



Annual Results Presentation

FY2002/03

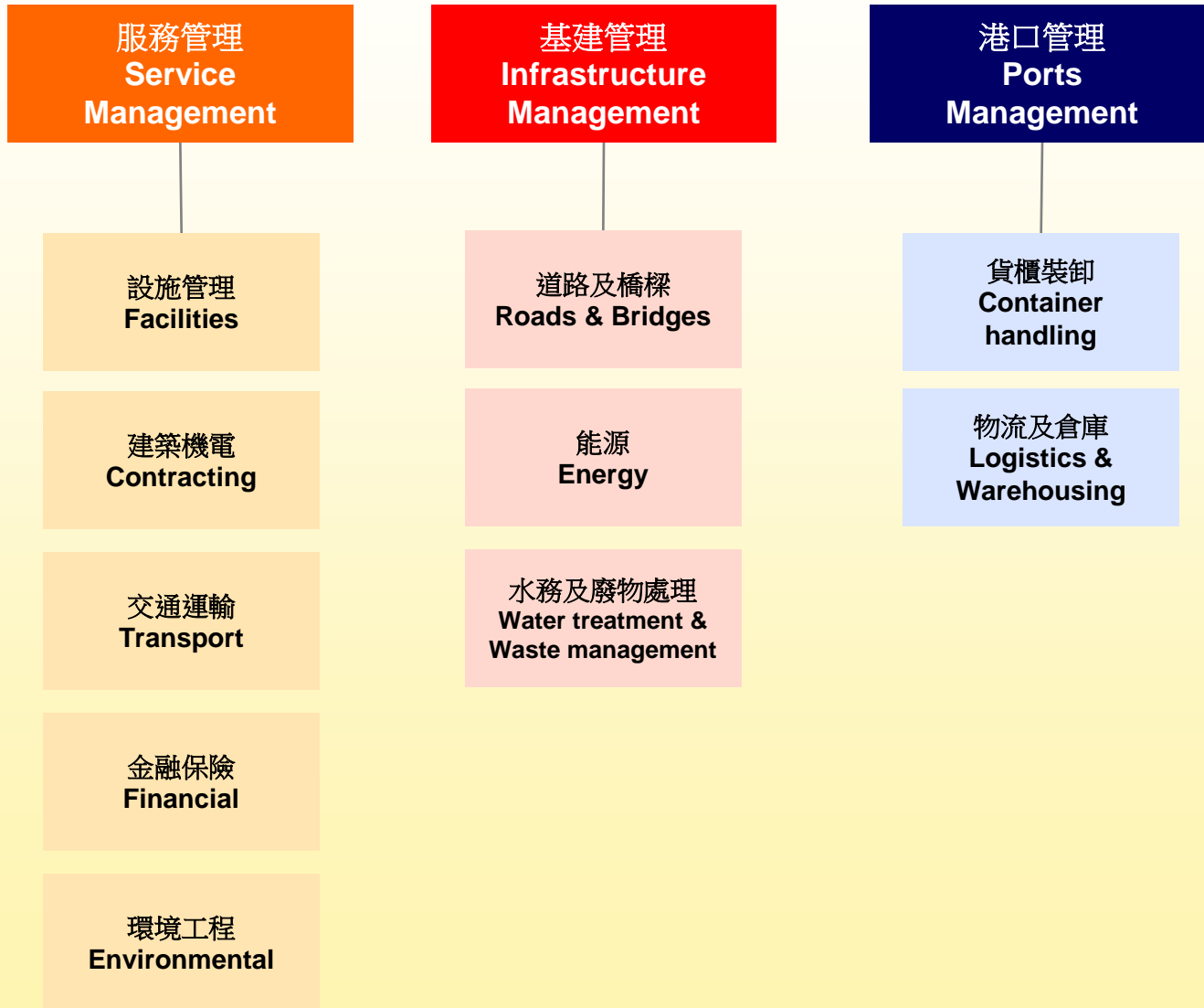
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 - ⇒ NWS Infrastructure Management Limited
 - ⇒ NWS Ports Management Limited
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Background

- The purchase of New World Services Limited and traditional infrastructure assets of New World Infrastructure Limited by Pacific Ports Company Limited (659.HK) was completed in January 2003
- Only five months' (Feb – June 2003) results of Service and Infrastructure were booked

Corporate Structure



Financial Highlights

NWSH Group Results

(for the year ended 30 June)

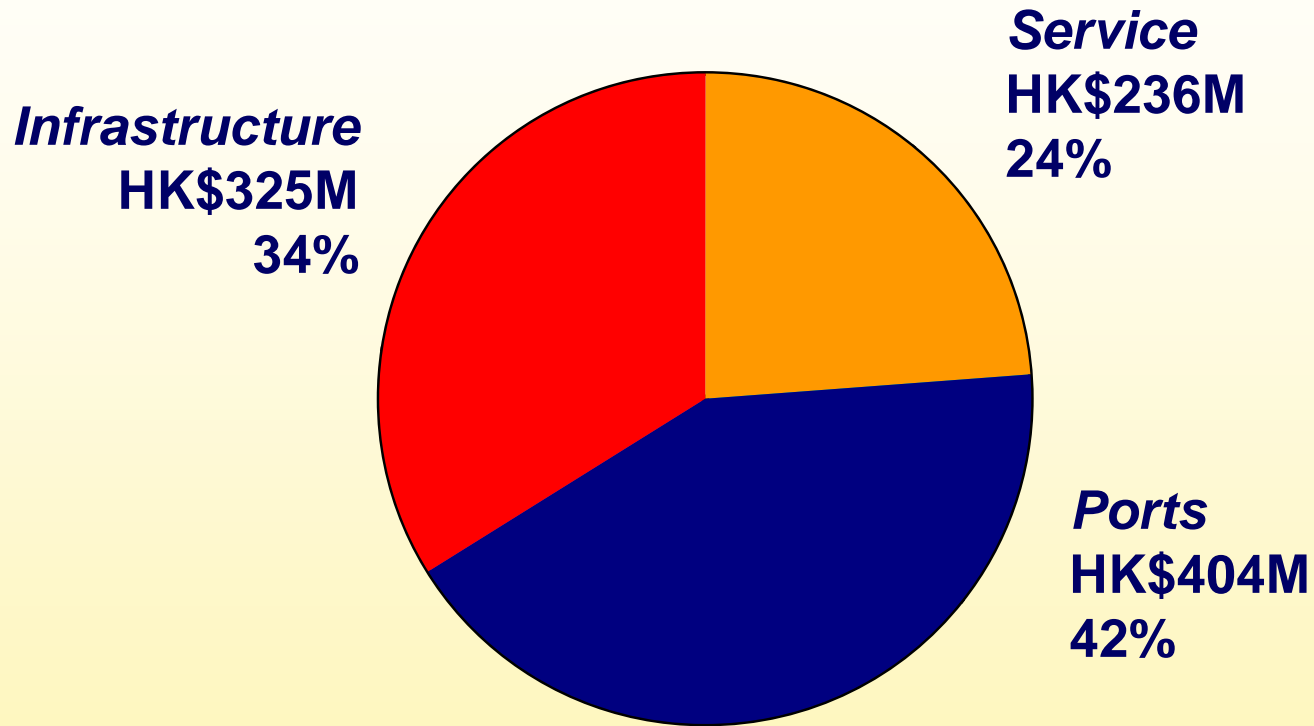
	2003* (HK\$M)	2002 (HK\$M)	change +/- (%)
Turnover	5,770	125	+4,516%
AOP	965	361	+167%
Profit attributable to shareholders	1,213	144	+742%
Earnings per ordinary share	HK\$1.39	HK\$0.05[#]	+2,680%
Dividend per ordinary share	HK\$0.2	HK\$0.2[#]	0%
Total assets	27,409	3,817	+618%
Shareholders' equity	8,558	3,717	+130%

* Full year for Ports, 5 months for Service and Infrastructure

The comparatives have been restated due to consolidation of 10 shares into 1 share during the year

AOP Mix*

(for the year ended 30 June 2003)

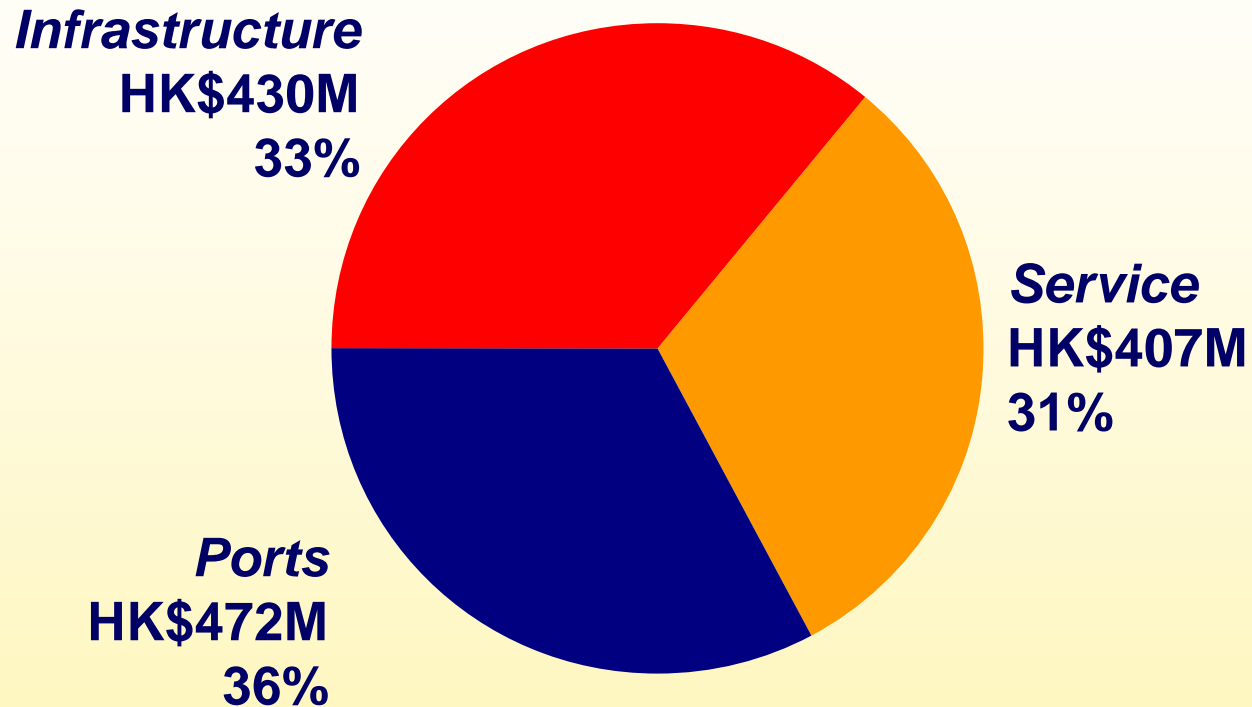


Total: HK\$965M

* Full year for Ports, 5 months for Service and Infrastructure

EBITDA*

(for the year ended 30 June 2003)

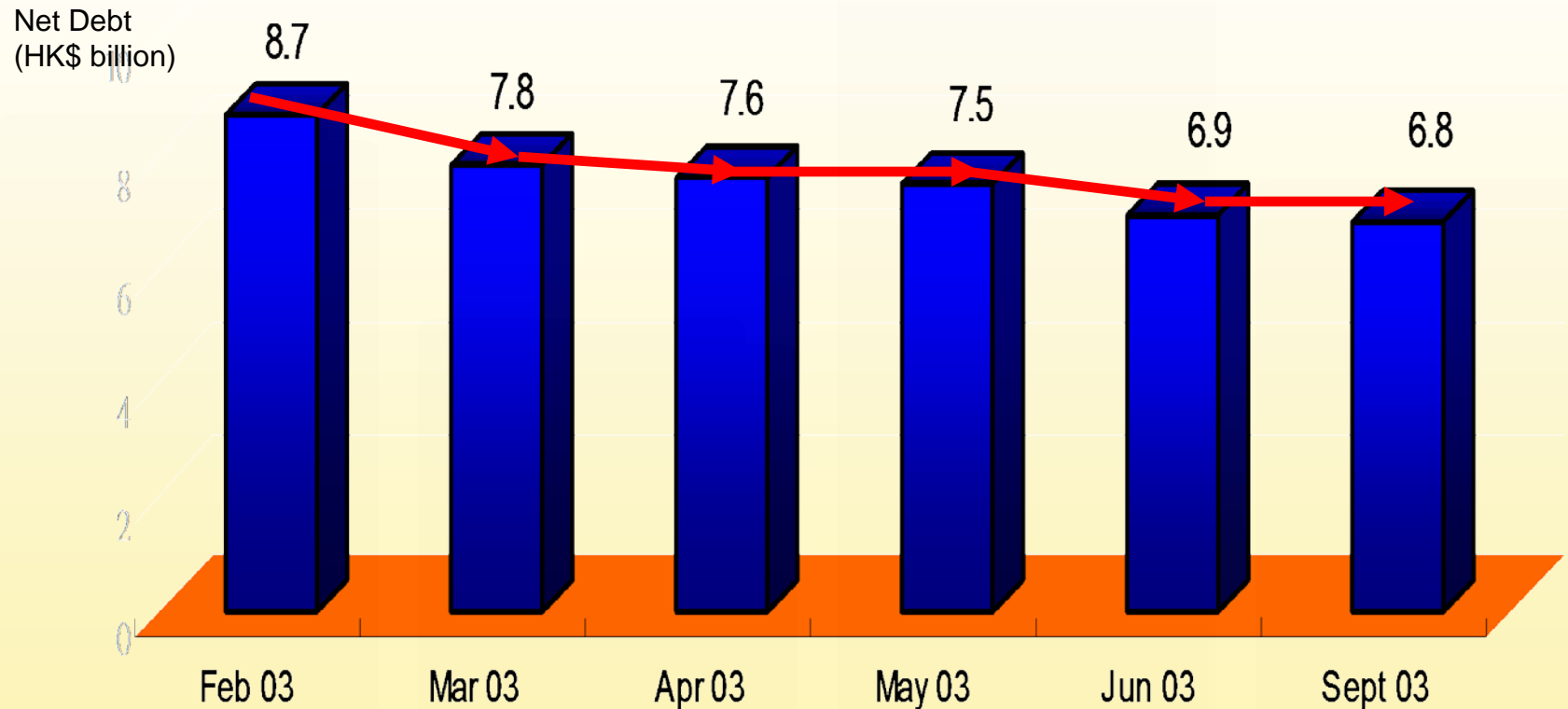


Total: HK\$1,309M#

* Full year for Ports, 5 months for Service and Infrastructure

Before head office expenses

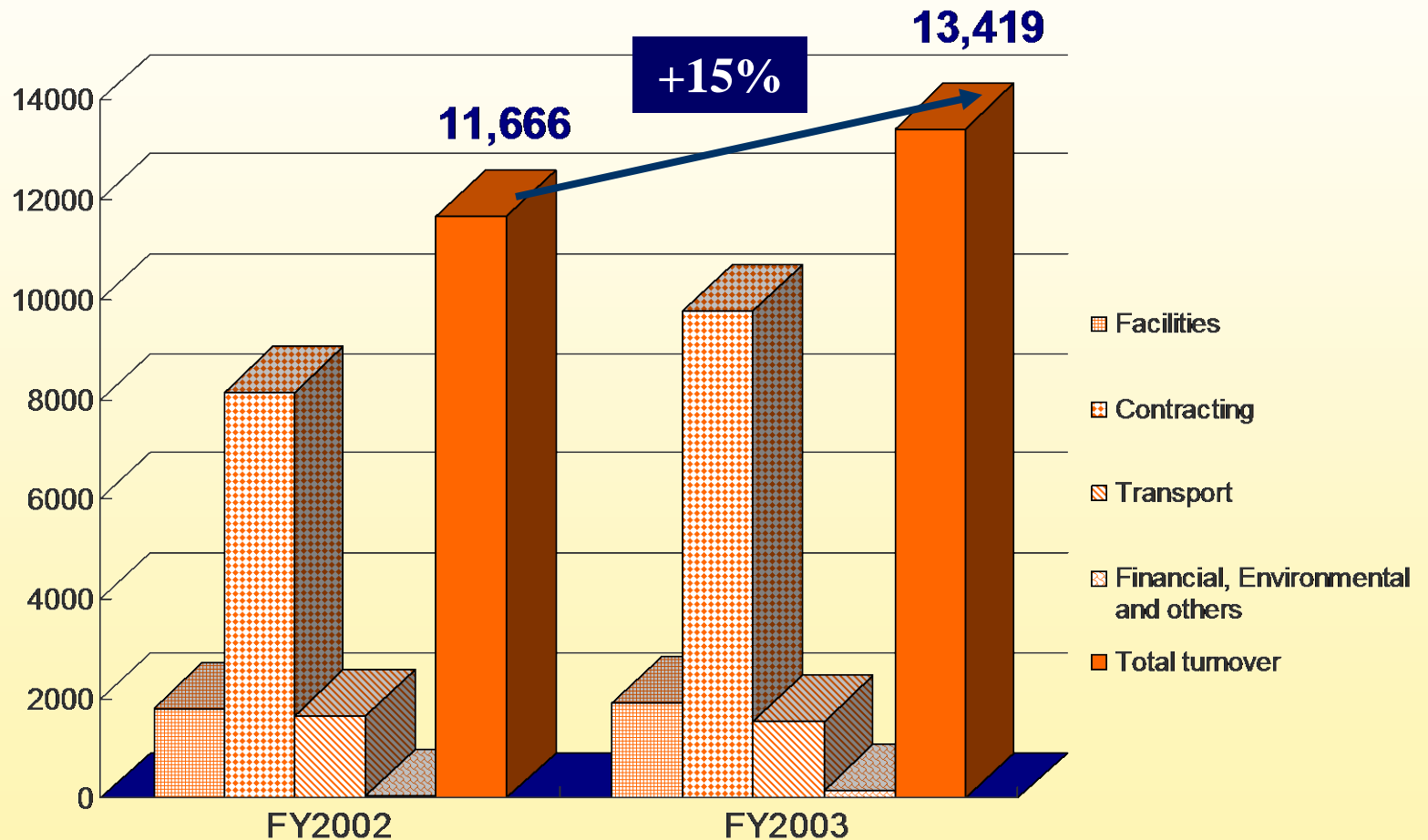
Encouraging Progress in Debt Reduction



- **Reduce another HK\$3 billion over 3 years** (2003/04 – 2005/06)
- **Cash on hand HK\$1.4 billion** (as at September 2003)

Pro-forma turnover - Service

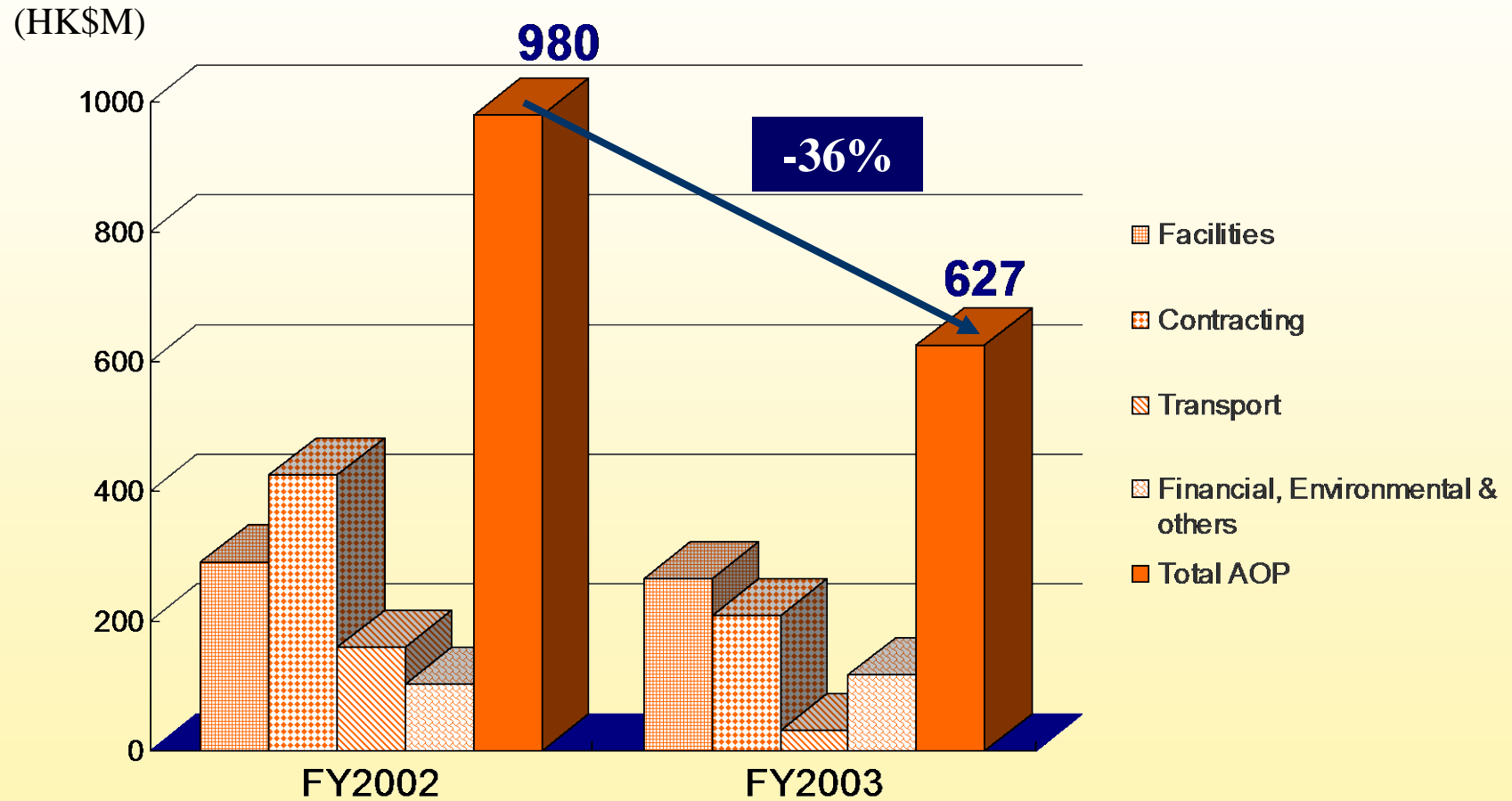
(HK\$M)



Turnover - Service

(HK\$M)	Pro-forma FY2003	Pro-forma FY2002	Change +/- (-)%	5 months ended 30 June 2003
Facilities	1,921	1,822	+5%	718
Contracting	9,782	8,134	+20%	4,158
Transport	1,555	1,650	-6%	603
Financial, Environmental and Others	161	60	+168%	94
TOTAL	13,419	11,666	+15%	5,573

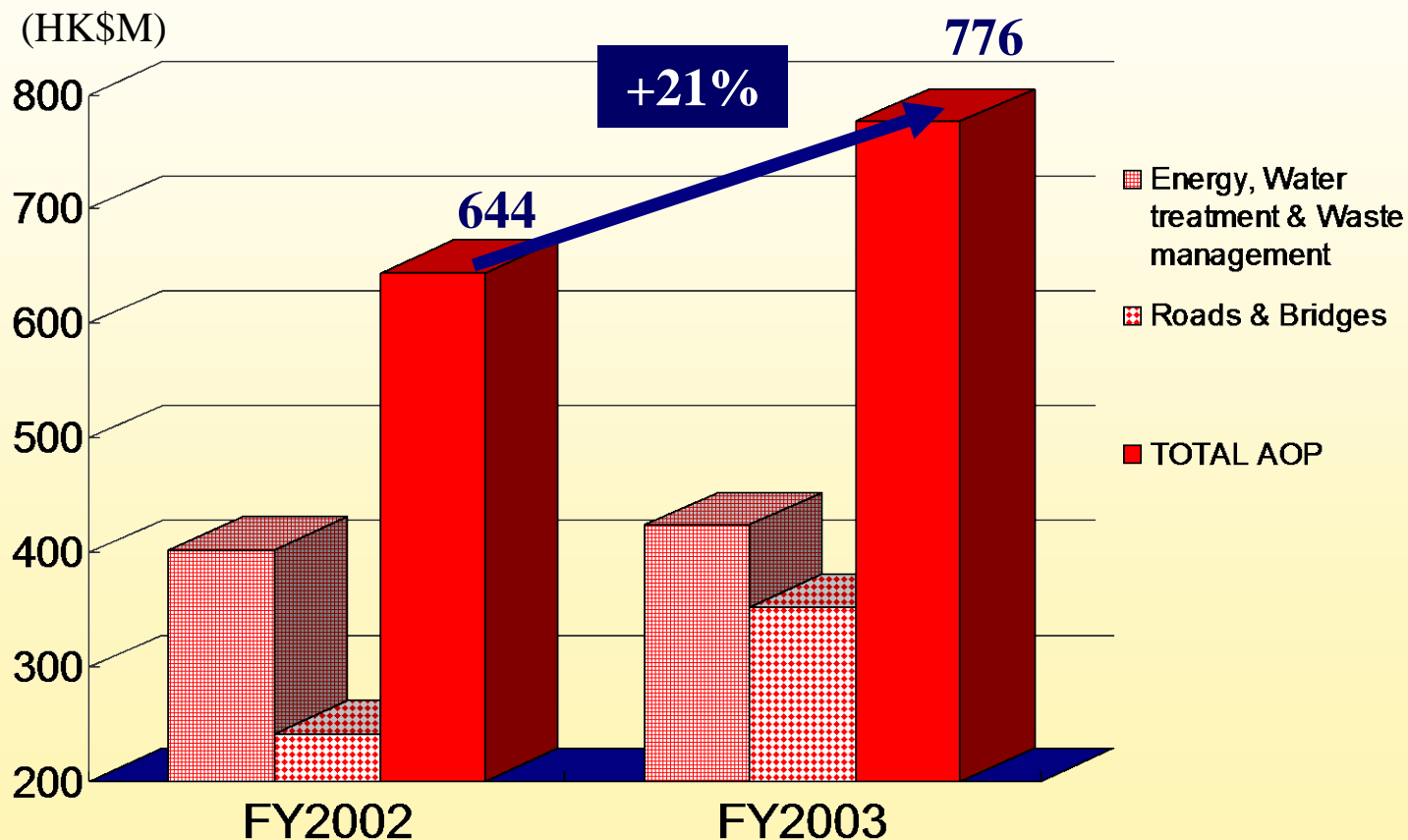
Pro-forma AOP - Service



AOP - Service

(HK\$M)	Pro-forma FY2003	Pro-forma FY2002	Change +/- (%)	5 months ended 30 June 03
Facilities	265	291	-9%	73
Contracting	214	425	-50%	154
Transport	32	161	-80%	-25
Financial, Environmental & Others	116	103	+13%	34
TOTAL	627	980	-36%	236

Pro-forma AOP - Infrastructure

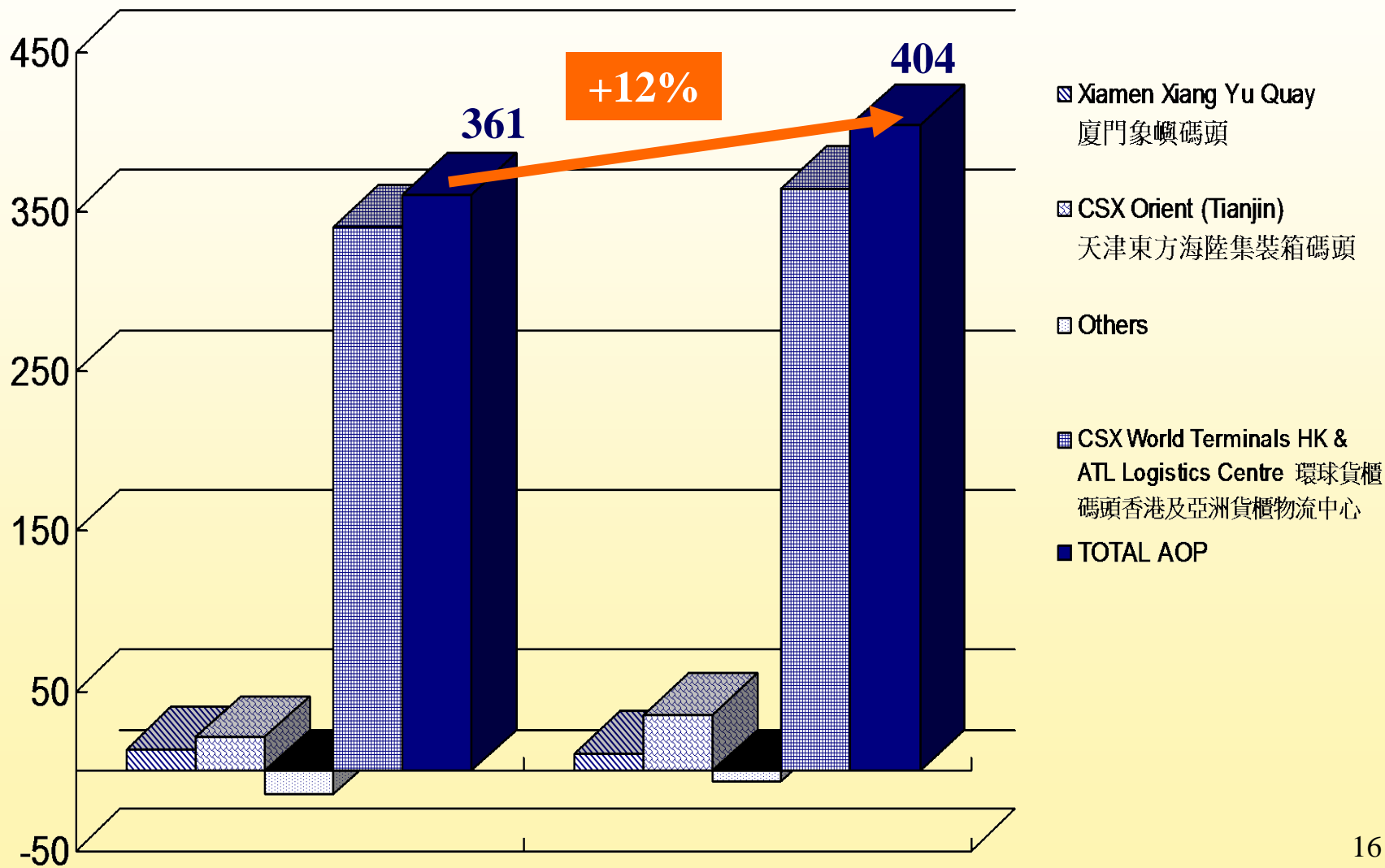


AOP - Infrastructure

(HK\$M)	Pro-forma FY2003	Pro-forma FY2002	Change +/- (%)	5 months ended 30 June 2003
Energy, Water treatment & Waste management	424	402	+5%	201
Roads & Bridges	352	242	+45%	124
TOTAL	776	644	+21%	325

AOP - Ports

(HK\$M)



AOP - Ports

(HK\$M)	FY2003	FY2002	Change +/- (-)%
CSX World Terminals HK and ATL Logistics Centre 環球貨櫃碼頭香港及亞洲貨櫃物流中心	365	341	+7%
Xiamen Xiang Yu Quay 廈門象嶼碼頭	11	14	-21%
CSX Orient (Tianjin) 天津東方海陸集裝箱碼頭	35	21	+67%
Others	-7	-15	+53%
TOTAL	404	361	+12%

SARS Impact upon 2002/03 Results

	HK\$M	HK\$M
<u>NWSI</u>		
<i>Roads & Bridges</i>		10
<u>NWSS</u>		
<i>Facilities</i>		
Facility Management	48	
Consumer Related Services	16	
Security & Guarding	<u>1</u>	65
<i>Transport</i>		
Bus	33	
Ferry	42	
Parking	<u>7</u>	<u>82</u>
		157

Operational Review

Operational Review - Service

Facilities



- SARS material impact upon HKCEC, most events rescheduled to 1H 03/04
- Property Management, Cleaning & Guarding deliver solid results

Contracting



- Adverse impact due to Government public housing policy & slow property market
- Vigorous cost control

Operational Review - Service

Transport



- Adverse impact on NWFB by MTR TKO Line
- NWFB & NWFF (Macau) hit by SARS

Financial, Environmental and Others

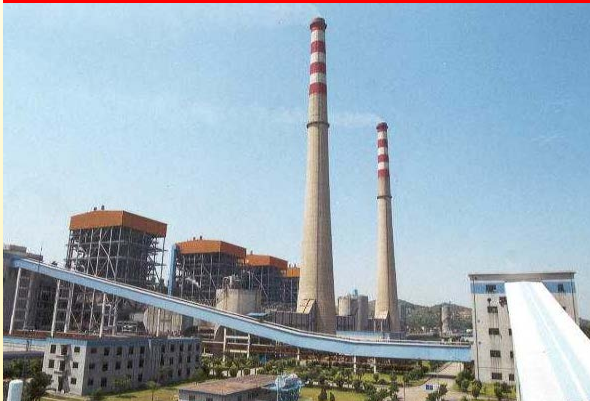


- New World Insurance taps PRC market
- Tricor provides solid contribution

Operational Review - Infrastructure

➔ Steady recurring income from the 59-strong project portfolio

Energy



- ➔ Generates highest contribution
- ➔ Improves efficiency and growth in consumption to counter tariff pressure

Roads and Bridges



- ➔ Promising results
- ➔ Steady income from road projects

Water treatment & Waste management

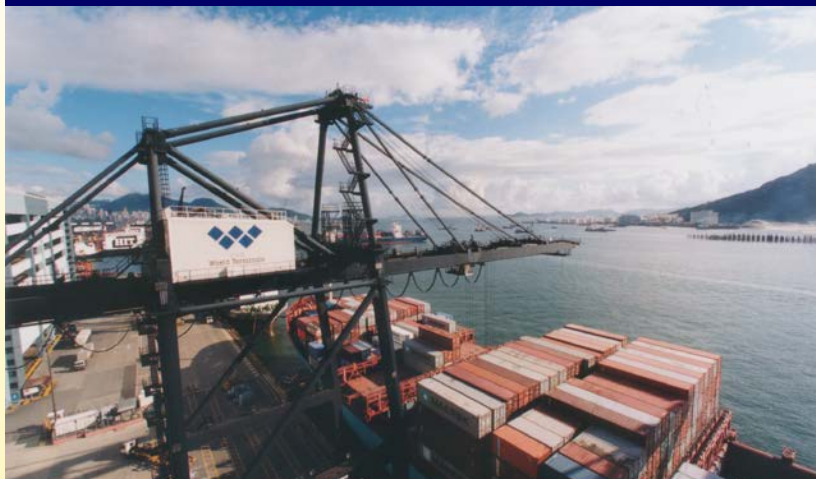


- ➔ Macau Water is a strong contributor
- ➔ Signed new water projects in Qingdao & Chongqing

Operational Review - Ports

CSX World Terminals HK (CT3)

環球貨櫃碼頭香港 (葵涌3號貨櫃碼頭)



- The most important contributor
- Increase in productivity and cost controls counter slight decrease in throughput

ATL Logistics Centre

亞洲貨櫃物流中心



- Growth driven by increase in CFS/ storage cargo volume and vehicle gate charge
- Occupancy rate increases further from 93.6% to 95.4%

Operational Review - Ports

Xiamen Xiang Yu Quay

廈門象嶼碼頭



- Merger completed in January 2003
- Strong growth in throughput

CSX Orient (Tianjin)

天津東方海陸集裝箱碼頭



- Increase in AOP & throughput

Outlook – Service

Facilities

- Strong business pick up at HKCEC
- Profit margin pressure for property management, cleaning and guarding

Contracting

- Construction market continues to be slow
- Diversification into civil construction

Transport

- Bus: Contribution declines due to stiff competition
 - ⇒ Savings through joint purchase with Citybus
 - ⇒ Explores opportunities in Mainland China
- Ferry: Individual Mainland travellers stimulate HK/ Macau patronage

Financial, Environmental & Others

- New World Insurance establishes PRC presence

Outlook – Infrastructure

“Benefits from PRC spectacular economic growth”

Roads and Bridges

- Car ownership increase stimulates traffic
- Escalating in demand of high quality logistics services support steady growth in expressway traffic

Energy and Water treatment and Waste management

- Spectacular water tariff increases, volume growth in fast developing parts of China
- Government policy: privatize utility assets
- Energy tariff pressure compensated by increased consumption
- Stringent cost control and improvement in efficiency

Outlook – Ports

- Growth in HK and Mainland China import/ export from strong GDP growth and accession to WTO
- HK - expected to maintain as the world's busiest port with recent CEPA arrangements and planned HK – Zhuhai – Macau Bridge
- CT9 operational in 2004/05
- Tianjin – strategic location to serve the northern province and Beijing. 2008 Olympics will further enhance trade flows in the area
- Xiamen - local trade boom and future three links with Taiwan

Our Commitments

To Business Partners and Customers

- Service in excellence

To Shareholders

- Enhance shareholders' value
- Dividend payout
- Corporate governance and transparency

To Staff

- Develop talent and provide a rewarding career

Dividend policy

Balance three corporate goals

- Seek new investment opportunities
- Maintain an optimal capital structure
- Pay dividend

Payout frequency

- Consider twice a year (interim and final dividend)

NWSH stock closing price

(Jan – Oct 2003)

(HK\$)



Business Strategies

Balancing shareholders' interest (dividend payout), new project investment and debt reduction via:

- Explore new projects in Mainland China and Hong Kong
- Stringent cost control and efficiency improvement
- Divest under-performing projects
- Tap CEPA opportunities in Mainland China

A Responsible Employer

No. of staff in HK, Macau and Mainland China

Ports	147
Infrastructure	3,160
Service	26,174
Total:	29,481



Service is our Business

www.nwsh.com.hk