

Chairman's Statement

TO OUR SHAREHOLDERS,

As the Chinese generally believe, "no man can place himself in society without integrity; no family will be blessed with harmony without mutual trust among its members; no trade can flourish without credit; and no nation can enjoy peace without public confidence". To lead a meaningful life, one must build trust with others. To enjoy peace, a nation must win the confidence and support of its people. To achieve stable growth, an enterprise must live up to its conviction. Since its founding, New World Group has gone through adversities and changes and fully understands that only with unwavering conviction can an enterprise stand out from the crowd.

The Group's chronicle of development spanning 40 years is characterized by the New World Centre in the 70s, the Hong Kong Convention and Exhibition Centre in the 80s, Old Cities Rehabilitation Projects in the 90s and numerous infrastructure construction projects including roads, bridges as well as water and power supplies, undertaken in the PRC in recent years. The success we are now taking pride in is the natural outcome of our adhesion to our principles to start with: an enterprise shall take care of the people's livelihood, through thick and thin; an enterprise shall help

the people overcome all difficulties to savor the fruit to be borne on the motherland, come rain or shine.

In 1973 when Hong Kong stock market witnessed an unprecedented slump with Hang Seng Index plunging by over 90% in a year, the Group built the New World Centre in Tsim Sha Tsui, Hong Kong through the acquisition of Holt's Wharf. In doing so we broke the dominance of the UK-based conglomerates and, as if a shot in the arm, initiated the course of weaving the companies with Chinese capital into the economic fabric of Hong Kong.

In 1984, the Sino-British talks on the future of Hong Kong triggered a confidence crisis. Daunted by the uncertainties over the colony's future, most developers shied away from construction projects that took considerable time to complete. In that year the Group recognized what the community needed and actively responded to the government's call for a landmark convention and exhibition venue of international standard to be built in Hong Kong. The Group turned out to be the only developer willing to take financial and operating risks on a long-term basis, thereby laying a solid foundation for Hong Kong to host international conventions and



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exhibitions. Coupled with its excellent services, Hong Kong soon secured world-wide recognition as an ideal spot for conferences and exhibitions.

In 1992, the implementation of the reform and opening up policy in the PRC was on the right track. Improvement to living environment was in need. The Group took the initiative to lobby the local government of Chongwen district in Beijing for the Old City Rehabilitation Project and was committed to bearing all the costs and expenses required. We then proceeded to revamp other old cities like Wuhan, Shenyang, Tianjin and Jinan, merely hoping to contribute to a better living environment for the country and, in turn, the well-being of my fellow countrymen.

In recent years the PRC has been keen on promoting the transportation and infrastructure development across the nation and procuring the progress of its people. In contrast with others who craved for instant benefits, the Group, eyeing the long-term development of the national transportation system, succeeded in securing cooperation with the Ministry of Railways to construct in stages 18 rail container terminals in 18 major cities.

With our compatriots in mind and backed by our conviction, we remain committed to investing wholeheartedly to improve the people's living conditions, regardless of all uncertainties. With the motherland in mind and based on our confidence, we remain committed to investing to put her on track to greater success, against all odds.

The arrival of the 21st century precedes the onslaught of turmoil and tsunami. Business environment has become unpredictable and the global economy even harsher. Notwithstanding the ups and downs of the economic cycles, New World Group remains adamant as always. Underpinned by its faith in the motherland and judging the situation at commanding heights, we survive the market volatility and political changes. We cater for the actual need of the people and keep pace with the country. These explain for New World Group's steady growth amid adversities over the past decades.

Dr Cheng Yu-Tung
Chairman

Hong Kong, 8 October 2009

