

Infrastructure

Our investments in infrastructure projects span over Hong Kong, Mainland China and Macau, 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.



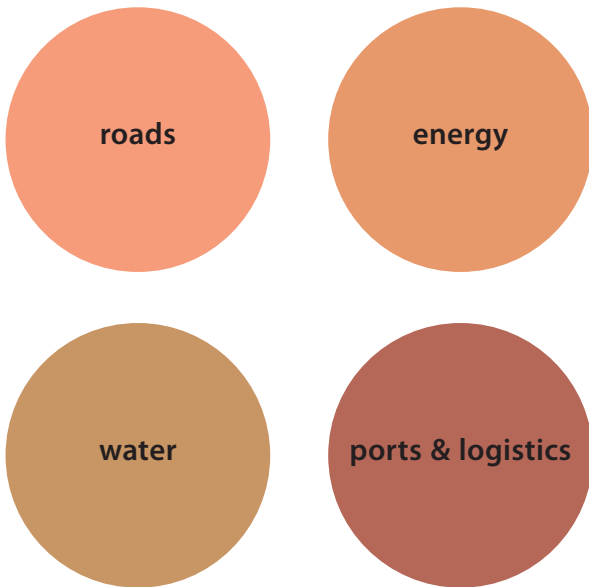
Guangzhou City Northern Ring Road



Tianjin Jieyuan Water Plant



Xiamen New World Xianyu Terminals



The recent period of economic uncertainty has posed a limited negative effect on the NWS Holdings Limited (“NWSH”) well-managed portfolio which has been proved to be highly sustainable. Despite the worldwide economic downturn, and excluding the standalone effect of the sale of the Harbour Place residential flats, NWSH’s profits for FY2009 stood at a healthy HK\$2,191 million, representing a mild decrease of less than 1% as compared to HK\$2,204 million for FY2008.

The Infrastructure operation sustained a drop in contribution mainly due to the high coal price that attacked the profitability of the energy division. Nevertheless, a series of restructuring initiatives were accomplished in several roadways in Guangxi Province, Wuhan Airport Expressway and Wenzhou Zhuangyuan Ao New World International Terminals Company Limited during the year, resulting in a net gain of HK\$215.7 million.

The global financial tsunami has adversely impacted the economic activities of Mainland China, especially within the Pearl River Delta Region. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway — Guangzhou-Zhuhai Section decreased by 2% and 11% respectively. Toll income of Tangjin Expressway — Tianjin North Section grew by 25% with an increase of 28% in average daily traffic flow, which was partly due to the diversion of traffic to the expressway during the Olympic period and partly due to the economic development of the Bohai Rim region.





Tangjin Expressway (Tianjin North Section)



Tianjin Five Continents International Container Terminal

In FY2009, the combined electricity sales of Zhujiang Power Plants fell by 17% due to the economic downturn. Although there were two tariff hikes in FY2009, the results of the power plant were severely impaired by the high fuel costs during the year. Electricity sales of Macau Power grew by 4% despite the delays and suspension of works of some mega-sized construction projects in Macau. Chengdu Jintang Power Plant reported a growth of 19% in electricity sales in FY2009, as the two generation units commenced operation in June and October 2007 respectively.

The acquisitions of 7.5% interest in Chongqing Water Group and an effective 26.03% interest in Tianjin Jieyuan Water Plant were completed in August 2008 and March 2009 respectively and have contributed positively to the Group in FY2009.

During the period under review, Xiamen New World Xiangyu Terminals Co., Ltd. reported a 7% reduction in throughput volume to 696,000 TEUs mainly due to sluggish trade. As a result of competition from new terminals and the economic downturn, the throughputs of Tianjin Orient Container Terminals Co., Ltd. and Tianjin Five Continents International Container Terminal Co., Ltd. fell by 24% to 857,000 TEUs and 4% to 1,920,000 TEUs respectively.

ATL Logistics Centre recorded a steady profit with a staggering average occupancy rate at 99% in FY2009. Owing to the time lag effect of its leasing business, an increase in overall average rental was observed as the impact of global freight market downturn was not fully reflected during this year. However, both container freight station revenue and gate charge revenue were reduced when compared to FY2008 as a result of a significant drop in sea-freight and air-freight cargo volumes in Hong Kong.

China United International Rail Containers Co., Ltd. ("CUIRC"), the joint venture company that develops 18 rail container terminals in Mainland China, was established in March 2007. The current standalone facility in Kunming is operating smoothly with a total throughput of 159,000 TEUs handled in FY2009. The construction of the terminals in Zhengzhou, Chongqing and Dalian is expected to be completed in late 2009. The construction works of the next batch of terminals in Qingdao, Chengdu, Xian and Wuhan are also underway and expected to be completed in 2010. Upon the completion of these new terminals, an initial railway terminal network for CUIRC will be established, serving strategic locations at major seaports and inland cities in Mainland China.

