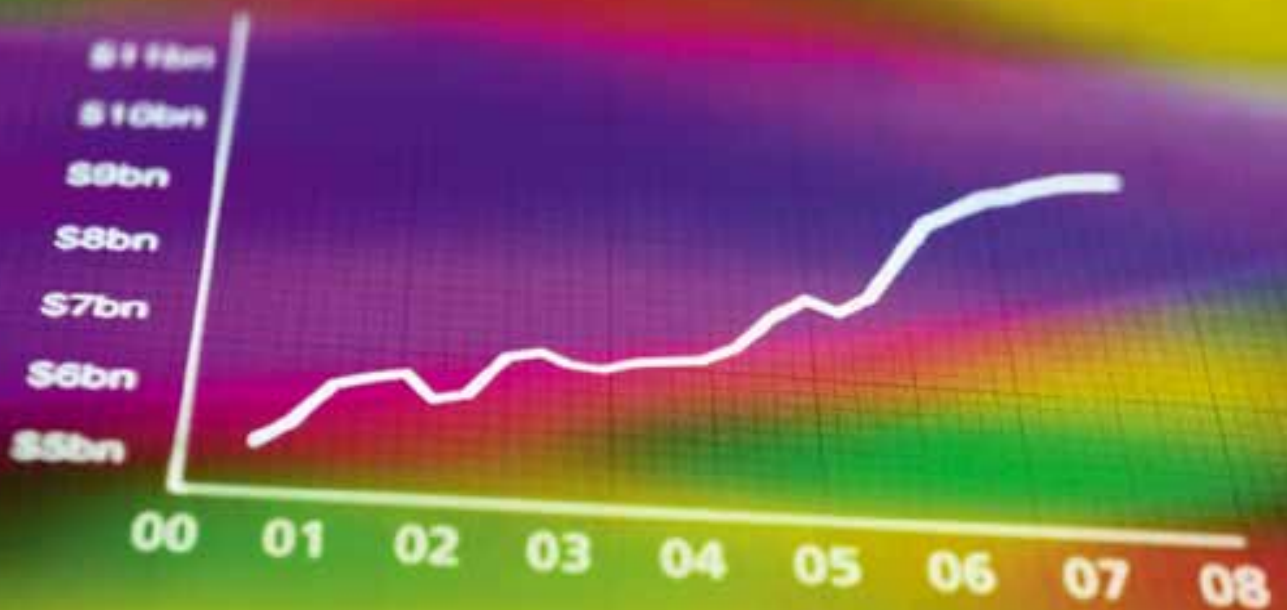


Room to GROW



Telecommunications, Media and Technology promises to be a key revenue driver and capital gains provider in the coming years.

FINANCIAL OVERVIEW

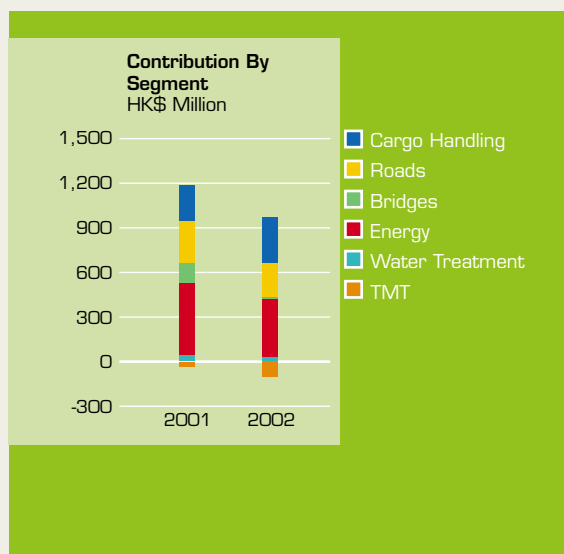
In the fiscal year ended 30 June 2002, New World Infrastructure Ltd. ("NWI"), affected mainly by the following three factors, recorded a loss of HK\$148.4 million as compared to the prior year's HK\$94.1 million (as restated due to the impairment losses on goodwill taken to reserves previously). Firstly, Attributable Operating Profit ("AOP") decreased HK\$283.7 million to HK\$874.2 million. The reduction in AOP came mainly from the Bridge Segment and Energy Segment, which together accounted for HK\$404.4 million in AOP in FY2002 as compared to HK\$618.9 million in FY2001. The attributable operating loss of TMT Segment, on the other hand, amounted to HK\$102.4 million, an increase of HK\$69.1 million over FY2001.

Secondly, non-recurring items comprising mainly impairment losses and provision for diminution in value of certain investments amounted to HK\$331.1 million. These non-recurring losses were offset by the profit on disposal of a 9.75% effective interest in Asia Container Terminals Limited, the joint-developer of Container Terminal No. 9, which amounted to HK\$135.5 million.

Thirdly, provision for redemption premium of the 1% convertible bonds due 2003 ("1% CB") set aside in the year and on average high borrowing caused overall financing costs to increase by HK\$32.6 million despite a much lower interest rate environment. According to the terms of the 1% CB, the bonds will be redeemed at 143.4% of their principal amount. For this reason, a provision of HK\$220.9 million premium was made in FY2002.

CONTRIBUTION BY SEGMENT			
	2002 HK\$'000	2001 HK\$'000	Change %
Cargo Handling	306,673	242,380	27%
Roads	231,245	285,595	-19%
Bridges	11,056	132,930	-92%
Energy	393,384	485,971	-19%
Water Treatment	34,250	44,384	-23%
TMT	(102,363)	(33,320)	207%
Attributable Operating Profit	874,245	1,157,940	-24%
Head Office Items			
Amortisation of deferred expenditure	(30,657)	(32,817)	-7%
Convertible bonds interest	(236,331)	(131,154)	80%
Other interest expense	(480,167)	(552,794)	-13%
Interest income	42,235	209,632	-80%
Interest capitalised	15,017	34,755	-57%
Gain on repurchase of convertible bonds	-	1,772	-100%
Net gain/(loss) on disposal of investments	135,515	(315,703)	143%
Impairment losses and provisions	(331,123)	(338,543)	-2%
Other overheads	(137,098)	(127,167)	8%
Loss for the year	(148,364)	(94,079)	58%

The AOP from Basic Infrastructure decreased by HK\$214.7 million to HK\$976.6 million in FY2002 from HK\$1.19 billion in FY2001. Cargo Handling Segment remained strong and accounted for 35.1% of total AOP, as compared to 20.9% in FY2001. The Energy Segment remained the segment with the highest AOP contribution accounting for 45% of the total. However, AOP of the Energy Segment decreased by HK\$92.6 million to HK\$393.4 million mainly due to the disposal in February 2001 of the investment in Beijing Datang Power Generation Co. Ltd., which was a major contributor to AOP of this segment in the past. The Bridge Segment has become a minor segment contributing only 1.3%, as compared to 11.5% in FY2001, of the total AOP as a result of reduction in investment in FY2001.



Cargo Handling

Cargo Handling Segment AOP increased by 27% to HK\$306.7 million, when compared to HK\$242.4 million in FY2001.

The throughput volume of Xiamen Xiangyu Container Terminal and CSX Orient (Tianjin) Container Terminals Co. Ltd. continued to grow in the prevailing difficult operating conditions by 52% and 15% respectively compared to the prior corresponding year. The AOP of these two PRC port projects increased a total of HK\$5.9 million.

In Hong Kong, the AOP of Container Terminal No. 3 increased to HK\$121 million from HK\$92.7 million despite the decrease in throughput volume of 21%. As a large part of this decrease was in throughput previously overflowed to other terminals, which carried a much lower profit margin, the decrease in AOP was only modest. This AOP decrease was reversed by significant reduction in overheads.

ATL Logistic Centre's average occupancy rate maintained steadily at 93.6%. AOP for the year was HK\$142.4 million, compared to HK\$141.1 million in FY2001.

Roads and Bridges

The AOP of the Road and Bridge Segment for the year was HK\$242.3 million, a decrease of 42% as compared to HK\$418.5 million for FY2001.

In Southern Guangdong, the average daily traffic flow of Guangzhou City Northern Ring Road ("GNRR") was affected by the diversion effect of Guangyuan East Road. GNRR traffic flow decreased 8% to 120,556 vehicles from 130,747 vehicles per day resulting in AOP contribution reduction of HK\$ 58.7 million while Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) experienced a 17% growth in average daily traffic flow and contributed HK\$14.1 million more in AOP. Performance of most of the road projects in Western Guangdong was stable with traffic growth of 3-5% in FY2002. For the road projects in Northern Guangdong, although traffic flow was stable, results had been affected by the operating losses of Roadway 1906 (Qingcheng Section) during its first year of operation. Shenzhen-Huizhou Roadway and Expressway in Eastern Guangdong experienced an increase in average daily traffic flow of 5% and 16% respectively. AOP contribution from Hui-Ao Roadway however decreased by HK\$20.2 million mainly due to the finance costs and overheads incurred since the operation of the Hui-Ao Section in October 2000.

There was no significant fluctuation in the traffic flow of Guangxi road network while the performance of Shanxi road network was satisfactory. Other roadways like Wuhan Airport Expressway in Wuhan and Tangjin Expressway in Tianjin, both recorded over 15% increase in average daily traffic flow.

Loss of AOP contribution of Guangzhou Three New Bridges after its withdrawal in January 2001 caused a decrease in the AOP of the Road and Bridge Segment by HK\$104.5 million. Of the remaining four bridge projects in this segment, three witnessed improvement in traffic flow. Only the traffic flow of the Yonghe Bridge was reduced and this was due to the diversion effect as a result of the opening of Tangjin Expressway Section II.

Average daily traffic flow of Wuhan Bridges in FY2002 grew by 12%. However, a one-time provision for legal claim and staff welfare fund decreased current year's AOP by HK\$14.5 million. In September 2002, the Wuhan City Government announced that the toll collection right of five bridges in Wuhan, including Yangtze Bridge No. 2, would be ceased with effect from 1 October 2002. The Government has undertaken to compensate investors on mutually acceptable terms. Although it is difficult to estimate the outcome of the subsequent negotiation with the Government, it is expected that there should not be any material adverse impact to the Group.

Energy and Water Treatment

The AOP of the Energy and Water Treatment Segment decreased 19% to HK\$427.6 million from HK\$530.4 million for FY2001. A significant part of this decrease was due to the disposal in February 2001 of the investment in Beijing Datang Power Generation Co. Ltd., which contributed for the first half of FY2001 prior to its disposal of HK\$64.6 million in AOP.

Operationally, Zhujiang Power Station Phase I and II ("Zhujiang I" and "Zhujiang II") continued to perform well, together experienced an increase of 4% in electricity sales in FY2002. The combined AOP of Zhujiang I and II increased by 15% to HK\$267.7 million mainly as a result of an increase in the guaranteed profit margin of Zhujiang I.

The operating results of Shunde De Sheng Power Plant showed steady signs of improvement with 4% growth in electricity sales on a year-on-year basis. AOP for FY2002 after the joint venture resumed operating the power plant upon the expiry of a five-year plant lease to Shunde Electric Power Group Co., decreased by 63% or HK\$78.1 million reflecting the change to equity accounting for the results of the project from the fixed return basis adopted previously.

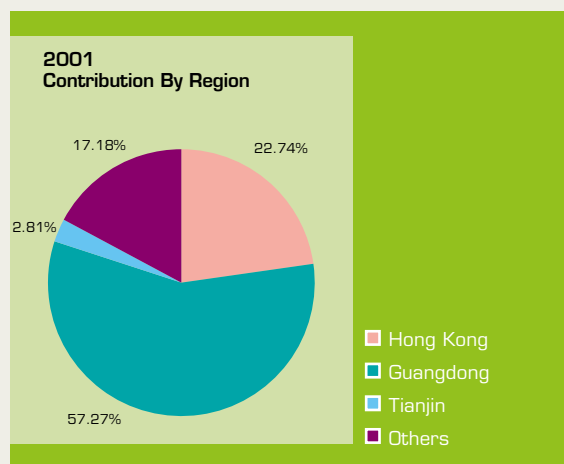
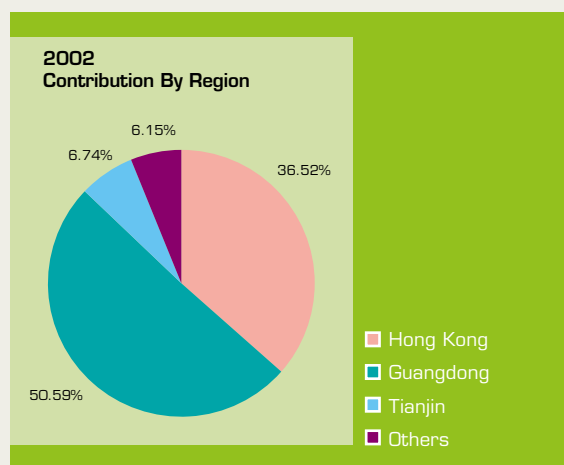
AOP contribution from Sino-French Holdings (Hong Kong) Ltd. remained consistent at HK\$128 million. Power generation at the Macau Power Plant rose 5.6%, while the water treatment segment recorded lower profit due to provision made for the investment in a water plant project in the PRC.

Telecommunications, Media and Technology

TMT segment recorded an attributable operating loss of HK\$102.4 million, an increase of HK\$69 million over that of FY2001, which were mainly represented by pre-operating expenses as most projects in this segment are in the development stage. Consistent with last year, the Group took a prudent review of the carrying value of its TMT projects and made a total provision for diminution in value amounting to HK\$148.3 million in view of the present economic sentiment. However, with most of the initial investment in place the Group's strategy is to focus nurturing the portfolio and to develop commercial successes. Positive AOP contribution is expected in the coming years.

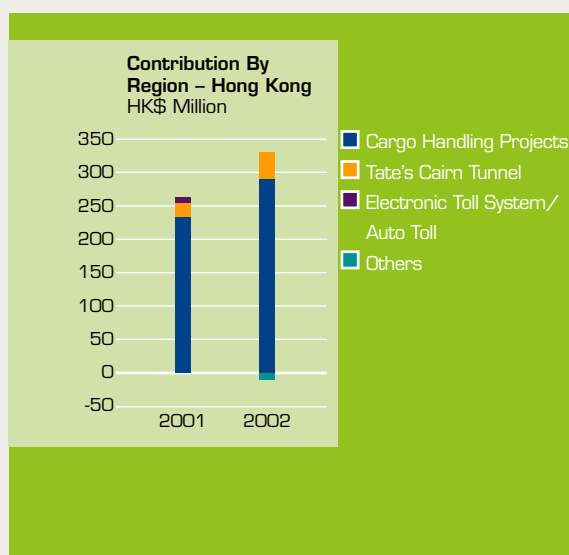
CONTRIBUTION BY REGION			
	2002	2001	Change
	HK\$'000	HK\$'000	%
Hong Kong	319,276	263,358	21%
Macau	127,939	128,510	-0.4%
Guangdong	442,265	663,156	-33%
Wuhan	7,605	1,277	496%
Guangxi	19,451	25,249	-23%
Beijing	-	64,603	-100%
Sichuan	(4,154)	13,389	-131%
Jiangsu	(6,942)	2,003	-447%
Tianjin	58,906	32,535	81%
Shanxi	(5,419)	(17,619)	69%
Fujian	7,036	8,513	-17%
Overseas	(91,718)	(27,034)	-239%
Attributable Operating Profit	874,245	1,157,940	-24%

Hong Kong, Macau and Guangdong are still the dominant regions in terms of AOP contribution. Guangdong still remains as the highest contributor in AOP and accounted for 50.6% of total AOP, as compared to 57.3% in FY2001. AOP contribution from Macau stood at HK\$128 million but its share of contribution increased from 11.1% in FY2001 to 14.6% in FY2002. AOP contribution from Hong Kong accounted for 36.5% in FY2002 as compared to 22.7% in FY2001.



Hong Kong

CONTRIBUTION BY REGION – HONG KONG			
	2002 HK\$'000	2001 HK\$'000	Change %
Cargo Handling Projects	290,577	232,406	25%
Tate's Cairn Tunnel	39,533	21,078	88%
Electronic Toll System/ Auto Toll	-	9,264	-100%
Others	(10,834)	610	-19x
	319,276	263,358	21%



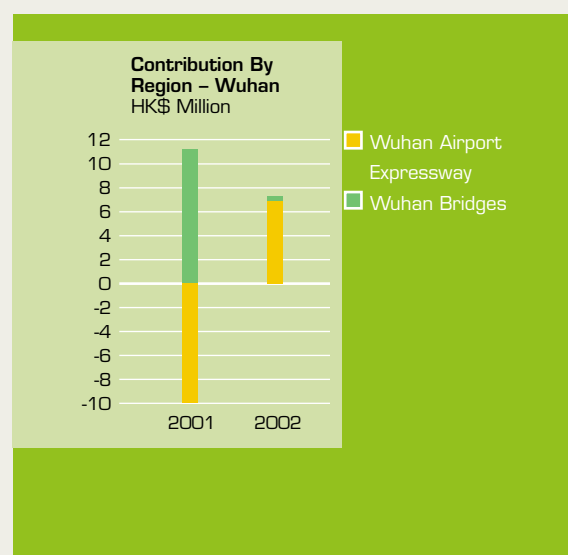
Contribution from Hong Kong increased by 21.2% or HK\$55.9 million to HK\$319.3 million mainly due to increase in contribution from Cargo Handling projects and Tate's Cairn Tunnel. Reduction in overheads and finance costs of Tate's Cairn Tunnel led to an increase in AOP by HK\$18.5 million.

Guangdong

Although Guangdong remained the highest AOP contributor, its AOP contribution has decreased from HK\$663.2 million in FY2001 to HK\$442.3 million in FY2002. The withdrawal from the Guangzhou Three New Bridges caused a decrease in AOP contribution of HK\$104.5 million in this region. The road projects in Guangdong registered a total decrease in AOP of HK\$79.6 million mainly attributable to the drop in AOP of GNRR and Hui-Ao Roadway. AOP contribution from the power plants in Guangdong decreased HK\$43.9 million to HK\$313.2 million, compared to HK\$357.1 million in FY2001 mainly due to the decrease in AOP of De Sheng Power Plant as a result of the change in accounting method.

Wuhan

CONTRIBUTION BY REGION – WUHAN			
	2002 HK\$'000	2001 HK\$'000	Change %
Wuhan Airport Expressway	6,861	(9,945)	169%
Wuhan Bridges	744	11,222	-93%
	7,605	1,277	496%



AOP contribution from Wuhan increased significantly by nearly 5 times to HK\$7.6 million in FY2002 as compared to HK\$1.3 million in FY2001. Performance of Wuhan Airport Expressway improved by 1.69 times which was attributable to a 17% increase in daily traffic flow. However, contribution from Wuhan is expected to diminish after the cessation of toll collection right of Yangtze Bridge No. 2 on 1 October 2002.

Tianjin

Tianjin recorded a remarkable improvement of 81.1% or HK\$26.4 million to HK\$58.9 million and accounted for 6.7% of total AOP in FY2002, 2 times over FY2001. Tangjin Expressway's average daily traffic flow grew by 15% in FY2002 while throughput volume of CSX Orient (Tianjin) Container Terminals Co., Ltd. rose by 15% over FY2001. However, the opening of Section II of Tangjin Expressway diverted traffic of Yonghe Bridge of which average daily traffic flow and AOP decreased by 14% and HK\$2.6 million respectively.

Others

As a result of reduction in investments in Beijing, Sichuan and Jiangsu, the AOP contribution from these regions has dropped significantly. Shanxi region, mainly comprised of four roadways which only commenced operations in FY2001, has showed marked improvement in FY2002. Overseas region comprises mainly TMT projects the majority of which are still in pre-operating stage.

LIQUIDITY AND FINANCIAL RESOURCES

DEBT PROFILE					
FACILITY TYPE	OUTSTANDING AMOUNT		REPAYMENT		
	FIXED RATE	FLOATING RATE	02/03	03/04	Onwards
	(HK\$ million)				
As at 30 June 2002					
1% Convertible bonds	1,350.54	-	1,350.54	-	-
10% Notes	200.00	-	-	-	200.00
Floating rate notes	-	351.00	351.00	-	-
Short-term Rmb bank loan facilities	598.13	-	598.13	-	-
Long-term Rmb bank loan facilities	1,021.93	-	98.60	108.21	815.12
Long-term bank loan facility	-	600.00	-	-	600.00
Syndicated term loan facility	-	2,184.00	436.80	873.60	873.60
Syndicated term loan facility	-	2,730.00	-	546.00	2,184.00
Other loan	-	1,400.00	-	1,400.00	-
Total amount	3,170.60	7,265.00	2,835.07	2,927.81	4,672.72

Cash and financial management policies of the Group are consistent with prior years. As of 30 June 2002, total cash and bank balances of the Group amounted to HK\$1.8 billion, compared to HK\$4.95 billion at year-end FY2001 as part of the cash was used to repay the debt of NWI and invest in new TMT projects. Total Debt (total borrowings less loans from minority shareholders of subsidiaries) decreased from HK\$11.53 billion at year-end FY2001 to HK\$10.44 billion at year-end FY2002. Some 27% of Total Debt would be repayable within 1 year while 28% and 45% of the Total Debt would be repayable in FY2004 and from FY2005 onwards respectively. The NWI's US\$350 million syndicated loan has been fully drawn down and was applied towards partial repayment of the US\$650 million syndicated loan. The remaining balance of the US\$650 million syndicated loan was repaid through a HK\$1.4 billion loan from a fellow subsidiary and internal resources. The loan from the fellow subsidiary is interest bearing and repayable in 2 years.

The net decrease of Total Debt was due to the redemption of the 5% convertible bonds of US\$119.4 million in July 2001 and the repayment of the US\$650 million syndicated loan facility in May 2002. US dollar debt amounted to US\$848.1 million and accounted for 63% of Total Debt as at year-end FY2002, compared to US\$1.26 billion and accounted for 86% at year-end FY2001. Part of the US dollar currency risk was eliminated with forward purchase of US\$50 million against the Hong Kong dollar at an exchange rate below 7.80. Debt denominated in HK\$ and Rmb, on the other hand, accounted for 21% and 16% respectively at year-end FY2002.

Except for the Rmb loan facilities, all other debt is unsecured. The Rmb loans are secured by the Group's interest in certain joint ventures, two subsidiaries in the PRC and pledge of deposits.

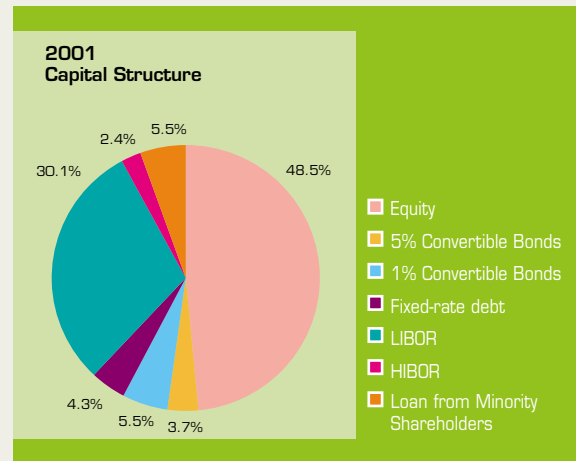
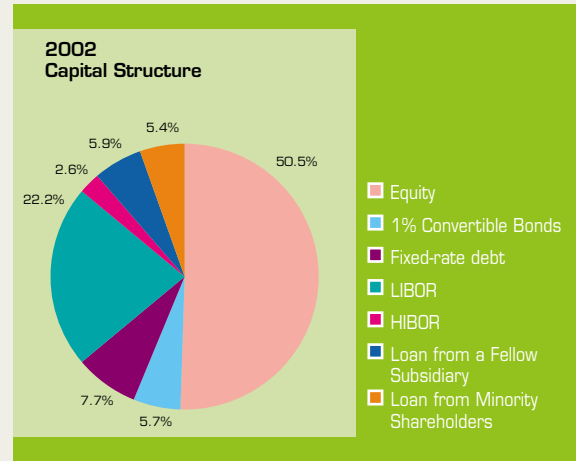
Total Debt to Equity of the Group decreased from 95% at year-end FY2001 to 87% as at year-end FY2002. After deducting the cash and bank balances from Total Debt, the Net Total Debt to Equity of NWI reached 72%, compared to 54% at year-end FY2001.

CAPITAL STRUCTURE

	2002			2001		
	HK\$'000	Proportion	Average rate of interest	HK\$'000	Proportion	Average rate of interest
Equity	11,962,644	50.5%	-	12,166,283	48.5%	-
5% Convertible Bonds	-	-	-	931,593	3.7%	5.0%
1% Convertible Bonds	1,350,539	5.7%	17.0%	1,381,739	5.5%	4.2%
Fixed-rate debt	1,820,056	7.7%	6.7%	1,069,627	4.3%	7.0%
Floating-rate debt			4.0%			7.3%
LIBOR	5,265,000	22.2%		7,546,902	30.1%	
HIBOR	600,000	2.6%		600,000	2.4%	
Loan from a Fellow Subsidiary	1,400,000	5.9%		-	-	
Loan from Minority Shareholders						
Fixed rate debt	1,026,822	4.3%	9.3%	1,000,646	4.0%	8.8%
Interest free debt	263,057	1.1%	-	388,112	1.5%	-
	23,688,118	100.0%		25,084,902	100%	

Total capitalisation of the Group at year-end FY2002 amounted to HK\$23.69 billion, compared to HK\$25.08 billion at year-end FY2001. The decrease was mainly due to an increase in net loss for the year and a reduction of Total Debt. The proportion of Equity to Capitalisation remained fairly constant at 51%, compared to 49% at year-end FY2001.

The proportion of fixed-rate debt increased slightly from 17.5% of total capitalisation to 17.7% and accordingly, the proportion of floating-rate debt decreased from 32.5% to 30.7% of total capitalisation as at year-end FY2002. Increase in proportion of fixed-rate debt was mainly due to the draw-down of Rmb loan facilities at the project level and the repayment of the US\$650 million syndicated loan facility during the year. The weighted average interest rate for floating-rate debt was 4.0% for the year, compared to 7.3% for FY2001 which was in line with the interest rate cut since January 2001.



Interest free debt, which was represented by non-interest bearing loans from minority shareholders of certain subsidiaries of the Group mainly located in the PRC, dropped slightly at 1.1% of the total capitalisation.

Capitalisation = Equity + Total Debt + Loans from minority shareholders of subsidiaries

CUMULATIVE CAPITAL INVESTMENT

ANALYSIS BY SEGMENT						
	2002		2001		Change	Change
	Proportion	HK\$'000	Proportion	HK\$'000	HK\$'000	%
Power and Water Treatment	12.4%	2,366,875	14.4%	2,647,625	(280,750)	-10.6%
Roads	29.9%	5,699,467	33.6%	6,183,118	(483,651)	-7.8%
Bridges	5.1%	965,757	5.3%	973,120	(7,363)	-0.8%
Cargo Handling	26.4%	5,028,557	27.3%	5,028,557	-	0.0%
TMT	22.4%	4,283,580	15.4%	2,823,830	1,459,750	51.7%
Others	3.8%	732,645	4.0%	743,088	(10,453)	-1.4%
Total	100%	19,076,881	100%	18,399,348	677,533	3.7%

Cumulative capital investments of the Group as at 30 June 2002 increased by HK\$677.5 million over FY2001. Increase in investments in TMT Segment amounted to HK\$1.46 billion which are mostly related to the media sector. On the basic infrastructure side, cumulative capital investments reduced by a total HK\$771.8 million mainly due to the repayment of investments by various infrastructure projects. No capital expenditure had been incurred on new basic infrastructure projects during the year.

CAPITAL COMMITMENTS

ANALYSIS BY SEGMENT				
	Outstanding commitments as at 30 June 2002	2005 and onwards		
		HK\$'000	HK\$'000	HK\$'000
Cargo Handling				
Group's commitments	182,190	61,383	60,404	60,403
Group's share of capital commitments of jointly controlled entities	323,962	117,745	79,294	126,923
	506,152	179,128	139,698	187,326
Roads				
Group's commitments	18,863	6,288	6,288	6,287
Group's share of capital commitments of jointly controlled entities	11,156	10,777	190	189
	30,019	17,065	6,478	6,476
TMT				
Group's commitments	65,387	26,155	19,616	19,616
	601,558	222,348	165,792	213,418

Total capital commitments of the Group, including the Group's share of commitments of jointly controlled entities, as at 30 June 2002 amounted to HK\$601.6 million of which commitments for Cargo Handling Segment accounted for HK\$506.2 million or 84.1% of total commitments. The commitments in Cargo Handling Segment are mainly related to the Container Terminal No.9 project. The total group's share of commitments of jointly controlled entities of HK\$335.1 million are to be borne by the respective jointly controlled entities. Commitments of HK\$18.9 million on Road Segment represented the Group's obligation for projects committed in previous years. Commitments on TMT projects amounted to HK\$65.4 million represented contributions to projects newly contracted during the year.

PRACTICE NOTE 19 TO THE LISTING RULES

In accordance with the general disclosure obligation under Paragraph 2(1) of the Listing Agreement and supplemented by Practice Note No. 19 to the Listing Rules, the Company is required to disclose the following information to its shareholders and the general public:

Specific Performance of the Controlling Shareholder

Reference was made to the US\$280 million syndicated loan agreement dated 25 April 2000 with a final maturity in 2005, a HK\$600 million term loan facility agreement dated 16 June 2000 with a final maturity in 2005 provided that the lender does not exercise its option to demand repayment in 2003 and the US\$350 million syndicated loan agreement dated 30 May 2001 with a final maturity in 2006. In accordance with the terms of the aforementioned agreements, NWD is required to control more than 50% of the voting share capital or the composition of more than 50% of the board of directors of the Company. As at 30 June 2002, the total outstanding amount of the aforementioned loans was approximately HK\$5.51 billion (as at 30.6.2001: HK\$7.71 billion).

Financial Assistance and Guarantees

As at 30 June 2002, the Group has given shareholder loans/advances to its affiliated companies with an aggregate of some HK\$3.33 billion. Except for an amount of some HK\$12.6 million, which carries interest at the Hong Kong prime rate, and a total amount of about HK\$1.46 billion, which bears interest ranging from 6% to 15% per annum, all other loans are interest free. Except for the amounts of some HK\$410.1 million and HK\$284.9 million, which are repayable in 5 and 10 years respectively, these loans have no definite repayment terms. All loans are unsecured and repayable in cash out of the net cash surplus from the operations of affiliated companies.

The Company has given guarantees to banks of approximately HK\$1,059 million in respect of the bank loan facilities extended to two jointly controlled entities of the Group. As at 30 June 2002, the outstanding amounts under the bank loan facilities in respect of the guarantees were some HK\$361.3 million.

The Group has committed to provide a total of HK\$174.5 million in shareholder loans/advances to its affiliated companies. The total shareholder loans/advances and guarantees represented about 31% of the consolidated net asset value of the Group as at 30 June 2002.

The shareholder loans/advances were funded by equity raised at the initial public offering of the Company or by borrowings or from the internal resources of the Group.

In additions to the above, a subsidiary and certain jointly controlled entities of the Group are parties to agreement with third parties pursuant to the joint development of Container Terminal 9 in Hong Kong, the related berth swap arrangement and the funding therefore. The Company has given guarantees in respect of these obligations of the subsidiary and jointly controlled entities to provide additional funds. Were the Company required to perform its obligations under the guarantees, the maximum amount of the Company's share of the liability under the guarantees will be HK\$5.12 billion. Pursuant to the terms of a subscription agreement dated 11 October 2001, which was entered into between the Group and an associated company in respect of the disposal of an effective interest of 9.75% in one of the jointly controlled entities, the associated company has agreed to counter-indemnify the Group in respect of such guarantees for a maximum amount of approximately HK\$3.02 billion.

Indebtedness, Capital Commitments and Contingent Liabilities of Affiliated Companies

As of 30 June 2002, the affiliated companies of the Group had outstanding borrowings of some HK\$13.29 billion comprised of secured bank loans of HK\$4.46 billion, unsecured bank loans of HK\$3.02 billion and other loans of some HK\$5.81 billion. The total capital commitments of affiliated companies amounted to some HK\$2.11 billion and total contingent liabilities amounted to HK\$181.4 million as at 30 June 2002.