New World Infrastructure Limited
新世界基建有限公司
(incorporated in the Cayman Islands with limited liability)

Annual Results Announcement 2002/2003

SUMMARY OF AUDITED RESULTS

FOR THE YEAR ENDED 30 JUNE 2003

	Note	**2003**	2002
		HK$'000	*HK$'000*
Turnover	1	**383,461**	759,662
Gain from the Reorganisation		**334,258**	—
Other operating income	2	**172,856**	201,310
Operating costs	3	**(1,617,599)**	(1,014,903)
Operating loss before financing		**(727,024)**	(53,931)
Finance costs		**(638,980)**	(849,277)
Share of results of associated companies		**15,534**	174,128
Share of results of jointly controlled entities		**516,110**	728,655
Loss before taxation		**(834,360)**	(425)
Taxation	4	**(86,598)**	(142,002)
Loss after taxation		**(920,958)**	(142,427)
Minority interests		**(38,526)**	(5,937)
Loss for the year		**(959,484)**	(148,364)
Dividend	5	**5,133,684**	—
Loss per share	6		
Basic		**HK$1.01**	HK$0.23
Diluted		**N/A**	N/A

Notes:

1. Turnover and segment information

Turnover represents income from the operation of toll roads and bridges, income from cargo and container handling and storage, interest income and investment income from joint ventures, net of business and withholding taxes, where applicable.

Segment information

The Group is organised into five main business segments including energy and water treatment, toll roads, toll bridges (collectively the "Infrastructure Assets"), cargo handling and telecommunications, media and technology ("TMT"). Upon the completion of the Reorganisation as further described under the heading of "Corporate Reorganisation", segments except TMT discontinued.

Primary reporting format — business segments

	Energy and water treatment	Toll roads	Toll bridges	Cargo handling	TMT	Group
	Year ended 30 June 2003					
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenues	**2,350**	**307,144**	**62,635**	**10,687**	**645**	**383,461**
Segment results	**(3,805)**	**160,690**	**(8,533)**	**(47,262)**	**(937,519)**	**(836,429)**
Gain from the Reorganisation						**334,258**
Net unallocated costs						**(224,853)**
Operating loss before financing						**(727,024)**
Finance costs						**(638,980)**
Share of results of:						
Associated companies	**—**	**—**	**—**	**172,181**	**(156,647)**	**15,534**
Jointly controlled entities	**251,935**	**161,683**	**3,034**	**130,322**	**(30,864)**	**516,110**
Loss before taxation						**(834,360)**
Taxation						**(86,598)**
Loss after taxation						**(920,958)**
Minority interests						**(38,526)**
Loss for the year						**(959,484)**

	Energy and water treatment	Toll roads	Toll bridges	Cargo handling	TMT	Group
	Year ended 30 June 2002					
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenues	53,962	423,734	151,791	130,175	—	759,662
Segment results	37,856	199,747	29,782	(6,698)	(195,026)	65,661
Net unallocated costs						(119,592)
Operating loss before financing						(53,931)
Finance costs						(849,277)
Share of results of:						
Associated companies	(8,006)	—	—	257,569	(75,435)	174,128
Jointly controlled entities	384,871	175,054	3,848	176,591	(11,709)	728,655
Loss before taxation						(425)
Taxation						(142,002)
Loss after taxation						(142,427)
Minority interests						(5,937)
Loss for the year						(148,364)

Secondary reporting format — geographical segments

	Year ended 30 June 2003		Year ended 30 June 2002	
	Segment revenues	**Segment results**	Segment revenues	Segment results
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
China mainland	**377,759**	**(330,018)**	751,625	123,721
Hong Kong	**5,702**	**(256,898)**	8,037	88,525
Overseas	**—**	**(249,513)**	—	(146,585)
	383,461	**(836,429)**	759,662	65,661
Gain from the Reorganisation		**334,258**		—
Net unallocated costs		**(224,853)**		(119,592)
Operating loss before financing		**(727,024)**		(53,931)

2. Other operating income

	2003	2002
	HK$'000	*HK$'000*
Net gain on foreign currency forward contracts	**—**	14,974
Gain on disposal of unlisted investment	**118,541**	—
Gain on disposal of jointly controlled entities	**—**	113,676
Gain on disposal of subsidiaries	**15,414**	21,735
Interest income	**34,700**	42,235
Write-back of impairment loss on other investments	**1,972**	—
Others	**2,229**	8,690
	172,856	201,310

3. Operating costs include the following:

	2003	2002
	HK$'000	*HK$'000*
Impairment losses on other investments	**21,349**	154,024
Impairment losses on fixed assets	**45,002**	119,500
Provision for payments on account of proposed joint ventures	**111,635**	33,002
Provision for amount due from a jointly controlled entity	**158,559**	—
Provision for deposits paid for proposed investments	**122,445**	—
Write-down of inventories to net realisable value	**458,362**	—
Loss on disposal of non-trading investments	**201,367**	—
Depreciation	**144,793**	256,830
Amortisation of cost of investments in co-operative joint ventures	**10,417**	17,857

4. Taxation

	2003	2002
	HK$'000	*HK$'000*
Company and subsidiaries		
PRC income tax	**9,632**	21,100
Deferred tax	**122**	9,318
	9,754	30,418
Associated companies		
Hong Kong profits tax	**28,222**	41,147
PRC income tax	**35**	48
	28,257	41,195
Jointly controlled entities		
Hong Kong profits tax	**18,105**	25,899
Macau income tax	**15,362**	18,277
PRC income tax	**14,567**	16,539
Deferred tax	**553**	9,674
	48,587	70,389
	86,598	142,002

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on income assessable to Hong Kong profits tax. PRC and Macau income tax have been provided on the estimated assessable profits for the year at their prevailing rates of taxation.

There was no material unprovided deferred tax charge for the year (2002: nil).

5. Dividend

	2003	2002
	HK$'000	*HK$'000*
Special dividend	**5,133,684**	—

The special dividend by way of distribution in specie at the Group level of approximately HK$5,134 million represented the net assets of NWS Holdings Limited and its subsidiaries shared by the Group at the date of distribution of approximately HK$4,477 million and release of goodwill and reserves of approximately HK$657 million.

6. Loss per share

The calculation of loss per share is based on the loss for the year of HK$959,484,000 (2002: loss attributable to the shareholders of HK$197,513,000 after adjusting for the interest of HK$49,149,000 on the mandatorily convertible bonds which were fully converted in April 2002) and the weighted average of 952,180,007 (2002: 871,516,679) shares in issue during the year.

Diluted loss per share for the year is not presented as the Company has no dilutive potential shares at year end (2002: n/a).

7. Comparative figures

Interest income of HK$42,235,000 for the year ended 30 June 2002 has been reclassified from turnover to other operating income to conform with current year's presentation.

OPERATIONAL AND FINANCIAL REVIEW

The financial year ended 30 June 2003 featured significant changes in the operations of New World Infrastructure Ltd. ("NWI"). As part of the New World Group reorganisation, NWI divested its portfolio of traditional infrastructure assets to focus on the sector of Telecommunications, Media and Technology ("TMT"). NWI has emerged from the corporate reorganisation ready to deliver shareholder value on its existing portfolio of TMT assets.

Corporate Reorganisation

This year NWI played a major role in the reorganisation of New World Group (the "Reorganisation"), one of the largest conglomerates in Greater China. The Reorganisation proposed on 18 October 2002 highlighted the sale of NWI Infrastructure Assets to Pacific Ports Co. Ltd. ("PPC"), a subsidiary of NWI at the time, and the acquisition by PPC of the entire equity interest of New World Services Limited, a subsidiary of New World Development Company Limited ("NWD"). PPC purchased the Infrastructure Assets for a consideration of HK$10.227 billion comprised (i) HK$8.545 billion in cash, subject to adjustments, (ii) approximately 853 million newly issued shares of PPC (the "Consideration Shares") and (iii) the undertaking by PPC to pay certain liabilities of the Group in the aggregate amount of approximately HK$886 million. In addition, NWI also converted all preference shares of PPC into ordinary shares and thereafter distributed all PPC shares then held including the Consideration Shares to the shareholders. The Reorganisation was completed on 29 January 2003 and on that date PPC was renamed NWS Holdings Limited ("NWSH"). Shareholders of NWI ended up with one NWI share and 5.87 NWSH shares for every NWI share owned prior to the transaction and NWSH ceased to be a subsidiary of NWI.

The end result of the Reorganisation for the Company was a reduction of the debt gearing and the realignment of the capital structure to serve the needs of two distinct businesses and for shareholders, the opportunity to own shares in two listed companies.

Pending final approval from shareholders at the Annual General Meeting, NWI will change its name to New World TMT Limited to fully reflect its TMT business strategy and reinforce its commitment to maximise revenues and deliver shareholder value.

Financial Results

The net loss for the financial year ended 30 June 2003 was HK$959.5 million as compared to HK$148.4 million for the prior year.

Financial Effect of the Reorganisation and Finance Costs

The Reorganisation resulted in a gain of HK$334.3 million for this financial year. Since the Reorganisation entailed use of the sale proceeds of the traditional infrastructure assets to pay down a substantial portion of Group borrowings, prepayment fees and unwinding cost of interest rate hedging contracts associated with repaid loans were incurred. These and other charges, which would have been avoided if not for repayment of borrowings, amounted to HK$130.7 million and brought total finance costs to HK$639 million, compared to HK$849.3 million for FY2002. A reduction in overall borrowing of HK$8.3 billion after completion of the Reorganisation lowered the weighted average borrowing for FY2003 to HK$7.69 billion from HK$10.8 billion in FY2002.

Traditional Infrastructure

The financial results reflect seven months of operation of the cargo handling and Infrastructure Assets businesses, up to the completion of the Reorganisation on 29 January 2003. These traditional infrastructure projects remained a solid producer of recurring income and generated attributable operating profit ("AOP") of HK$637 million, compared to the full-year FY2002 results of HK$976.6 million. In this respect, NWI is proud to report that a healthy and vibrant infrastructure business is being passed on to NWSH.

TMT Segment

On the TMT front, NWI continued to commercialise its TMT portfolio and focus on deriving income from digital information delivery services deployed via its invested technologies. The loss from TMT amounted to HK$1.11 billion was the result of development and marketing expenses, and provisions. Strategic investments were made in Beijing Xintong Media & Cultural Investment Co. Ltd. ("Xintong"), S.T.U.B. SATertainment Inc. ("S.T.U.B"), Pine Marketing and Athena Database Inc.

PrediWave Group ("PrediWave") is a total solution provider of interactive TV services over one-way CATV, wireless terrestrial and satellite networks. The attributable loss from PrediWave increased to HK$167 million from HK$67.9 million in the previous year. As part of NWI's initiative in the China interactive TV business, the Group invests in broadcast equipment, software, set-top-boxes and component parts. Significant product upgrades were carried out to broaden user-attractive features and expand overall interactive TV network functionality and resulted in a HK$458.4 million provision being taken on this investment. NWI believes that the future rollout of PrediWave shall enjoy much improved performance and much lower deployment and operational cost.

Sun Long Group ("Sun Long") is engaged in value-added telecom services, system integration, wireless access products and related services. Attributable loss from Sun Long amounted to HK$51.8 million. Sun Long and General Wireless Technologies Inc. ("GWTec") will jointly deploy a wireless fire detection system to a potential 65,000 commercial buildings in Shanghai. Based on GWTec's 2-way wireless technology, Sun Long has been able to secure e-Bus Stop projects in Beijing, Shanghai, Chengdu and Shenzhen and e-Kiosk projects in Wuhan. e-Bus Stop provides bus arrival information, real-time news, public information and advertising space. Xintong, with annual advertisement placement target of RMB200 million, will act as the media placement agency to the e-Bus Stop and e-Kiosk projects. High quality services of Sun Long's call center has attracted major clients in Hong Kong and Guangdong, resulting in doubling the number of call agents and the expansion of its operations from Shenzhen into Guangzhou.

Subscribers at SMS content provider Mtone Corp. (formerly known as byair) doubled to over 4 million. In addition to providing heat transfer solutions to the petrochemical sectors, New QU Energy Ltd. has also been successful in providing the only viable heat transfer solution in permafrost terrain and securing revenue from Qinghai-Tibet Railway and Qinghai-Tibet Highway projects.

In addition, the Group's entire shareholding in chinadotcom corporation was disposed of in January 2003 and resulted in a loss of HK$191.9 million.

Others

The Group owns a coal depot in Shanxi Province that required an injection of working capital to continue operations. The Group decided the prospects of this coal depot did not justify further investment and accordingly made provisions of HK$158.6 million in respect of the investment.

Outlook

NWI emerged from the Reorganisation with Attributable Debt (total borrowings less liabilities undertaken by NWSH) reduced significantly to HK$1.62 billion from HK$11.73 billion in FY2002. This allows NWI to focus on its core TMT business with confidence, flexibility and commitment.

To tackle the vibrant evolution of the global and PRC TMT markets, NWI has built its business around the dynamic and timely delivery of customised information services to consumers and enterprises on a worldwide basis: anytime, anywhere, on any device and at a reasonable price.

The strategic initiative remains on generating revenues through the delivery of advanced TMT applications to the China market and by marketing technologies in the global arena. NWI's global marketing efforts commenced on two fronts: S.T.U.B.'s interactive satellite TV platform for Chinese and Korean consumers in the USA and Pine Marketing's distribution channels headquartered in USA.

The interactive technology of PrediWave is the focus of our rollout in the CATV and satellite based applications in China. PrediWave has the only solution to provide interactive TV services over one-way networks. With increasing demand for interactive TV services in China, the existing 100 million cable subscribers in China present a very large market for PrediWave solutions. In addition, intention of the Chinese government to introduce direct to home ("DTH") broadcast satellite services in 2005-6 will provide PrediWave's interactive DTH TV solutions much greater opportunities for years to come. Following the successful trial of PrediWave in Fujian Province CATV networks, negotiation is progressing in two other provinces.

The success of the TMT business is supported by fundamentals that drive the China market. From a macro-economic view, China is expected to maintain solid market growth. With some 230 million mobile phone users, 100 million CATV users, 240 million non-CATV users, 60 million Internet users and 40 million online game players, PRC consumers have driven the TMT market to new heights year upon year.

Developments in the trade arena favour NWI prospects. The opening of markets with China's accession to the World Trade Organisation ("WTO") benefits companies throughout the sector. Liberalised regulation in media and telecommunications is also important. In addition, the China-Hong Kong Closer Economic Partnership Arrangement ("CEPA") is a major step in the right direction. The benefits of accession to the WTO and the ability to operate in a more open manner as an enterprise under CEPA cannot be underestimated in the TMT business equation.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2003, the cash and bank balances of the Group amounted to HK$573.7 million, compared to HK$1.8 billion in FY2002. This substantial decrease reflected the effect of the Reorganisation in which available cash including cash on hand and those from the sale of Infrastructure Assets were used to repay debts and bond premium, which amounted to HK$8.89 billion.

Attributable Debt at 30 June 2003 was reduced to HK$1.62 billion from HK$11.73 billion at year-end FY2002, with corresponding decreases in the gearing ratio (being the ratio of Attributable Debt to equity) to 23% from 98%. The current Group bank borrowings are all in Rmb at a fixed interest rate. The borrowings are mainly unsecured, except for HK$323.6 million, which is secured by pledged deposits and fixed assets. The Company has undrawn facilities to meet its commitments and working capital requirements.

Contingencies

As part of the Reorganisation, the Group's interest in Wuhan Bridge Construction Company Limited which operated the Yangtze Bridge No. 2 was sold to NWSH at book value. Toll collection at the Yangtze Bridge No. 2 has ceased since October 2002 by decree of the Wuhan municipal government which undertook to compensate the shareholders of Wuhan Bridge. The Group according to the terms of the Reorganisation will pay NWSH any shortfall of the eventual compensation amount from the book value. In case the compensation amount exceeds the book value, NWSH will pay 50% of the excess to the Company. The directors consider there should be no material adverse impact to the Group.

EMPLOYEES

NWI has 73 employees as at 30 June 2003, as compared to 138 at 30 June 2002. Remuneration policy is reviewed yearly. Remuneration, bonus and share options are granted to employees based on individual performance and market practices. Education subsidies will be granted to employees taking job-related courses. Periodic in-house training programs are also offered.

OTHER INFORMATION

The Stock Exchange of Hong Kong Limited's web site will contain all information relating to annual results announcement of the Company for the year ended 30 June 2003 as required by paragraphs 45(1) to 45(3) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Chan Wing-Tak, Douglas
Managing Director

Hong Kong, 16 October 2003

New World Infrastructure Limited
新世界基建有限公司
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held at Meeting Room 301B (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 28 November 2003 at 3:30 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2003.
2. To elect Directors and to fix their remuneration.
3. To appoint Auditors and to fix their remuneration.
4. As special business, to consider and if thought fit, pass the following resolutions as ordinary resolutions and special resolutions respectively:

ORDINARY RESOLUTIONS

(1) "THAT:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or (iii) the exercise of any option under any share option scheme of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next Annual General Meeting of the Company;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required by applicable law or the articles of association of the Company to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or legal or practical problems or restrictions under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong)."

(2) "THAT:

(a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with Cayman Islands law and all applicable laws and/or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the shares to be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next Annual General Meeting of the Company;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required by applicable law or the articles of association of the Company to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

(3) "THAT conditional upon the passing of Ordinary Resolutions Nos. (1) and (2) as set out in the notice convening this meeting, the general unconditional mandate granted to the Directors of the Company pursuant to Ordinary Resolution No. (1) as set out in the notice convening this meeting be extended by the addition to the aggregate nominal

value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares repurchased by the Company pursuant to the authority to repurchase shares granted pursuant to Ordinary Resolution No. (2) as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of this resolution."

SPECIAL RESOLUTIONS

(4) "THAT the name of the Company be changed to "New World TMT Limited" and "新世界信息科技有限公司" be adopted as the Chinese name for identification purposes only, and the board of directors of the Company be and is hereby authorised to take all necessary action to implement such change of name."

(5) "THAT the definition of "recognised clearing house" in article 2 of the Articles of Association of the Company be replaced and substituted in its entirety by the following:

"recognised clearing house" shall mean a recognised clearing house within the meaning of Part 1 of Schedule 1 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as from time to time supplemented, amended or substituted, or a clearing house recognised by the laws of any other jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction."

By Order of the Board
Chow Oi-Wah, Fergus
Company Secretary

Hong Kong, 16 October 2003

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (who must be individuals) to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the principal office of the Company at 21/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With respect to Ordinary Resolution No. (1) set out in the above notice, approval is being sought from the members as a general mandate for the purpose of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
4. With respect to Ordinary Resolution No. (2), an explanatory statement containing further details regarding the repurchase by the Company of its own shares will be sent to the shareholders together with the Company's 2003 Annual Report.

Please also refer to the published version of this announcement in the ***(South China Morning Post)***