

Consolidated Profit & Loss Account

	FY2001 HK\$m	FY2000 HK\$m
Turnover (net of intra-group transactions)		
- Rental income	1,507.6	1,636.5
- Property sales	4,898.4	1,823.0
- Construction & engineering	7,198.0	7,420.3
- Hotel & restaurant operations	2,571.8	2,360.9
- Infrastructure operations	788.1	719.4
- Telecommunication services	2,922.8	2,879.0
- Others	4,495.7	3,696.1
1 Total turnover	24,382.4	20,535.2
2 Operating profit before interest	2,033.2	2,638.6
3 Financing income	912.7	817.5
3 Financing costs	(2,451.2)	(2,302.6)
4 Share of results of associated companies & JCE	885.5	774.2
Profit before taxation	1,380.2	1,927.7
Taxation	(494.9)	(567.2)
5 Minority interests	(664.8)	(1,145.5)
6 Profit attributable to shareholders	220.5	215.0
7 Dividends	425.7	424.5

Consolidated Balance Sheet

	30 June 2001 HK\$m	30 June 2000 HK\$m
Assets		
8 Investment properties & hotels	26,881.3	26,736.6
9 Toll roads, bridges & port facilities	5,974.4	5,615.5
10 Land & buildings, assets under construction & other fixed assets	13,227.2	12,204.2
Associated companies	7,086.3	7,602.1
Jointly controlled entities	25,524.9	27,735.4
Other investments	7,795.6	9,945.3
Long term receivables	539.4	473.9
11 Cash & bank balances	9,809.6	6,369.1
12 Other net current assets	9,161.5	13,617.4
	106,000.2	110,299.5
Shareholders' Equity & Long Term Liabilities		
Share capital	2,134.0	2,114.1
Share premium	19,047.4	18,860.6
Other reserves	21,140.5	21,574.6
Retained profits	15,112.7	15,658.8
Shareholders' funds	57,434.6	58,208.1
Minority interests	17,407.7	17,298.7
13 Mandatorily convertible bonds	1,162.2	1,162.2
Long term liabilities	29,970.9	33,611.9
Deferred taxation	24.8	18.6
	106,000.2	110,299.5

Consolidated Cash Flow Statement

	FY2001 HK\$m	FY2000 HK\$m
14 Net cash inflow from operations	3,037.7	2,015.4
Interest received	912.7	817.5
Interest paid	(2,438.4)	(2,544.5)
Dividends received from associated companies, JCE & other investments	1,011.5	1,459.7
Dividends paid & dividends paid to minority shareholders	(537.3)	(492.6)
Tax paid	(245.0)	(263.4)
Purchase of fixed assets	(2,677.7)	(2,396.1)
Increase in investment in associated companies, JCE & other investments	(1,731.8)	(5,090.5)
Acquisition of subsidiaries & additional interests in subsidiaries	(653.8)	(1,154.3)
Other cash inflow from investing activities	3,093.9	3,069.8
15 Net cash inflow from financing activities	1,690.0	6,808.7
Net increase in cash & cash equivalents and effect of foreign exchange rate changes	1,515.3	2,258.1
Cash & cash equivalents at year end	6,986.8	5,471.5

- 1** The Group's turnover increased by 18.7% over the previous year, mainly due to the increased property sales at around HK\$4,800 million (covering the sales of the high block of Grand Millennium Plaza, Dragon Pride and Rhythm Garden). The business divisions of services, hotel and restaurant operations and infrastructure operations achieved growths in turnover, which was partly offset by the reduced rental income as a result of the renovation of New World Centre Shopping Mall.
- 2** Despite an increased turnover, the Group's operating profit before interest dropped by HK\$605.4 million to HK\$2,033.2 million mainly because of the loss on the disposal of the H-Share investment portfolio (HK\$396.2 million), provisions made on some property projects (HK\$545.7 million) and e-infrastructure/technology investments (HK\$241.9 million). The drop in operating profit has been mitigated by the gains on disposal of interests in New World CyberBase (HK\$121.2 million) and Guangzhou Three New Bridges Project (HK\$99.4 million), as well as the provisions written back on a property development project (HK\$231.0 million).
- 3** The Group's net financing costs increased by 3.6% to HK\$1,538.5 million in FY2001, leading to a lower interest cover at 1.1 times (FY2000: 1.3 times). Meanwhile, HK\$175.2 million has been capitalised in this year.
- 4** Share of results of associated companies and JCE increased by 14.4% to HK\$885.5 million in FY2001, even with a larger attributable loss from New World CyberBase, as well as a reduced contribution from Beijing Datang Power Generation Company Limited as a result of the share disposal in February 2001. Such an encouraging result was mainly due to the improved property sales in China and Hong Kong and contributions from associated companies acquired during the year.
- 5** Minority interests decreased by 42.0% in this year, mainly because of the 98.8% drop in profit attributable to shareholders from New World Infrastructure.
- 6** Details are shown in the section of "Analysis of Group's Attributable Operating Profit".
- 7** The Board recommended a final dividend of 10 cents per share. Together with the interim dividend of 10 cents per share, total dividend for the FY2001 would be 20 cents per share (FY2000: 20 cents per share).
- 8** The rental market remained steady in FY2001, there is no material change in the valuation of the Group's investment properties and hotel properties for the year under review.
- 9** More toll roads, bridges and port facilities were completed during the year.
- 10** Construction progress achieved by the property developments and acquisitions of infrastructure projects accounted for most of the asset growths. Meanwhile, the expanded bus and ferry fleets and depots held by the New World Services, coupled with increasing inputs for telecommunications network improvement, also led to the rise in fixed assets.
- 11** The Group has disposed of the under-performing assets during the year and a total of HK\$3,760.0 million was generated through the disposal of the three bridges in Guangzhou and most of the H-share portfolio. As such, the Group's cash position as at 30 June 2001 amounted to HK\$9,809.6 million, a surge of 54% from last year.
- 12** The Group's liquidity remained acceptable with a current ratio at 1.8 times (FY2000: 2.1 times). For details, please refer to the section of "Liquidity and Capital Resources".
- 13** At year-end, US\$150 million mandatorily convertible bonds, which will be mandatorily converted into New World Infrastructure shares on 30 April 2002, remained outstanding.
- 14** Even with the lower operating profit, the Group's net cash inflow from operating activities increased by HK1,022.3 million to HK\$3,037.7 million mainly because of more property sales and the provisions, which eroded the Group's profit for this year, were the non-cash items.
- 15** The Group's net cash inflow from financing activities. For details, please refer to the section of "Liquidity and Capital Resources".