

FY2011 Interim Results

Scaling
New Heights



Infrastructure

Services

Financial Summary

For the six months ended 31 December	2010 (HK\$'m)	2009 (HK\$'m)	Change + / (-)%
Core Earnings	2,213.9	1,727.1	28
Profit Attributable to Shareholders	2,391.2	2,305.4	4
Earnings per share	HK\$0.73	HK\$0.73*	—
Dividend per share	HK\$0.37	HK\$0.62	N/A
Net Assets	29,236.1	26,452.1**	

*after adjusting for bonus issue in FY2010

**as at 30 Jun 2010

Infrastructure

Services

Strong Financial Position

- Total cash and bank balances: HK\$5.394 billion
- Total debt: HK\$4.965 billion
- Net cash position: HK\$429.4 million

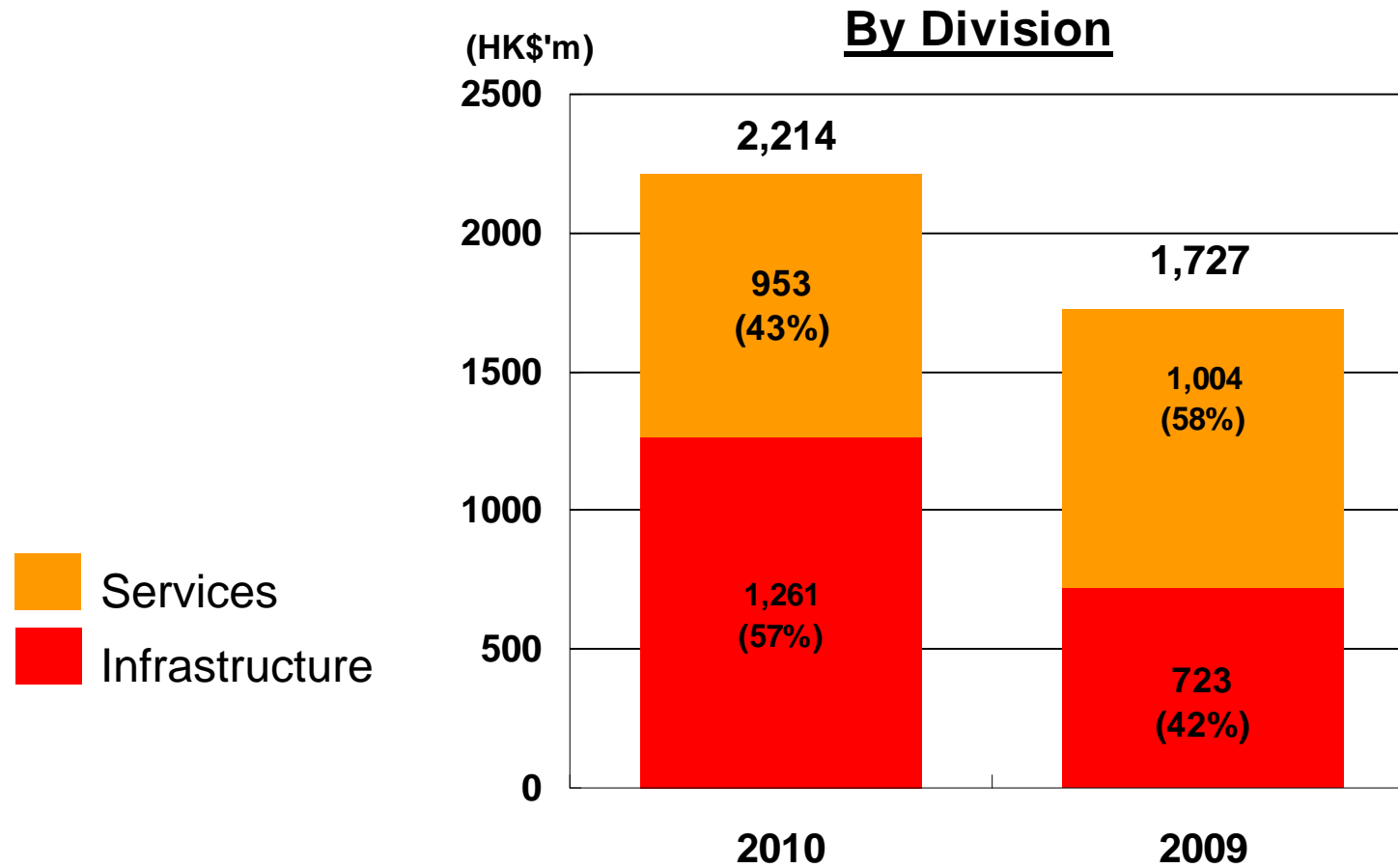
(As at 31 December 2010)

Infrastructure

Services

Core Earnings

For the six months ended 31 December



Infrastructure

Roads

Energy

Water

Ports & Logistics

Core Earnings by Segment

For the six months ended 31 December	2010 (HK\$'m)	2009 (HK\$'m)	Change % Fav./ (Unfav.)
Roads	748.1	233.5	220
Energy	192.2	216.9	(11)
Water	168.4	120.8	39
Ports & Logistics	152.0	151.7	0
Total:	1,260.7	722.9	74

Services

Facilities Management

Construction & Transport

Strategic Investments

Core Earnings by Segment

For the six months ended 31 December	2010 (HK\$'m)	2009 (HK\$'m)	Change % Fav./(Unfav.)
Facilities Management	404.3	400.4	1
Construction & Transport	149.8	258.4	(42)
Strategic Investments	399.1	345.4	16
Total:	953.2	1,004.2	(5)

Infrastructure

Roads



Energy



Water



Ports & Logistics



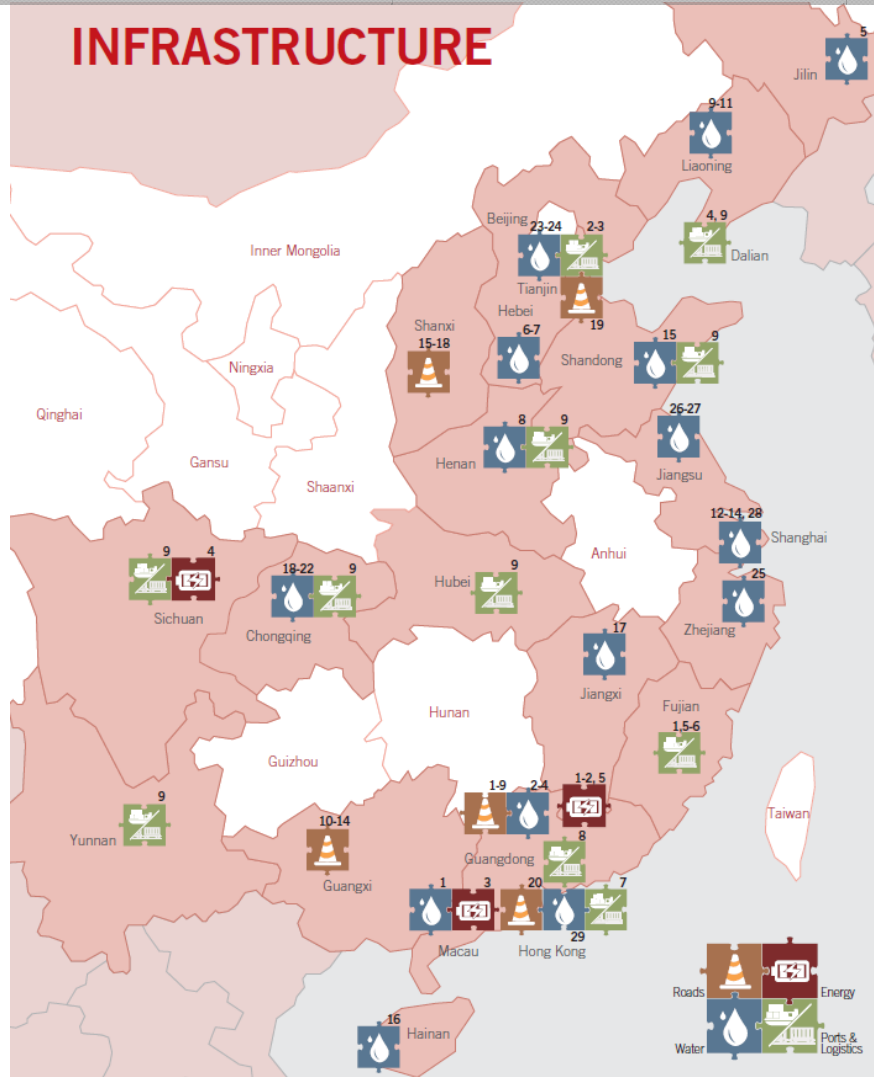
Infrastructure

Roads

Energy

Water

Ports & Logistics



Roads

19 Roads and related projects in Guangdong, Guangxi, Shanxi and Tianjin

1 Tunnel project in Hong Kong



Energy

4 Power plants in Mainland China and Macau

1 Fuel company in Guangzhou



Water

27 Water projects in Mainland China and Macau

1 Incineration plant in Shanghai

1 Sludge treatment plant in Suzhou

1 Landfill project in Hong Kong

2 Operation and management consulting companies in PRC



Ports & Logistics

6 Container ports in Xiamen, Tianjin and Dalian

2 Logistics centres in Hong Kong and Shenzhen

1 Rail container terminals project in China

Total

66 Projects

Infrastructure

Roads

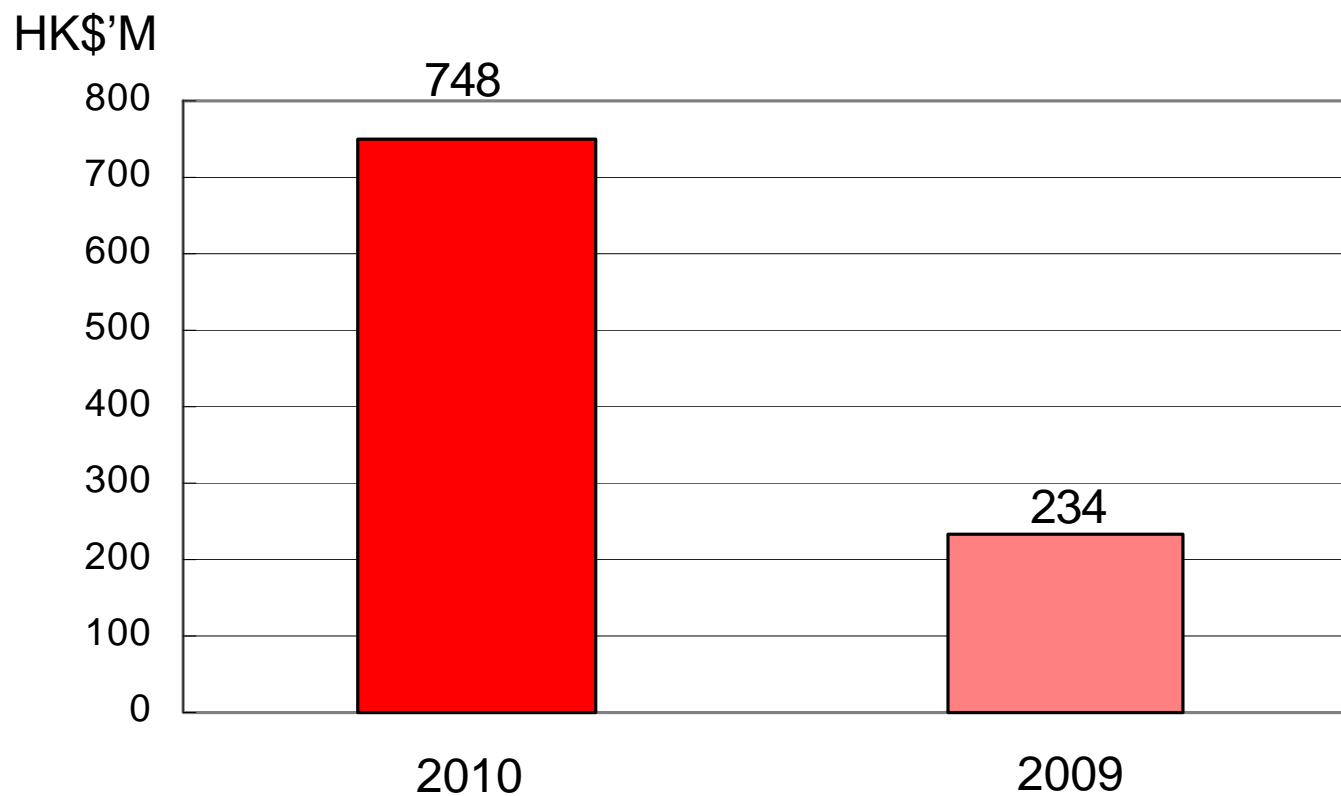
Energy

Water

Ports & Logistics

Total Profits - Roads

For the six months ended 31 December



Infrastructure

Roads

Energy

Water

Ports & Logistics

Highlights – Roads

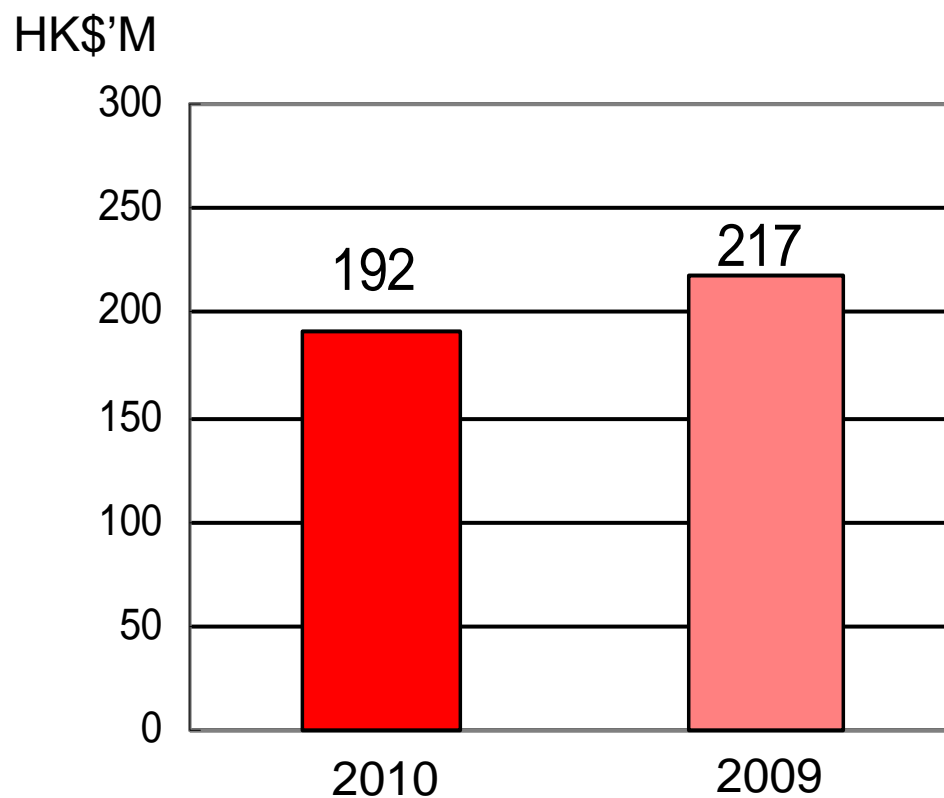
- Total profits jumped by 220%
- Tangjin Expressway (Tianjin North Section) (唐津高速公路(天津北段)) average traffic flow up 36% plus an extra profit distribution of HK\$332.5M
- Traffic volume of Guangzhou City Northern Ring Road (廣州市北環高速公路) quickly recovered after completion of major repair and maintenance
- Pearl River Delta projects recorded an increase in average daily traffic volume
 - Shenzhen–Huizhou Roadway and Expressway (深圳惠州公路及高速公路) grew by 37%
 - Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) (京珠高速公路(廣珠段)) up 11%
 - Opening of Guangzhou-Zhaoqing Expressway (廣肇高速公路) phase 2 greatly enhanced the project competitiveness
- Guangzhou Dongxin Expressway (廣州市東新高速公路), in which the Group holds 40.8% equity interest, was opened in December 2010

Infrastructure

Roads **Energy** Water Ports & Logistics

Total Profits - Energy

For the six months ended 31 December



Infrastructure

Roads

Energy

Water

Ports & Logistics

Highlights – Energy

- Total profits decreased by 11% due to higher coal prices
- Combined electricity sales of Zhujiang Power Plants (珠江電廠) dropped 14%
 - Lower demand during the Asian Games period
 - Fuel cost rose by 5%
- Electricity sales of Chengdu Jintang Power Plant (成都金堂電廠) up 20%
- Macau Power (澳門電力)
 - Electricity sales increased by 2%
 - Concession contract renewed in November 2010 for 15 years till 2025

Infrastructure

Roads

Energy

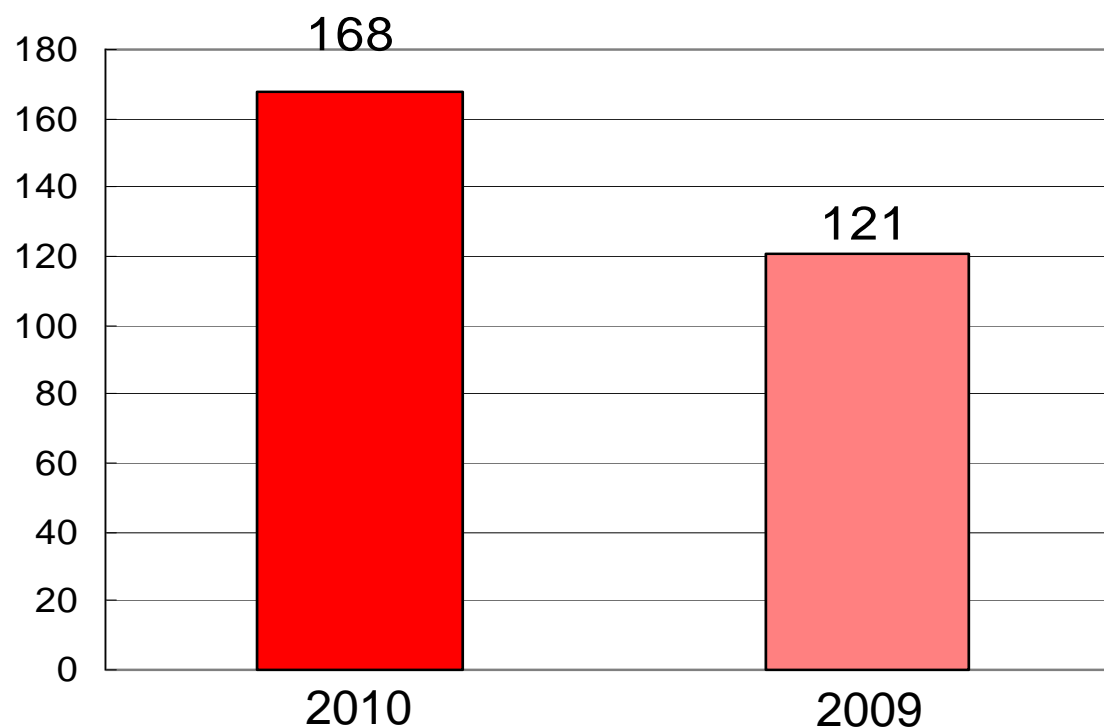
Water

Ports & Logistics

Total Profits - Water

For the six months ended 31 December

HK\$'M



Infrastructure

Roads

Energy

Water

Ports & Logistics

Highlights – Water

- Total profits represented a strong growth of 39%
- Benefited from tariff hike of 9 water plants in FY2010
- Recorded healthy water sales volume growth:
 - Tanggu Water Plant (塘沽水廠) up 9%
 - Changshu Water Plant (常熟水廠) up 6%
 - Chongqing Water Plants (重慶水廠) up 9%
- Contribution from Chongqing Water Group (重慶水務集團) grew satisfactorily (NWS effective interest 6.72%)

Infrastructure

Roads

Energy

Water

Ports & Logistics

New Investments

Project name	Shareholding	Status	Operational data
Nanjing Golden State Chengbei Wastewater Treatment Plant 南京金州城北污水處理廠	35.8%	Operational	Daily treatment capacity of 300,000m ³
Taizhou Golden State Water Plant 泰州金州水廠	32.8%	Operational	Daily treatment capacity of 200,000m ³
Taizhou Golden Harbor Water Plant 泰州金港水廠	35.8%	Operational	Daily treatment capacity of 150,000m ³

Infrastructure

Roads

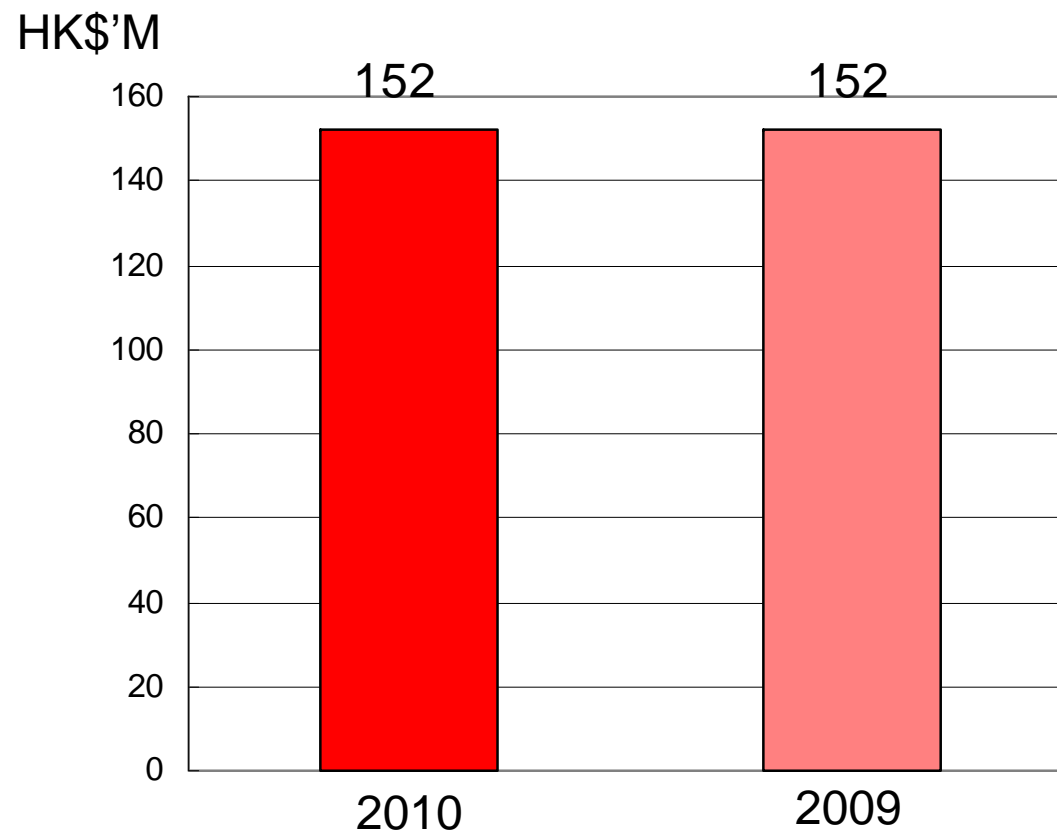
Energy

Water

Ports & Logistics

Total Profits – Ports & Logistics

For the six months ended 31 December



Infrastructure

Roads

Energy

Water

Ports & Logistics

Highlights – Ports & Logistics

- Total profits maintained at similar level
- Xiamen New World Xiangyu Terminals Co., Ltd (廈門象嶼新創建碼頭)
 - Throughputs increased by 6% to 397,000 TEUs due to improvement in trade activities
- Throughputs of Tianjin Orient Container Terminals (天津東方海陸集裝箱碼頭) and Tianjin Five Continents International Container Terminal (天津五洲國際集裝箱碼頭) remained stable
- ATL
 - 95% occupancy
 - Strong storage income generated from cargo volume pick-up and cost savings achieved

Infrastructure

Roads

Energy

Water

Ports & Logistics

Highlights – Ports & Logistics (continued)

China Rail Container Terminals Project

- NWS has increased the shareholding from 22% to 30%
- 18 pivotal rail container terminals in 18 major cities in Mainland China
- 9 terminals are now operational



● Terminal under operation

- | | |
|----------------|------------------------------------|
| Kunming (昆明) | Dalian (大連) |
| Chongqing (重慶) | Qingdao (青島) |
| Chengdu (成都) | Wuhan (武漢) |
| Zhengzhou (鄭州) | Xi'an (西安) |
| Shanghai (上海) | (To be injected by MOR
尚待鐵道部注入) |

● Terminal under construction

- Tianjin (天津)

● Terminal planned to commence construction in 2H FY2011

- Harbin (哈爾濱) Shenzhen (深圳)

● Terminal under planning

Infrastructure

Roads

Energy

Water

Ports & Logistics

Highlights – Ports & Logistics (continued)

Business Review

- Among the 8 operational terminals, 4 terminals in Dalian, Qingdao, Wuhan and Xi'an commenced operations in 1H FY2011
- Remarkable throughput growth:



	FY2011 (Jul – Dec 10)	FY2010 (Jul – Dec 09)	Growth %
Aggregate throughput (TEU)	595,000	110,000	441%
Major contributors:			
Kunming	167,000	110,000	52%
Chengdu	238,000	--	N/A
Chongqing	102,000	--	N/A

Infrastructure

Roads

Energy

Water

Ports & Logistics

Highlights – Ports & Logistics (continued)

Business Outlook

- Projected aggregate throughput for FY2011 over one million TEUs
- Annualized throughput of major contributors as follows:

	Annualized throughput (TEUs)
Chengdu	340,000
Kunming	320,000
Chongqing	200,000



- Target to strengthen revenue sources by developing block trains, freight forwarding and ancillary logistics services
- Strong potential demand for rail terminal services from the newly-developed logistics parks around CUIRC terminals, e.g. in Chengdu, Zhengzhou

Services

Facilities Management

Construction & Transport

Strategic Investments



Services

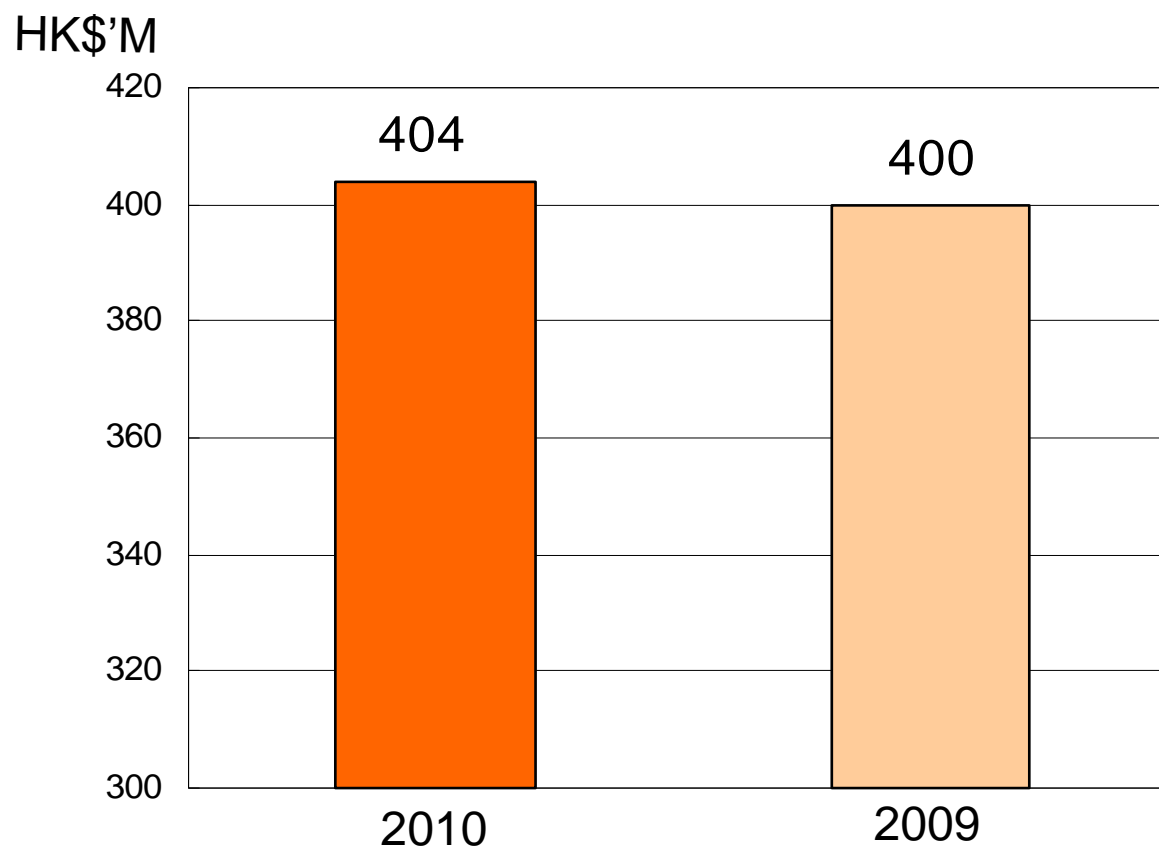
Facilities Management

Construction & Transport

Strategic Investments

Total Profits – Facilities Management

For the six months ended 31 December



Services

Facilities Management

Construction & Transport

Strategic Investments

Highlights – Facilities Management

- Outstanding performance of Free Duty compensated the loss of profit contributions from the disposed facility services businesses
- HKCEC recorded solid performance
 - 618 events were held with total patronage in excess of 4.8 million
 - Most recurrent international trade exhibitions reflected growth in gross exhibition space and increase in the overall attendance
- Strong growth in Free Duty tobacco and liquor retail business
 - Traveller volume through Lo Wu, Lok Ma Chau and Hung Hom increased by 8% to reach 337,000 avg daily
 - Increase in individual traveller's spending on duty-free cigarette and liquor

Services

Facilities Management

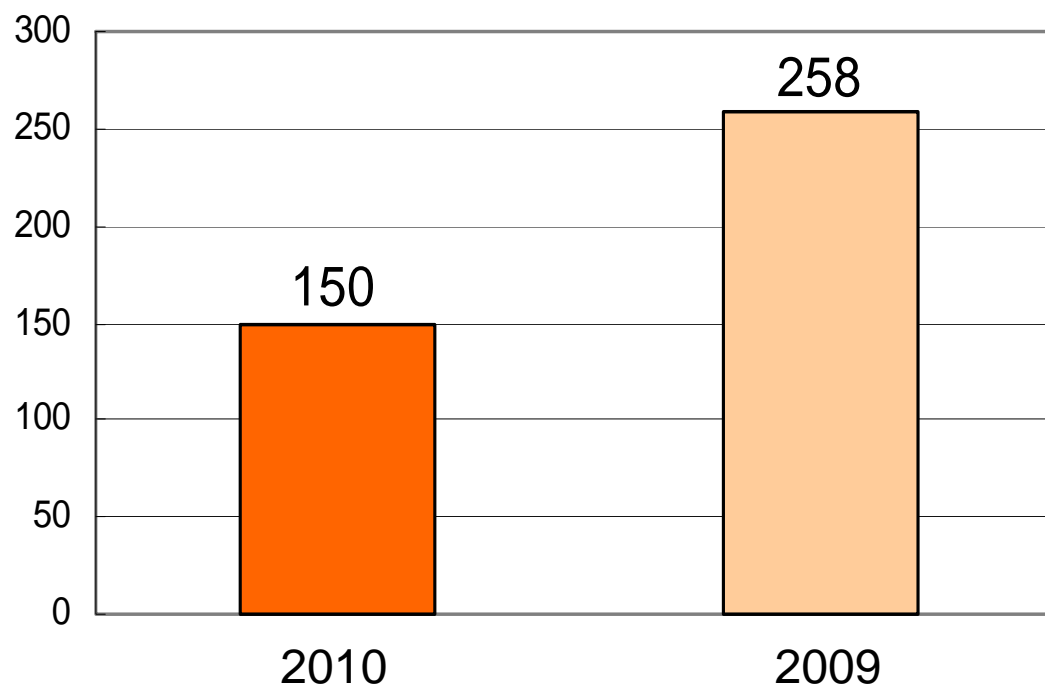
Construction & Transport

Strategic Investments

Total Profits – Construction & Transport

For the six months ended 31 December

HK\$'M



Services

Facilities Management

Construction & Transport

Strategic Investments

Highlights – Construction & Transport

- Overall total profits decreased by 42%
- Construction
 - Lower income due to absence of profit from NWS Engineering and projects suffering from higher material costs
- Transport
 - Bus passenger volume increased by 1.8%
 - Increasing fuel cost was compensated by increase in fare revenue and advertising income

*(*As at 31 December 2010)*

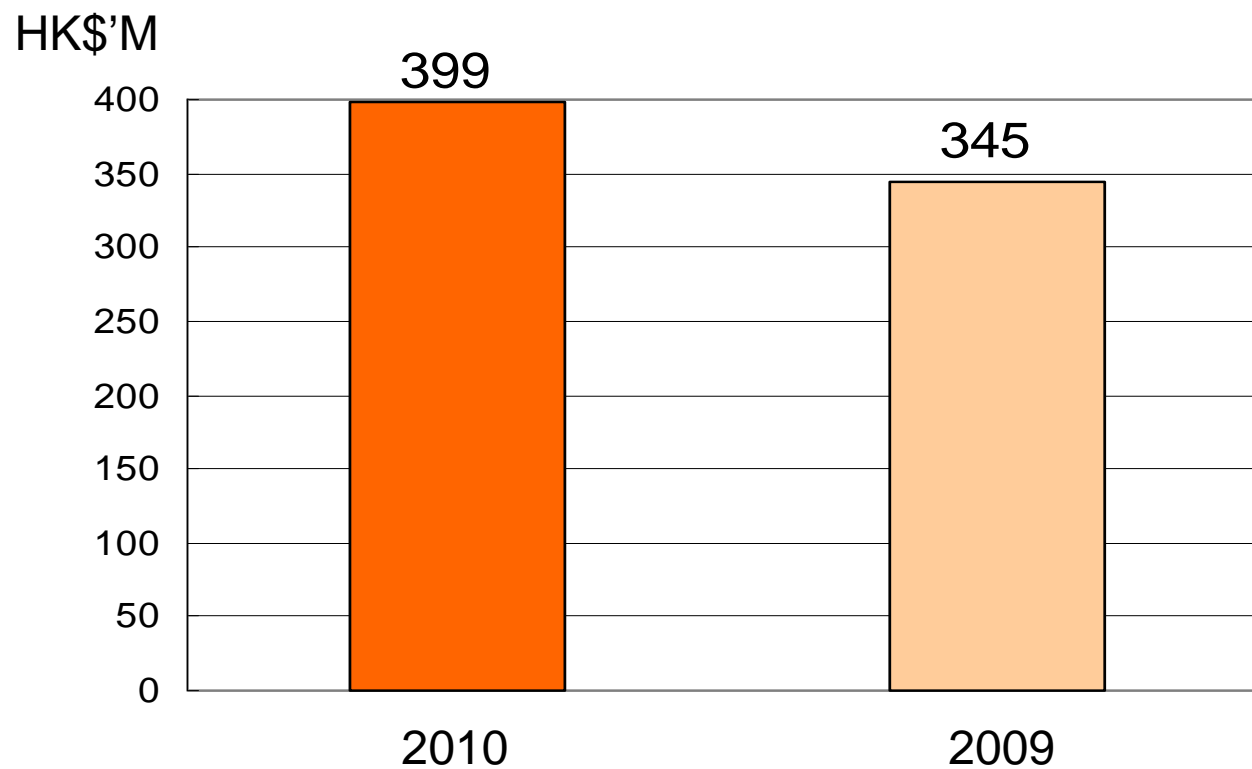
Services

Facilities Management Construction & Transport

Strategic Investments

Total Profits – Strategic Investments

For the six months ended 31 December



Highlights – Strategic Investments

- “Financial Services” segment was renamed “Strategic Investments” to reflect the business nature
- AOP rose by 16%
- Included profit contributions from Tricor Holdings Limited (NWS 24.39%), Haitong International Securities (NWS 8.97%) and disposal of certain strategic investments, mainly China Everbright
- Strategic Investments for yield enhancement
 - With clear mandate from the Board
 - Monitored by Investment Committee and managed by professional fund manager

Future Growth

Roads

- Guangzhou Dongxin Expressway (廣州市東新高速公路) commenced operation in December 2010
- Tangjin Expressway (Tianjin North Section) (唐津高速公路(天津北段)) will continue to enjoy higher profit sharing as traffic volume is expected to grow at double digit

Water

- Chongqing CCIP Water Treatment Plants (重慶長壽化學工業區水處理廠)

Future Growth (continued)

Ports & Logistics

- Xiamen Haicang Xinhaida Container Terminals (廈門海滄新海達集裝箱碼頭) is expected to be operational in 2H 2011
- China Rail Container Terminals Project is developing strongly
- Kwai Chung Logistics Centre
 - Total leasable area of approximately 920,000 sq. ft and construction to be completed in 2H 2011

Infrastructure

Services

Future Growth (continued)

HKCEC

- New businesses and incremental revenue from atrium expansion

Free Duty

- Robust growth in visitor arrivals
- Increased spending per passenger

Summary

- Record breaking results for first half with core earnings rose by 28%
- Organic growth in core businesses more than compensate loss of profit from divested service companies
- A strong balance sheet and financial position and maintained net cash position as at 31 December 2010
- Infrastructure businesses will benefit from 12th Five-year plan
- Hong Kong's retail and exhibition businesses will benefit from the strong increase in number of visitors



Scaling New Heights