

**NWSH Expands into Water-Treatment Market in Hainan;
Extends Business Coverage to 14 Cities in China**

(27 January 2004, Hong Kong) NWS Holdings Limited (“NWS Holdings” or “the Group”; 659.HK) has entered the water-treatment market in Sanya, a city in Hainan, through its involvement in a joint venture operating a 30-year water-management concession. The project represents a total investment of RMB320 million, in which NWSH holds a 25% stake. It marks the first time that foreign investors are granted a concession to operate the water-supply business for an entire city in Mainland China.

The Sanya government awarded the concession contract to Sanya Sino French Water Supply Co. Ltd (“Sanya Sino French”), the 50/50 joint venture between Sino-French Water Development Company Limited (“SFWD”) and Hainan Tianya Water Industry Holding Company. SFWD is a wholly-owned subsidiary of Sino-French Holdings (Hong Kong) Limited in which NWS Holdings has a 50% stake. The contract provides Sanya Sino French the rights to build, operate and manage the water supply facilities of the city with a daily production capacity of 235,000 cubic metres serving the 300,000 residents.

“As we have seen a favorable increase in water-sales volume in Sanya over the past two years, we are confident that our investment will generate immediate profit contribution and positive cash inflow for NWS Holdings. This is supported by our successful investments in Qingdao and Chongqing water-treatment projects which, in their first year of operation, have already made contributions to our Attributable Operating Profit in FY2003,” said Mr KL Chan, Chief Executive Officer of NWS Holdings.

Mr. Chan also views this investment as part of NWS Holdings’ continuing efforts to expand in Mainland China. “The Sanya water-supply concession contract has further strengthened our presence in the Mainland market. Including the new investment in Sanya, we have a total of 18 water projects in China that cover 14 cities. Since we have already created a solid track record in this sector, we will continue to pursue more growth opportunities in the Mainland, leveraging on the government’s recent drive to accelerate the marketization of the city water supply industry,” he said.

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

NWS Holdings Limited

NWS Holdings Limited (“NWS Holdings”, Stock code: 0659.HK), the flagship servicing company of New World Development Company Limited (Stock code: 0017.HK), embraces a diversified range of businesses in Hong Kong, Macau and Mainland China. These businesses can be broadly grouped under three main divisions: service, traditional infrastructure and ports. Its **service** division comprises Facilities (Urban

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Property Management, General Security and the management of the Hong Kong Convention and Exhibition Centre), Contracting (Hip Hing Construction and NWS Engineering), Transport (First Bus and First Ferry), Financial and Environmental. The **traditional infrastructure** portfolio includes roads and bridges, energy, and water treatment and waste management. For **ports**, NWS Holdings is principally engaged in container handling, and logistics and warehousing.

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