

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

Annual Results FY2006/07

2006/07 財政年度全年業績

21 August 2007

Presentation slides are available in www.hopewellhighway.com

Group Message 集團信息

- **Strong, solid financial position for future investments**

有穩健的財務實力投資未來的新項目


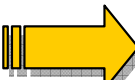
- **Focus on traffic management to improve service quality and efficiency**

專注於交通管理以提升服務質素及效率

- **Quality upcoming projects to enhance shareholder value**

計劃中的優質項目將提高股東價值

Financial Highlights 財務摘要

	Year ended		% Change
	30.6.06	30.6.07	
Net toll revenue (HK\$' m) 淨路費收入 (港幣百萬元)	1,735	2,026	+17%
 Net profit attr. to equity holders of the Co. (HK\$' m) 公司股東應佔淨溢利 (港幣百萬元)	1,128	1,349	+20%
 EPS (HK cents) 每股溢利 (港仙)	38.85	45.45	+17%
DPS (HK cents) 每股股息 (港仙)	28.5 (interim 中期: 11.5, Final 期末: 17.0)	35.0 (interim 中期: 15.0, Final 期末: 20.0)	+23%

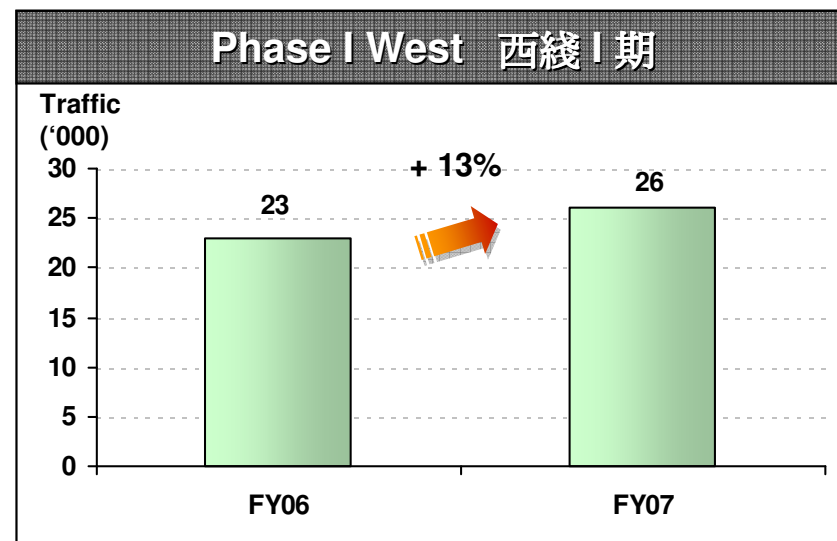
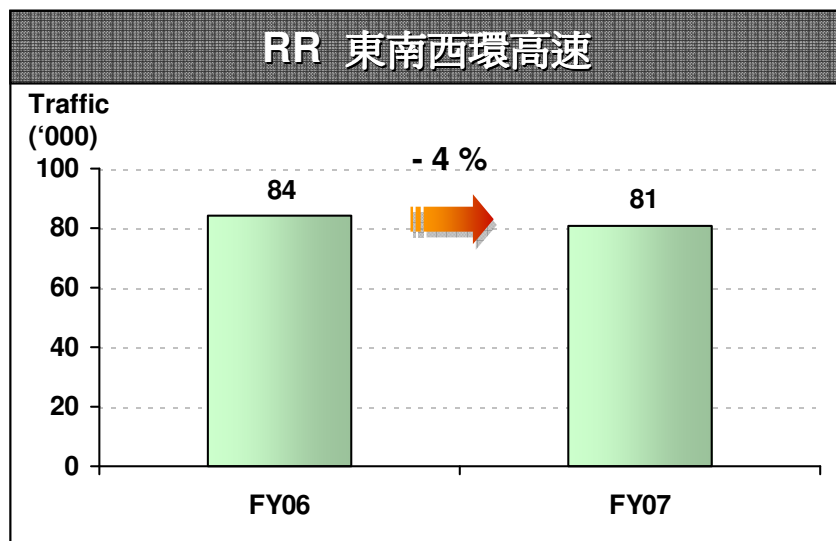
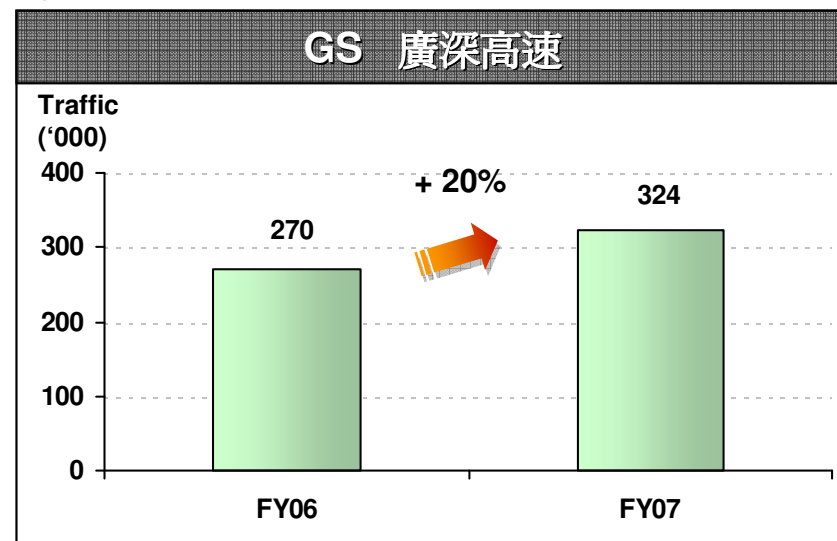
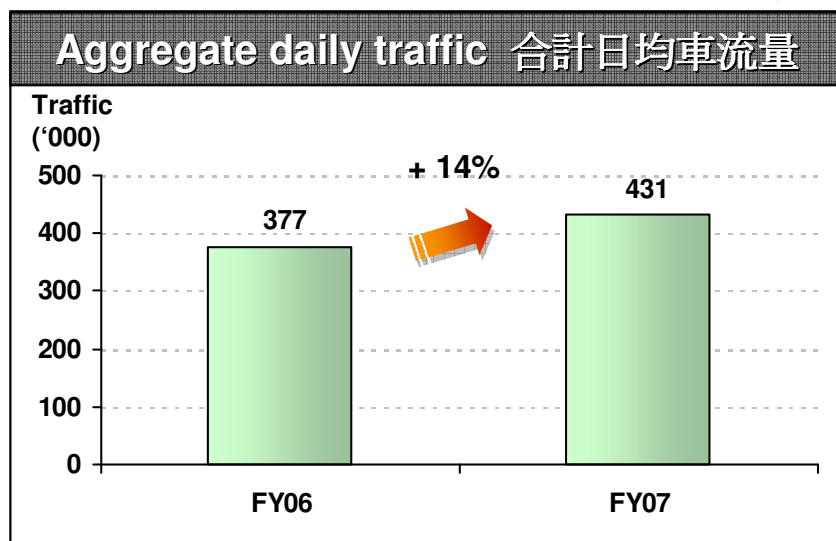
- **Aggregate average daily traffic rose 14% to 431K**
合計日均車流量升14%至43.1萬架次
- **HHI's net cash on hand HK\$ 3.9 billion (excluding JV Entity)**
合和公路基建持有手頭淨現金港幣39億元 (不包括合營企業)
- **Disposed 45% stake of ESW Ring Road (announced in Aug 2007)**
於2007年8月宣布出售東南西環高速公路的45%權益

Operation Highlights 營運摘要

- Aggregate average daily traffic of the Group's 3 toll expressways increased 14% to 431,000 vehicles

集團旗下3條收費高速公路合計日均車流量升14%至43.1萬架次

Average daily traffic

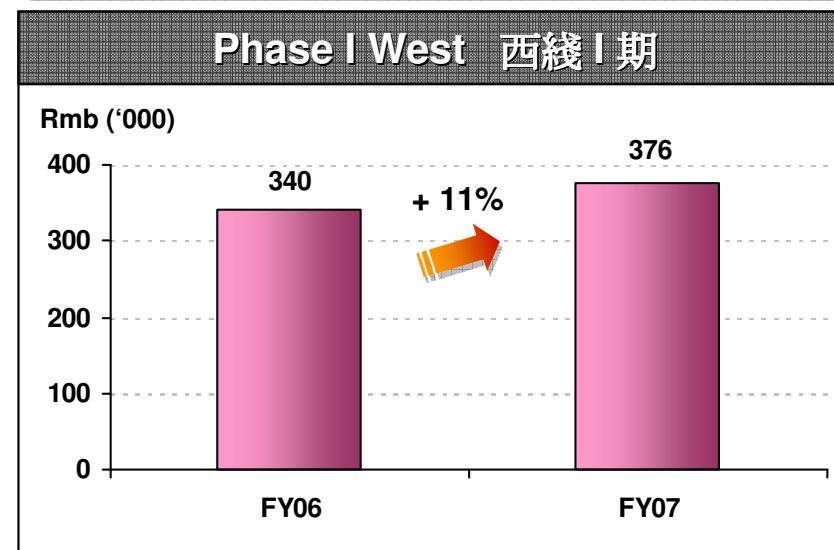
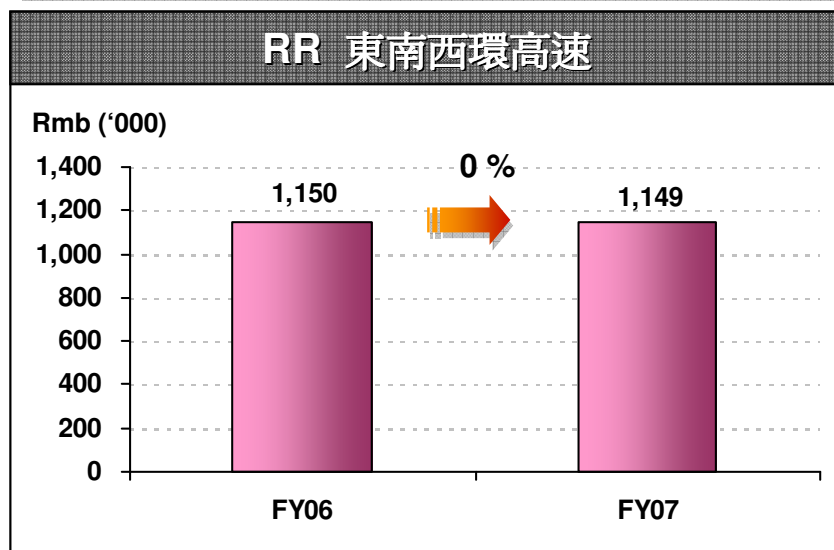
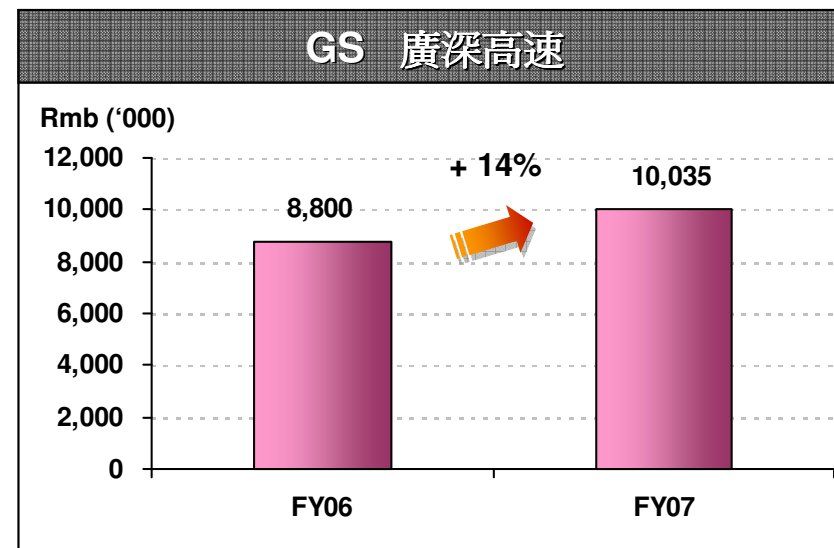
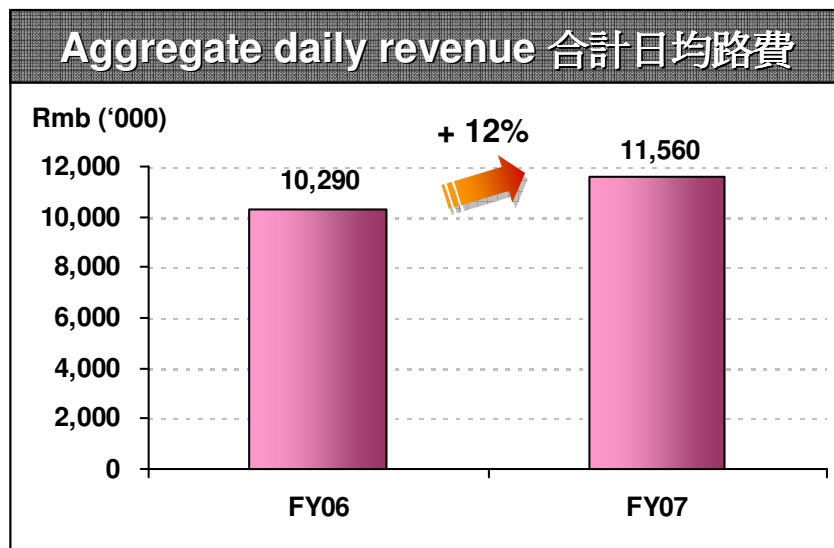


Operation Highlights 營運摘要

- Aggregate average daily toll of the Group's 3 toll expressways rose 12% to Rmb11.56 million

集團旗下3條收費高速公路合計日均路費收入升12%至人民幣1,156萬元

Average daily toll revenue



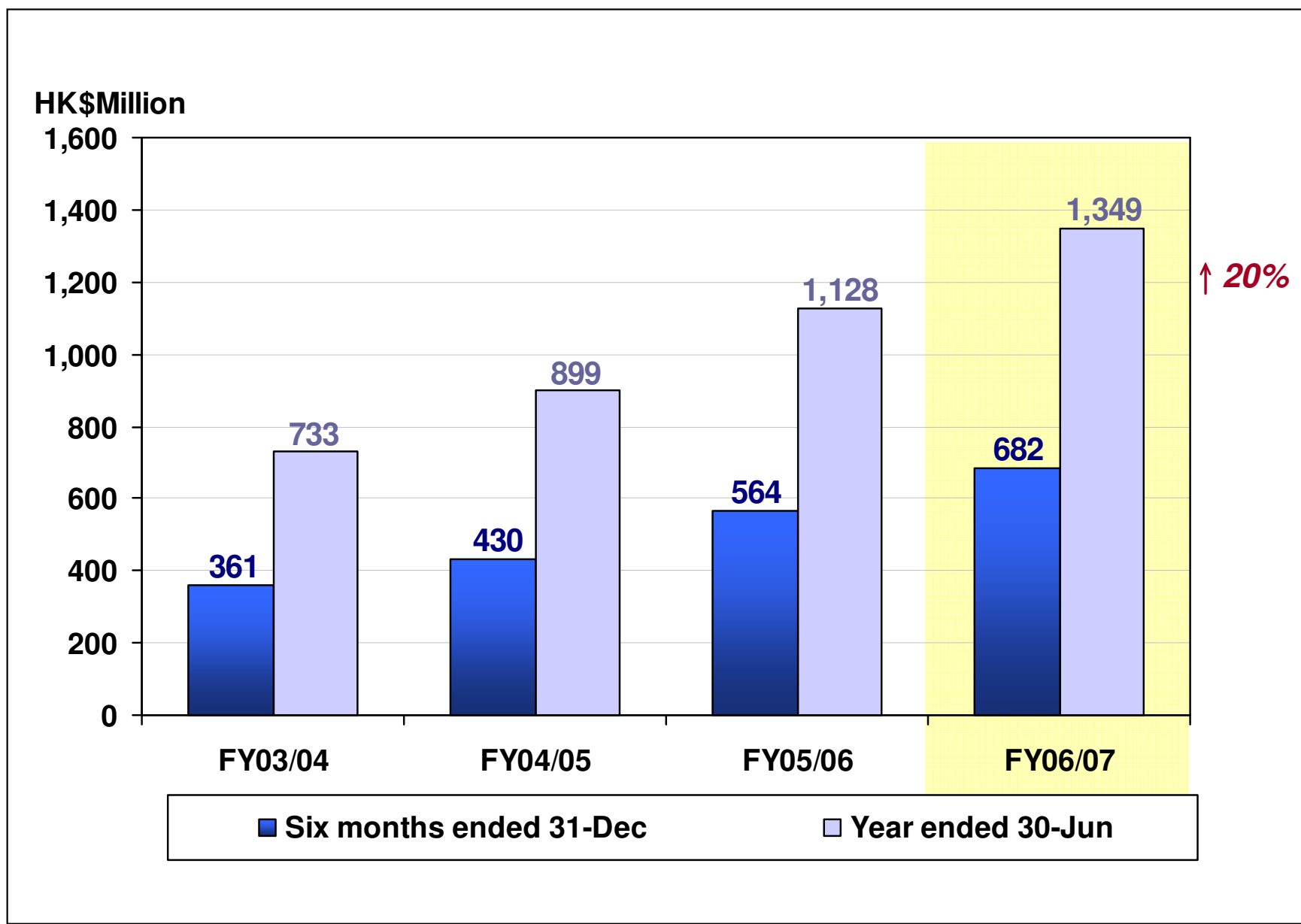
Group Results 集團業績

HK\$'M 港幣(百萬元)	Year ended		
	30.6.06	30.6.07	% Change
Net toll revenue 淨路費收入	1,735	2,026	17%
Exchange gain 匯兌盈利	146	236	
Interest income 利息收入	166	301	
Other revenue 其他收入	24	47	
Total Revenue 總收入	2,071	2,610	26%
Opex 營運費用	(205)	(241)	
Depn & amortn exp 折舊及攤銷費用	(320)	(381)	
EBIT 除利息及稅項前溢利	1,546	1,988	29%
Finance costs 財務成本	(286)	(459)	
Tax expenses 稅項開支	(111)	(155)	
Net Profit 淨溢利	1,149	1,374	
Attributable to:			
Minority interests 少數股東應佔淨溢利	21	25	
Equity holders of the Co. 公司股東應佔淨溢利	1,128	1,349	20%
	1,149	1,374	
EBITDA ex-interest income 除利息, 稅項, 折舊, 攤銷及利息收入的溢利	1,701	2,068	22%
Op. margin (excl. exchange gain & interest income) ⁽¹⁾	90%	90%	
經營邊際利潤(不包括匯兌盈利及利息收入) ⁽¹⁾			

Note: (1) EBITDA (excl exchange gain & interest inc.)/ net toll revenue 除利息、稅項、折舊、攤銷、匯兌盈利及利息收入前溢利 / 淨路費收入

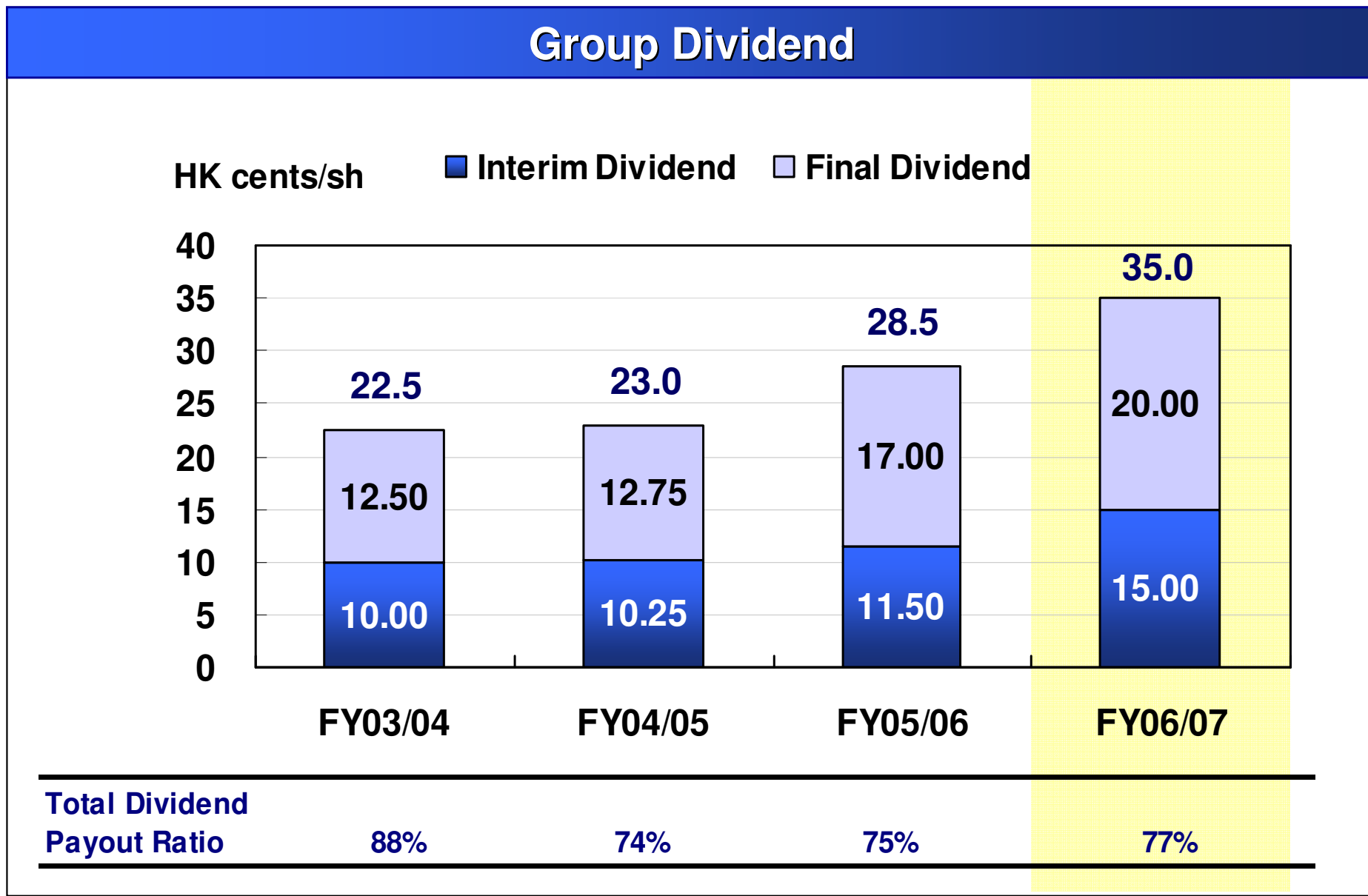
Net Profit Attributable to Equity Holders of the Co.

公司股東應佔淨溢利



Group Dividend History 集團股息

■ Target 75% dividend payout ratio 目標派息率 75%



Major New Projects 主要新項目

Projects 項目	Description 描述	Planned Inv.* 計劃的投資額*	Planned Completion Date 計劃完工日期
Phase II West 廣珠西綫II期 (HHI: 50%)	Shunde – Zhongshan expressway of approx. 46km 順德至中山約46公里的高速公路	Approx. Rmb4.9b (Equity/Debt: 35%/65%) 約人民幣49億元 (股本 / 債務: 35%/65%)	End 2009 (new target) 2009年底 (新目標)
Phase III West 廣珠西綫III期 (HHI: 50%)	Zhongshan – Zhuhai expressway of approx. 38km 中山至珠海約38公里的高速公路	Approx. Rmb3.6b (Equity/Debt: 35%/65%) 約人民幣36億元 (股本/債務: 35%/65%)	No timetable yet 暫未有時間表
GS Expansion 廣深高速擴闊 (HHI: 50%)	Expansion from current dual 3 to dual 5 lanes 由現時雙向3車道擴闊至雙向5車道	Approx. Rmb7b (Equity/Debt: 0%/100%) 約人民幣70億元 (股本/債務: 0%/100%)	No timetable yet 暫未有時間表

Targeted Project 目標項目

Projects 項目	Description 描述	Planned Inv.* 計劃的投資額*
HK-Zhuhai-Macau Bridge 港珠澳大橋 (HHI: planned 50%)	Proposed 29km bridge linking Hong Kong, Zhuhai & Macau 倡議的29公里大橋連接香港、珠海及澳門	Depends on scope of project 取決於項目的規模

•Present planning, subject to change; excluding finance cost
 現時的計劃，依變更而定；不包括財務成本

Major Projects Plan 主要項目計劃

Projects	Planned Investment [^] Rmb'm	Interest %	Equity required %	HHI's Planned Equity Portion ^{*^} HK\$'M	HHI's Planned Equity Injection ^{*^} (HK\$'M)		
					FY08	FY09	FY10
Phase II West 廣珠西綫II期	4,900	50%	35%	700			
Phase III West 廣珠西綫III期	3,600	50%	35%	646			
GS expansion 廣深高速擴闊	7,000	48%#	0%	-			
Total 合計	15,500			1,346	700	323	323

* Based on exchange rate of Rmb1 = HK\$1.026 as of closing on 30-6-2007.

[^] Present planning, subject to change; excluding finance cost

HHI's interest in GS: 50% Jul 97-Jun 07, 48% Jul 07-Jun 17, 45% Jul 17 - Jun 27

Sufficient funding for new projects from: 有充足資金發展新項目:

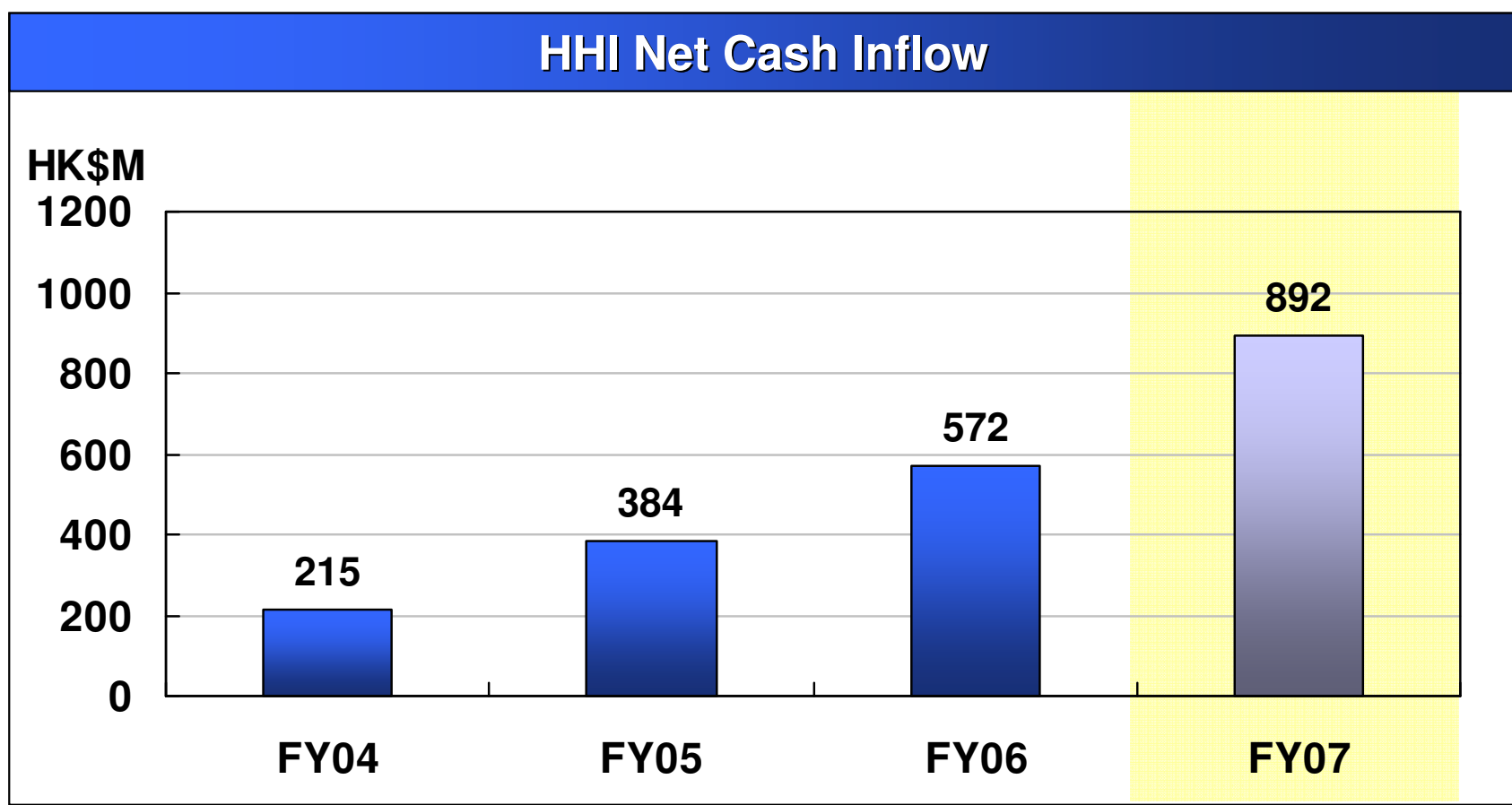
- 1. net cash of \$3.9billion on hand (approx.\$1.3 per share)** 手頭淨現金港幣39億元 (約每股港幣1.3元)
- 2. Annual net cash reserve of approx. HK\$516m in the past 4 years on average**
過去4年資金淨流入平均每年累積約港幣5.16億元
- 3. HK\$3.6 billion 5-year syndicated bank loan facility available**
港幣36億元的5年期銀團貸款有待使用

HHI Net Cash Inflow

合和公路基建淨現金流入

- Annual net cash reserve of approx. HK\$516m in past 4 years on average (after payment of dividend to HHI shareholders & HHI opex)

過去4年淨現金儲備平均每年累積約港幣5.16億元 (扣除支付股息予合和公路基建股東及合和公路基建營運費用後)

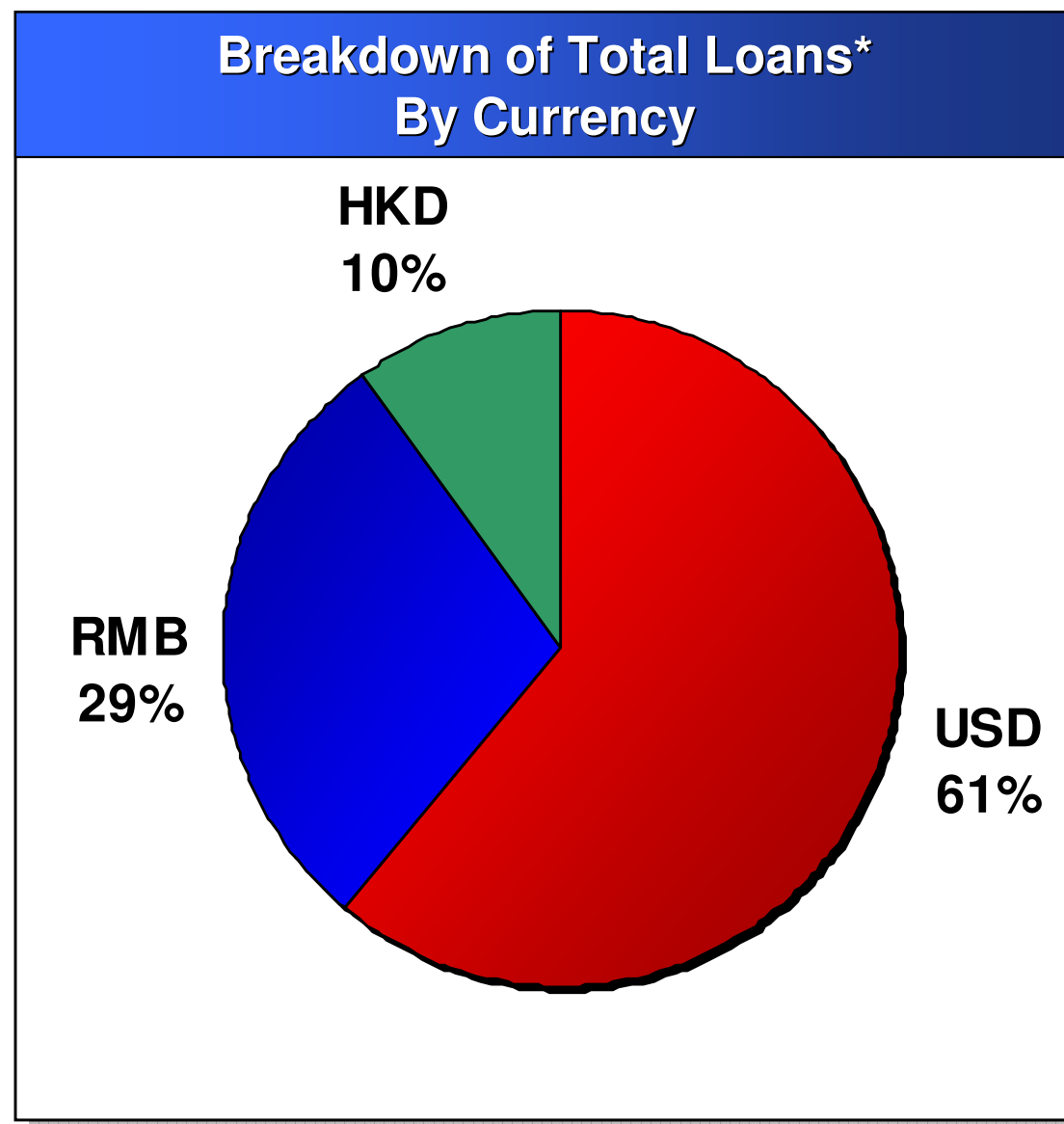


Positive Impact from Renminbi Appreciation

人民幣升值帶來正面影響

- **USD loans: 61%**
美元貸款：61%
- **RMB loans: 29%**
人民幣貸款：29%
- **HKD loans: 10%**
港幣貸款：10%

- **Exchange gain HK\$236m**
匯兌盈利港幣\$2.36億元

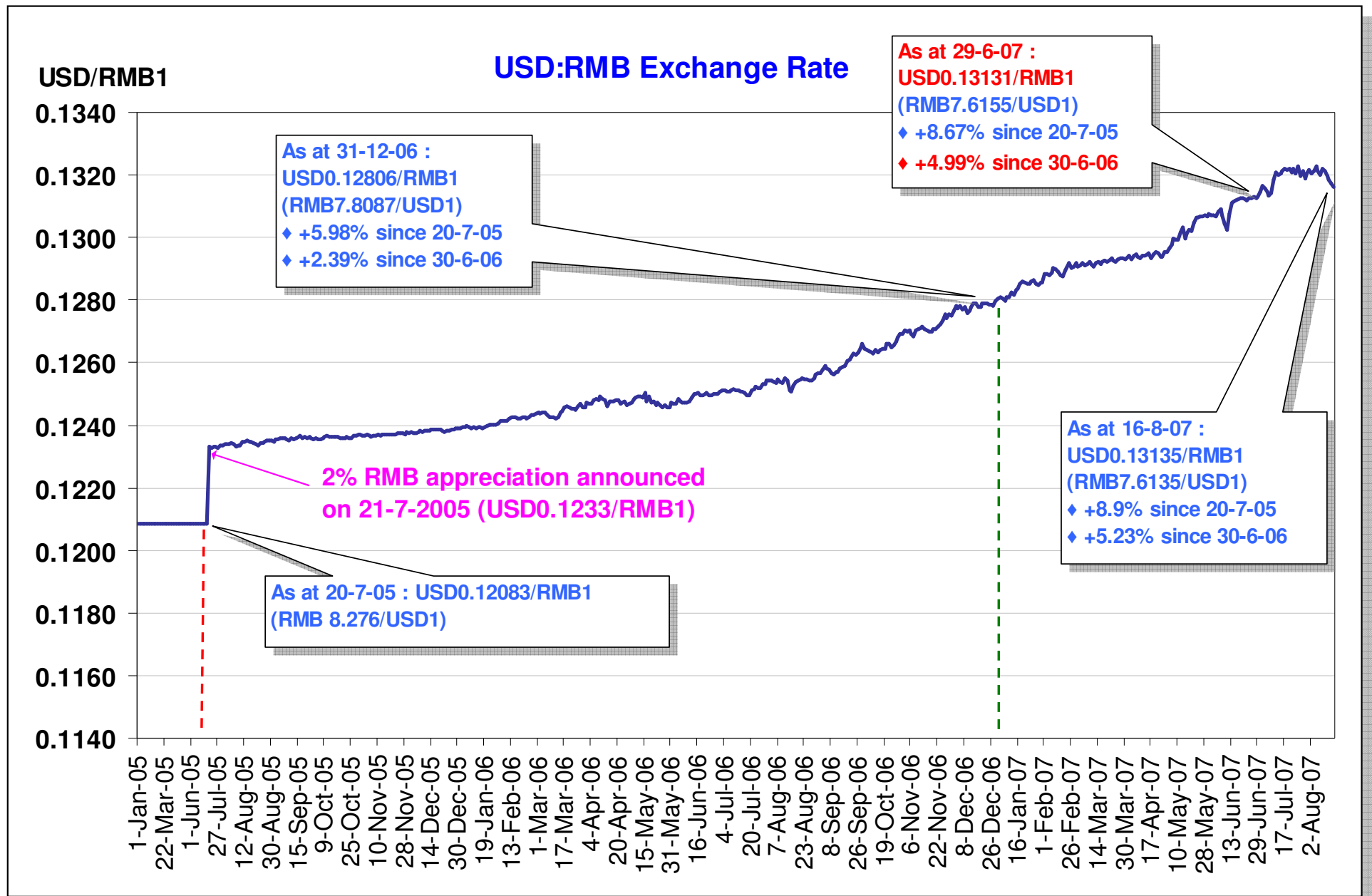


As at 30 Jun 2007

* Proportionate share of JV loans

USD:RMB Exchange Rate Movement

美元兌人民幣匯率走勢



Consolidated Net Cash Position 綜合淨現金

Consolidated Net Cash

綜合手頭淨現金

HK\$m 港幣百萬元	HHI
HHI Corp. Level 合和公路基建公司層面	3,904
HHI Jointly Controlled Entities 合和公路基建的共同控制個體	444*
Total 合計	4,348

* Bank balances and cash and pledged bank deposits 銀行結餘、現金及已抵押的銀行存款

Banking Facilities

備用信貸額

HK\$m 港幣百萬元	HHI
HHI Corp. Level 合和公路基建公司層面	3,600

Consolidated Net Cash Position 綜合淨現金

Consolidated Net Cash + Banking Facilities

綜合手頭淨現金及備用信貸額

HK\$m 港幣百萬元	HHI Reported
HHI Corp. Level 合和公路基建公司層面	7,504
HHI Jointly Controlled Entities 合和公路基建的共同控制個體	444*
Total 合計	7,948

* Bank balances and cash and pledged bank deposits 銀行結餘、現金及已抵押的銀行存款

Consolidated Balance Sheet Highlights



綜合資產負債表摘要

	<u>30.6.06</u> HK\$'M	<u>30.6.07</u> HK\$'M		<u>30.6.06</u> HK\$'M	<u>30.6.07</u> HK\$'M
Bank balances and cash ⁽¹⁾	3,408	4,348	Prop. share of JV debt ⁽³⁾	5,283	5,818 ⁽²⁾
HHI	3,014	3,904	JV bank loans	4,556	5,210
JV	394	444	Other debt	727	608
Property & equipment	9,381	10,204	Other payables	457	667
			Total liabilities	5,740	6,485
Other assets	3,287	2,873	Equity attr. to shareholders of Co.	10,300	10,895
Total assets	16,076	17,425	Minority interests	36	45
			30.6.06	30.6.07	
Total debt / total assets			33%	33%	
Net debt ⁽⁴⁾ / equity attributable to shareholders of Co.			18%	13%	

Notes: (1) Included pledged bank deposits \$393M (30.6.07) and \$358M (30.6.06)

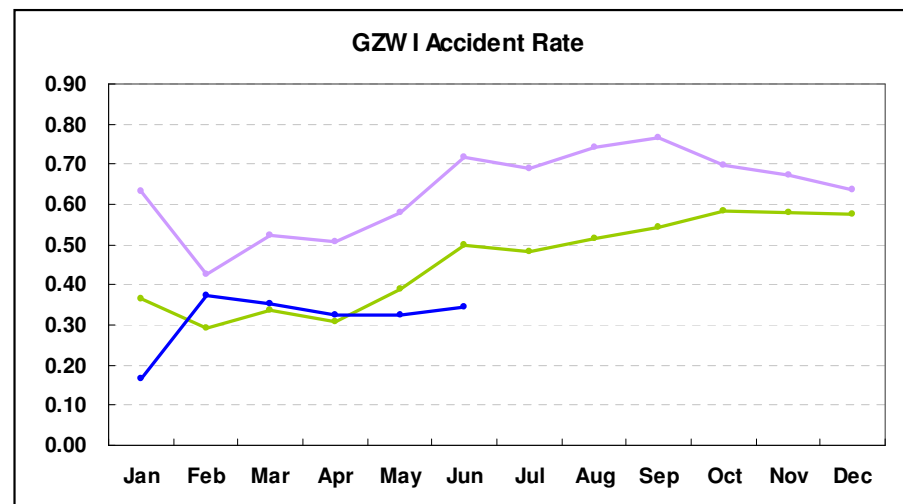
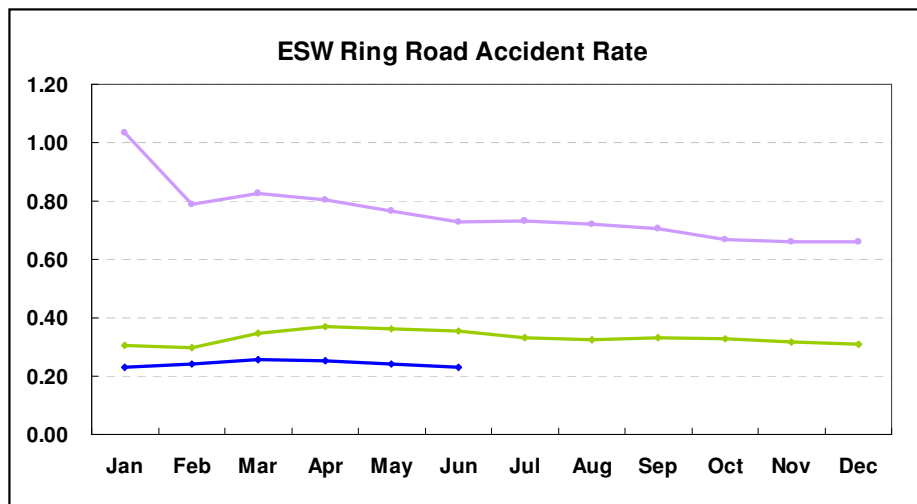
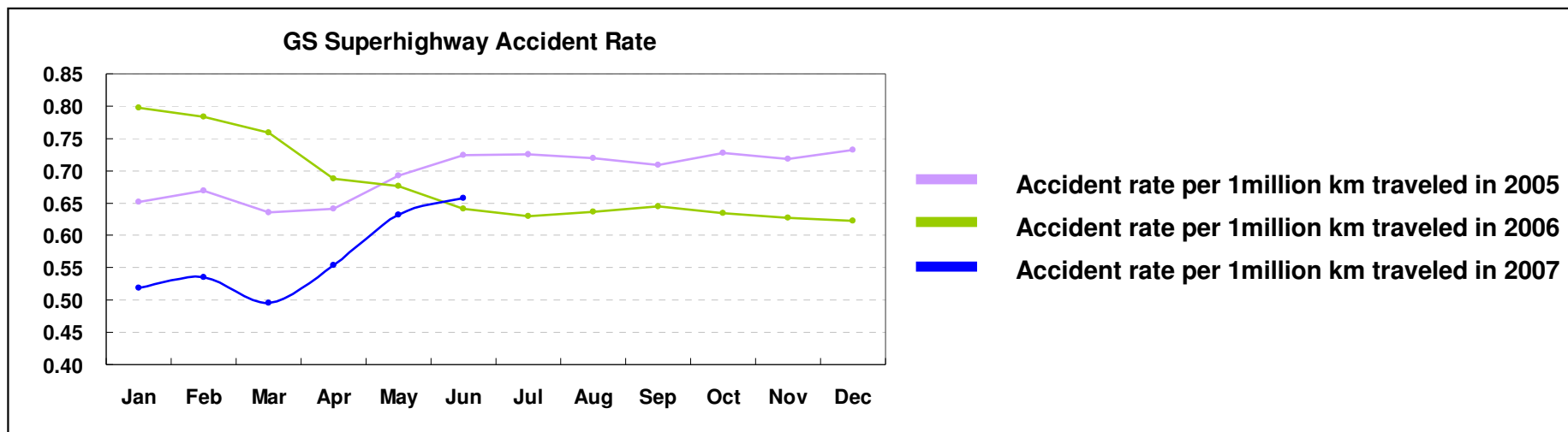
(2) Majority of the debt has long maturity of over 5 years

(3) HHI's proportionate share of joint venture's debts

(4) Net debt refers to total debt less pledged bank deposits, bank balances and cash

Active Traffic Management 積極的交通管理

- Increased manpower and equipment in road patrol, rescue and traffic control**
 增加人手及設備於道路巡邏，拯救及控制交通
- Enhance traffic safety and improve the efficiency and effectiveness in handling traffic accidents**
 提高交通安全及改善處理交通意外的效率及效能



China Ranked 2nd in World Vehicle Sales Market in 2006

在2006年中國已成爲世界第二大汽車銷售市場

World Motor Vehicle* Sales in Major Countries

Ranking	Country	2005 Total vehicle Sales
1	U.S.A.	17,296,100
2	Japan	5,852,067
3	China	5,757,391
4	Germany	3,614,886
5	U.K.	2,828,127
6	France	2,547,911
7	Italy	2,484,166
8	Spain	1,959,488
9	Russia	1,834,000**
10	Canada	1,630,310

China 2006:
7.2m

China 1994:
1.6m

Source: CEIC & various car manufacturer associations

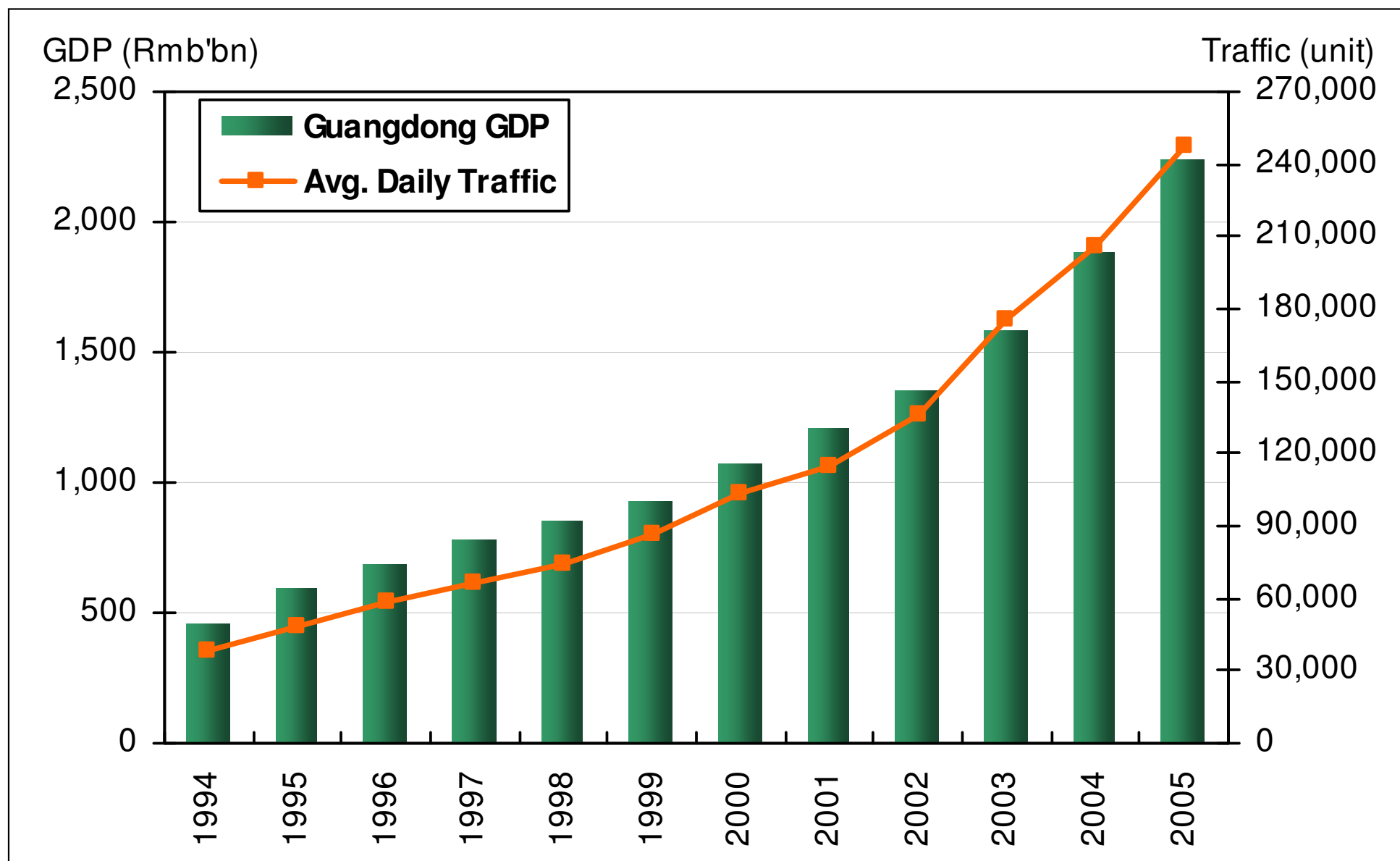
* Total vehicles incl. passenger & commercial vehicles but excl. motorcycles

** Latest data is up to 2003

(in Unit)

Strong Correlation between Guangdong GDP and GS Traffic

廣東省國內生產總值與廣深的車流量有密切關係



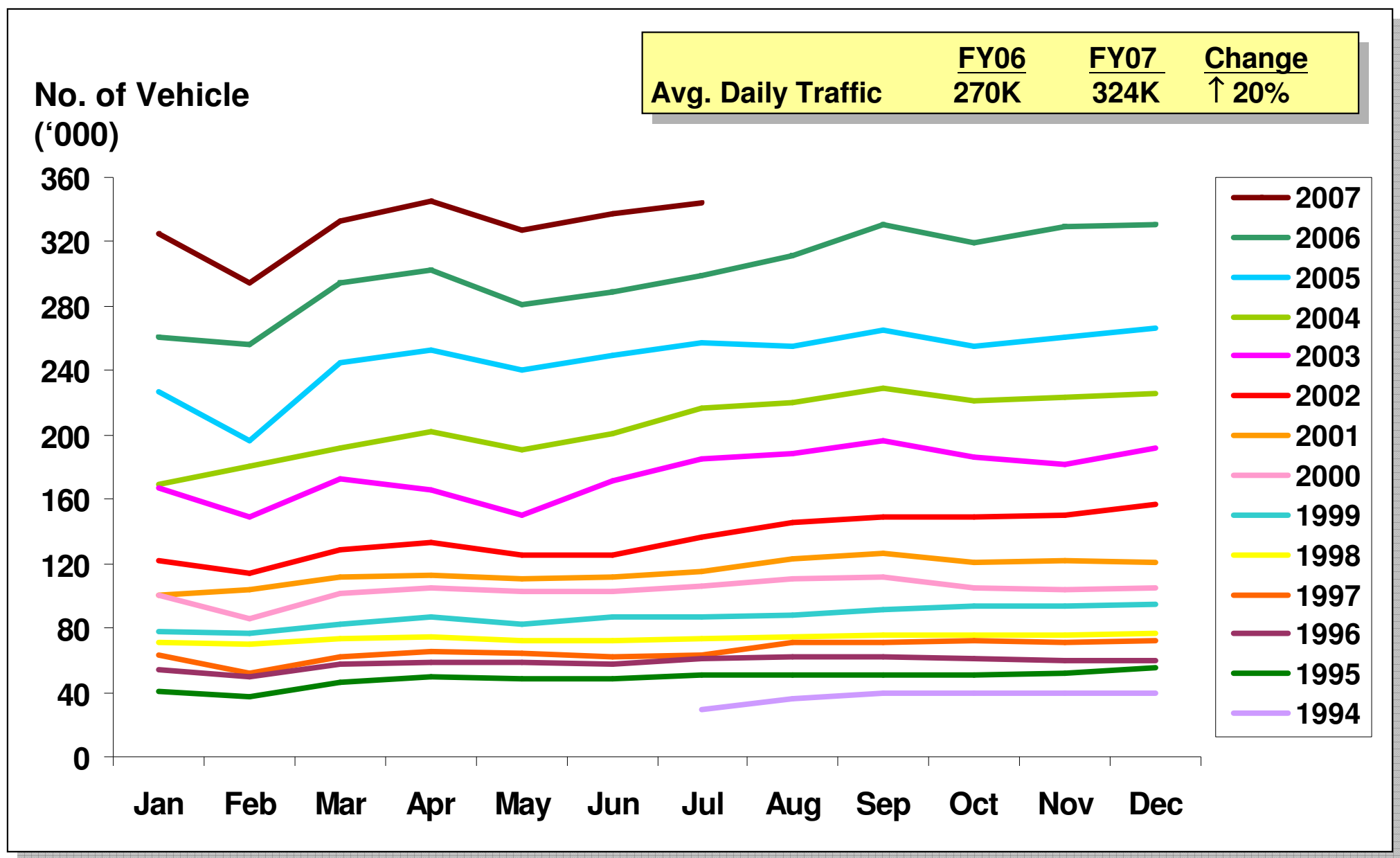
Source: GD Statistical Yearbooks and Company data

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Supplementary Info (Analyst Meeting)

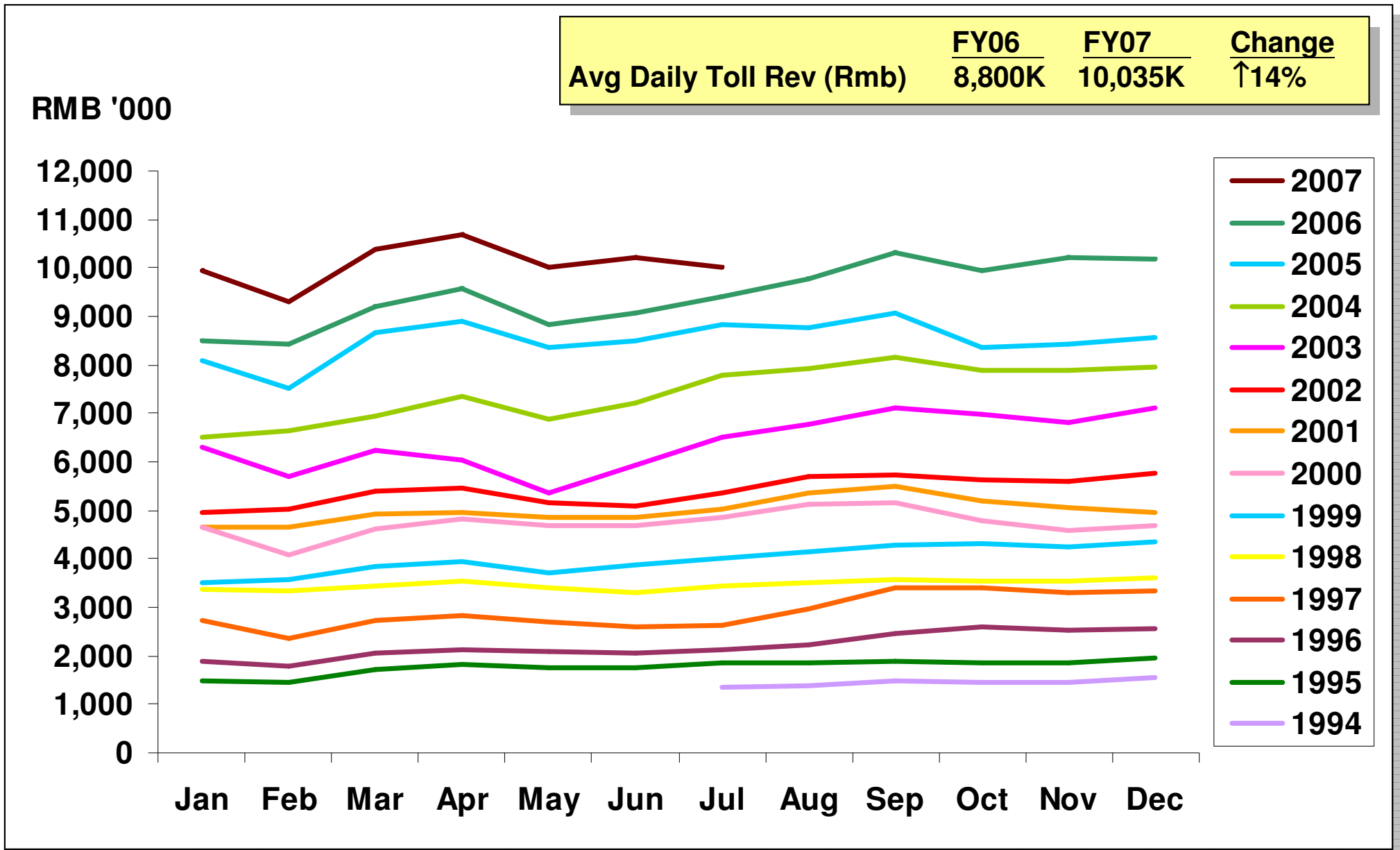
- **GS Superhighway**
- **ESW Ring Road**
- **Phase I West**
- **Future Projects**

GS Superhighway – Avg. Daily Traffic



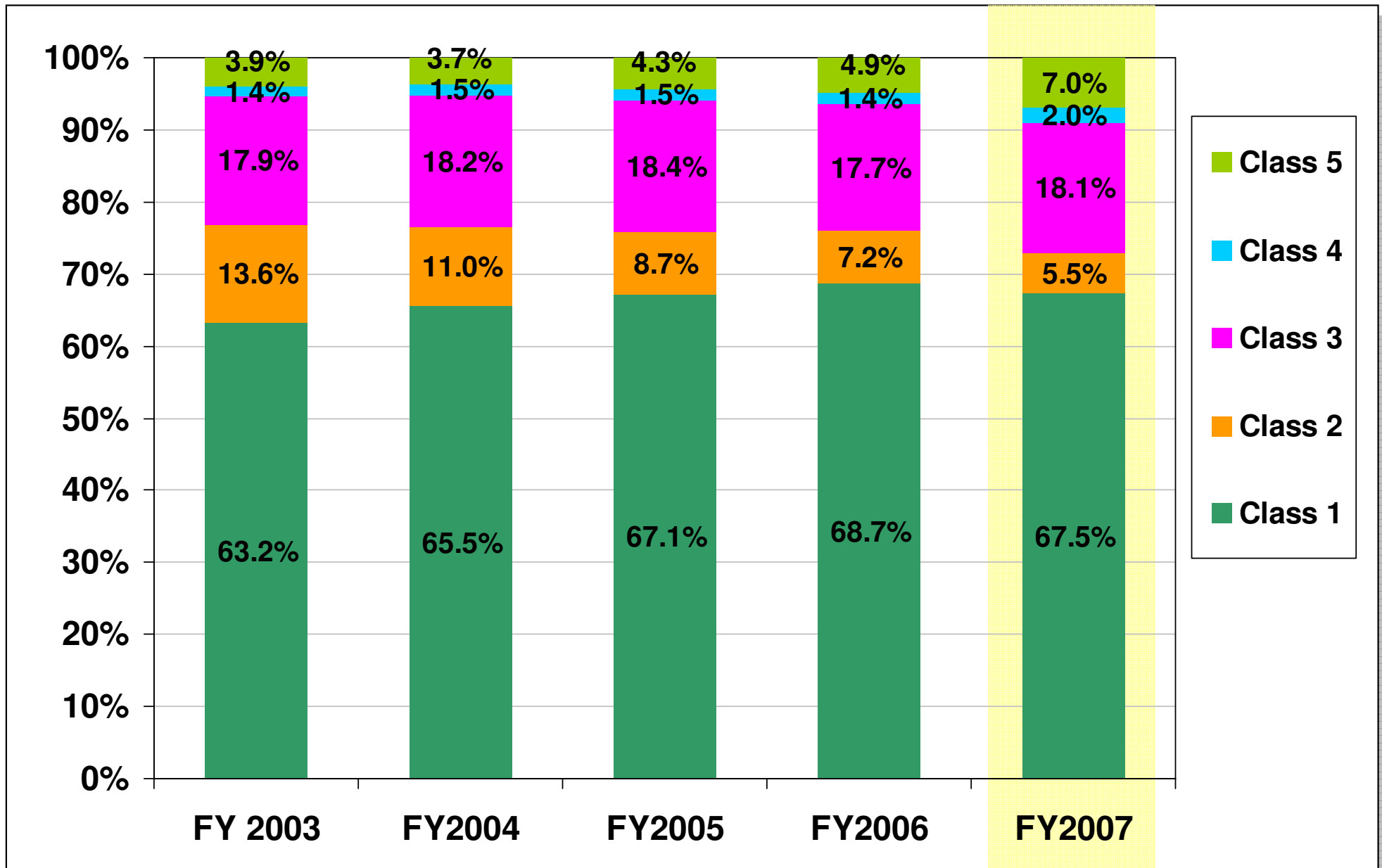
* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

GS Superhighway – Avg. Daily Toll Revenue

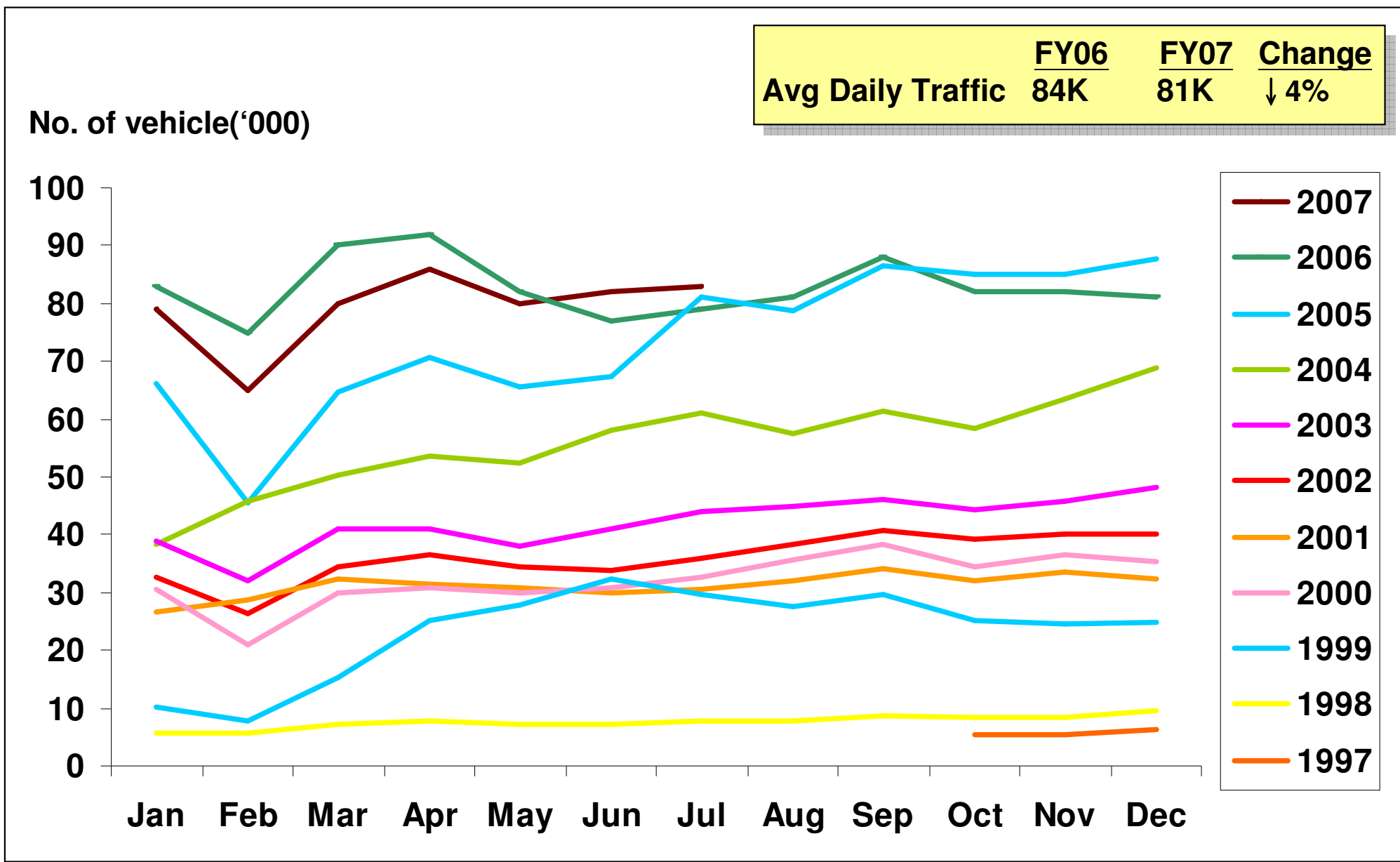


* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

GS Superhighway – Traffic by Class of Vehicles

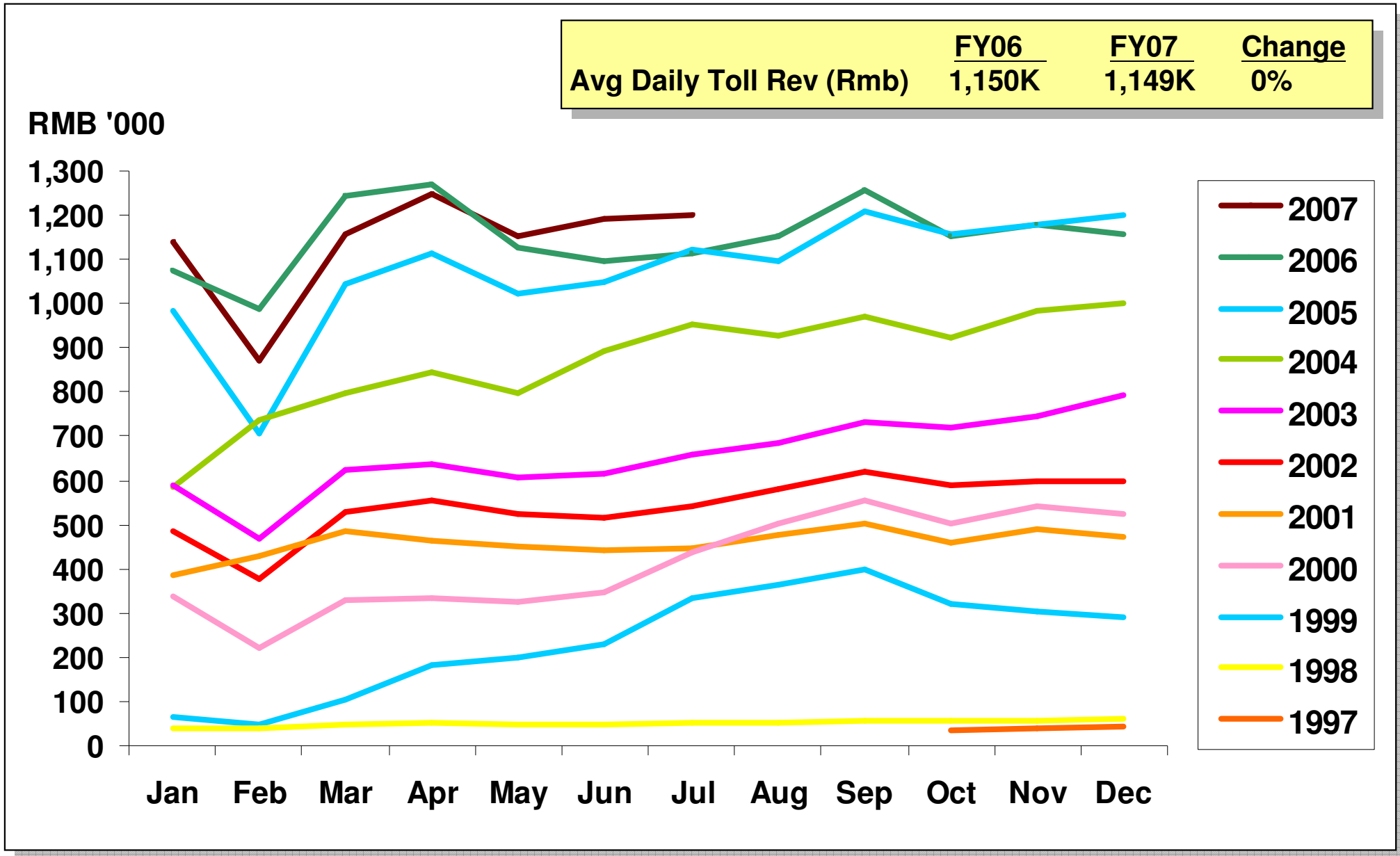


ESW Ring Road – Avg. Daily Traffic



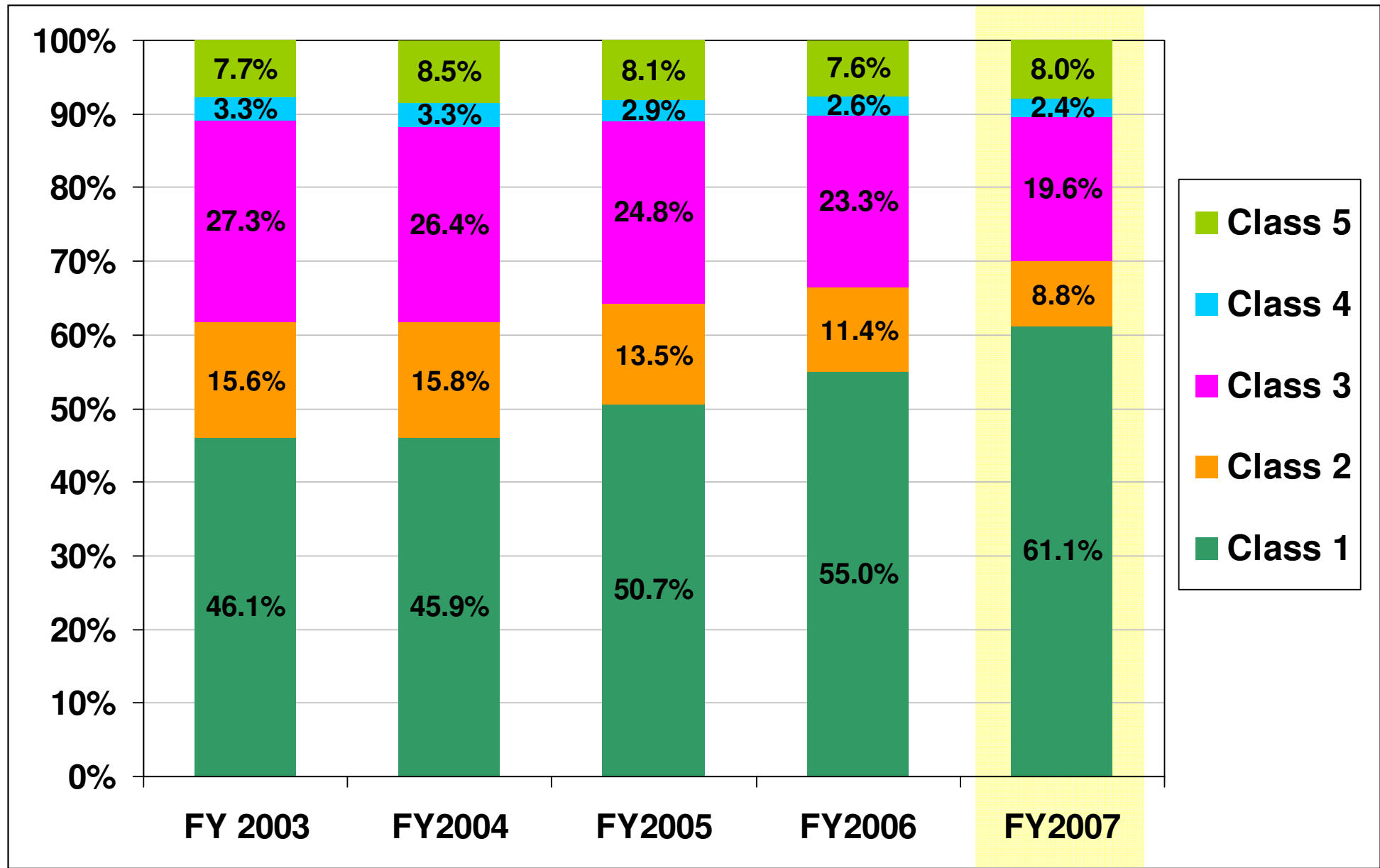
* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

ESW Ring Road – Avg. Daily Toll Revenue



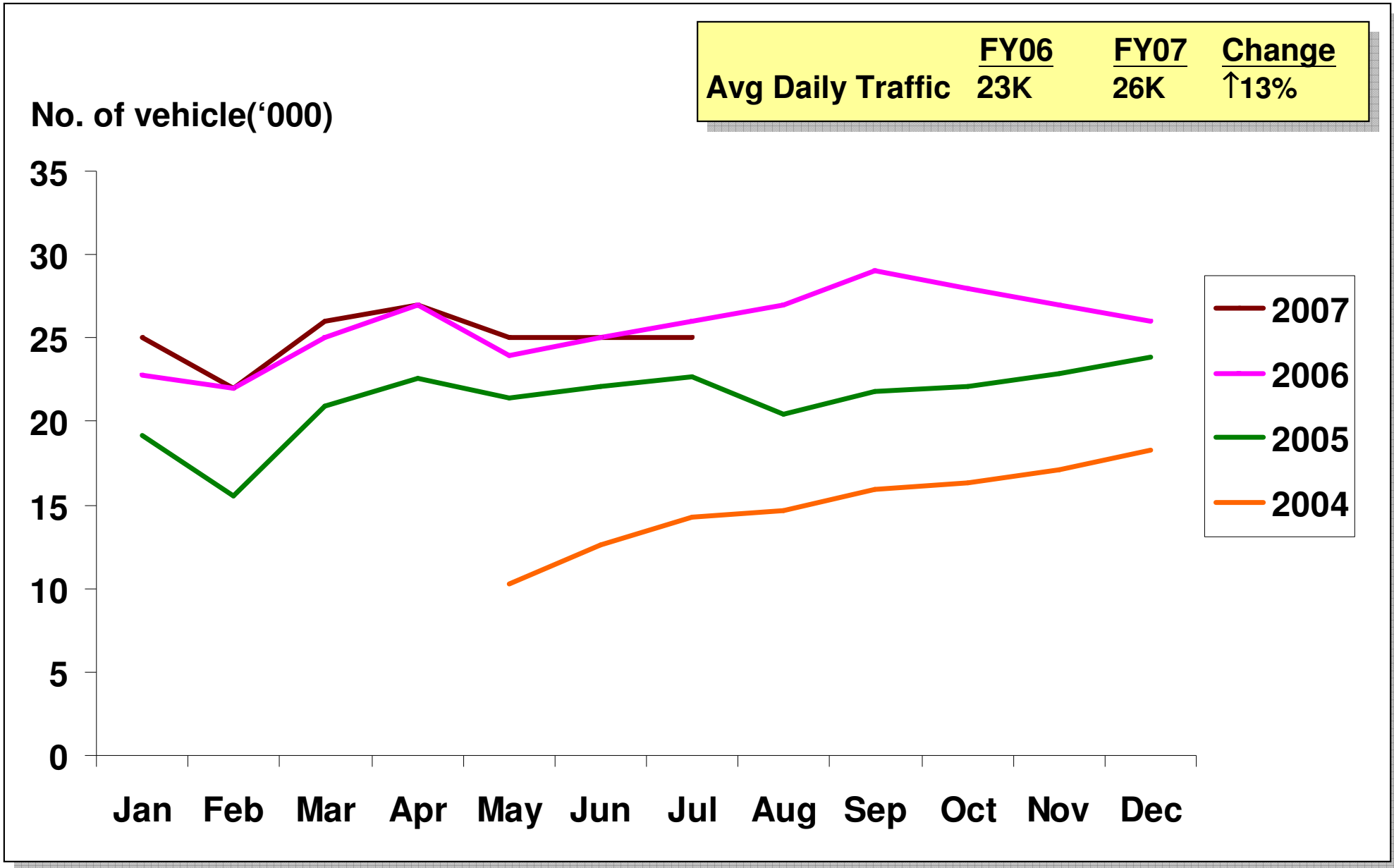
* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

ESW Ring Road – Traffic by Class of Vehicles



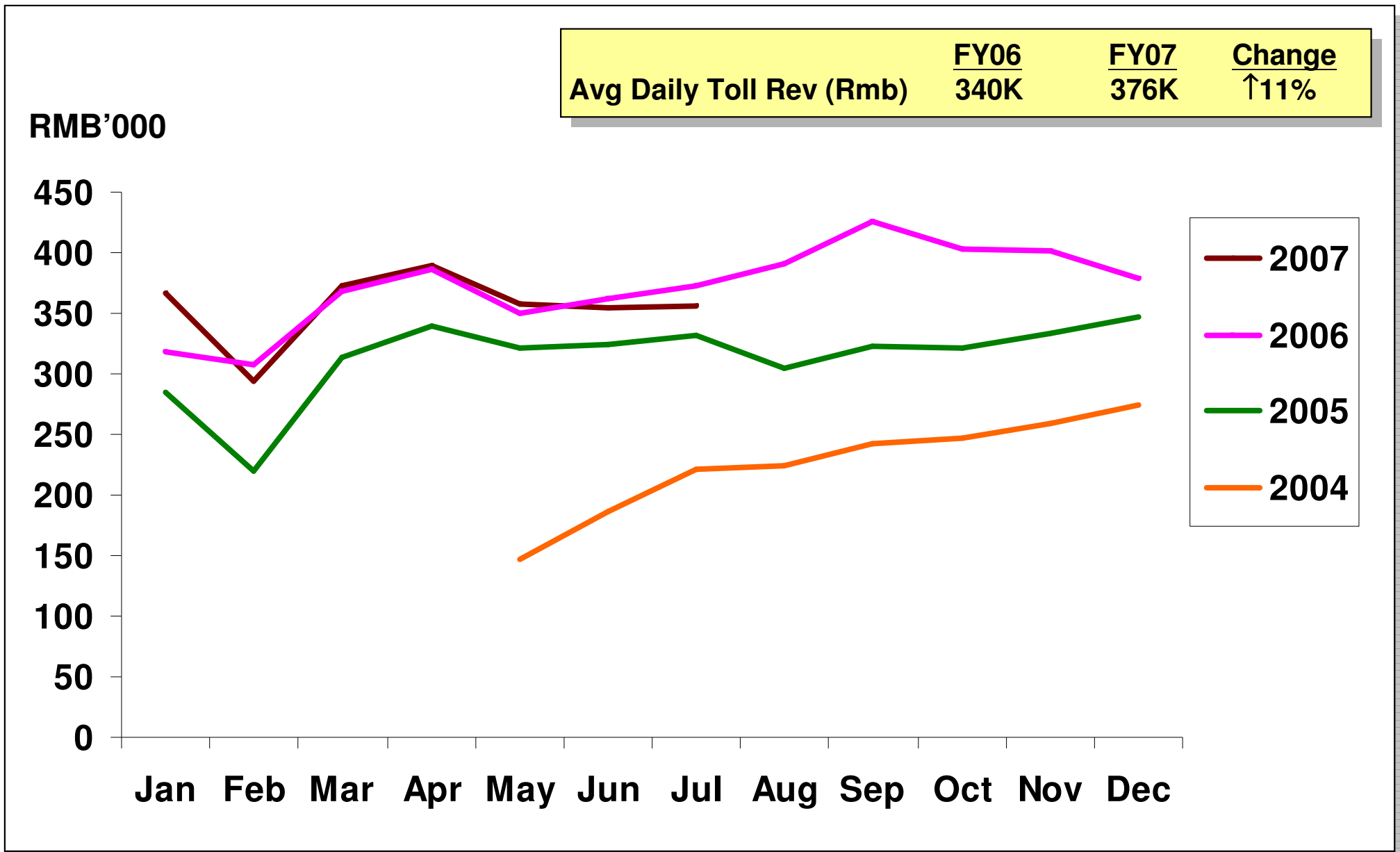
Phase I West – Avg. Daily Traffic

	<u>FY06</u>	<u>FY07</u>	<u>Change</u>
Avg Daily Traffic	23K	26K	↑13%



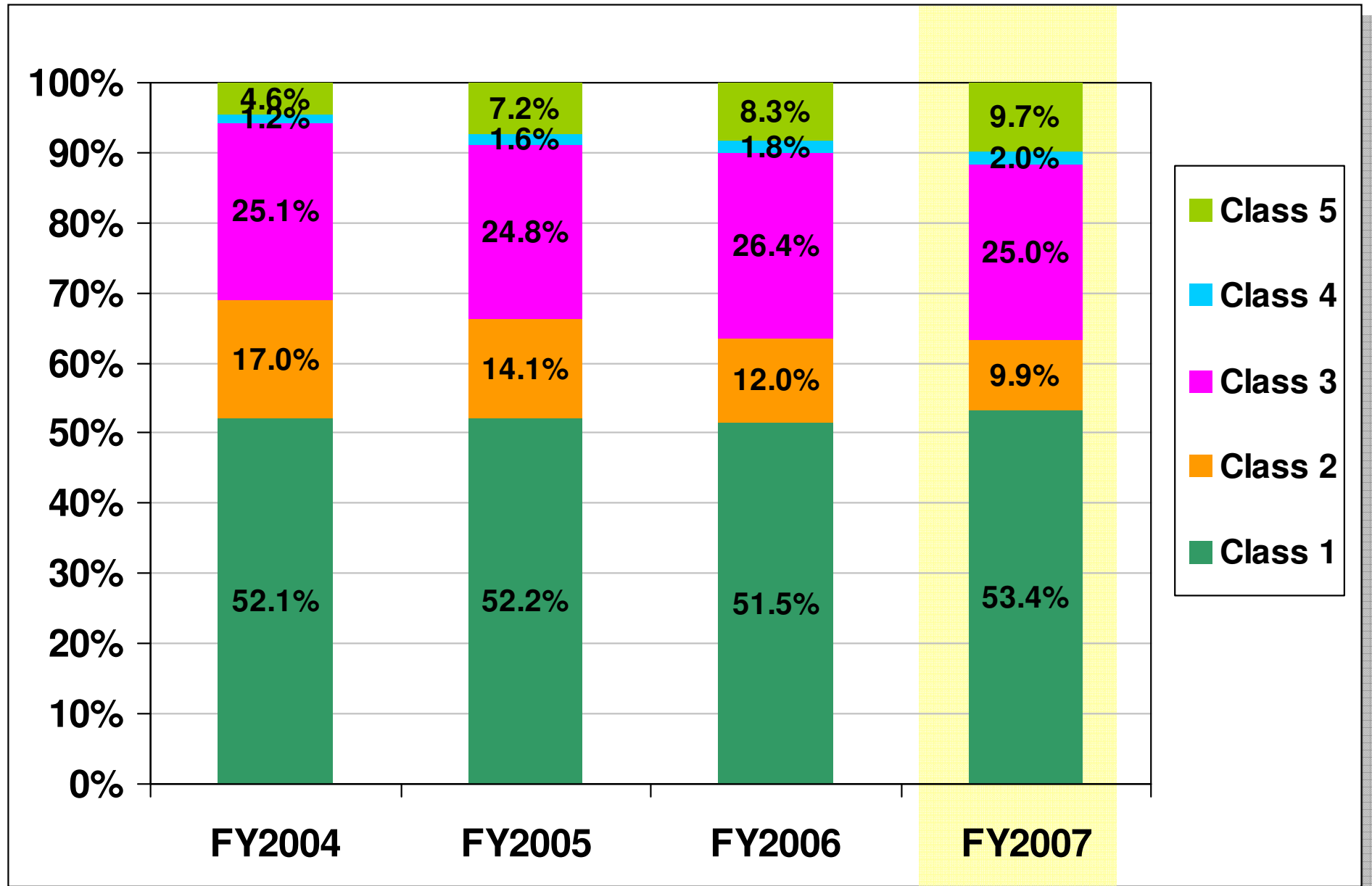
* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

Phase I West – Avg. Daily Toll Revenue



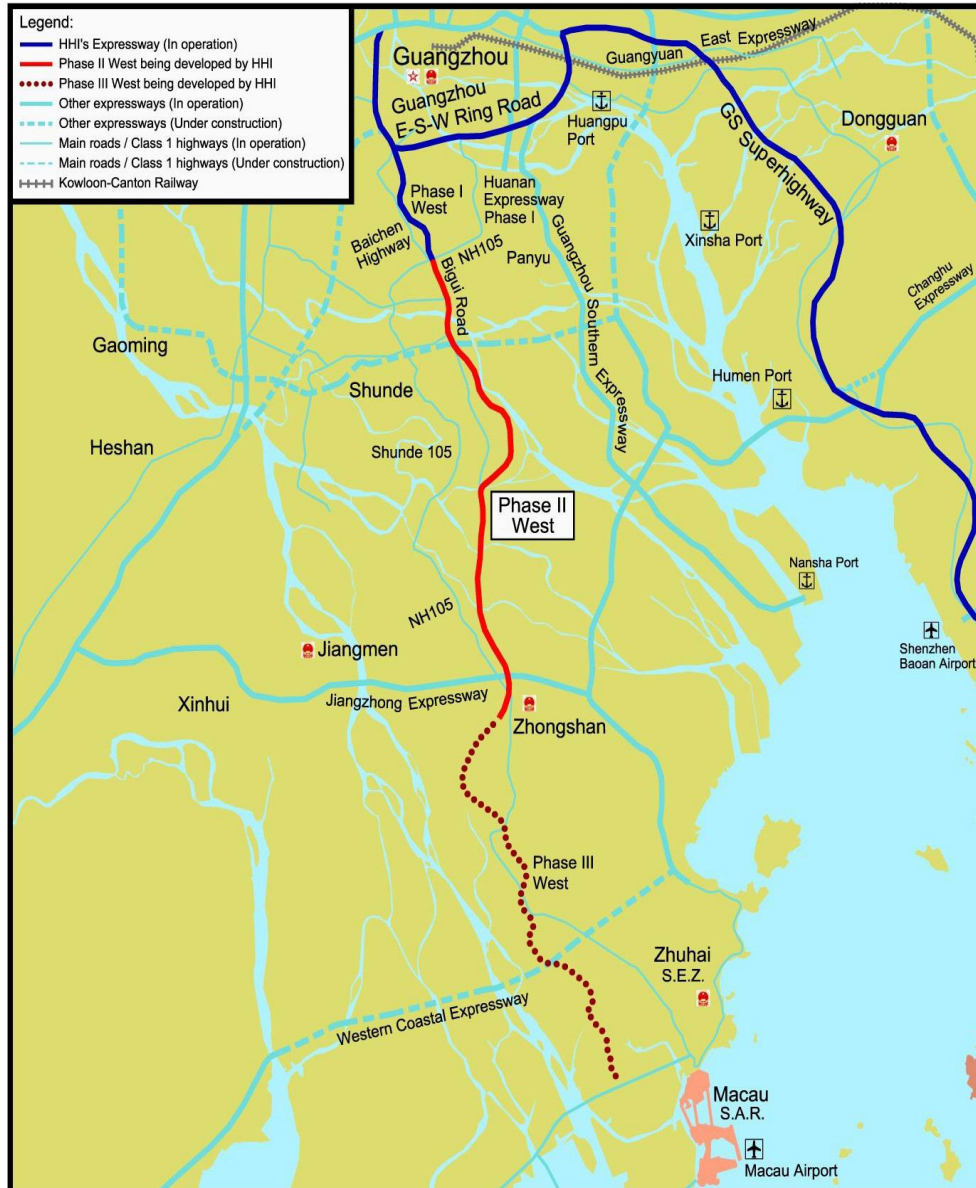
* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

Phase I West – Traffic by Class of Vehicles



Future Projects

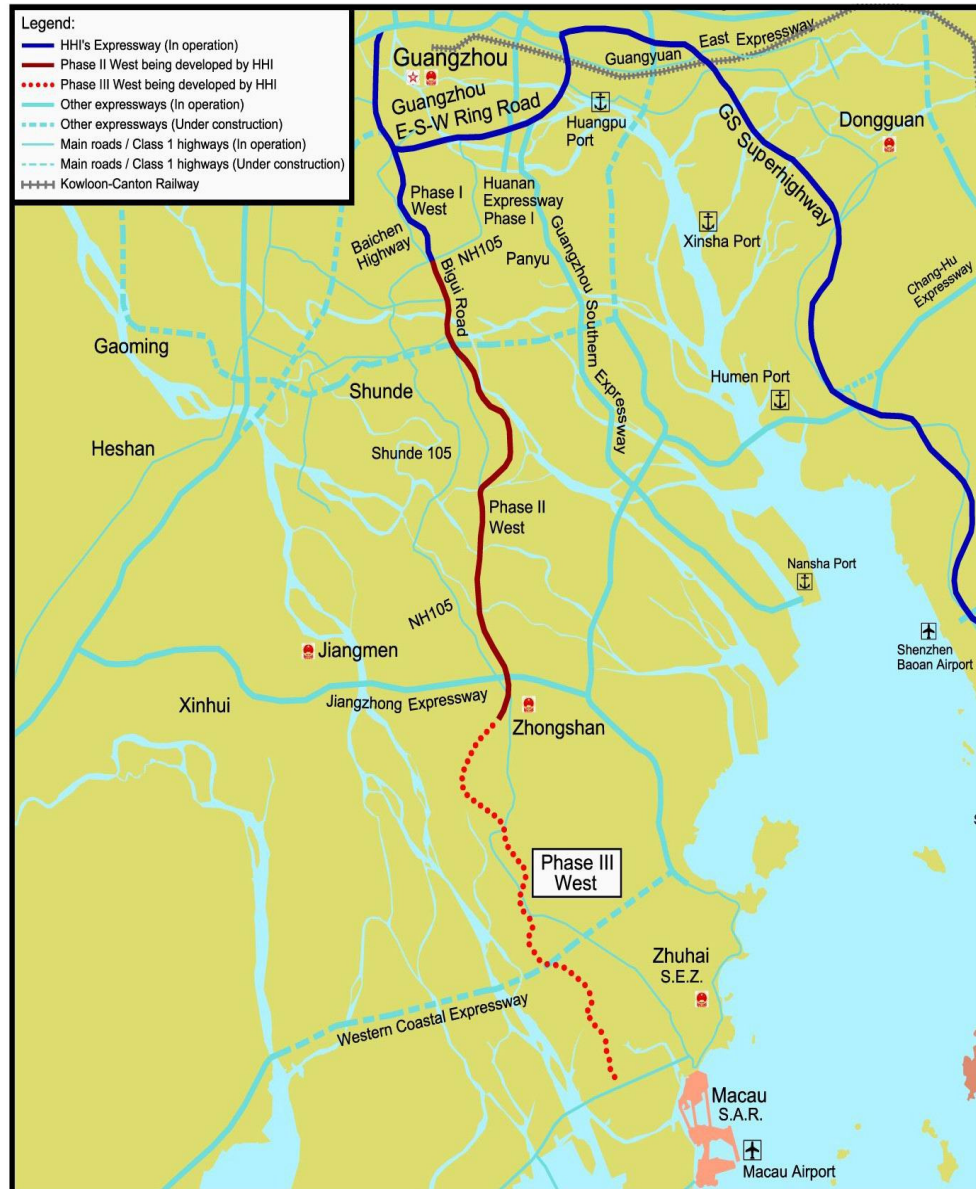
Phase II West



Project Description	
Route:	Shunde - Zhongshan
Length:	approx. 46km
JV Partners:	Same as GS Superhighway
Planned Investment *	Approx. Rmb 4.9 billion (35% equity, HHI & PRC partner each to contribute Rmb857.5 million)
Construction:	Started in Dec 2005
Planned Completion:	End of 2009

* Present planning, subject to change; excluding finance cost

Phase III West (subject to govt. approval)



Project Description	
Route:	Zhongshan - Zhuhai
Length:	approx. 38km
JV Partners:	Same as GS Superhighway
Planned Investment *	Approx. Rmb 3.6 billion (35% equity, HHI & PRC partner each to contribute Rmb 630 million)
Note: All subject to govt. approval	

* Present planning, subject to change; excluding finance cost

~ **End** ~