





Accelerate Country's Advancement

> Infrastructure

Our investments in infrastructure projects span over 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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In FY2008, NWS Holdings Limited (“NWSH”) recorded a profit attributable to shareholders of \$3,818.3 million, up 90% year-on-year.

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

The outstanding performance of road and expressway projects within the Pearl River Delta Region continued to be benefited from the strong economic development in the region, and remained as the top contributor of infrastructure businesses.

Profits from energy business stayed firm despite soaring coal prices. Zhujiang Power Plants continued to produce solid cash flow and profits. Combined electricity sales increased by 3% in FY2008. Average tariff also increased by 2% when compared to FY2007. Both generation units of Chengdu Jintang Power Plant commenced operation in June and October 2007. The 2x300MW plants of Guangdong Baolihua New Energy, which was acquired in December 2006, started operation in June and August 2008. In 2008, NWSH acquired a 35% interest in Guangzhou Fuel Company, which is one of the largest coal trading companies in the Pearl River Delta Region, ensuring a guaranteed and steady coal supply, as well as contributed profits.



Macau Water Plant reported a 7% increase in average daily water sales volume while performance of other water projects in Mainland China was promising. Water sales volume of Tangu Water Plant in Tianjin and Chongqing Water Plant grew 8% and 10% respectively when compared to FY2007. Changshu Water Plant in Jiangsu Province and Chongqing Tangjiatuo Waste Water Treatment Plant started the first full year contribution during the year under review. Due to large demand in the wastewater treatment service in the Shanghai Chemical Industrial Park, the joint venture company has already started its third phase of investment which will be operational in October 2008.

During the year under review, the Group acquired a stake in Chongqing Water Group (“CWG”) by signing, in conjunction with SUEZ Environnement, a strategic cooperation agreement and a share purchase agreement with CWG and Chongqing Yufu Assets Operation and Management Co., Ltd. respectively.



Throughput of Xiamen New World Xiangyu Terminals Co., Ltd. dropped 6% to 745,000 TEUs when compared to FY2007, as a major customer was lost in FY2008. The effect was partly compensated by a 4% increase in average tariff. After a rate hike in 2008, Tianjin Orient Container Terminals Co., Ltd. achieved an increase in average tariff, while the throughput dropped slightly by 1% to 1,129,000 TEUs. Average tariff of Tianjin Five Continents International Container Terminal Co., Ltd. increased as more foreign cargoes were handled during FY2008. Its throughput stood at around 1,991,000 TEUs. The interest in Xiamen Xinyuan Container Terminal Co., Ltd was sold and realized a gain to NWSH during the year under review.

