



新創建集團有限公司  
NWS Holdings Limited

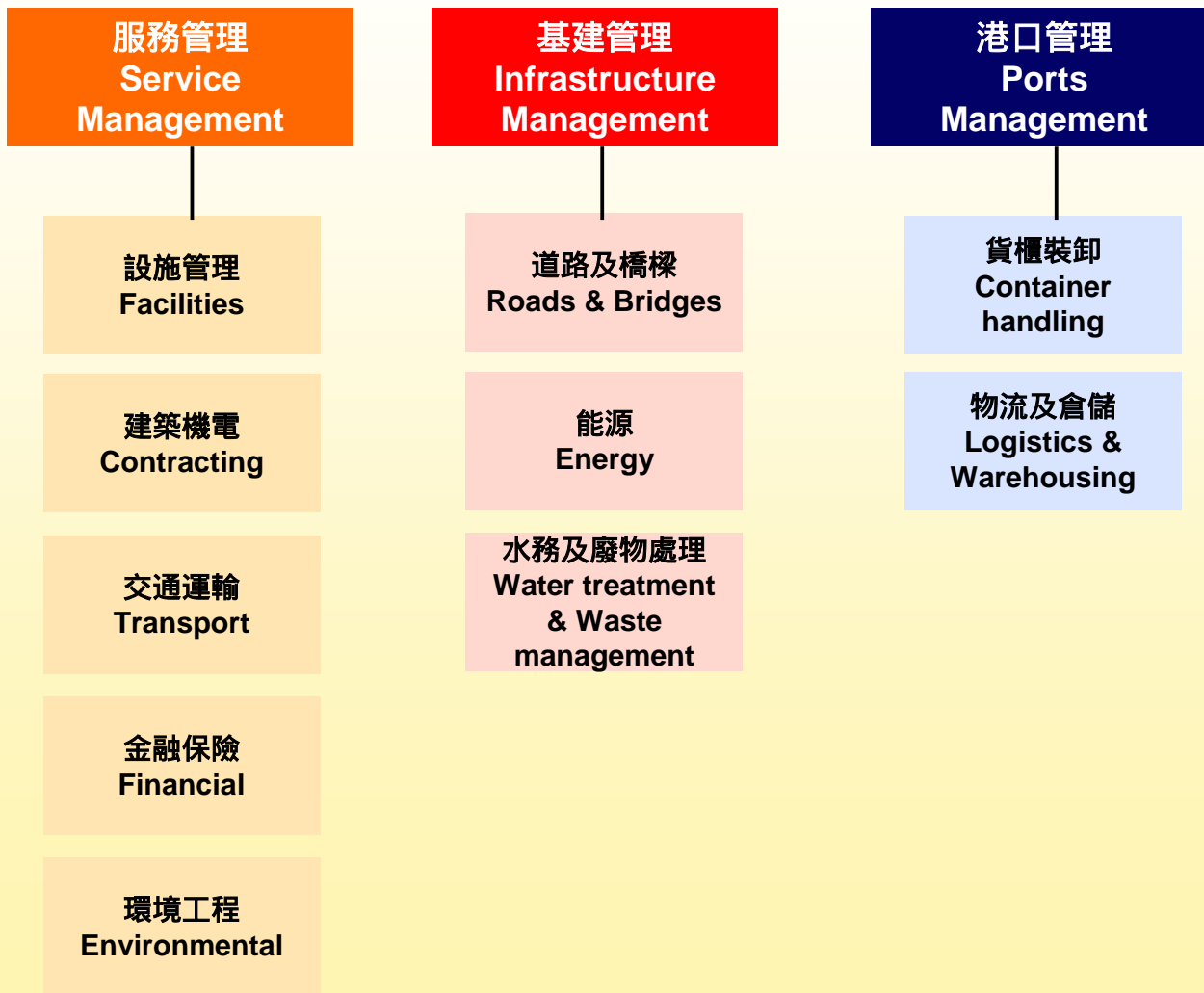
# Interim Results Presentation

**2003/04**

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# Corporate Structure



# Financial Highlights

# NWSH Group Results

For the six months ended 31 December

(Restated)

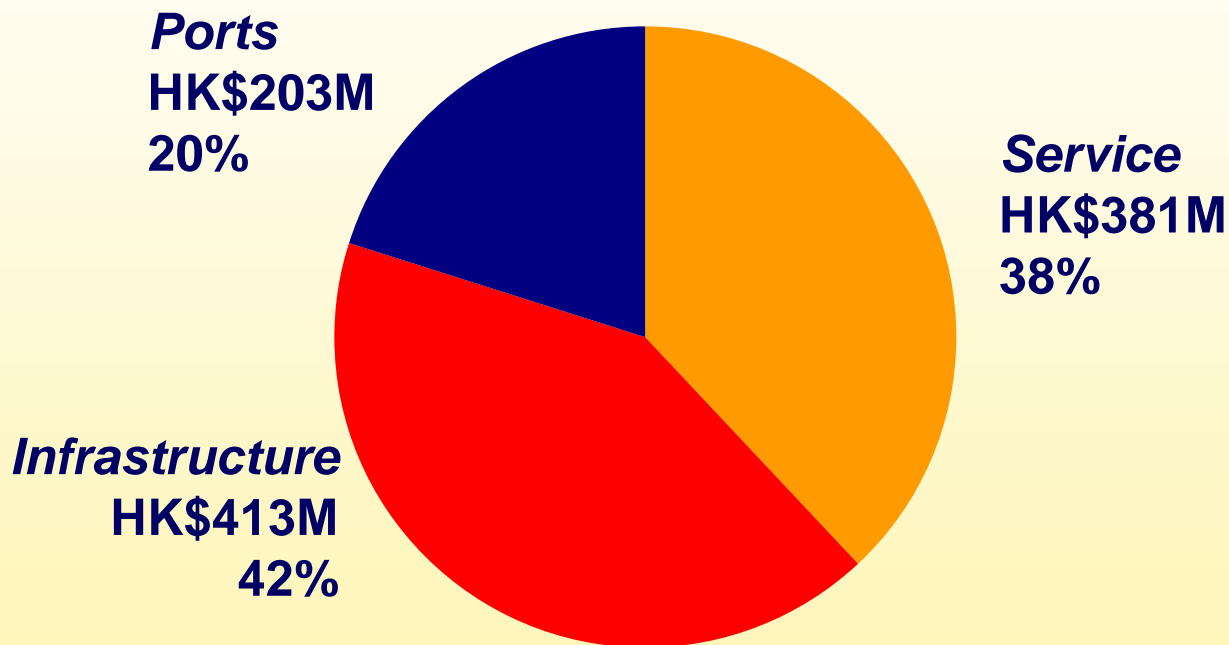
	<b>2003</b> <b>(HK\$M)</b>	2002 <b>(HK\$M)</b>	Change +/- (%)
Turnover	<b>6,542.5</b>	<b>6.1</b>	<b>+1,072 times</b>
AOP	<b>996.6</b>	<b>229.6</b>	<b>+334%</b>
Profit attributable to shareholders	<b>814.2</b>	<b>185.8</b>	<b>+338%</b>
Earnings per ordinary share #	<b>HK\$0.46</b>	<b>HK\$0.85</b>	<b>(46%)</b>
Dividend per ordinary share #	<b>HK\$0.15</b>	<b>NIL</b>	<b>N/A</b>
Total assets	<b>26,521.0</b>	<b>27,218.2*</b>	<b>(3%)</b>
Shareholders' equity	<b>8,723.5</b>	<b>8,250.5*</b>	<b>6%</b>

# Consolidation of 10 shares into 1 effective from 10 February 2003

\* As at 30 June 2003

# AOP Mix

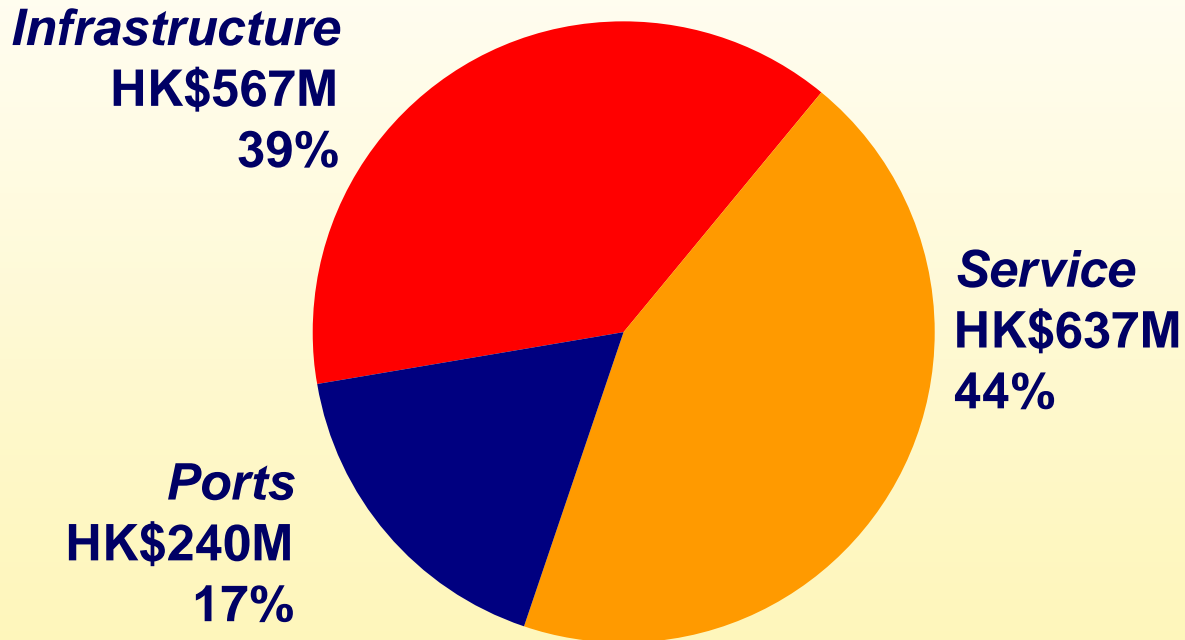
(for the six months ended 31 December 2003)



**Total: HK\$997M**

# EBITDA

(for the six months ended 31 December 2003)

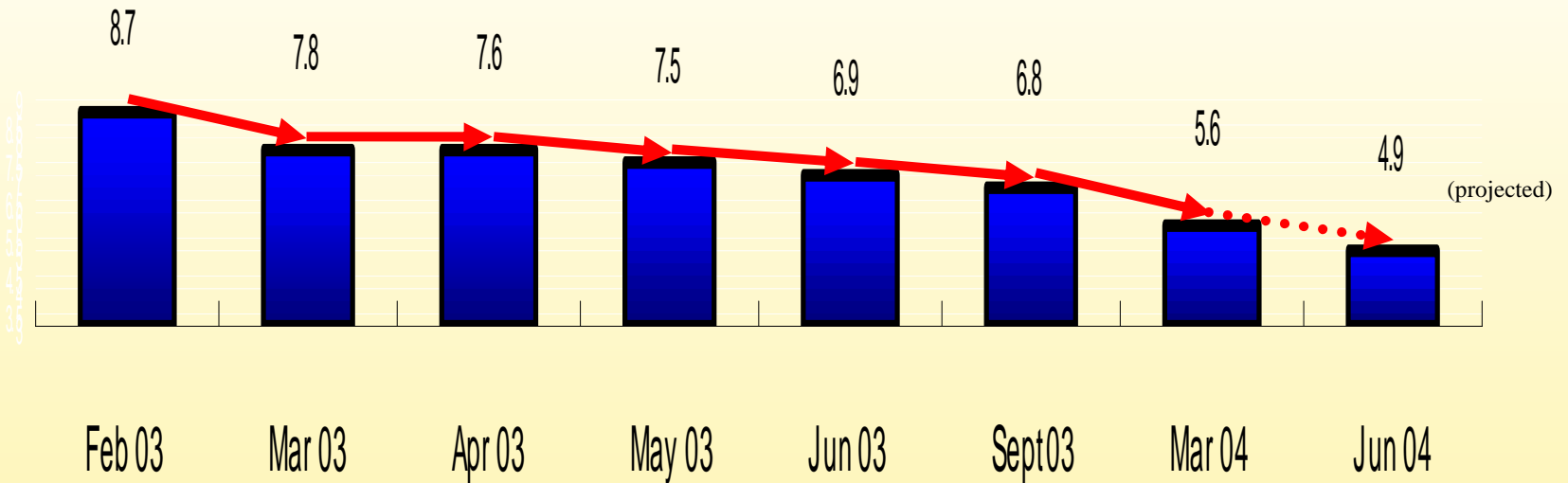


**Total: HK\$1,444 M**

(Excluding corporate expenses and consolidation adjustments)

# Encouraging Progress in Debt Reduction

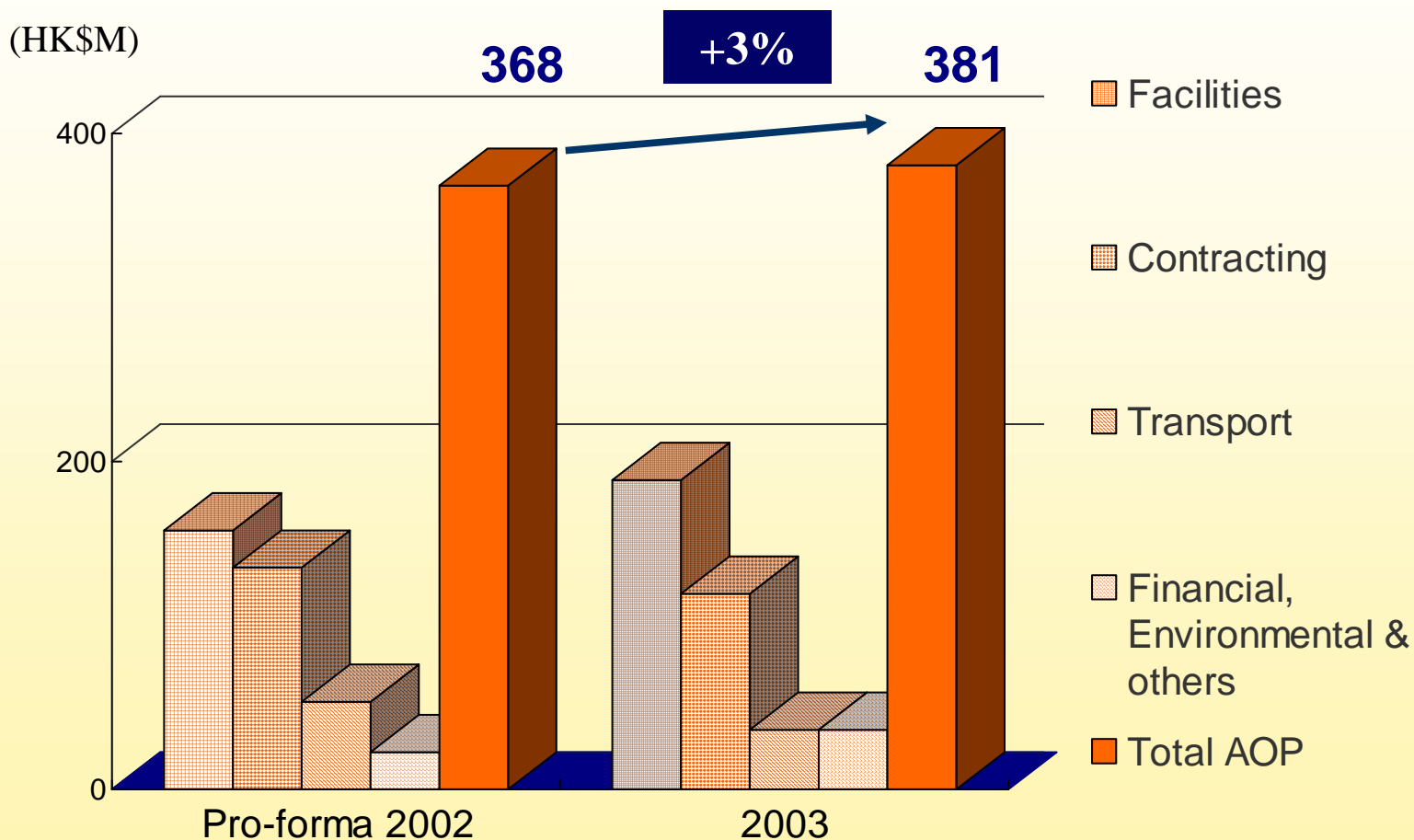
Net Debt  
(HK\$ billion)



→ **Cash on hand HK\$2.5 billion** (as of 9 Mar 2004)



# AOP - Service



# AOP - Service

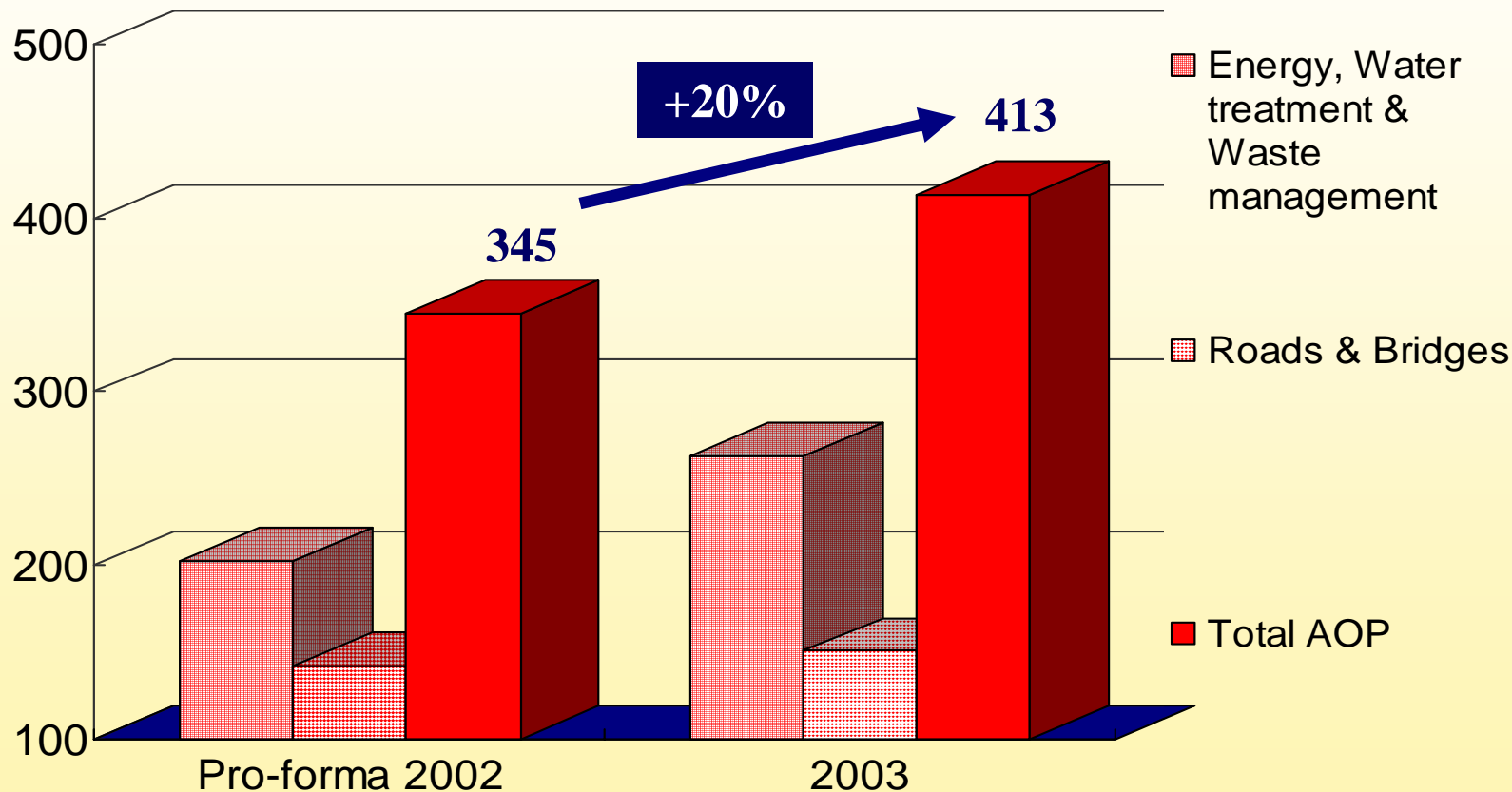
For the six months ended 31 December

Pro-forma

	2003 (HK\$M)	2002 (HK\$M)	Change +/- (%)
Facilities	<b>188.9</b>	157.5	20%
Contracting	<b>119.4</b>	134.8	(11%)
Transport	<b>36.0</b>	53.4	(33%)
Financial, Environmental & Others	<b>36.3</b>	22.5	61%
<b>TOTAL</b>	<b>380.6</b>	368.2	3%

# AOP - Infrastructure

(HK\$M)



For the six months ended 31 December

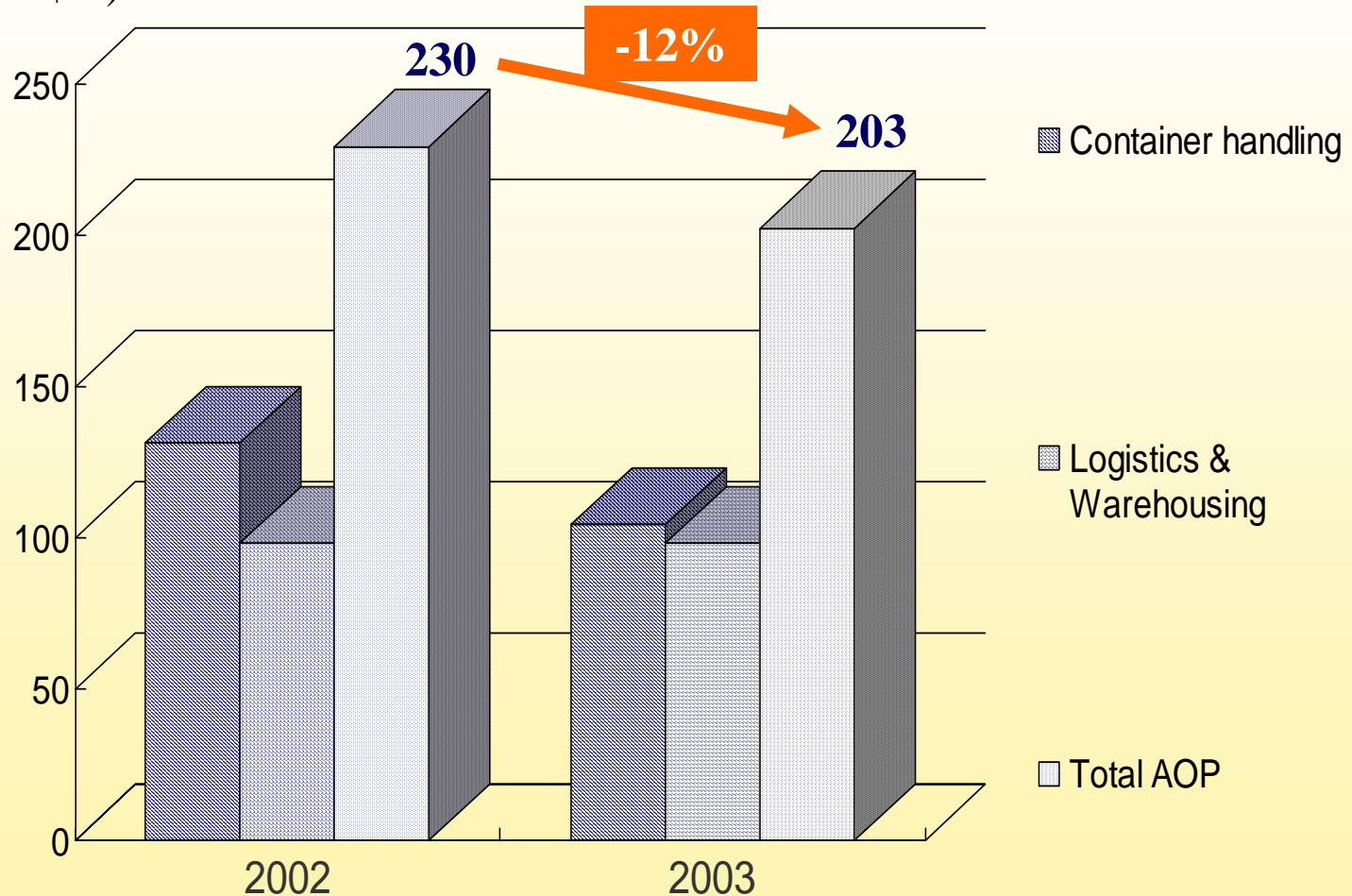
# AOP - Infrastructure

For the six months ended 31 December

	2003 (HK\$M)	Pro-forma 2002 (HK\$M)	Change +/- (-)%
Energy, Water treatment & Waste management	<b>262.6</b>	203.2	<b>29%</b>
Roads & Bridges	<b>150.8</b>	142.1	<b>6%</b>
<b>TOTAL</b>	<b>413.4</b>	<b>345.3</b>	<b>20%</b>

# AOP - Ports

(HK\$M)



For the six months ended 31 December

# AOP - Ports

For the six months ended 31 December	2003 (HK\$M)	2002 (HK\$M)	Change +/- (-)%
Container handling	<b>104.4</b>	<b>131.4</b>	<b>(21%)</b>
Logistics & warehousing	<b>98.2</b>	<b>98.2</b>	-
<b>TOTAL</b>	<b>202.6</b>	<b>229.6</b>	<b>(12%)</b>

# Operational Review

# Operational Review - Service

## Facilities



- HKCEC impressive growth
- Property Management, Cleaning, Security & Guarding deliver solid results
- Free Duty shops

## Contracting



- HK property market continues to be slow  $\Rightarrow$  margin is thin
- Expands into Mainland China market



# Operational Review - Service

## Transport



- Bus patronage returns to pre-SARS level
- Inner harbour & Macau ferry services perform stable

## Financial, Environmental and Others



- Tricor & Tai Fook Securities provide steady contribution

# Operational Review - Infrastructure

Steady recurring income from the 59 strong project portfolio

Energy	Roads and Bridges	Water treatment & Waste management
		
<ul style="list-style-type: none"> <li>➔ Zhujiang Power Station &amp; Macau Power are significant contributors</li> <li>➔ Zhujiang Power 22% growth in sales</li> <li>➔ Macau Power 7% growth in sales</li> </ul>	<ul style="list-style-type: none"> <li>➔ Steady Growth</li> <li>➔ Disposed of low-yielding projects</li> </ul>	<ul style="list-style-type: none"> <li>➔ Stable growth</li> <li>➔ Seeking expansion &amp; opportunities                             <ul style="list-style-type: none"> <li>• Qingdao &amp; Chongqing</li> </ul> </li> <li>➔ New project: Sanya</li> </ul>

# Operational Review - Ports

## CSX World Terminals HK (CT3)

環球貨櫃碼頭香港 (葵涌3號貨櫃碼頭)



→ 4% decline in throughput

## ATL Logistics Centre

亞洲貨櫃物流中心



→ Occupancy rate over 90%

# Operational Review - Ports

## Xiamen Xiang Yu Quay

廈門象嶼碼頭



- Merger enhances efficiency
- 39% growth in throughput to 281,000 TEUs

## CSX Orient (Tianjin)

天津東方海陸集裝箱碼頭



- Increase in AOP
- Throughput grows 16% to 578,000 TEUs

# Outlook – Service

## Facilities

- Strong business pick up at HKCEC
- More contracts in property management and cleaning

## Contracting

- HK construction market continues to be slow with thin margin
- Tap Mainland China market: stake in construction company
- Hunghom PSPS project poses new opportunity

## Transport

- Merryhill Group: a comprehensive transport services provider
- Improved profitability & enhanced operational efficiency
- NWFF(M): steady performance

# Outlook – Infrastructure

## Roads and Bridges

- Steady growth
- Benefits from rise in car ownership
- Divests low-yielding projects

## Energy

- Tariff pressure stabilized
- Demand & consumption continue to rise

## Water treatment and Waste management

- Mainland China water market : Spectacular growth in volume
- Government policy: privatization of water plants & upward adjustment of water tariffs

# Outlook – Ports

## Hong Kong

- CT3
  - Throughput drops and contribution declines
  - Tough when CT9 is operational 4Q/2004
- ATL Logistics Centre
  - Stable contribution

## Tianjin & Xiamen

- Strong growth in throughput
- Benefit from the strategic location & international trade

# New Investments

## Service - Facilities

- **Free Duty**
  - Duty free alcohol & tobacco sales in the airport & the ferry terminals at China HK City & Shun Tak Centre
  - Benefits from tourism recovery



# New Investments

## Service - Contracting

- **Strategic investment in China Construction Third Engineering Bureau Company Limited (中建三局建築股份有限公司)**
  - 10% stake for RMB56 million
  - Access to Super Grade qualification (特級建築牌)
  - Opportunity to acquire a 25% stake in one of its subsidiaries
  - Set up a wholly-owned construction company in Beijing
  - Contract value from Mainland China projects expects to grow

# New Investments

## Service - Transport

- **50% stake in Merryhill Group**
  - Restructuring completed in March 2004
  - NWSH net debt reduced by HK\$1.4 billion
  - Enhanced synergies
  - Route realignment improves profitability
- **Kunming bus services**
  - Started operation in Jan 2004
  - RMB72 million for 51% stake
  - 39 routes & approx. 700 buses

# New Investments

## Infrastructure

- **Sanya Water Treatment Project**
  - 25% stake for 30 years
  - the first concession granted to foreign investor for an entire city in Mainland China
  - Generates immediate profit contribution and positive cash inflow
  - Replicates the success model to other cities

# Corporate Strategies

- Consolidate businesses, sustain growth & seek expansion opportunities
- Divest low-yielding projects. Invest projects with higher return
- Pay dividends
  - Interim & Final
- Reduce debts
  - Target gearing below 45%
- Reward outstanding staff

# NWSH stock closing price (July – Mar 2004)

