

Sustaining **Business Growth**  
Upholding **Corporate Citizenship**

# Annual Results 2007





# New World Group Structure

新世界發展有限公司  
New World Development Company Limited  
(香港股份代號: 0017)  
(HK stock code: 0017)

70%

新世界中國地產有限公司  
New World China Land  
Limited  
(香港股份代號: 0917)  
(HK stock code: 0917)

56%

新創建集團有限公司  
**NWS Holdings  
Limited**  
(香港股份代號: 0659)  
(HK stock code: 0659)

72%

新世界百貨中國有限公司  
New World Department  
Store China Limited  
(香港股份代號: 0825)  
(HK stock code: 0825)

61%

大福證券集團有限公司  
Taifook Securities  
Group Limited  
(香港股份代號: 0665)  
(HK stock code: 0665)

# NWSH Corporate Structure

**Infrastructure**  
基建

Roads  
道路

Energy  
能源

Water  
水務

Ports  
港口

**Service & Rental**  
服務及租務

Facilities Rental  
設施租務

Contracting  
建築機電

Financial Services  
金融服務

Other Services  
其他服務



# Financial Highlights



# Consolidated Financial Highlights

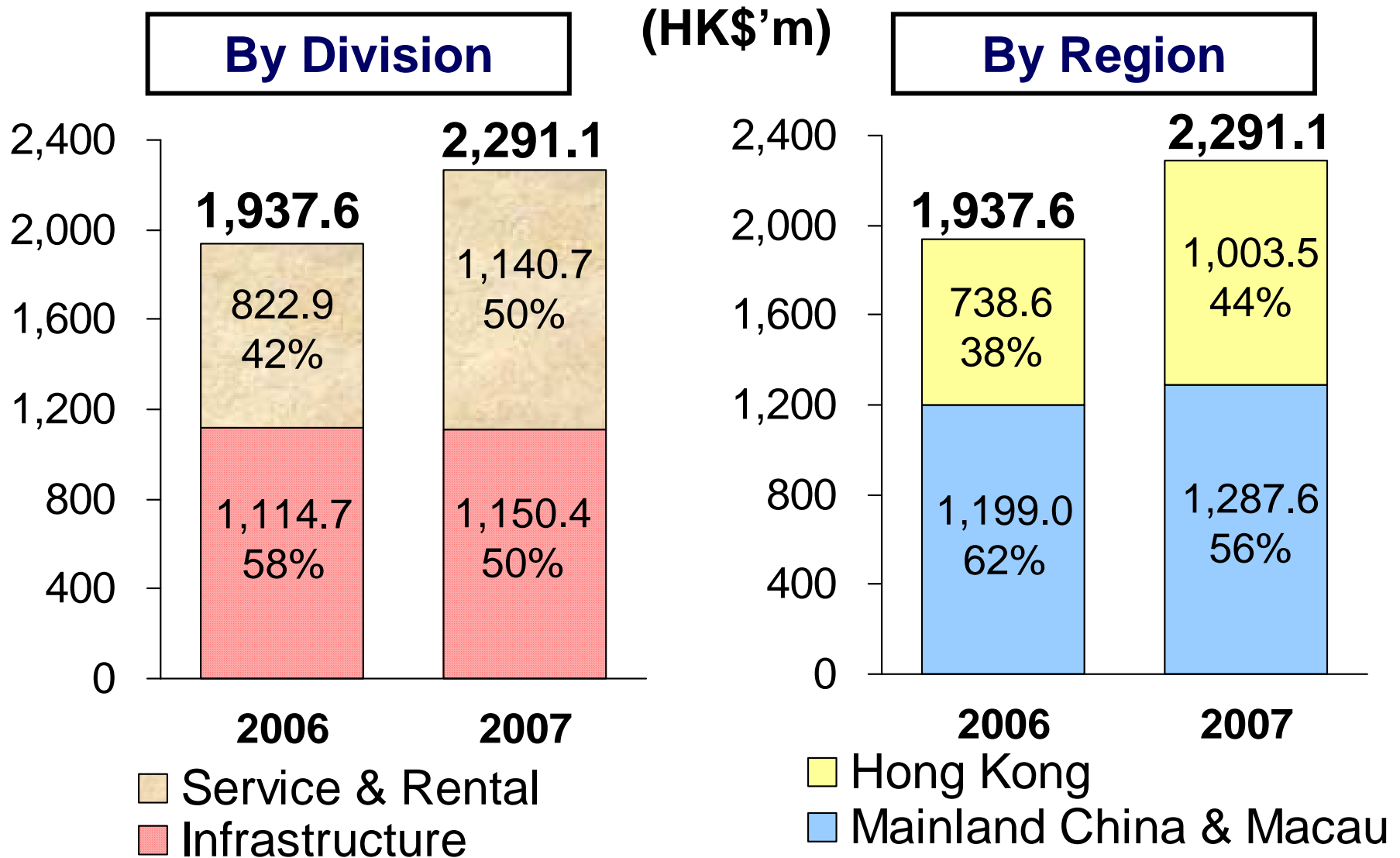
For the year ended 30 June	<b>2007</b> <b>(HK\$'m)</b>	2006 (HK\$'m)	Change + / (-)%
Revenue	<b>15,047.1</b>	12,543.9	20
AOP	<b>2,291.1</b>	1,937.6	18
Profit attributable to shareholders	<b>2,005.4</b>	1,656.6	21
Earnings per share	<b>HK\$1.01</b>	HK\$0.89	13
Dividend per share	<b>HK\$0.55</b>	HK\$0.44	25
Dividend payout ratio	<b>55.1%</b>	51.3%	7
Total assets	<b>39,782.0</b>	25,587.6	55
Shareholders' funds	<b>17,196.5</b>	14,466.3	19

# Strong Financial Position

- Net debt: HK\$8,438.4 million
- Gearing ratio: 46%
- Gearing ratio (net Taifook Securities' short-term borrowing for IPO financing ): 15% (30 June 2006: 13%)
- Prepared to increase gearing ratio (net Taifook Securities) to 35 - 45%



# AOP Mix (for the year ended 30 June)





# AOP by Segment

For the year ended 30 June	2007 (HK\$'m)	2006 (HK\$'m)	Change % Fav./Unfav.)
<b>Infrastructure</b>			
Roads	566.4	469.1	21
Energy	402.8	487.8	(17)
Water	102.2	87.4	17
Ports	79.0	70.4	12
	1,150.4	1,114.7	3
<b>Service &amp; Rental</b>			
Facilities Rental	404.2	392.0	3
Contracting	255.9	163.0	57
Financial Services	141.6	65.8	115
Other Services	339.0	202.1	68
	1,140.7	822.9	39
<b>TOTAL</b>	<b>2,291.1</b>	<b>1,937.6</b>	<b>18</b>



# AOP - Contribution by Segment

For the year ended 30 June	2007 (HK\$m)	% of total AOP
Roads	566.4	24.7
Facilities Rental	404.2	17.6
Energy	402.8	17.6
Other Services	339.0	14.8
Contracting	255.9	11.2
Financial Services	141.6	6.2
Water	102.2	4.5
Ports	79.0	3.4
<b>TOTAL</b>	<b>2,291.1</b>	<b>100</b>

## Infrastructure



Beijing - Zhuhai Expressway (Guangzhou - Zhuhai Northern Section)

“We Grow  
our Business  
Portfolio !

FY2007 saw Roads, Energy, Water and  
Ports all remain cornerstones of  
the Group's sustained success. ”



# Infrastructure



 <b>Roads</b>	<p>19 road and bridge projects in Guangdong, Guangxi, Shanxi, Tianjin and Wuhan; and one tunnel project in Hong Kong</p>
 <b>Energy</b>	<p>5 power plants in Mainland China and Macau</p>
 <b>Water</b>	<p>21 water treatment projects in Mainland China and Macau, one incineration plant in Mainland China and one landfill project in Hong Kong</p>
 <b>Ports</b>	<p>7 projects in Xiamen, Tianjin, Dalian and Wenzhou</p>

**As at 30 June 2007**

# AOP - Infrastructure

<b>For the year ended 30 June</b>	<b>2007 (HK\$'m)</b>	2006 (HK\$'m)	Change % Fav./((Unfav.)
Roads	<b>566.4</b>	469.1	21
Energy	<b>402.8</b>	487.8	(17)
Water	<b>102.2</b>	87.4	17
Ports	<b>79.0</b>	70.4	12
<b>TOTAL</b>	<b>1,150.4</b>	1,114.7	3



# Roads

- AOP up 21%: Pearl River Delta projects performed remarkably

## New Investment

- Acquired 40.8% equity interest in Guangzhou Dongxin Expressway (廣州市東新高速公路)
  - Total investment approx. HK\$6 billion
  - Phase 1 operational in mid 2008, full operation by end 2009
  - A dual 3-lane expressway (partially with 4-lanes)
  - Approx. 46km long
  - Running from Fangcun District (芳村區) to Panyu District (番禺區) in Guangzhou and connecting to the Guangzhou East-South-West Ring Road (廣州東南西環高速公路) and Guangzhou City Nansha Port Expressway (廣州市南沙港快速路)



# 珠江三角洲高速公路網 Pearl River Delta Expressways Network





# Energy

- AOP decreased by 17%
- Contribution from Zhujiang Power Plants (珠江電廠) dropped due to one-off gain resulting from change in depreciation policy in 1H FY06 and power sales volume decreased by 11% YoY
- Zhujiang Power Plants average utilization maintained at a high level and continues to produce steady profit
- Macau Power (澳門電力) recorded 16% increase in sales volume



# Energy – New Investments

- Guodian Chengdu Jintang Power Plant  
(國電成都金堂電廠) (35%)
  - 2x600MW capacity
  - Total investment at around RMB 4.7billion
  - Operational from June 2007
  - China Guodian Corporation is the major shareholder
  
- Guangdong Baolihua New Energy Stock Co., Ltd.  
(廣東寶麗華新能源股份有限公司) (9.45%)
  - 2x135MW Power Plant and electricity is supplied to China Southern Power Grid
  - Phase 2 (2x300MW) is under construction and will become operational in 2008





新創建  
**Water**

- AOP increased by 17%
- Macao Water (澳門水廠) sales volumes up 10%
- Shanghai SCIP Water Treatment Plants (上海化學工業區水處理廠) and Chongqing Water Plant (重慶水廠) sales volumes up 47% and 19% respectively



# Water

## New Investments

- Changshu Water project in Jiangsu Province (江蘇省常熟市)
  - Daily treatment capacity 675,000m<sup>3</sup>
  - Profit contribution from December 2006
  
- Waste water project in Chongqing (重慶污水處理)
  - Daily treatment capacity 300,000m<sup>3</sup>
  - Profit contribution from January 2007



# Ports

- AOP up 12%
- Xiamen New World Xiangyu Terminals (廈門象嶼新創建碼頭) throughput increased by 8% to 794,000 TEUs
- Tianjin Five Continents International Container Terminal (天津五洲國際集裝箱碼頭) handled 1,988,000 TEUs
- Wenzhou Zhuangyuan Ao New World International Terminals (溫州狀元澳新創建國際碼頭) (55%) will commence operation in 2008

“We Serve  
with Heart !

At NWS Holdings, we never forget that our  
partners and customers have a choice. ”



Service & Rental



# AOP – Service & Rental

<b>For the year ended 30 June</b>	<b>2007 (HK\$'m)</b>	2006 (HK\$'m)	Change % Fav./ (Unfav.)
Facilities Rental	<b>404.2</b>	392.0	3
Contracting	<b>255.9</b>	163.0	57
Financial Services	<b>141.6</b>	65.8	115
Other Services	<b>339.0</b>	202.1	68
<b>TOTAL</b>	<b>1,140.7</b>	822.9	39

# Facilities Rental

- AOP up 3% to HK\$404.2 million
- Both HKCEC and ATL achieved solid results with strong recurring cash flow
  - HKCEC
    - Atrium Link expansion is underway and expected to complete by early 2009
    - Increase by 19,400 sq m which will add up to a total of 83,400 sq m exhibition space
  - ATL continued to benefit from local economic recovery



# Facilities Rental

## China Rail Container Terminals Project

- 18 pivotal rail container terminals in 18 major cities in Mainland China scheduled to be completed in phases by 2010
- Shanghai and Kunming terminals completed
- Construction work will start at Chongqing, Zhengzhou and Qingdao within 2007
- Professional management team in place
- Current annual rail containerized cargo is only 3% or 3 million TEUs of total rail freight. Estimated to rise to 10 million in the next 3 years.



# Contracting

- AOP increased 57% to HK\$255.9 million
- Contributions from Macau have enhanced profitability
- Contract-on-hand: HK\$35.9 billion as at 30 June 2007
  - Included HK\$13.1 billion contracts from Macau with higher margin
- New business opportunities in Middle East, Thailand, etc.





# Financial Services

- Financial Services profit up 115% to HK\$141.6 million
  - Increasing shareholding from 21.49% to 61.29% and become the largest shareholder of Taifook Securities
  - Benefit from the Central Government QDII and “Through Train” pilot schemes
  - Strong profit from Tricor Holdings’ share registration, company secretary and financial businesses



# Other Services

- Liquor and tobacco duty free sales continue to produce strong cash flow and profit
  - Average spending per passenger at the airport operation increased by 6%
  - New duty free concession at cross borders Lok Ma Chau Spur Line and Lo Wu from Aug 2007 and Jan 2008 respectively
  - Lo Wu cross border monthly average passengers 7.6 million in first half 2007
  
- Transport AOP increased by 18%
  - Local bus business AOP increased by 10% due to increase in patronage by 2% and lower interest expense and depreciation
  - Macau ferry services' average daily passenger volume increased by 14% to 10,000



# Hunghom Peninsula Project

- 2,470 residential units
- Project ready to be rolled out to the market



# Summary of New Investments in FY2007&08

<b><u>Infrastructure</u></b>		<b>Shareholding</b>	<b>NWSH Investment (HK\$'m)</b>
Roads	Guangzhou Dongxin Expressway	40.8%	1,210
Energy	Guodian Chengdu Jintang Power Plant	35%	325
	Guangdong Baolihua New Energy Stock Co. Ltd	9.45%	333
Water	Changshu Water Project in Jiangsu Province	24.5%	N/A
	Chongqing Waste Water Project	25%	N/A
<b><u>Service &amp; Rental</u></b>			
Financial Services	Increased shareholding in Taifook	61.29%	600
Other Services	Lok Ma Chau and Lo Wu Free Duty sales business	100%	N/A
		<b>Total</b>	<b>2,468</b>

# Corporate Strategies & Objectives

- Continue to pursue growth opportunities in our core businesses
- Prepared to increase net gearing to 35-45% for FY2008 – FY2010 in acquiring new projects
- Uphold corporate governance, service excellence and corporate social responsibility



# Achievements

NWS Holdings Limited	<ul style="list-style-type: none"><li>• Directors of the Year Awards 2006</li><li>• Best Brand Enterprise Award &amp; Outstanding Corporate Strategy</li><li>• Best HR Team and Best Change Management Practices</li></ul>
Hong Kong Convention and Exhibition Centre	<ul style="list-style-type: none"><li>• 17th TTG Travel Awards – Best Convention &amp; Exhibition Centre</li></ul>
Xiamen New World Xiangyu Terminals Co. Ltd	<ul style="list-style-type: none"><li>• Best Management Award</li></ul>
Sino-French Holdings (Hong Kong) Limited	<ul style="list-style-type: none"><li>• Ranked first among 2006 Top Ten Influential Enterprises in China Water Market</li></ul>

# Responsible Corporate Citizen







Sustaining **Business Growth**  
Upholding **Corporate Citizenship**

