

NWS Holdings Announces Interim Results
HIGHLIGHTS

	For the six months ended 31 December		
	2009	2008	Change
	HK\$ million	HK\$ million	%
Profit attributable to shareholders	2,305.4	813.3	183
Earnings per share (EPS)	HK\$1.11	HK\$0.40	178
Dividend per share	HK\$0.62	HK\$0.20	210

Cash on hand: HK\$7,920 million (30 June 2009: HK\$5,205 million)
 Net cash position of HK\$1,513 million as at 31 December 2009

(16 March 2010, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Hong Kong stock code: 659) today announced its interim results for the six months ended 31 December 2009 (the “Current Period”).

The Group reported an outstanding profit attributable to shareholders with an increase of 183% to HK\$2,305.4 million (2008: HK\$813.3 million) and Attributable Operating Profit (“AOP”) rose 21% to HK\$1,502.2 million (2008: HK\$1,241.2 million).

A significant gain from the partial disposal of Taifook Securities Group Limited (“Taifook Securities”) of HK\$728.7 million was recognized during the Current Period. Sale of residential flats of Harbour Place during the Current Period contributed a profit of HK\$327.7 million owing to the robust property market in 2009.

The Board of Directors (the “Board”) has resolved to declare an interim dividend for the year ending 30 June 2010 in scrip form equivalent to HK\$0.62 per share (2008: HK\$0.20 per share) with a cash option to shareholders registered on 13 April 2010. The interim dividend of the Current Period represents a 210% growth when compared with the six months ended 31 December 2008 (the “Last Period”). The dividend payout ratio of approximately 57% exceeds the dividend strategy declared by the Board in FY2005.

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(incorporated in Bermuda with limited liability)

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Stable growth for Infrastructure

Infrastructure division generated an AOP of HK\$722.9 million, marking an increase of 5% as compared to HK\$690.4 million in the Last Period.

Roads

AOP of the Roads segment showed a decline of 39% to HK\$233.5 million during the Current Period mainly due to Guangzhou City Northern Ring Road severely affected by the partial closure of the expressway for major repair and maintenance works from July to November 2009. Its average daily traffic flow decreased significantly by 33% in the Current Period. Performance of other expressways within the Pearl River Delta Region rebounded. Average daily traffic flow of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Shenzhen-Huizhou Roadway and Expressway grew by 11% and 13% respectively when compared to the Last Period.

The average daily traffic flow of Tangjin Expressway (Tianjin North Section) grew by 28% mainly due to the economic development of the Bohai Rim region and an introduction of administrative measures to bar overloaded trucks in July 2009.

Energy

Energy segment achieved a remarkable 407% increase in AOP to HK\$216.9 million during the Current Period mainly due to the growth in electricity sales and softened coal prices. Combined electricity sales of Zhujiang Power Plants grew by 11% on the strength of economic recovery. The electricity sales of Macau Power also registered an increase of 7% due to the opening of new hotels and entertainment facilities during the Current Period.

Water

AOP of the Water segment amounted to HK\$120.8 million that represented a sharp increase of 30% compared with the Last Period. Contribution from water projects in Mainland China rose 4% during the Current Period. The acquisition of Chongqing Water Group in August 2008 provided a full-period contribution in the Current Period. In March 2009, the Group acquired a 26% effective interest in Tianjin Jieyuan Water Plant, which has been contributing an AOP ever since.

Ports & Logistics

AOP of the Ports & Logistics segment decreased by 12% to HK\$151.7 million during the Current Period.

Xiamen New World Xiangyu Terminals Co., Ltd. reported a 2% decrease in throughput volume to 373,000 TEUs due to trade depression. Throughput of Tianjin Orient Container Terminals Co., Ltd. shrunk 3% to 458,000 TEUs as a result of the competition from new terminals and a slowdown in economic activities while Tianjin Five Continents International Container Terminal Co., Ltd. handled 997,000 TEUs during the Current Period, rebounded by 2% mainly due to the increase in domestic trade.

Owing to the global freight market downturn, profit contribution from ATL Logistics Centre fell but its average occupancy rate maintained at a high level of 97% and an increase in overall average rental was observed during the Current Period. With the aim of providing professional warehousing and terminal services for an ever-growing global clientele, a new logistics warehouse in Kwai Chung with a total leasable area of approximately 920,000 sq ft is scheduled for completion by 2011.

China United International Rail Containers Co., Ltd., the joint venture company in which NWS Holdings owns a 22% stake develops 18 rail container terminals in Mainland China. The new Chongqing Terminal commenced operation in December 2009 and the Kunming Terminal handled a total throughput of 110,000 TEUs during the Current Period, representing an increase of 31% over the Last Period. The construction of the terminals in Zhengzhou, Chengdu, Dalian, Qingdao, Wuhan and Xian is expected to be completed in 2010.

Remarkable performance of Services

The AOP of Services division achieved a significant growth of 41% to HK\$779.3 million in the Current Period.

Facilities Management

The Facilities Management segment comprises various service businesses including the Hong Kong Convention and Exhibition Centre (“HKCEC”), Free Duty and facility services such as property management, security and guarding, cleaning and laundry reported an AOP of HK\$400.4 million, representing a 27% increase over the Last Period.

HKCEC achieved a remarkable success with its exhibition business for the Current Period subsequent to the increase of its total rental space to 91,500 sq m after the completion of extension works in April 2009. The food and beverage revenue also improved following the opening of three new restaurants and the additional banquet space provided. HKCEC will not rest on its laurels but continue to enhance its services, facilities and equipment in order to maintain its leading position in the market.

Free Duty, the duty free tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong, achieved outstanding results during the Current Period benefiting from the robust growth in Mainland Chinese visitor arrivals via railway and increased spending per passenger.

Profit contributions from the facility services business dropped by 30% over the Last Period primarily due to the economic downturn during the Current Period. The Group's property management portfolio remains impressive, covering over 16.5 million sq m of commercial, industrial and residential areas in Hong Kong and Mainland China.

Contracting & Transport

The Contracting & Transport segment recorded a substantial growth of 30% to HK\$258.4 million in the Current Period.

The Contracting business achieved an AOP increase over the Last Period mainly due to the general improvement in performance of the construction business in Hong Kong. As at 31 December 2009, the gross value of contracts on hand for the Construction Group was approximately HK\$21.2 billion and the total contracts on hand for the mechanical and engineering business amounted to approximately HK\$5.4 billion with the remaining value amounted to HK\$2.6 billion. The Group is cautiously optimistic about the medium- to long-term prospects in Hong Kong and well positioned to take advantage of mega-sized projects.

AOP of the Transport business recorded an increase over the Last Period. The performance of local bus and ferry operations improved as a result of the decline in overall fuel costs. Both the bus and local ferry services reported a drop in patronage in the Last Period.

Financial Services

The Financial Services segment mainly comprises the results of Taifook Securities and Tricor Holdings Limited ("Tricor"), with its AOP rose to HK\$120.5 million, a sharp 222% increase over the Last Period.

A significant improvement in AOP contribution from Taifook Securities was chiefly due to increase in stock market turnover and higher contribution from its core operations. As part of NWS Holdings' continuing corporate strategy to consolidate its service-related businesses, the Group reduced its shareholding interest in Taifook Securities from approximately 61.86% to roughly 9% on 21 December 2009 following the completion of disposal of 373,434,720 Taifook Securities shares to Hai Tong (HK) Financial Holdings Limited at HK\$4.88 per share.

Having successfully expanded into 21 cities in 12 countries/territories, Tricor has acquired two companies in Malaysia in the Current Period. Its business operations in Hong Kong and Singapore together contributed over 80% of the total profit during the Current Period.

Achieving an infrastructure play

Both Infrastructure and Services divisions of NWS Holdings have benefited from the global economic recovery, but challenges still exist. Yet resulting from the disposal of the majority shareholding in Taifook Securities, NWS Holdings has for the first time achieved a net cash position, this will allow the Group to deploy substantial capital to invest in large-scale infrastructure projects. While adopting conscious approach in consolidating its non-core businesses, the Group will actively seek quality projects to strengthen infrastructure portfolio with the ultimate aim of enhancing shareholders' value. To ensure sustainable growth, NWS Holdings will continue to exercise prudence, uphold corporate governance and be socially responsible.

- END -

Attachment: NWS Holdings' Condensed Consolidated Income Statement (Unaudited)

This press release is also available at the Group's website (www.nws.com.hk).

NWS Holdings Limited

NWS Holdings Limited ("NWS Holdings", Hong Kong stock code: 659), the infrastructure and service flagship of New World Development Company Limited (Hong Kong stock code: 17), embraces a diversified range of businesses in Hong Kong, Mainland China and Macau. Its **Infrastructure** portfolio includes Roads, Energy, Water and Ports & Logistics projects. Its **Services** division comprises Facilities Management (*the management of Hong Kong Convention and Exhibition Centre and Free Duty*), Contracting & Transport (*Hip Hing Construction, NWS Engineering, and bus and ferry services*) and Financial Services (*New World Insurance*).

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Attachment

Condensed Consolidated Income Statement – Unaudited

	For the six months ended 31 December	
	2009 HK\$'m	2008 HK\$'m
Revenue	6,249.5	8,658.2
Cost of sales	<u>(5,113.2)</u>	<u>(7,681.3)</u>
Gross profit	1,136.3	976.9
General and administrative expenses	(667.6)	(581.4)
Gain on disposal of controlling interest in a subsidiary	728.7	27.4
Other charges (net)	<u>(29.9)</u>	<u>(42.7)</u>
Operating profit	1,167.5	380.2
Finance costs	(61.2)	(142.1)
Share of results of		
Associated companies	303.3	20.0
Jointly controlled entities	<u>1,116.6</u>	<u>618.6</u>
Profit before income tax	2,526.2	876.7
Income tax expenses	<u>(163.4)</u>	<u>(47.6)</u>
Profit for the period	<u>2,362.8</u>	<u>829.1</u>
Attributable to		
Shareholders of the Company	2,305.4	813.3
Non-controlling interests	<u>57.4</u>	<u>15.8</u>
	<u>2,362.8</u>	<u>829.1</u>
Dividend	<u>1,308.9</u>	<u>411.1</u>
Earnings per share attributable to the shareholders of the Company		
Basic	<u>HK\$1.11</u>	<u>HK\$0.40</u>
Diluted	<u>HK\$1.11</u>	<u>HK\$0.40</u>