



Seek out to New Opportunities

We never cease to seek out to new opportunities. Our investment in high-growth strategic industries in Hong Kong and Mainland China helps bolster the group's further expansion.

Strategic Businesses

New World Department Stores (“NWDS”)

NWDS benefited from the growing consumer market in Mainland China. Total sales proceeds in FY2006 amounted to HK\$4.9 billion, up 28% year-on-year.

As at the end of June 2006, NWDS’s operations expanded to 21 stores across 11 cities in Mainland China and Hong Kong with a total GFA of 596,680 sq. m.. During the year under review, four stores were opened in Lanzhou (蘭州), Wuhan (Wuchang) (武漢武昌), Shanghai (Minhang) (上海閔行) and Shenyang (Zhonghua Road) (瀋陽中華路) respectively.

Since July 2006, three stores have been opened in Chongqing (重慶), Changsha (長沙) and Wuhan (Hankou) (武漢漢口). The Group plans to open one store in late 2006 and four stores in 2007 with a total store area of 151,500 sq. m.. In cities with satisfactory operations, NWDS is seeking opportunities and locations for more new stores. NWDS is also actively exploring investment opportunities in cities where NWDS currently has no retail operations.

City	城市	Date of business commencement	GFA (sq. m.)
Existing			
Wuhan (Jianshe Dadao)	武漢(建設大道)	Nov 1994 / Sep 2000#	35,000*
Shenyang (Nanjing Street)	瀋陽(南京街)	Nov 1995 / Jul 2005#	13,500
Wuxi	無錫	Jan 1996	16,000
Harbin	哈爾濱	Nov 1996	34,000
Tianjin	天津	Oct 1997	83,000
Ningbo	寧波	Apr 1998	10,000
Beijing	北京	Jun 1998 / Oct 2000#	108,000*
Hong Kong	香港	Apr 1999	14,000*
Shenyang (Taiyuan Street)	瀋陽(太原街)	Aug 2000	10,400
Shanghai (Central Huaihai Road)	上海(淮海中路)	Dec 2001	22,500
Wuhan (Jiangnan Road)	武漢(江漢路)	Dec 2001	23,000
Shanghai (Changning Road)	上海(長寧路)	Jan 2002	20,000*
Dalian	大連	Sep 2002	32,000
Shanghai (Hongkou)	上海(虹口)	Oct 2003	15,000
Kunming	昆明	Jun 2004	12,600
Shanghai (Dingxi Road)	上海(定西路)	Sep 2004	6,680
Ningbo (Huimei)	寧波(匯美)	Nov 2004	10,600
Lanzhou	蘭州	Sep 2005	27,200*
Wuhan (Wuchang)	武漢(武昌)	Oct 2005	22,650
Shanghai (Minhang)	上海(閔行)	Dec 2005	36,550
Shenyang (Zhonghua Road)	瀋陽(中華路)	Dec 2005	44,000
Chongqing	重慶	Sep 2006	42,000
Changsha	長沙	Sep 2006	35,000
Wuhan (Hankou)	武漢(漢口)	Sep 2006	37,000
Total			710,680
To be completed			
Xiamen	廈門	2006	20,000
Shanghai (Yangpu)	上海(楊浦)	2007	44,000
Beijing (Chaoyang)	北京(朝陽)	2007	31,500
Chengdu	成都	2007	30,000
Nanjing	南京	2007	26,000
Total			151,500

* include supermarket
open in two phases

New World China Enterprises Projects Limited (“NWCEP”)

The mandate of NWCEP is to focus on strategic investments in manufacturing industries and State-Owned Enterprises reforms and restructures in China. NWCEP not only acts as investment manager for the Group’s industrial projects but also acts as project manager for a China-focused private equity fund, New World Liberty China Ventures Limited (“NWLCV”). The current total amount of investment of NWCEP is about US\$186 million for over 20 projects.

Since the inception of NWLCV, 10 projects and 65% of the initial US\$150 million capital have been invested in small and medium-size enterprises in China. Amongst the investments, Kunming Fulintang Pharmaceutical Company Limited, The Waterman Company Limited Shanghai, Shanghai Autotech Service Limited, Xiamen Topstar Company Limited and HXNW Auto Service Limited have achieved significant improvement in their overall performance.

During the year under review, NWCEP invested in Shinhint Acoustic Link Holdings Limited (“Shinhint”), a Hong Kong based integrated manufacturing service provider for ODM/OEM production of electro-acoustic consumer products; and Hembly International Holdings Limited (“Hembly”) which is principally engaged in provision of supply chain services for its supply of apparel and accessories to international brand apparel makers. Shinhint and Hembly have been successfully listed on the Hong Kong Stock Exchange since 14 July 2005 and 13 July 2006 respectively. NWCEP currently holds 5.438% of Shinhint and 12.08% of Hembly. NWCEP continues to look for pre-IPO investments.

New World TMT Limited (“NWTMT”)

The privatization of NWTMT was approved in the NWTMT EGM held on 13 January 2006. The withdrawal of listing of NWTMT was effective from 21 February 2006.

Following the default in repayment of the deposits for the fibre optic backbone network, loans and other amounts owing to NWTMT by the owners of the fibre optic backbone network totalling approximately \$2.1 billion together with accrued interest in May 2006, a full provision has been made during the year under review.

The PrediWave litigation is in progress and the court trial will commence on 23 October 2006.