

**NWS Holdings Announced Interim Results  
Net Profit Increases by 8% to HK\$881.6 million**

**HIGHLIGHTS**

	For the six months ended 31 December		
	2004	2003	Change
	HK\$ million	HK\$ million	
Turnover	<b>5,132.4</b>	6,542.5	-22%
Profit attributable to shareholders	<b>881.6</b>	814.2	+8%
Earnings per share	<b>HK\$0.49</b>	HK\$0.46	+7%
Dividend per share	<b>HK\$0.18</b>	HK\$0.15	+20%

- Net debt of HK\$4.9 billion (30 June 2004: HK\$4.6 billion)
- Gearing ratio decreased to 41% (30 June 2004: 44%)
- Cash on hand: Currently HK\$3.4 billion (30 June 2004: HK\$3.5 billion)
- Net gain on disposal of under-performing projects: HK\$188.6 million

(14 March 2005, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Stock code: 0659.HK) today announced its interim results for the six months ended 31 December 2004.

Profit attributable to shareholders increased by 8% to HK\$881.6 million (2003: HK\$814.2 million). Turnover decreased by 22% to HK\$5,132.4 million (2003: HK\$6,542.5 million). The growth in net profit was mainly due to the contribution from the Infrastructure division, which had an outstanding performance during the current period.

The Board of Directors has resolved to recommend an interim dividend for the year ending 30 June 2005 in scrip form equivalent to HK\$0.18 per share with a cash option to shareholders registered on 12 April 2005.

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**新創建集團有限公司 NWS Holdings Limited**

(incorporated in Bermuda with limited liability)

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▪ Service 服務 ▪ Infrastructure 基建 ▪ Ports 港口

Commenting on the Group's results, Dr Cheng Kar Shun, Henry, Chairman of NWS Holdings, said, "The satisfactory results reflected the Group's ability to achieve favourable return in its business segments through proactive investment and operating strategies. We have also reduced our gearing to 41%. The healthy financial status strengthened the investor community's confidence in NWS Holdings, and our strong cash position paved the way for investing new projects with higher returns."

### **Proactive Strategies Post Satisfactory Performance**

Hong Kong Convention and Exhibition Centre ("HKCEC") under the Service division achieved excellent result with profit up 21%, mainly due to the enlarged scale of major exhibitions held after the local economy rebound. Attributable operating profit ("AOP") of the transport businesses increased mainly due to a gradual recovery of business after SARS. With the realignment of the transport business, synergetic effects started to crystallize through resources pooling, routes rationalization and other cost saving measures, which would ultimately benefit both the business and the general public as a whole.

The local contracting business is still being impeded by the lukewarm construction market and shrinking public sector investments. Despite such a tough environment, the Group was able to secure HK\$18.3 billion gross contract-on-hand with HK\$11.5 billion being the remaining value for completion. The strategic investment in Wai Kee Holdings Limited delivered a solid result.

For the Infrastructure division, all segments benefited from the harvest of investments in various projects. The combined electricity sales of Zhujiang Power Phase I and II increased by 3%. Performance of Macau Power was satisfactory with 9% increase in electricity sales. AOP of the water treatment and waste management segment jumped 51% to HK\$32.4 million due to contribution from the new water project in Sanya City, Hainan and improved performance of other water projects in Mainland China. The average daily water sales volume of Macao Water also increased by 3%.

The robust economic growth in the Pearl River Delta region has benefited the Group's Roads and Bridges portfolio. The toll income of Guangzhou City Northern Ring Road increased by HK\$22.5 million due to the increased traffic flow and the government's change in the toll rates/vehicle type classification. Toll income of Sections I and II of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) increased by HK\$44.2 million. The combined average daily traffic flow of Shenzhen-Huizhou Roadway and Expressway increased by 23%.

The average daily traffic flow of Tangjin Expressway (Tianjin North Section) rose by 25%. AOP of Wuhan Airport Expressway increased substantially due to the increased traffic flow boosted by the higher utilization of Wuhan Tianhe Airport. In Hong Kong, AOP of Tate's Cairn Tunnel increased by 4% due to a reduction in financial expenses as a result of full repayment of bank loan in October 2004. Also, the Group obtained a gain of HK\$191 million on the disposal of bridge project in Wuhan.

The Ports division suffered from the fierce competition from Shenzhen ports. The 13% decline in the combined AOP of CSX World Terminals Hong Kong Limited ("CSXWTHK") and ATL Logistics Centre Hong Kong Limited ("ATL") was mainly due to the decrease in throughput of CSXWTHK. On the other hand, the average occupancy rate of ATL maintained a high level of 93%.

In view of the attractive unsolicited offer from PSA International Pte Ltd, the Group has disposed of its interests in Container Terminal No.3 ("CT3") and No.8 West ("CT8 West"), resulting in a gain on disposal of approximately HK\$1.8 billion, which would be booked in second half of 2004/05.

The ports in Xiamen and Tianjin continue to lead the way in the Mainland China port sector on the back of solid expansion in trade flows. AOP of Xiamen New World Xiangyu Terminals Co., Ltd. increased remarkably from HK\$8 million to HK\$12 million. Contribution from CSX Orient (Tianjin) Container Terminals Co., Limited remained stable.

### **Strive For A Better Future**

The Group's multi-facet service businesses are well cast to the tidal movement of the Hong Kong economy. The expected expansion of HKCEC as promulgated by the Hong Kong Trade Development Council will boost future profitability of the Facilities segment. Synergies in the Transport segment following the business realignment are also expected to provide incremental contribution. Also, the Group is well positioned to tap the construction market in Mainland China and Macau, looking to benefit from its greater volume and return compared to Hong Kong.

Looking ahead, Dr Cheng outlined the Group's plans for growth. "Backed by a strong track record and a wealth of experience, the Group will continue to seek growth in Mainland China, particularly in Pearl River Delta. Our three recent investment projects include Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Northern Section), Guangzhou-Zhaoqing Expressway and Pearl River Delta Ring Road (South-Western Section). Although competition remains keen, we are confident that we can secure more infrastructure projects with favourable returns."

Dr Cheng also expects the economic recovery in Hong Kong and the opening of Disneyland to benefit the Group. “The opening of Disneyland is expected to boost the local economy and attract more visitors to Hong Kong which would in turn benefit our Transport segment and duty free business,” he said.

The prospect of the Infrastructure division is encouraging. The Group is expected to benefit from the increasing electricity demand. The Water Treatment and Waste Management segment is expected to grow following the commencement of operations of the water treatment plant in Shanghai Chemical Industry Park in early March 2005. The Central Government’s long-term plan to build inter-provincial/cities expressway network has created enormous investment opportunities for the Group.

Following the disposal of interests in CT3 and CT8 West, the Group will maintain the interest in ATL. ATL provides steady cash flow and profits to the Group. For container handling, our focus will be in our Mainland China ports portfolio while we eye on new projects. During the period, NWS Holdings has signed up the investment in Tianjin Five Continents project, a four-berth container terminal.

The business of NWS Holdings is all about providing people with quality services that are indispensable to millions of people in Hong Kong, Mainland China and Macau. Dr Cheng concluded, “The Group will strive to serve the best interests of all stakeholders. NWS Holdings has recently set up the Corporate Social Responsibility Committee, which is directly responsible to the Board, in formulating the corporate social responsibility policies and programmes, and overseeing the Group’s overall efforts towards corporate social responsibility we are committed to.”

– END –

***Attachment: NWS Holdings’ Consolidated Profit and Loss Account - Unaudited***

*This press release is also posted at the Group’s website ([www.nwsh.com.hk](http://www.nwsh.com.hk)).*

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## **NWS Holdings Limited**

NWS Holdings Limited (“NWS Holdings”, Stock code: 0659.HK), the service flagship of New World Development Company Limited (Stock code: 0017.HK), embraces a diversified range of businesses in Hong Kong, Mainland China and Macau. These businesses can be broadly grouped under three main divisions: Service, Infrastructure and Ports. Its Service division comprises Facilities (*Urban Property, General Security* and the management of *Hong Kong Convention and Exhibition Centre*), Contracting (*Hip Hing Construction Group* and *NWS Engineering Group*), Transport (*New World First Bus, Citybus* and *New World First Ferry*), Financial and Environmental. The Infrastructure portfolio includes energy, water treatment and waste management, and roads and bridges projects. For Ports, NWS Holdings is principally engaged in container handling, and logistics and warehousing.

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Attachment

**NWS HOLDINGS LIMITED**

**CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED**

**For the six months  
ended 31 December**

	<b>2004 HK\$'m</b>	2003 HK\$'m
Turnover	<b>5,132.4</b>	6,542.5
Cost of sales	<b>(4,783.3)</b>	(5,792.3)
Gross profit	<b>349.1</b>	750.2
Other income	<b>228.9</b>	92.6
Annual amortization of net negative goodwill	-	33.1
General and administrative expenses	<b>(302.5)</b>	(410.4)
Other charges	<b>(9.5)</b>	(26.7)
Operating profit	<b>266.0</b>	438.8
Finance costs	<b>(71.9)</b>	(169.0)
Share of results of		
Jointly controlled entities	<b>641.0</b>	553.1
Associated companies	<b>206.2</b>	161.5
Profit before taxation	<b>1,041.3</b>	984.4
Taxation	<b>(156.6)</b>	(156.0)
Profit after taxation	<b>884.7</b>	828.4
Minority interests	<b>(3.1)</b>	(14.2)
Profit attributable to shareholders	<b>881.6</b>	814.2
Dividend	<b>325.2</b>	267.1
Earnings per share		
Basic	<b>HK\$0.49</b>	HK\$0.46
Diluted	<b>HK\$0.49</b>	HK\$0.45