

A JOURNEY OF EXCELLENCE

DEVELOP  
STRENGTH

OUTPERFORM

CREATE  
VALUE

TotalCaring Award 5 years+  
全面關懷大獎 2008/09  
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# FY2011 Annual Results

# New World Group Structure

新世界發展有限公司  
New World Development Company Limited  
(香港股份代號：17)  
(HK stock code: 17)

70%

新世界中國地產有限公司  
New World China Land  
Limited  
(香港股份代號：917)  
(HK stock code: 917)

**59.8%**

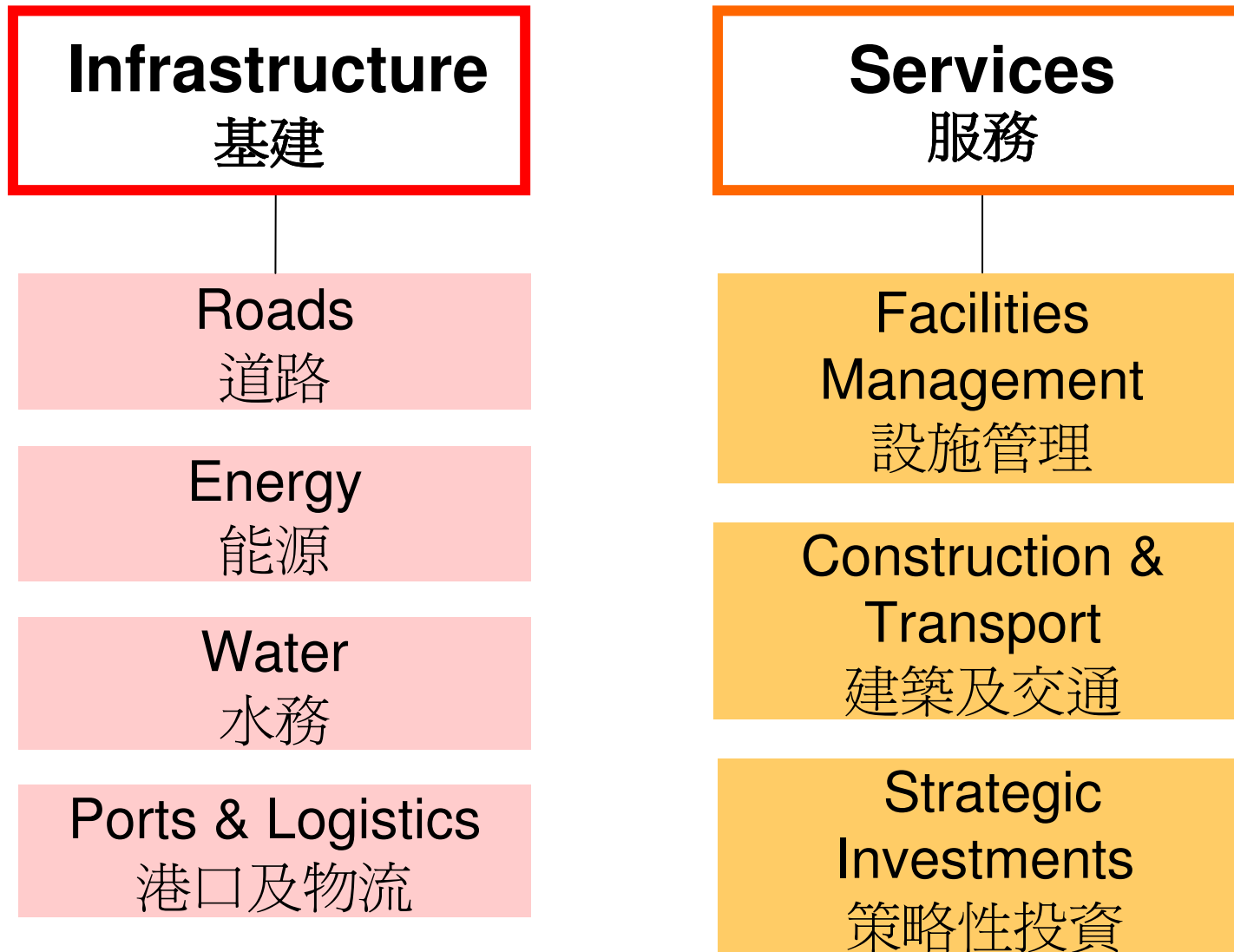
**新創建集團有限公司**  
**NWS Holdings**  
**Limited**  
(香港股份代號：659)  
(HK stock code: 659)

72.3%

新世界百貨中國有限公司  
New World Department  
Store China Limited  
(香港股份代號：825)  
(HK stock code: 825)

*(As at 30 June 2011)*

# NWS Corporate Structure



# Financial Highlights

Infrastructure

Services

Consolidated Financial Summary

For the year ended 30 June	2011 (HK\$'m)	2010 (HK\$'m)	Change + / (-)%
Core Earnings	4,056.2	3,384.1	20
Profit Attributable to Shareholders	4,626.8	4,011.7	15
Earnings per share	HK\$1.40	HK\$1.26*	11
Dividend per share	HK\$0.70	HK\$0.95	(26)
Net Assets	32,346.1	26,452.1	22

\*adjusted after bonus issue in FY2011

Infrastructure

Services

## Healthy Financial Position

- Total cash and bank balances: HK\$4.501 billion
- Net debt: HK\$2.162 billion
- Net gearing ratio: 7%

*(As at 30 June 2011)*

Infrastructure

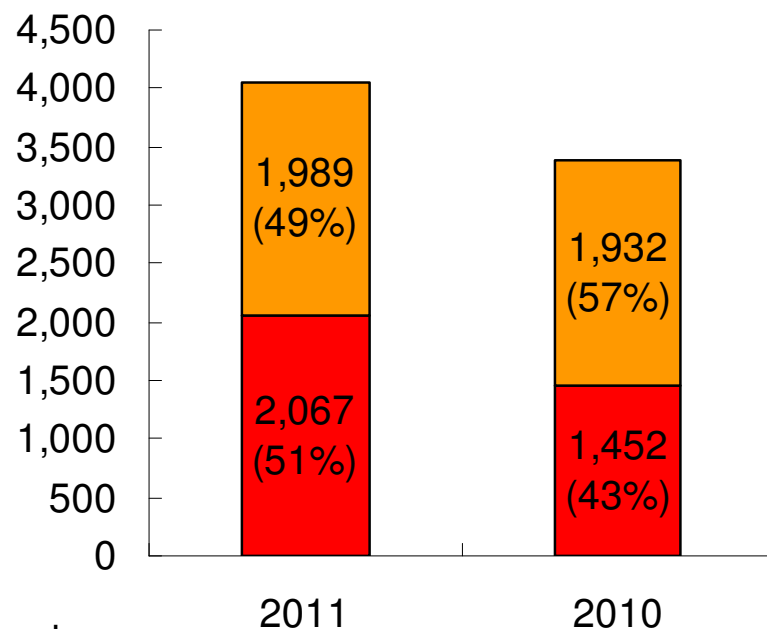
Services

## Core Earnings

For the year ended 30 June

### By Division

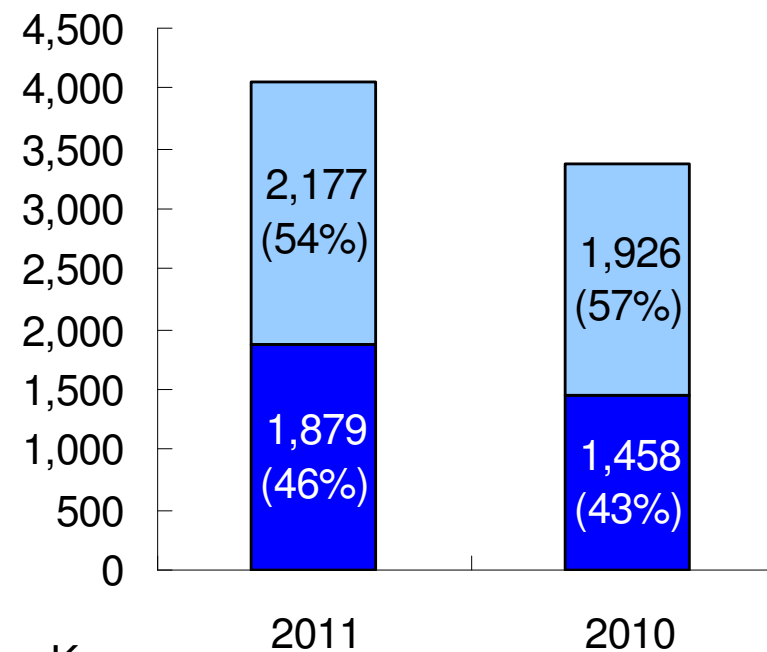
(HK\$'M)



■ Services  
■ Infrastructure

### By Region

(HK\$'M)



■ Hong Kong  
■ Mainland China & Macau & Others

## Infrastructure

Roads

Energy

Water

Ports & Logistics

### Core Earnings by Segment

For the year ended 30 June	2011 (HK\$'m)	2010 (HK\$'m)	Change % Fav./ (Unfav.)
Roads	1,134.9	520.6	118
Energy	352.4	420.0	(16)
Water	297.7	233.3	28
Ports & Logistics	281.9	278.0	1
Total:	2,066.9	1,451.9	42



## Services

Facilities Management      Construction & Transport      Strategic Investments

### Core Earnings by Segment

<b>For the year ended 30 June</b>	<b>2011 (HK\$m)</b>	<b>2010 (HK\$m)</b>	<b>Change % Fav./(Unfav.)</b>
Facilities Management	876.9	825.1	6
Construction & Transport	279.1	410.1	(32)
Strategic Investments	833.3	697.0	20
Total:	1,989.3	1,932.2	3

## Infrastructure

Roads



Energy



Water



Ports & Logistics



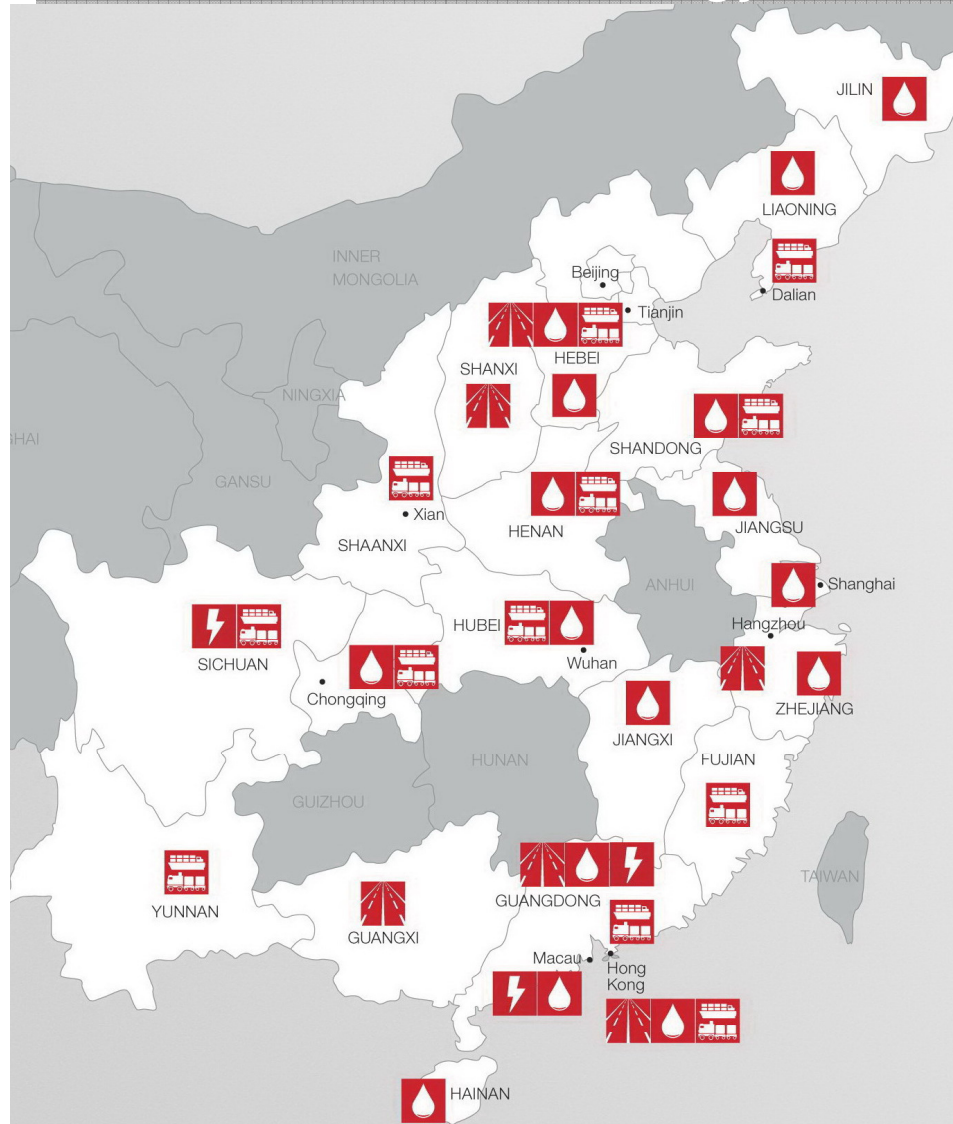
## Infrastructure





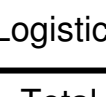
### Roads

### Energy

### Water

### Ports & Logistics



 Roads	20	Roads and related projects in Guangdong, Guangxi, Shanxi, Zhejiang and Tianjin
	1	Tunnel project in Hong Kong
 Energy	4	Power plants in Mainland China and Macau
	1	Coal distributor in Guangzhou
 Water	25	Water treatment 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 Mainland China
 Ports & Logistics	1	Strategic investment in Chongqing
	6	Port projects in Xiamen, Tianjin and Dalian
	3	Logistics centres in Hong Kong and Shenzhen
 Ports & Logistics	1	Rail container terminals project in Mainland China
	<b>Total</b>	<b>66</b> Projects and 1 strategic investment

**Infrastructure**

**Roads**

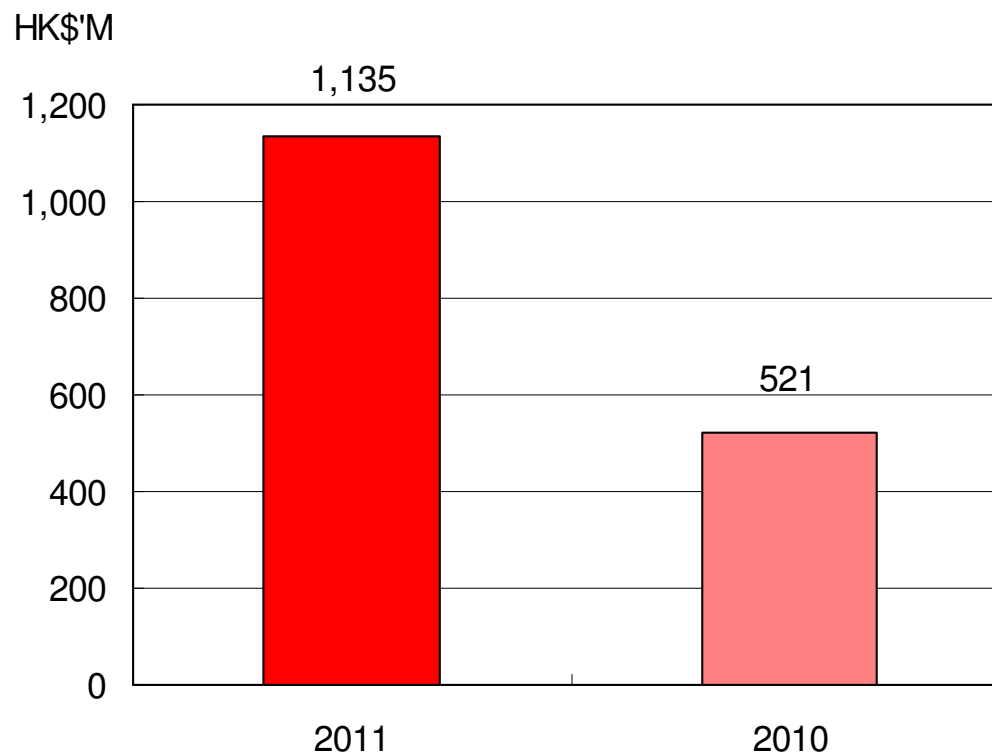
Energy

Water

Ports & Logistics

## Core Earnings - Roads

For the year ended 30 June



## Infrastructure

### Roads

### Energy

### Water

### Ports & Logistics

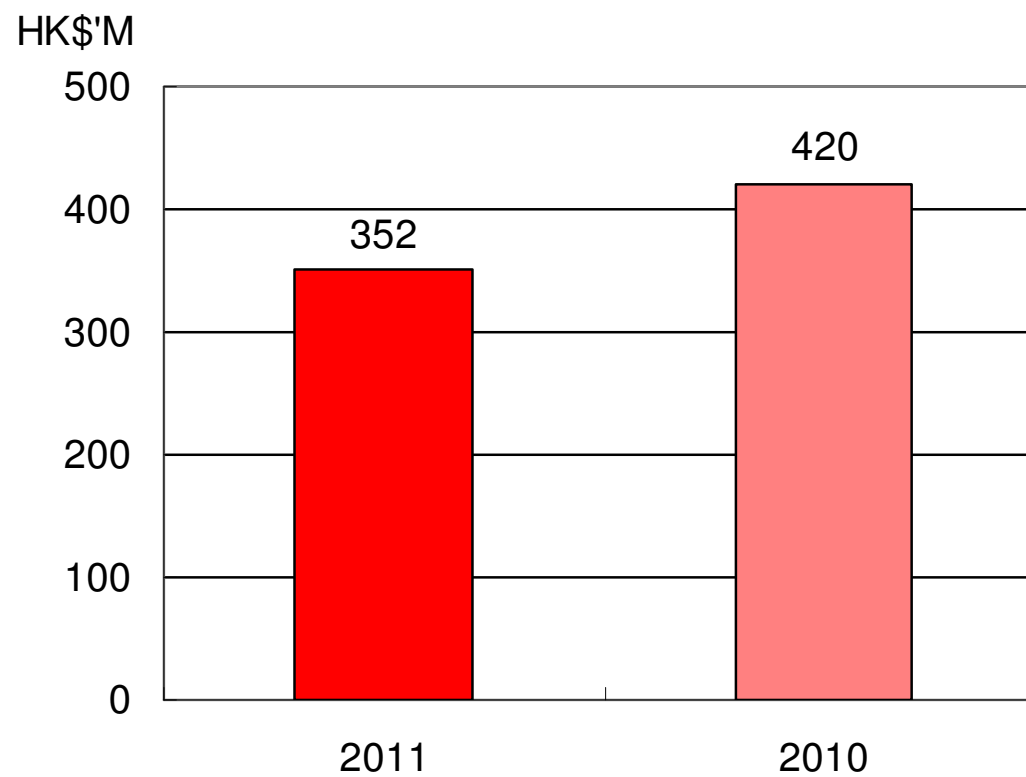
## Highlights – Roads

- Core earnings jumped by 118%
- Tangjin Expressway (Tianjin North Section) (唐津高速公路(天津北段)) average traffic flow up 35% plus an extra profit distribution of HK\$387.5M
- Traffic volume of Guangzhou City Northern Ring Road (廣州市北環高速公路) recovered after completion of major repair and maintenance
- Pearl River Delta projects recorded an increase in average daily traffic volume
  - Shenzhen–Huizhou Expressway (深圳惠州高速公路) grew by 31%
  - Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) (京珠高速公路(廣珠段)) up 9%
  - Guangzhou-Zhaoqing Expressway (廣肇高速公路) up 29%
- 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

Core Earnings - Energy  
For the year ended 30 June



## Infrastructure

Roads

Energy

Water

Ports & Logistics

### Highlights – Energy

- Core earnings declined by 16% mainly due to rising coal prices
- Zhujiang Power Plants (珠江電廠)
  - Electricity sales dropped by 2%, mainly due to lower demand during the Asian Games period
  - Fuel cost rose by 14%
- Electricity sales of Chengdu Jintang Power Plant (成都金堂電廠) up 8%
- Macau Power (澳門電力)
  - Electricity sales up by 3%
  - Concession contract renewed in November 2010 for 15 years till 2025

**Infrastructure**

Roads

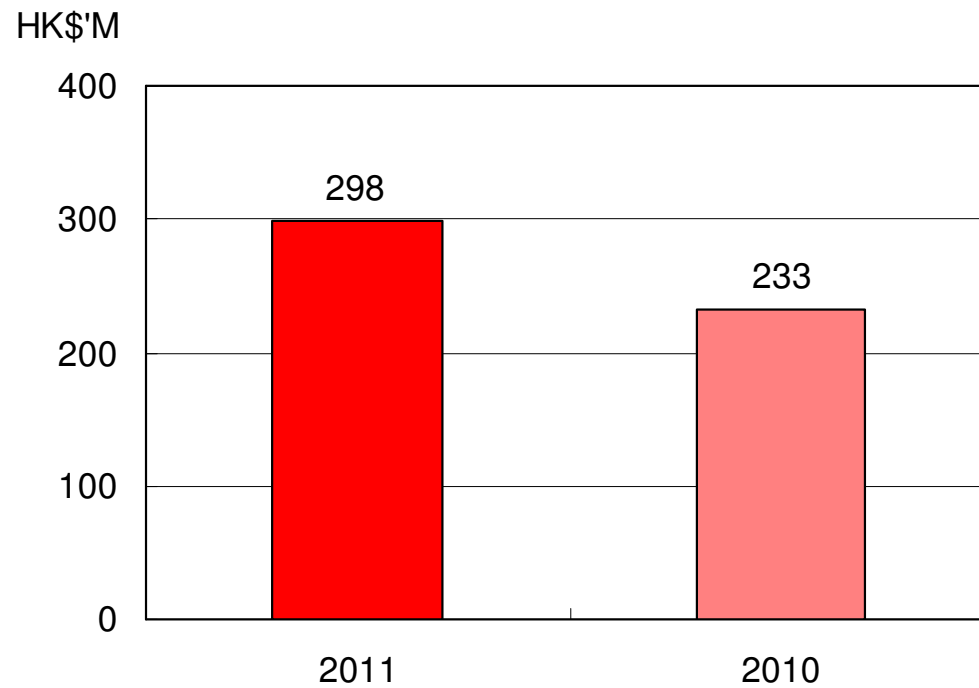
Energy

**Water**

Ports & Logistics

**Core Earnings - Water**

For the year ended 30 June





## Infrastructure

Roads

Energy

Water

Ports & Logistics

### Highlights – Water

- Core earnings represented a strong growth of 28%
- Water sales revenue benefitted from the tariff hikes of several water plants in 2010
- Recorded healthy water sales volume growth:
  - Zhongshan Dafeng/Quanlu Water Plants (中山大豐/全祿水廠) up 8%
  - Changshu Water Plant (常熟水廠) up 6%
  - Chongqing Water Plant (重慶水廠) up 14%
- Contribution from Chongqing Water Group (重慶水務集團) grew by 26% (NWS effective interest 6.72%)

## Infrastructure

Roads

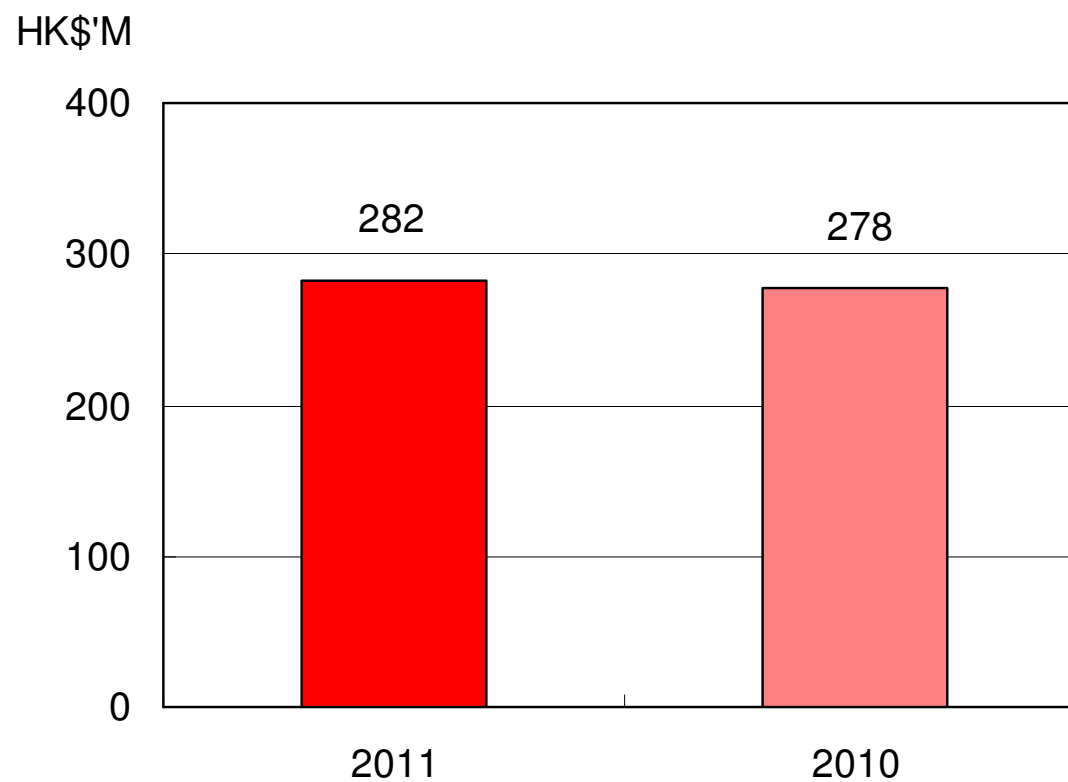
Energy

Water

**Ports & Logistics**

### Core Earnings – Ports & Logistics

For the year ended 30 June



## Infrastructure

Roads

Energy

Water

Ports & Logistics

### Highlights – Ports & Logistics

- Core earnings maintained at similar level
- Xiamen New World Xiangyu Terminals (廈門象嶼新創建碼頭)
  - Throughputs increased by 3% to 774,000 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
  - 96% occupancy

## Infrastructure

Roads

Energy

Water

Ports & Logistics

### Highlights – Ports & Logistics (continued)

#### China Rail Container Terminals Project (CUIRC)

- NWS holds 30% effective interest
- 18 pivotal rail container terminals in 18 major cities in Mainland China
- 8 operational terminals of phase 1 development formed a network covering both coastal ports and inland regions in Central China



- **Terminal under operation**
  - Kunming (昆明)      Dalian (大連)
  - Chongqing (重慶)      Qingdao (青島)
  - Chengdu (成都)      Wuhan (武漢)
  - Zhengzhou (鄭州)      Xian (西安)
  - Shanghai (上海) *(To be injected by MOR  
尚待鐵道部注入)*
- **Terminal under construction preparation**
  - Tianjin (天津)      Harbin (哈爾濱)
- **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 Xian commenced operations in FY2011
- Scale of operation and operational efficiency continue to develop within existing network
- Remarkable throughput growth:



	FY2011	FY2010	Growth %
Aggregate throughput (TEUs)	1,255,000	366,000	243%
<i><b>Major contributors:</b></i>			
Kunming	338,000	267,000	27%
Chongqing	220,000	99,000	122%
Chengdu	413,000	--	--

## Services

Facilities Management   Construction & Transport   Strategic Investments

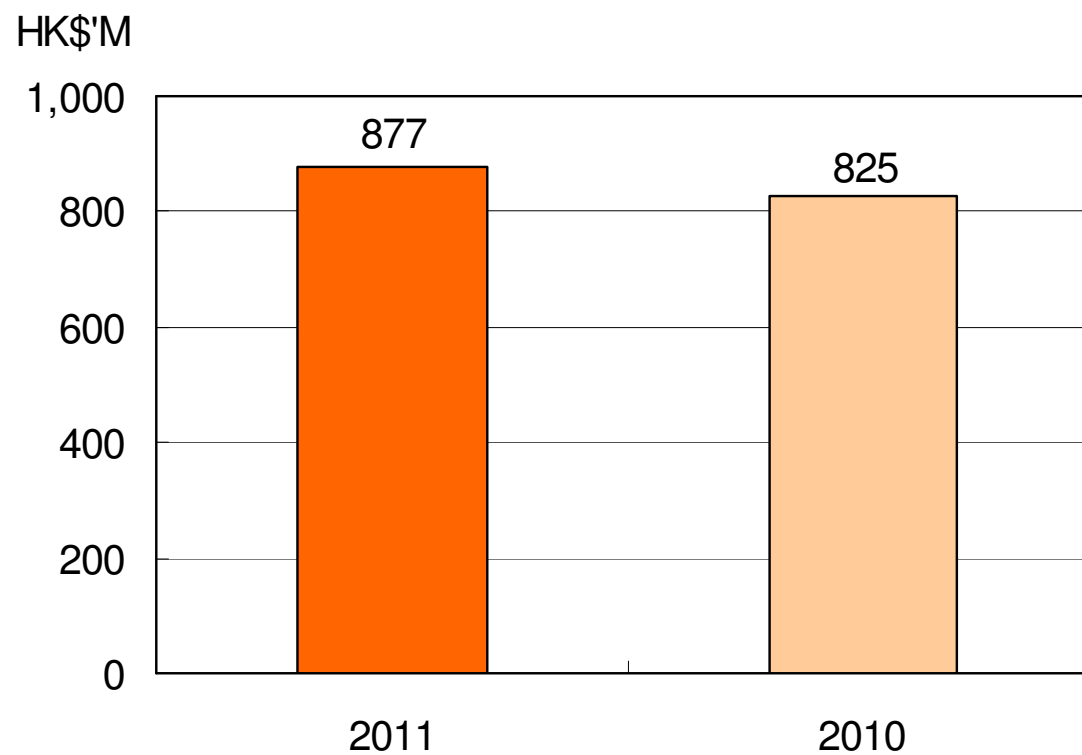


Services

Facilities Management Construction & Transport Strategic Investments

## Core Earnings – Facilities Management

For the year ended 30 June



## Highlights – Facilities Management

- Better performance by Free Duty due to robust growth of visitors from Mainland China
  - Traveller volume through Lo Wu, Lok Ma Chau and Hung Hom reached 126 million in FY2011 (up 6%)
  - Increase in individual traveller's spending
  
- HKCEC recorded solid performance
  - 1,235 events were held with total patronage approximately 6 million (up 4% and 25% respectively)
  - Most recurrent international trade exhibitions recorded growth in gross exhibition space and increase in the overall attendance



Services

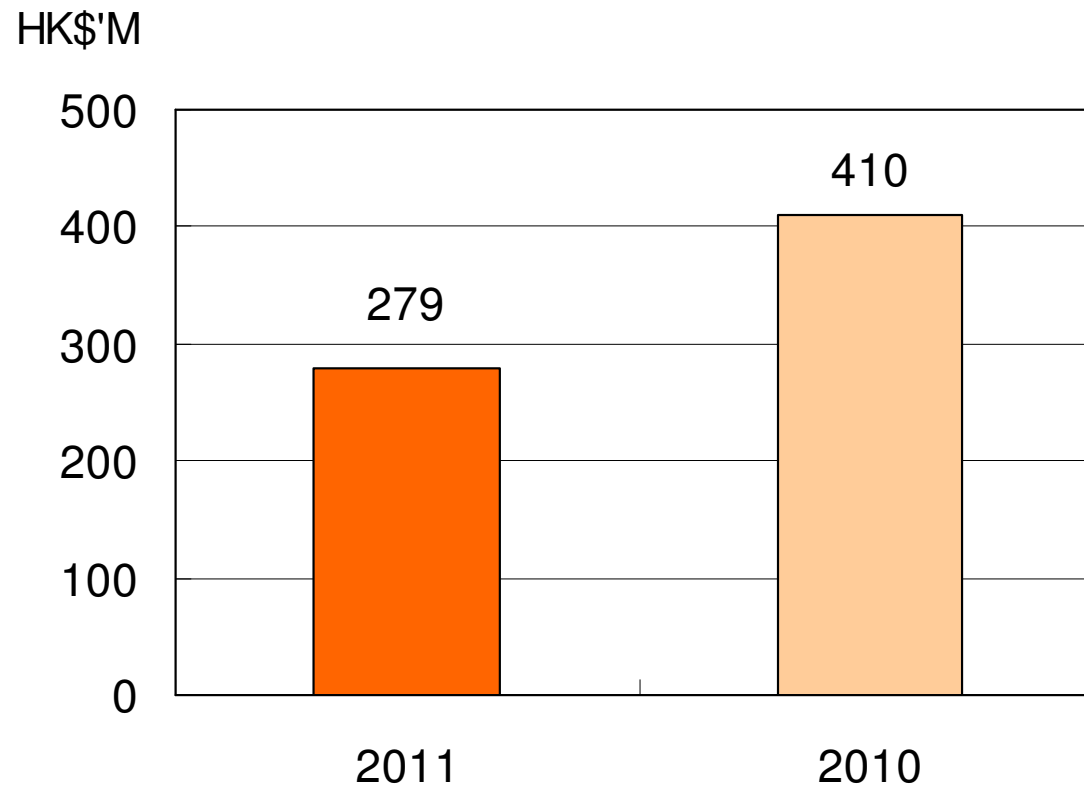
Facilities Management

Construction & Transport

Strategic Investments

## Core Earnings – Construction & Transport

For the year ended 30 June



## Services

Facilities Management

**Construction & Transport**

Strategic Investments

### Highlights – Construction & Transport

- Core earnings decreased by 32%
- Construction
  - Lower income due to absence of profit from NWS Engineering and projects suffering from high material costs
  - Gross contract-on-hand: HK\$20.1 billion\*
  - Remaining value: HK\$13.2 billion\*
- Transport
  - Increasing fuel cost continued to affect profitability

*(\*As at 30 June 2011)*

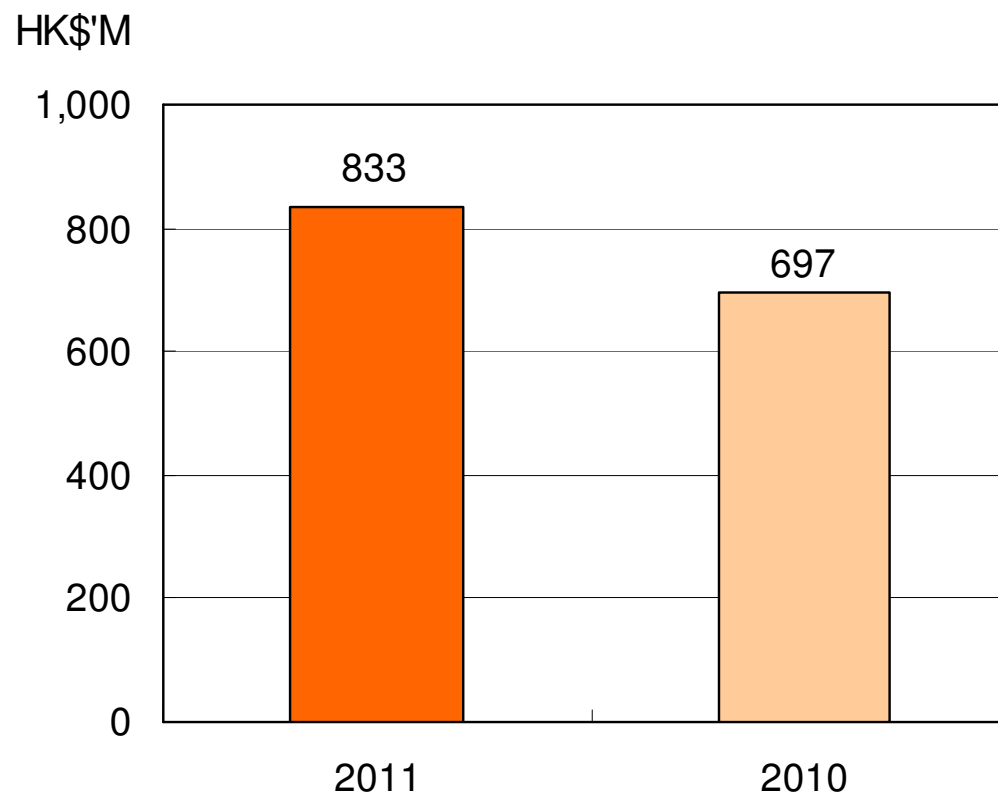
Services

Facilities Management Construction & Transport

Strategic Investments

Core Earnings – Strategic Investments

For the year ended 30 June



## Services

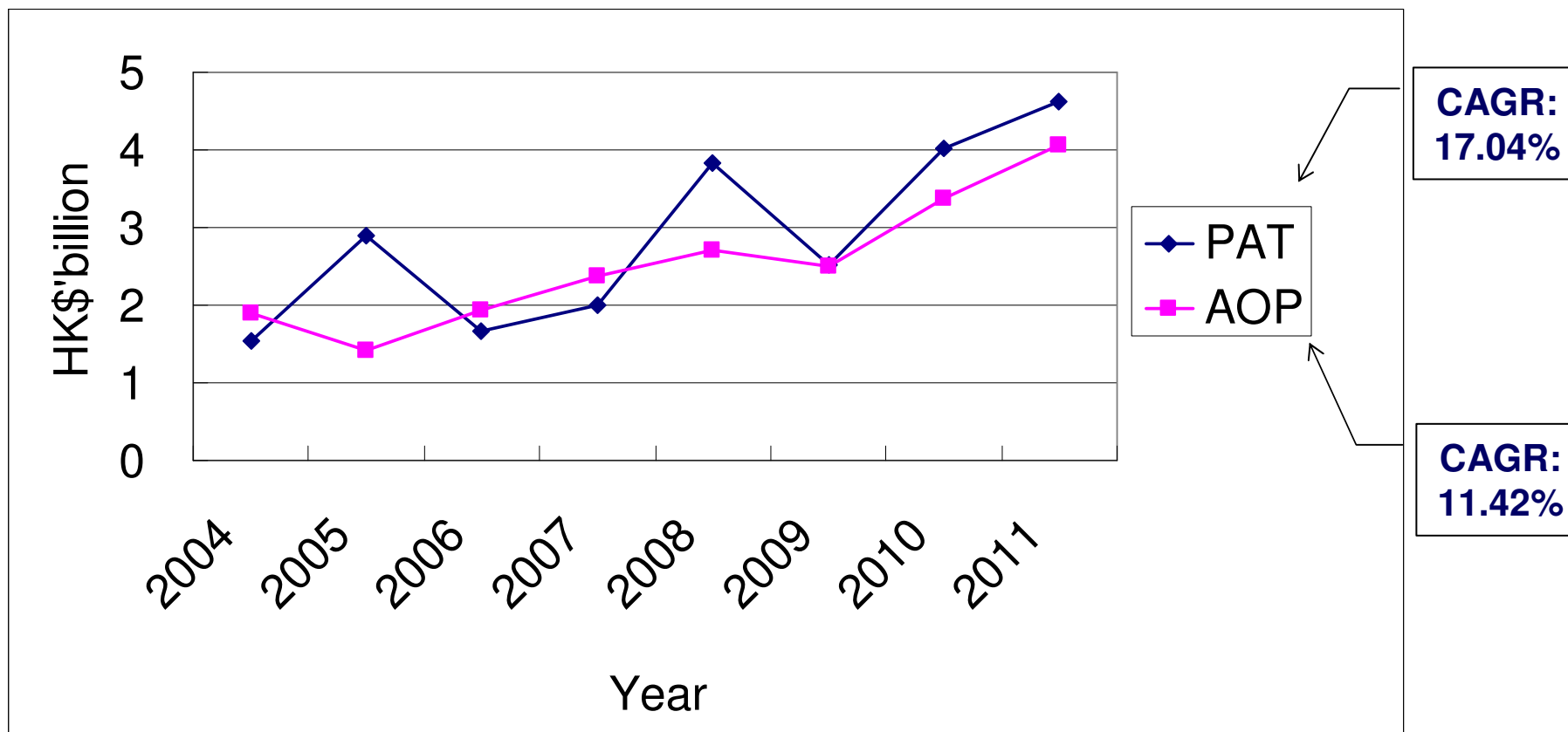
Facilities Management Construction & Transport

**Strategic Investments**

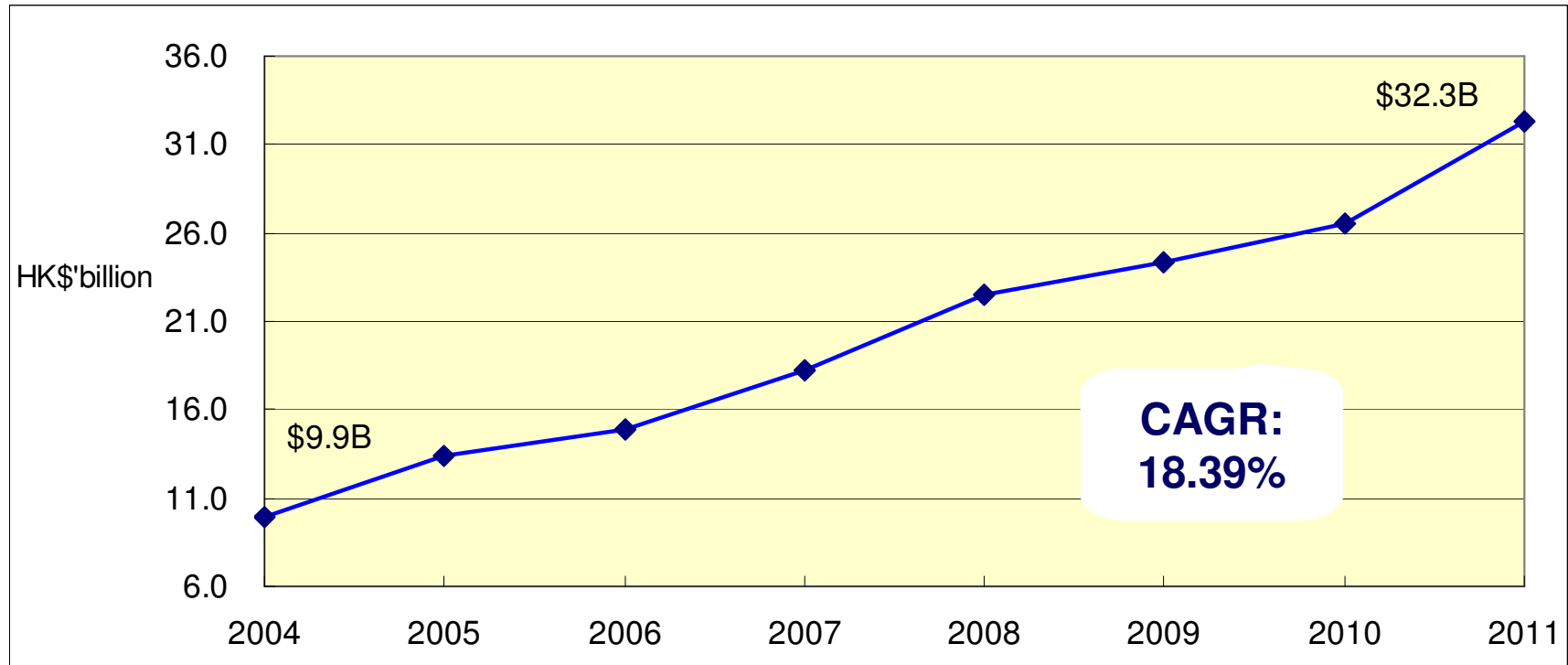
### Highlights – Strategic Investments

- “Financial Services” segment was renamed “Strategic Investments” to reflect the business nature
- AOP rose by 20%
- Included profit contributions from Tricor Holdings Limited (NWS’s share 24.4%), Haitong International Securities (NWS’s share 9%) and disposal of certain strategic investments, mainly China Everbright and AIA

# PAT & AOP



# Net Assets



## Infrastructure

## Services

### Future Growth

#### Roads

- Acquisition of Hangzhou Ring Road (杭州繞城公路) in FY2012 (58.66% effective interest)
- Tangjin Expressway (Tianjin North Section) (唐津高速公路(天津北段)) expansion will commence in FY2012

#### Water

- Continue to explore opportunities for investing in waste water and sludge treatment projects

**Infrastructure**

**Services**

<b>Project name</b>	<b>Share-holding</b>	<b>Status</b>	<b>Operational data (Daily treatment capacity)</b>
Chongqing CCIP Water Treatment Plants (重慶長壽化學工業區水處理廠)	25.52%	Operational	<ul style="list-style-type: none"> <li>• Industrial water: 120,000m<sup>3</sup></li> <li>• Waste water: 40,000m<sup>3</sup></li> </ul>
Suzhou Industrial Park Sludge Treatment Plant (蘇州工業園污泥處理廠)	24.5%	Operational	<ul style="list-style-type: none"> <li>• Sludge: 300 tonnes</li> </ul>
Wuhan Chemical Industry Park Waste Water Plant (武漢化工區污水廠)	21.5%	Planning	<ul style="list-style-type: none"> <li>• Waste water: 10,000m<sup>3</sup></li> </ul>



## Infrastructure

## Services

### Future Growth (continued)

#### Ports & Logistics

- Xiamen Haicang Xinhaida Container Terminals (廈門海滄新海達集裝箱碼頭) operational in September 2011
- China Rail Container Terminals Project (CUIRC) is developing strongly
- NWS Kwai Chung Logistics Centre
  - Total leasable area of approximately 920,000 sq. ft
  - Entire warehouse leased to one logistics company for 5 years

## Future Growth (continued)

### **HKCEC**

- Full utilization of the Atrium Link Extension and multi-purpose venues through upgrading works
- Growth of exhibition and convention businesses

### **Free Duty**

- Robust growth in traffic volume
- Increase spending per passenger

### **Newton Resources (Strategic Investments)**

- Listed on HKSE on 4 July 2011
- NWS interest diluted to 48%
- Expansion plan for commercial production in progress

## Summary

- Record breaking results with core earnings up by 20%
- Stable organic growth in core businesses
- Hangzhou Ring Road is the most significant acquisition which will bring substantial value to our portfolio

## Summary (continued)

# Hangzhou Ring Road

### ■ Overview

- 103.4km in length
- Commenced operation in 2005 with concession rights till 2029
- Exceeds 100,000 vehicles per day
- Annual toll revenue exceeds RMB1.5 billion

### ■ Investment

- HK\$5.1 billion consideration for 58.66% effective interest
- Option to acquire a further 31.5% effective interest for HK\$2.8 billion
- Total consideration in excess of HK\$7.8 billion for an effective interest of 90.16%



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Q & A