



新世界發展有限公司

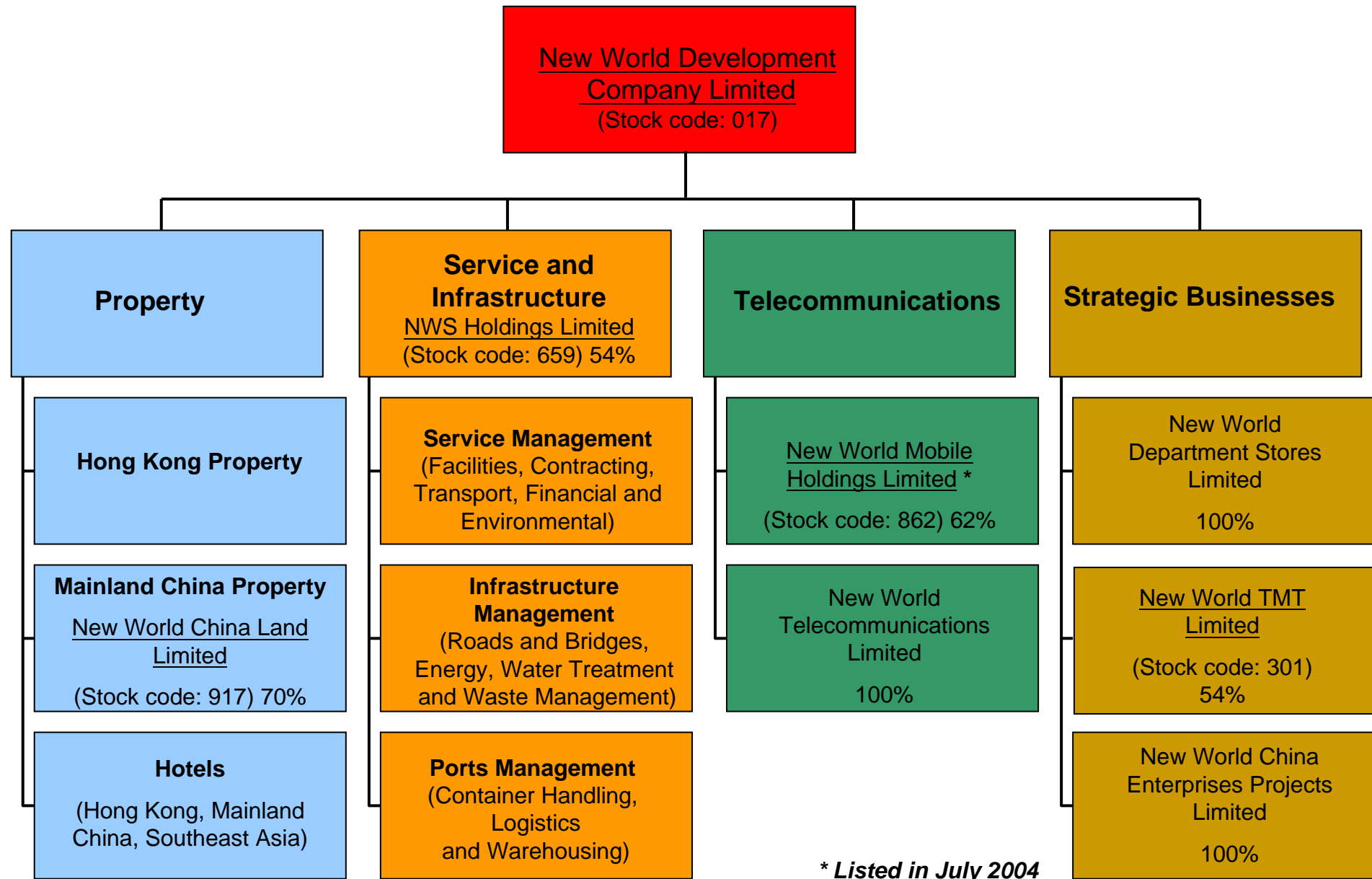
New World Development Company Limited

FY2004 Annual Results Announcement

15 October 2004



Corporate Structure



Results Highlights

	FY2004	FY2003 (as restated)
Turnover (\$mil)	25,653.0	21,056.3
Loss Attributable to Shareholders (\$mil)	(976.2)	(4707.7)
Loss Per Share (Basic) (\$)	(0.35)	(1.96)
Dividend Per Share (\$)		
Interim	0.02	0.06
Final	0.04	0.00
Full-year	0.06	0.06
Net Debt (\$mil)	21,613.4	31,231.5
Gearing Ratio	39.7%	68.0%

Results Highlights – by company

Profit/(Loss) Attributable to Shareholders

NWD (stock code: 017)	\$ (976) mil
NWSH (stock code: 659)	\$ 1,538 mil
NWCL (stock code: 917)	\$ 127 mil
NWTMT (stock code: 301)	\$ (5,507) mil

Segment Results

	FY2004	FY2003
	\$mil	\$mil
Property sales	1,577.4	(770.6)
Rental	725.3	576.4
Service	945.6	584.7
Infrastructure	1,353.1	1,352.3
Telecommunications	53.1	221.8
Department stores	103.5	40.2
Others	(102.6)	(450.6)
Segment results	4,655.4	1,554.2
Other (charge)/income	(4,787.2)	(4,732.6)
Unallocated corporate expenses	(504.9)	(480.0)
Net finance costs	(792.3)	(1,486.2)
Taxation	(980.2)	(317.4)
Minority interests	1,433.0	754.3
Loss to shareholders	(976.2)	(4,707.7)

Other (charge)/income

\$ mil

Hong Kong property			
Provisions written back:	Kennedy Town	538.5	
	Black's Link	386.4	
	Others	235.4	1,160.3
NWCL			
Provisions written back:	Hotels	213.4	
Provisions made:	Properties	(154.6)	58.8
NWTMT			
Provisions made:	PrediWave related	(4,392.0)	
	Other investments	(757.2)	(5,149.2)
Impairment loss on NWT cable assets and others			(797.4)
Others			(59.7)
Total			(4,787.2)

Debt reduction

	Net Debt (\$ mil)	Gearing
FY2003	31,231	68.0%
FY2004	21,613	39.7%
Reduction	9,618	

		\$ mil
Net proceeds:	share placements (October 2003)	1,225
	rights issue (March 2004)	5,260
From operations		3,133
Total		9,618

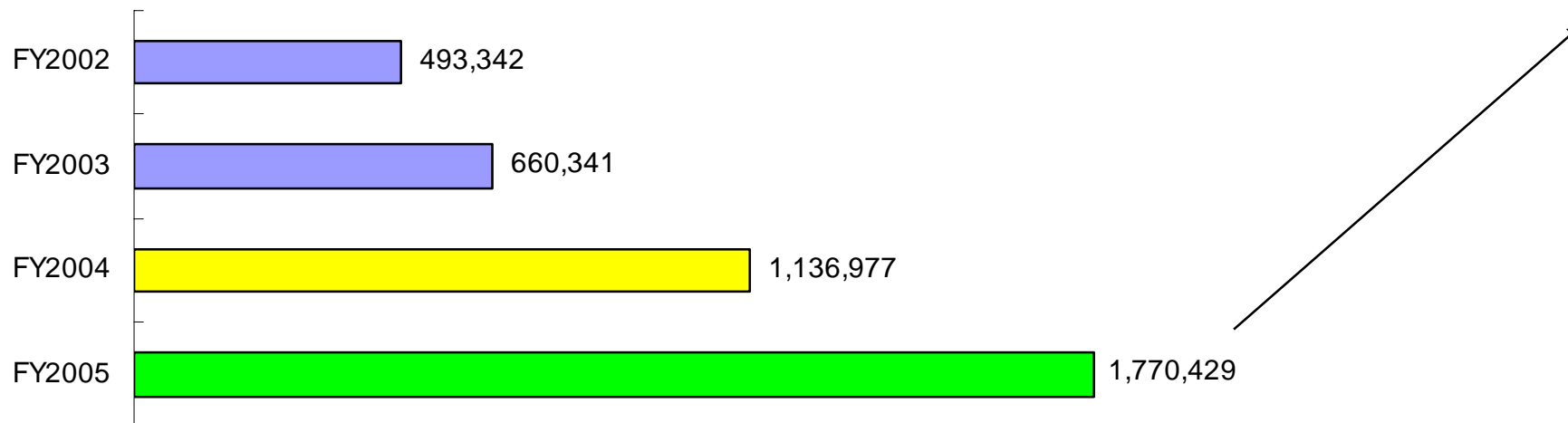
Hong Kong Property Development

- Market rebound after SARS. Solid growth in both volume and pricing
- Several leading developers voiced out difficulties in closing the agricultural land premium negotiations with the government
- Strong competition during the auctions for 2 major sites in Homantin and Sam Po Kong on 12 October

More Hong Kong property to sell in FY2005

FY2005 Projects	Attri.area (sq. ft.)
<i>Inventory</i>	332,668
Caldecott Hill (郝德傑山)	31,220
33 & 35 Island Road (香島道33及35 號)	27,438
Kennedy Town Redevelopment (堅尼地城重建項目)	676,687
6-10 Black's Link (布力徑6-10 號)	27,814
Tseung Kwan O Area 55b (將軍澳55b區項目)	411,336
Lot No. 3569 in DD129, Lau Fau Shan (流浮山項目)	66,522
3 Tuen Kwai Road, Fu Tei (虎地屯貴路3 號)	196,744
Total	1,770,429

Attri. area (sq. ft.)



Landbank

	Attri. GFA (sq. ft.)
Development projects	
Hong Kong Island	748,645
Kowloon	1,957,911
NT ex pending agricultural land conversion	2,835,219
Total	5,541,775

Agricultural landbank by location	Total land area (sq. ft.)	Attri. land area (sq. ft.)
Yuen Long	14,420,000	12,937,100
Shatin / Tai Po	3,414,000	2,528,000
Fanling	2,310,000	2,310,000
Tuen Mun	120,000	120,000
Sai Kung	1,905,000	1,668,000
Total	22,169,000	19,563,100

Successful conversion in June 2004:

Location	GFA (sq. ft.)
Lot no. 2131 in DD121 Yuen Long (low-rise development)	260,000

Hong Kong Property Investment

- Rental business maintains stable contribution
- Improving reversions in retail and office markets
- Hong Kong hotels have improved significantly in both occupancy and average daily room rate

New World Centre

KCR East TST Station to open in Oct 2004: Local traffic

Avenue of Stars opened in April 2004: Tourist traffic



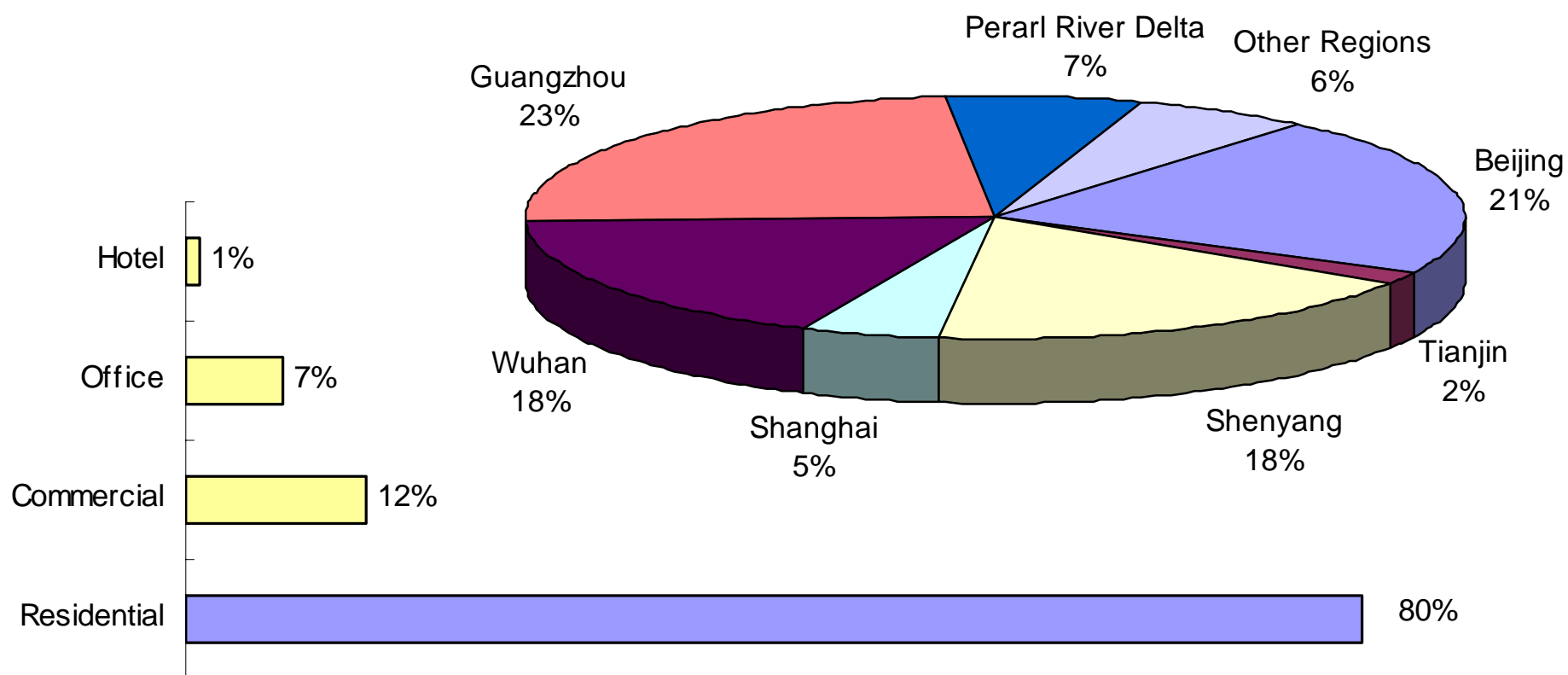
Hanoi Road project



1 million sq. ft. Hanoi Road project includes retail, hotel and service apartments

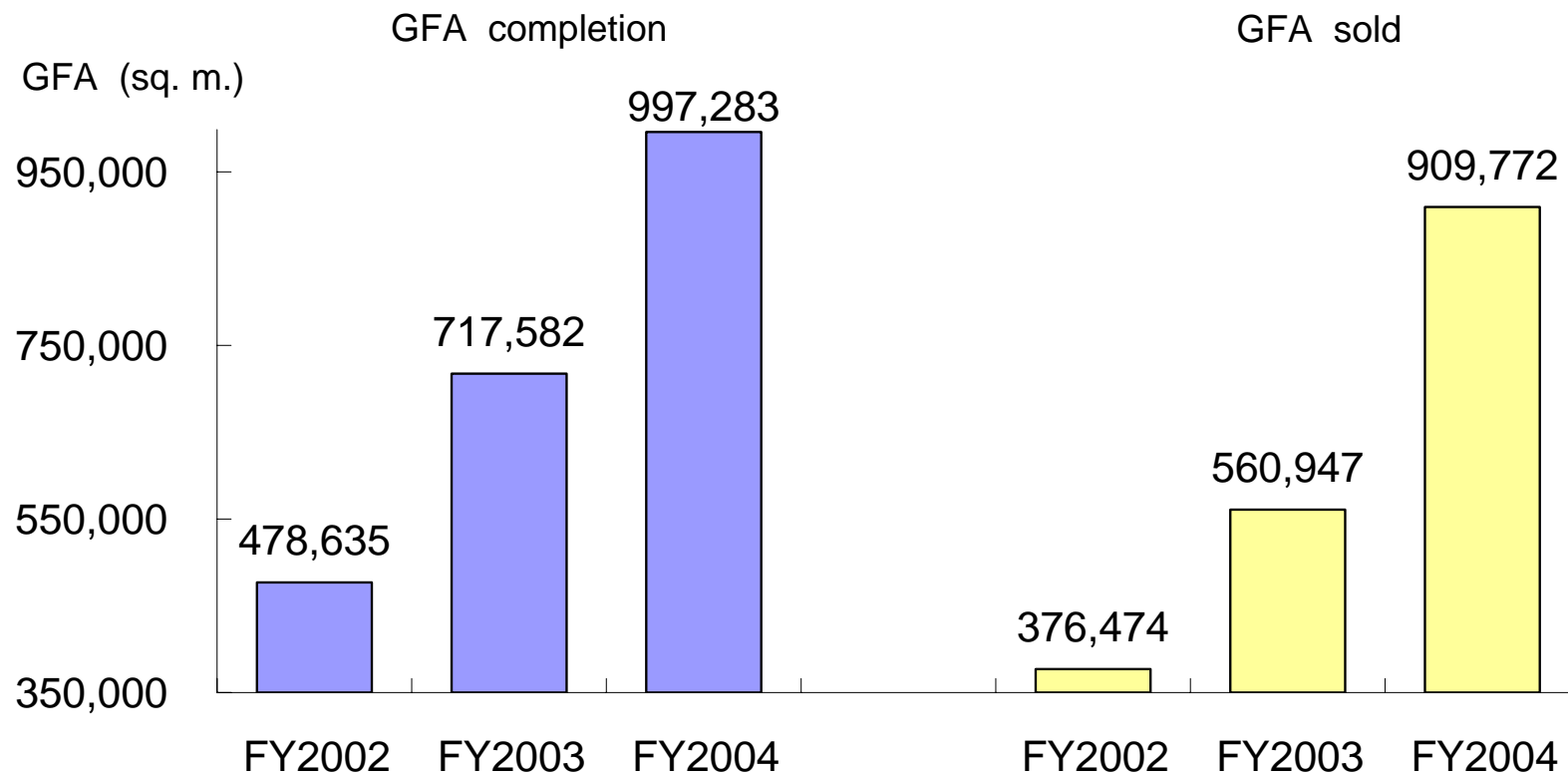
Mainland China Property Portfolio

- 45 major projects with GFA 17 million sq. m.
- Focus on residential property for sale
- Investment portfolio to strengthen recurrent income



Mainland China Property Development

- Completion increased 39% to 1 million sq.m.
- Area sold surged 62% to more than 900,000 sq. m.



FY2005 development property portfolio

	Inventory	Completion in FY05	Total GFA (sq.m.)
Beijing	175,969	107,261	283,230
Tianjin	44,485	-	44,485
Wuhan	39,925	52,296	92,221
Shenyang	38,927	-	38,927
Guangzhou	125,704	262,377	388,081
Pearl River Delta	91,366	157,619	248,985
Others	79,367	127,652	207,019
Total	595,743	707,205	1,302,948

Mainland China Property Investment

- Shanghai Hong Kong New World Tower completed in Oct 2003 with satisfactory occupancy
- Investment portfolio increased to 1.2 million sq. m.

GFA (sq. m.)	Commercial	Office	Hotel & Service apartment	Carpark	Total
FY2002	388,274	114,387	194,611	86,994	784,266
FY2003	476,168	138,970	194,611	141,641	951,390
FY2004	515,420	196,479	252,622	232,957	1,197,478

Mainland China Hotel

- Completion of Mayfair Hotel Shanghai in October 2003

Name of Hotel	Rooms
New World Courtyard Hotel, Beijing (北京新世界萬怡酒店)	293
Jiang Guang New World Hotel, Beijing (北京京廣新世界酒店)	444
Mayfair Hotel Shanghai (上海巴黎春天大酒店)	860
New World Hotel, Shenyang (瀋陽新世界酒店)	261
New World Courtyard Hotel, Shunde (順德新世界萬怡酒店)	376
New World Courtyard Hotel, Wuxi (無錫新世界萬怡酒店)	243
Grand New World Hotel, Xian (西安古都新世界大酒店)	491
Total	2,968

Service, Infrastructure & Ports

- NWS Holdings Limited

	FY2004	FY2003	change
	HK\$mil	HK\$mil	+/-%
Attributable Operating Profit	1,903	946	101
Profit attributable to shareholders	1,538	1,193	29
Net debt	4,618	6,893	(33)
Gearing ratio	44%	64%	

Service, Infrastructure & Ports

- Stable growth & steady cash flow
- Excellent service
 - Facilities, contracting & transport
- Quality infrastructure assets
 - Power plants, roads & bridges, water treatment plants
- Hong Kong ports face challenges

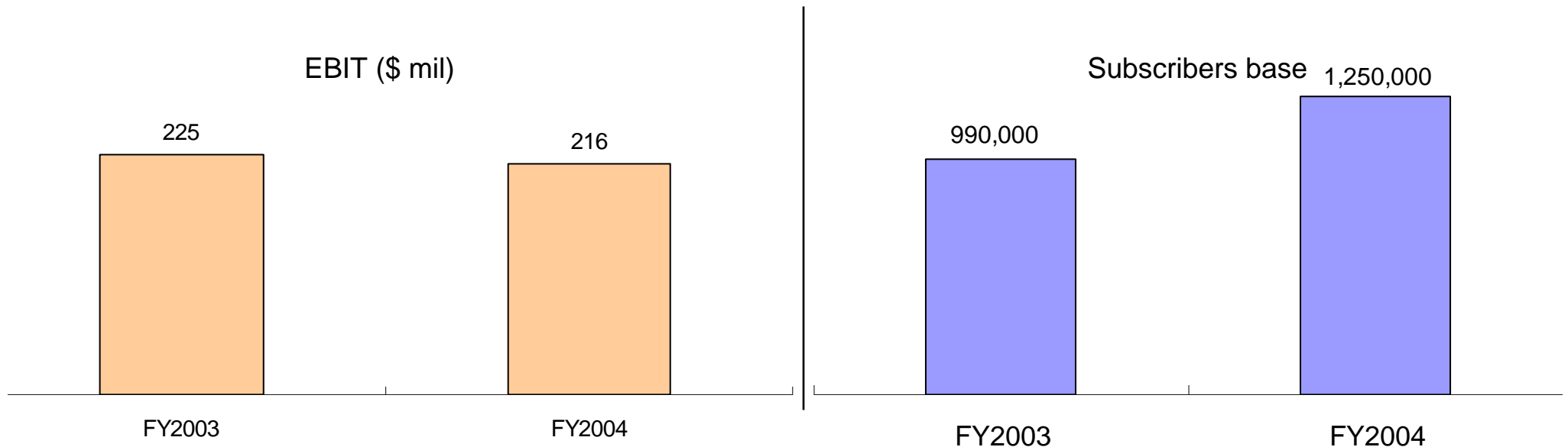
Service, Infrastructure & Ports

- Leverage on the expertise to seek expansion
- Seek growth in Pearl River Delta including Hong Kong, Macau and Guangdong Province



Telecommunications

New World Mobility



- Enhance existing network
 - Signed a US\$ 30 million contract with Nokia in June 2004 to expand GSM network, including EDGE and Push to Talk over Cellular (PoC)

Telecommunications

New World Telecom

- Focus on IDD, data lines and broadband services
- Tremendous competition on IDD tariff
- Loss before interest, taxation and other charges \$ 163 million
- Impairment loss \$ 797 million on cable assets and others
- NWT extended its self-built network and explore new technologies (WiMax) to overcome the restriction of the last mile



New World Department Stores

- Growing consumer market in Mainland China
- Total sales in FY2004 amounted to \$ 3.3 billion, up 22 %
- Operations expanded to 15 stores across 10 cities in Mainland China and Hong Kong with total GFA 443,000 sq. m.
- Opened new stores in Shanghai Hongkou (上海虹口) in Oct 2003, in Kunming (昆明) in Jun 2004, in Shanghai Dingxi Road (上海定西路) in Sep 2004
- Open 2 more in Ningbo (寧波) and Nanjing (南京) in FY2005

Outlook

- Revival of HK economy and continuing prosperity in China
- Strong core businesses to generate cash flow from properties, service and infrastructure, department stores and hotels
- Solid growth of Hong Kong and Mainland China property market
- Hotels in Hong Kong to benefit from increasing overseas and Mainland China travellers

**We strive for
better results**



TMT

- **New Investment Committee** to scrutinize and approve all new investments
- **Finance & Administration Centre**, headed by Hong Kong corporate personnel, in Beijing to monitor all projects
- New management team with strong TMT background
- Focus on existing projects with solid cash flow to drive profitability
- Divest under-performing projects
- Only invest in projects with mature technology and cash flow
- Emerge as a successful TMT enterprise in China

Key Projects

Telecom	Sunlong Communication (翔龍通訊)	Operate call centres in Guangzhou and Shenzhen, establishing a base in IP VPN and NGN services
	Mtone (美通無線) (Mobile VAS) 27.49% equity	Revenue of USD20 million and over 4.5 million subscribers, 100% growth over previous year
Media	Xintong Media (信通傳之媒) 51% equity	Revenue RMB400 million, net profit increased 250% to RMB 17 million
	China Aerospace New World Technology (航天新世界科技) 50% equity	JV deal signed in October 03 to provide digital TV platform
Technology	Heat transfer, software	Rapidly expanding revenue base, expected to deliver profit this year

PrediWave

- Failure of PrediWave to deliver conforming interactive digital TV platform leads to litigation
- In May 2004, NWTMT filed US\$700 million claims in US
- Difficulty in accessing financial information causes provision to investments
- Court case in progress