland China and Singapore markets, achieved excellent results with a profit growth of 30% during the Current Period.

Other Services

The Other Services segment, which comprises transport and other general services businesses, reported an AOP of HK\$127.1 million representing an 11% decrease over the Last Period. The Group's transport business achieved an AOP of HK\$41.6 million for the Current Period, accounting for a 26% decrease over the Last Period. Surge in fuel price and salaries rise led to a heavy burden to the performance of the bus operation, resulting in a significant drop in profits of New World First Bus Services Limited and Citybus Limited. New World First Ferry Services Limited, which operates ferry business in Hong Kong, continued to suffer a loss mainly due to high fuel costs, despite a 3.5% rise in fare revenue. The Macau ferry services achieved a satisfactory improvement in both fare revenue and profits in the Current Period resulting from a significant growth of 30% in patronage.

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 recorded an increase in sales during the Current Period following robust patronage arising from the rebound in Hong Kong's tourism sector. The Group also commenced duty free operations in Lok Ma Chau Spur Line and Lo Wu Station in August 2007 and January 2008 respectively.

Sustaining growth momentum

NWS Holdings will sustain its growth momentum and enhance shareholder value by making prudent investments in the Group's core businesses while maintaining a healthy capital structure and dividend policy. NWS Holdings believes there is strong growth potential in both Infrastructure and Service & Rental divisions. It is expected that Infrastructure division will continue to be the Group's major growth engine while Service & Rental division will continue to be benefited from the booming of local economy.

Capitalizing on its strengths and having established a strong foothold in the region, NWS Holdings will actively seek new investment opportunities in Hong Kong, Mainland China and Macau. At the same time, the Group remains committed to building service excellence, upholding corporate governance, enhancing corporate brand and being socially responsible.

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Attachment : NWS Holdings' Condensed Consolidated Income Statement — Unaudited

This press release will be posted to the Group's website (www.nws.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 (*New World First Bus*, *Citybus* and *New World First Ferry*).

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Attachment

NWS HOLDINGS' CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

	For the six months ended 31 December	
	2007 HK\$m	2006 HK\$m
Revenue	9,367.8	6,902.7
Cost of sales	(8,151.4)	(6,321.3)
Gross profit	1,216.4	581.4
Other income	287.9	76.6
General and administrative expenses	(693.7)	(367.6)
Operating profit	810.6	290.4
Finance costs	(169.2)	(118.8)
Share of results of		
Associated companies	267.9	248.5
Jointly controlled entities	1,605.4	545.9
Profit before income tax	2,514.7	966.0
Income tax expenses	(142.6)	(40.4)
Profit for the period	2,372.1	925.6
Attributable to		
Shareholders of the Company	2,225.4	912.2
Minority interests	146.7	13.4
	2,372.1	925.6
Dividend	1,116.5	500.0
Earnings per share attributable to the shareholders of the Company		
Basic	HK\$1.10	HK\$0.47
Diluted	HK\$1.10	HK\$0.46