



Infrastructure

- Kwai Chung Container Terminal No.3

One of the most efficient container terminals in Hong Kong in terms of throughput per berth and average crane productivity.

New World Infrastructure, the Group's 61% owned and listed infrastructure arm, contributed a profit attributable to shareholders of HK\$15.1 million, a 98.8% decrease over the last corresponding period due to the loss on the disposal of its H-Share investment portfolio and provisions made on the value of e-infrastructure/technology investments. Through the timely disposal of under-performing assets and operational restructuring, NWI is ready to tackle new opportunities with an improved asset quality. In view of China's imminent accession to WTO and the ongoing growth of the PRC economy, next year NWI is expected to return to a normal growth rate for traditional infrastructure projects and significant headway is expected to be made in terms of e-infrastructure/technology projects.

Road & Bridge Segment

The Profit for the Road and Bridge Segment decreased 22.9% to HK\$418.5 million mainly due to the reduced profit contribution from Guangzhou City Northern Ring Road, the largest single contributor to NWI, and the withdrawal from the Guangzhou Three New Bridges project in January 2001.

Of the 31 road projects in operation, 22 experienced stable or increased traffic flow compared to FY2000. GNRR, which remains the dominant profit contributor in this segment, suffered a traffic flow drop due to temporary traffic redirection and closure of certain sections of connecting roads. These in turn were caused by construction of the Inner Ring Road and New Airport Expressway.

The drop in profit contribution from the Road Segment was also due to the disposal of Jiangsu Expressway and Sichuan Expressway during the year. It was, however, partly offset by the outstanding performance of Tangjin Expressway and Tate's Cairn Tunnel. Profit from Tangjin Expressway grew by 58% as average daily traffic flow increased by 35% since the Phase II commenced its operation in January 2001. Meanwhile, profit from Tate's Cairn Tunnel increased by 131% after the toll increase in January 2000.

Cargo Handling Segment

Profit of the Cargo Handling Segment decreased by 9.6% to HK\$242.4 million, mainly due to NWI's reduced effective interest in the port projects after its injection of these projects into the listed Pacific Ports Company Limited in March 2000.

The port and cargo-handling operations of PPC encompass the regions of North, East and South China. The greatest activity is in the southern ports of Hong Kong, Xiamen and Yantian in Shenzhen, while the Port of Tianjin serves the industrialised northern hinterland surrounding Beijing.

Almost all segments of China operations expanded. Sea-Land Orient (Tianjin) Container Terminals Company Limited reported a higher earning on a rise in throughput of 767,000 TEUs, a 22% increase over the same period last year. Xiamen Xiangyu Quay Company Limited also achieved an improved result, whereas Xiamen Xinyuan Container Terminal Company Limited reported a profit, compared to a loss in the previous year. Xiamen New World Xiangyu Warehouse & Processing Zone Limited commenced construction of a regional logistics centre.

PPC's businesses in Hong Kong include CSX World Terminals Hong Kong Limited (formerly Sea-Land Orient Terminals Limited) and ATL Logistics Centre Hong Kong

from left to right:

- **CSX World Terminals Hong Kong Limited.**
One of Hong Kong's most active container terminal operators.
- **ATL Logistics Centre**
The world's first and largest intelligence multi-storey drive-in cargo logistics centre enable all cargo handling activities to be accommodated in a single facility.



Limited (formerly Asia Terminals Limited) at Kwai Chung Container Terminal No.3. Throughput volume of CSXWT Hong Kong increased by around 5% to 1.74 million TEUs. Occupancy rate at ATL remained stable at 93% for FY2001.

Energy and Water Treatment Segment

Due to disposal of the stake in Beijing Datang Power Generation Company Limited for cash proceeds of HK\$1,258 million in February 2001, the total profit from the Energy and Water Treatment Segment dropped by 1.5% to HK\$530.4 million in FY2001.

During the year, NWI operated 5 power plants in China and Macau, with a total capacity of 1,879.2 MW. Sino-French Holdings (Hong Kong) Ltd., a 50/50 joint venture with Suez Lyonnaise des Eaux S.A., holds a 40.65% interest in Companhia de Electricidade de Macau-CEM, SA, a power company that has exclusive rights to supply electricity to Macau for a 25-year period ending in 2010.

In FY2001, the major profit contributors in this segment were Zhujiang Power Station Phase I & Phase II, from which combined electricity sales grew by 29.6%. Both CEM in Macau and Qianwei Dali Power Plants in Sichuan Province



maintained stable growth during the year with outputs increasing by 1.8% and 3.7% respectively. Shunde De Sheng Power Plant was the only one to report a fall in power generation due to a two-month closing of the plant for regular maintenance.

Through its stake in Sino-French, NWI also holds an interest in one water treatment plant in Macau, nine water treatment plants and a water micro-filtration equipment manufacturing plant in China, as well as an attributable interest of 4.3% in Shenyang Public Utility Holdings Co. Ltd. Except for Lianjiang Water Plant and newly contracted Zhengzhou Water Plant, all projects and strategic investment were operational in FY2001.

e-Infrastructure/Technology Segment

NWI invests in a number of mobile communications, data transmission, multimedia, and Internet companies. This e-infrastructure/technology Segment is a key component of the NWI drive to produce long-term value. Though this segment has not produced a major profit contribution, technology investment, most notably chinadotcom, has generated capital gains. Having taken provisions on non-performing technology ventures, NWI is left with promising companies with revenue-producing potential.

from left to right:

- **Zhujiang Power Stations**

One of the most efficient plants in Guangzhou and composed four 300MW coal-fired power generations.

- **Macau Water Plant**

Providing high quality water and healthy life to Macau residents everyday.



Outlook

Recent economic and political events will take a toll on the global economy and Greater China will not be immune. However, its economic prospects remain bright and they are set to improve further following WTO accession.

During this era of volatility, NWI is focusing on the creation of shareholder value and its ability to create value is predicated on the success of commercial applications for e-infrastructure/technology and the growing recurring income that basic infrastructure generates. This fundamental dynamic, combined with prudent management and a strong financial position, are key to NWI.

