



Infrastructure



Accelerate Country's Advancement

Our investments in infrastructure projects span through Hong Kong, Macau and Mainland China, operating vital utility services and infrastructure facilities.

We bring warmth and light to millions of homes;
we facilitate high mobility of people and goods;
we accelerate the advancement of our country.

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Infrastructure operation recorded a stable segment contribution to the Group. Apart from the energy business, roads, water and ports businesses achieved a strong growth in contribution.

Performance of road and expressway projects within the Pearl River Delta Region continues to shine. Average daily traffic flow of Guangzhou City Northern Ring Road increased by 11% and toll income grew by RMB39.7 million in FY2007. Toll income of Beijing-Zuhai Expressway (Guangzhou-Zuhai Section) soared by 28% in FY2007 as benefited by the strong economic development of the Pearl River Delta Region. The combined average daily traffic flow of Shenzhen-Huizhou Roadway and Expressway increased by 13% when compared to FY2006.

The road and expressway projects in other Mainland cities recorded a stable traffic grow. The average daily traffic flow of Tangjin Expressway (Tianjin North Section) increased by 11%, as a result of economic development of the Bohai Rim region and renovation of a competing road network since mid-2006. The increase in the utilization of Wuhan Tianhe Airport boosted the traffic flow of the Wuhan Airport Expressway. The average daily traffic flow increased by 11% in FY2007.

The performance of Zhujiang Power Plant was adversely impacted partly due to a one-off gain recognized in FY2006 and partly due to more new generation units coming into the market. Such impact was partly compensated by the increase in average tariff of 5% arising from coal-link tariff adjustments during the current year. The Group is optimistic towards the outlook of the energy business and continues to explore new investment opportunities. NWSH acquired 35% interest in Chengdu Jintang Power Plant, a 2x600MW coal-fired power plant. The project commenced operation in June 2007.



In December 2006, NWSH acquired a 9.45% interest in Guangdong Baolihua New Energy Stock Co., Limited, which mainly operates a 2x135MW coal-fired power plant in Guangdong and its shares are listed on the Shenzhen Stock Exchange.

Macau Water Plant reported a 10% increase in average daily water sales volume while performance of water projects in Mainland China is promising. Water sales revenue of Tangu Water Plant in Tianjin increased as its tariff has raised since April 2006. The Chongqing Water Plant and Shanghai SCIP Water Treatment Plant had an impressive growth of 19% and 47% respectively in water sales volume. Both newly acquired projects, Changshu Water Plant and Chongqing Tangjiatuo Waste Water Plant, also started the contribution to the Group during the period under review.

With the completion of the Zhuhai Ping Gang Project in December 2006, the seasonal salinity problem had been temporarily solved. In addition, to cope with the increasing water demand, Macau Water Plant has contracted to expand its existing treatment capacity and is to be completed by mid 2008.

Xiamen New World Xiangyu Terminals Co., Ltd. reported an 8% volume growth to 794,000 TEUs in FY2007. Throughput of Tianjin Orient Container Terminals Co., Ltd. decreased slightly by 1% to 1,136,000 TEUs while there is an increase in average revenue per TEU as a result of more foreign cargo volume in FY2007. Tianjin Five Continents International Container Terminal Co., Ltd., in which interest was acquired in November 2005, produced positive attributable operating profit contribution to this segment and handled 1,988,000 TEUs during FY2007.

