

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

Annual Results 2005/06

2006年財政年度全年業績

30 August 2006

Presentation slides are available in www.hopewellhighway.com

Group Message 集團信息

- **Strong, solid financial position**

財務穩健



- **Poised to grow with the Pearl River Delta economy**

緊貼珠江三角洲的經濟發展

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

計劃中的優質項目將提高股東價值

Financial Highlights 業績摘要

HK\$'M	Year ended		% Change
	30.06.05	30.06.06	
Net toll revenue 淨路費收入	1,514	1,735	+15%
 Net profit attr. to equity holders of the Co. 公司股東應佔淨溢利	899	1,128	+25%
 EPS (HK cents) 每股溢利 (港仙)	31.18	38.85	+25%
DPS (HK cents) 每股股息 (港仙)	23.0 (interim 中期: 10.25, final 末期: 12.75)	28.5 (interim 中期: 11.5, Final 末期: 17.0)	+24%

- **Total average daily traffic rose 22% to 377K**
平均每日車流量增長22%至37.7萬架次
- **HHI's net cash on hand HK\$ 3.0 billion**
合和公路基建有港幣30億元手頭淨現金

Operation Highlights 營運摘要



- Aggregate average daily toll revenue for Jul 05 to Jun 06 of the Group's 3 toll expressways exceeded RMB10M

集團旗下3條收費高速公路於2005年7月-2006年6月期間合計日均路費收入超過人民幣1,000萬元

	GS 廣深高速			RR 東南西環高速			Ph I West 廣珠西綫I期			Total 總和		
	FY05	FY06	% chng	FY05	FY06	% chng	FY05	FY06	% chng	FY05	FY06	% chng
Avg. Daily Traffic ('000) 平均每日車流 ('000)	229	270	+18%	63	84	+34%	18	23	+28%	310	377	+22%
Avg. Daily Revenue (RMB'000) 平均每日路費收入 (人民幣千元)	8,134	8,800	+8%	975	1,150	+18%	273	340	+24%	9,382	10,290	+10%

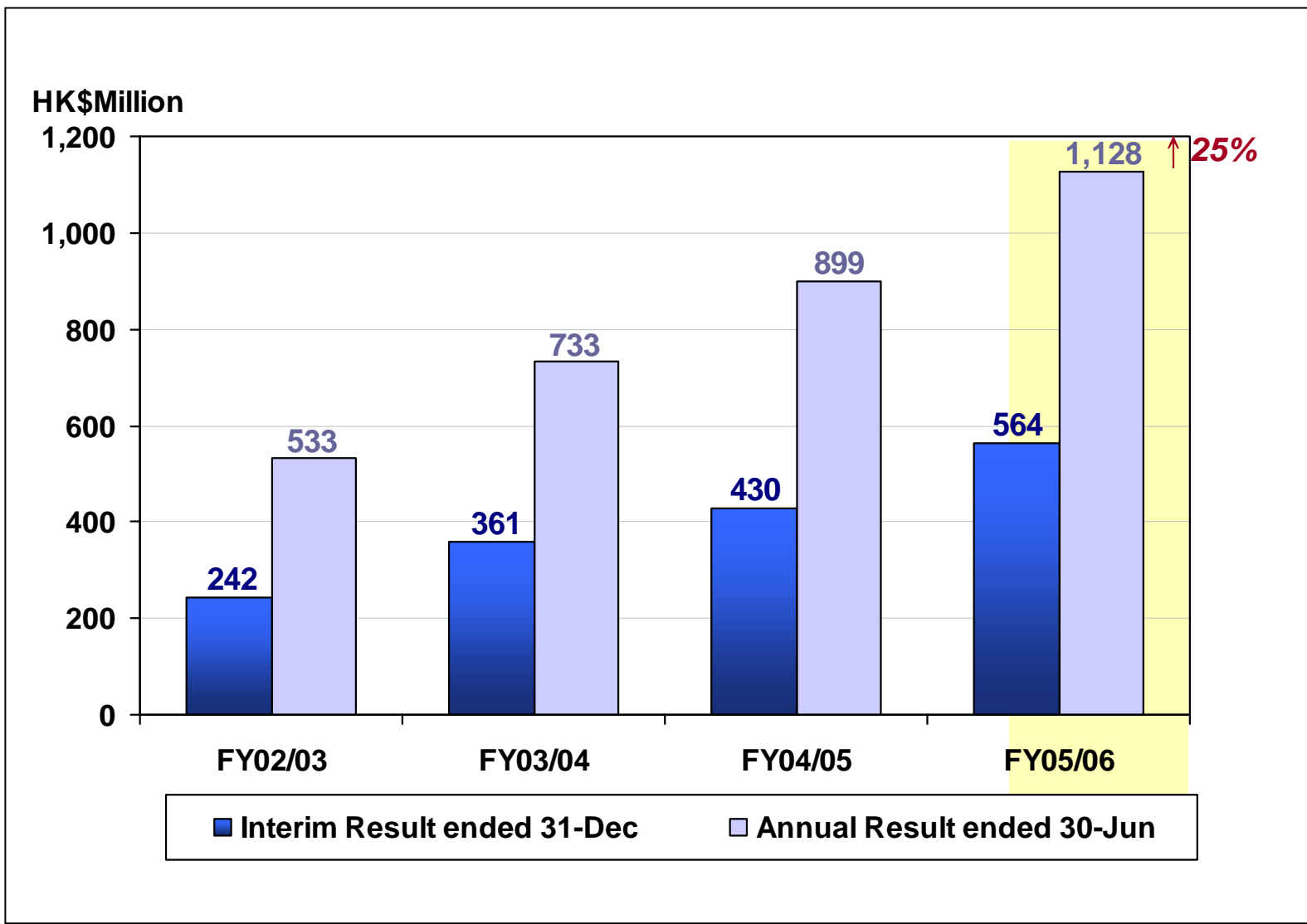
Group Results 集團業績

HK\$'M 港幣(百萬元)	Year ended		
	30.6.05	30.6.06	% Change
Net toll revenue 淨路費收入	1,514	1,735	
Exchange gain 匯兌盈利	-	146	
Other revenue 其他收入	145	190	
Total Revenue 總收入	1,659	2,071	25%
Opex 營運費用	(179)	(205)	
Depn & amortn exp 折舊及攤銷費用	(272)	(320)	
EBIT 除利息及稅項前溢利	1,208	1,546	28%
Finance costs 財務成本	(227)	(286)	
Tax expenses 稅項開支	(64)	(111)	
Net Profit 淨溢利	917	1,149	
Attributable to:			
Minority Interests 少數股東應佔淨溢利	18	21	
Equity holders of the Co. 公司股東應佔淨溢利	899	1,128	25%
	917	1,149	
Operating margin (excl. exchange gain) ⁽¹⁾ 經營邊際利潤(不包括匯兌盈利) ⁽¹⁾	98%	99%	
EBITDA/Interest (x) 利息覆蓋率 (倍)	6.5	6.5	

Note: (1) EBITDA (excl exchange gain)/ net toll revenue 除利息、稅項、折舊、攤銷及匯兌盈利前溢利 /淨路費收入

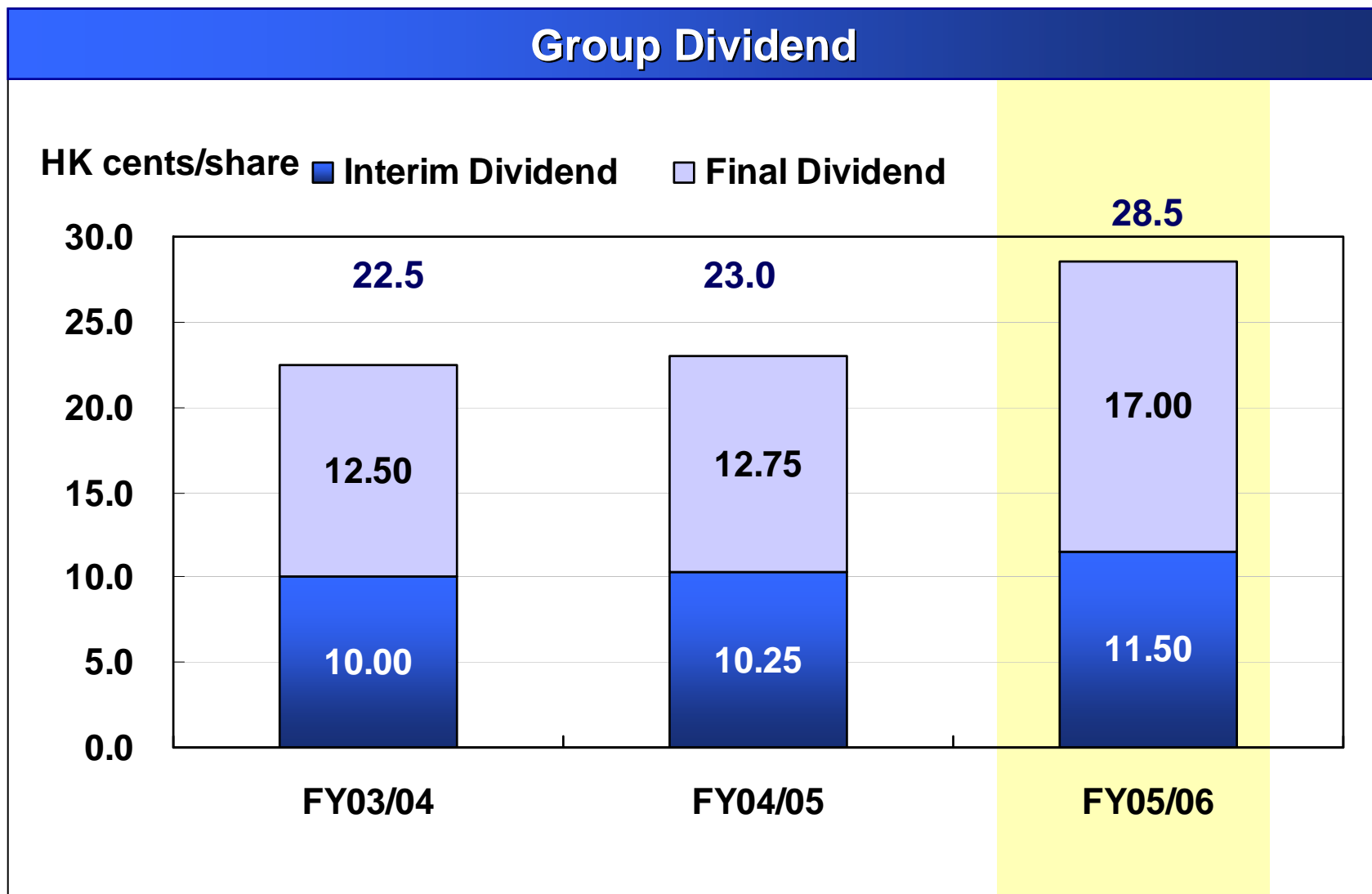
Net Profit Attributable to Equity Holders of the Co.

公司股東應佔淨溢利



Group Dividend History 集團股息之歷史

■ 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 Total Inv. 計劃總投資
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%)
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%)
GS Expansion 廣深高速擴闊 (HHI: 50%)	Expands from current dual 3 to dual 5 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%)

Targeted Projects 目標項目

Projects 項目	Description 描述	Planned Total Inv. 計劃總投資
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 取決於項目的範圍

Major Projects Plan 主要項目計劃

Major Projects	Planned Total Investment Rmb'm	Interest %	Equity required %	HHI's Planned Equity Required HK\$'M*	HHI's Planned Equity Required (HK\$'M)			
					FY07	FY08	FY09	FY10
Phase II West 廣珠西線II 期	4,900	50%	35%	834				
Phase III West 廣珠西線III 期	3,600	50%	35%	612				
GS expansion 廣深高速擴闊	7,000	50%#	0%	-				
Total	15,500			1,446	250	517	495	184

* Based on exchange rate of Rmb1 = HK\$0.9722 as of closing on 30-6-2006

HHI's interest in GS: 50% first 10 yrs, 48% next 10 yrs, 45% final 10 yrs

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

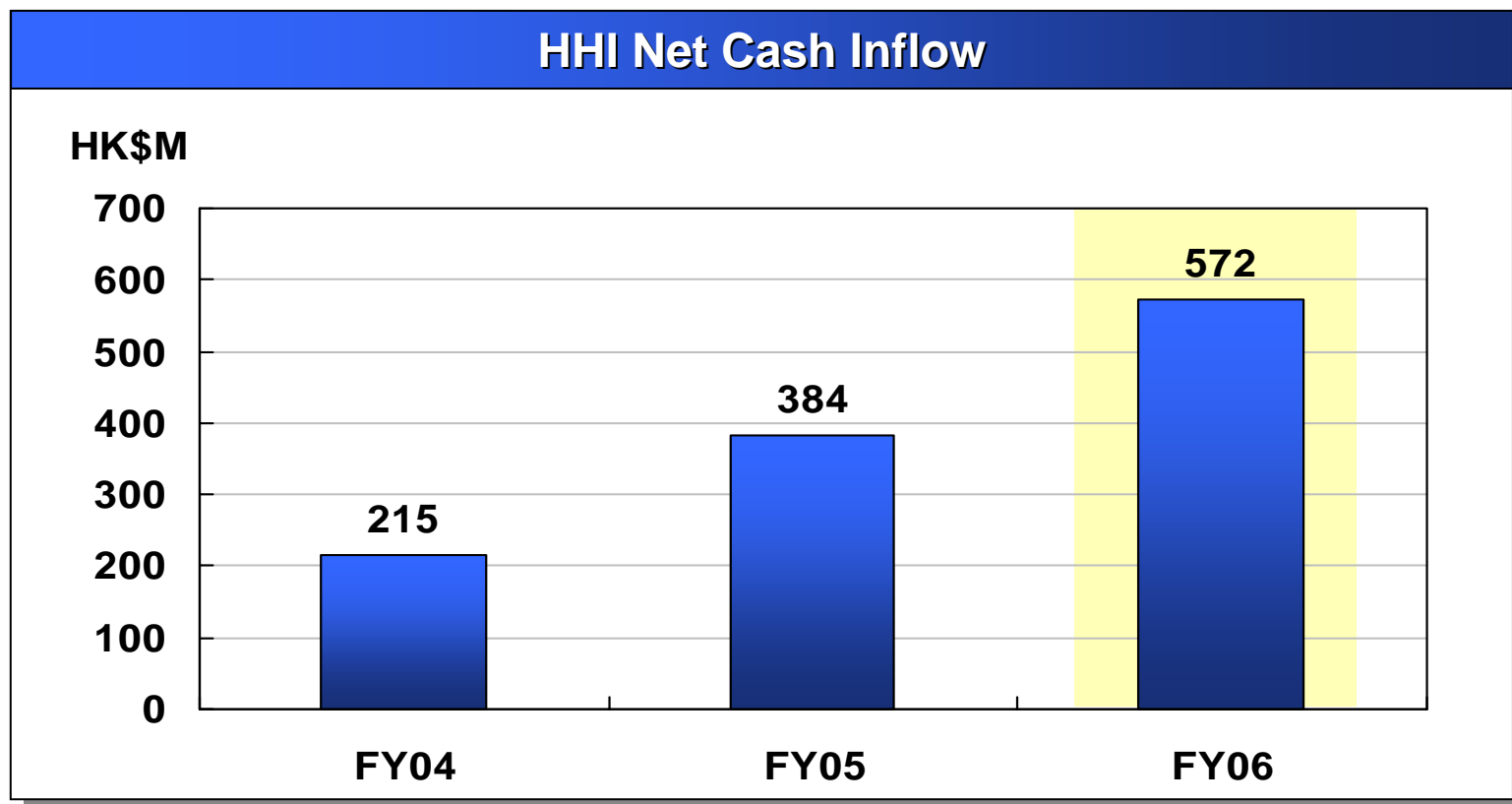
- net cash \$3.0billion on hand (approx. \$1 per share)** 手頭淨現金港幣30億元 (約每股港幣1元)
- operating cash inflow of over HK\$1.1 billion per year** 營運現金收入每年逾港幣11億元
- Annual net cash reserve of approx. HK\$390m in the past 3 years on average
 過去3年資金淨流入累積平均每年約港幣3.9億元
- HK\$3.6 billion 5-year syndicated bank loan facility - no need to draw for above projects**
 以上項目所需資金沒需要動用港幣36億元的5年期銀團貸款

HHI Net Cash Inflow

合和基建淨現金流入

- Annual net cash reserve of approx. **HK\$390m** in past 3 years on average (after payment of dividend to HHI shareholders & HHI opex)

過去3年資金淨流入累積平均每年約港幣3.9億元 (扣除支付股息予合和基建股東及合和基建營運費用後)



Positive Impact from Renminbi Appreciation

人民幣升值帶來正面的影響

- **USD loans: 71%**

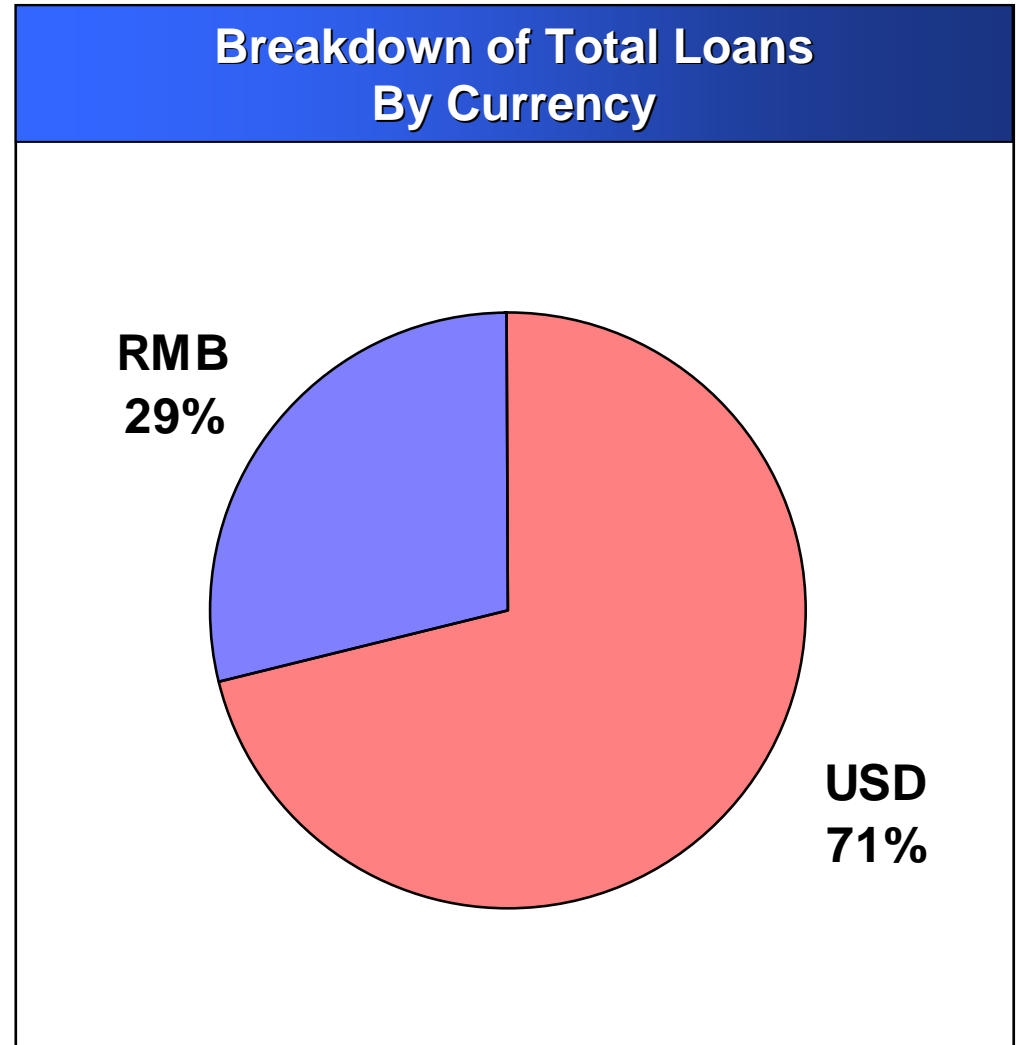
美元貸款：71%

- **RMB loans: 29%**

人民幣貸款：29%

- **Revenue in RMB but majority of loans in non-RMB**

收入為人民幣但借貸主要為非人民幣



Warrants & Share options 認股權證及優先認股權

	Issued no. of shares	Outstanding no. of warrants (@ HK\$4.18)	Outstanding no. of options (@HK\$4.875/HK\$4.880)
6 Aug 03 HHI listing	2,880,000,000	87,533,636 - 1 warrant for every 10 shares of HHL held - expired on 5 Aug 2006	4,800,000 *
Exercised since HHI listing up to 5 Aug 06 (warrant's expiry)	87,926,283	(85,526,283)	(2,400,000)
Expired	-	(2,007,353)	-
After 5 Aug 06	2,967,926,283	-	2,400,000
Max. no. of issued shares	2,970,326,283	-	-

Movement in FY06

	Issued no. of shares	Outstanding no. of warrants	Outstanding no. of options (@HK\$4.875)
30-Jun-05	2,888,382,761	81,550,875	2,400,000
Exercised during the year	61,235,525	(61,235,525)	-
30-Jun-06	2,949,618,286	20,315,350	2,400,000

* Granted in Sep 2004

~ Presentation End ~

Supplementary Info (Analyst Meeting)

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

Consolidated Balance Sheet Highlights

	<u>30.6.05</u> HK\$'M	<u>30.6.06</u> HK\$'M		<u>30.6.05</u> HK\$'M	<u>30.6.06</u> HK\$'M
Bank balances and cash ⁽¹⁾	2,059	3,408	Prop. Share of JV debt ⁽³⁾	5,399	5,283 ⁽²⁾
Bond investments	738	0	JV Bank loans	4,701	4,556
			Other debt	698	727
Property & equipment	9,489	9,509	Other payables	427	457
Other assets	3,108	3,159	Total liabilities	5,826	5,740
			Equity attr. to shareholders of Co.	9,535	10,300
Total assets	15,394	16,076	Minority interests	33	36
				30.6.05	30.6.06
Total debt / total assets				35%	33%
Net debt ⁽⁴⁾ / equity attributable to shareholders of Co.				35%	18%
Net debt ⁽⁴⁾ less bond inv. / equity attributable to shareholders of Co.				27%	18%

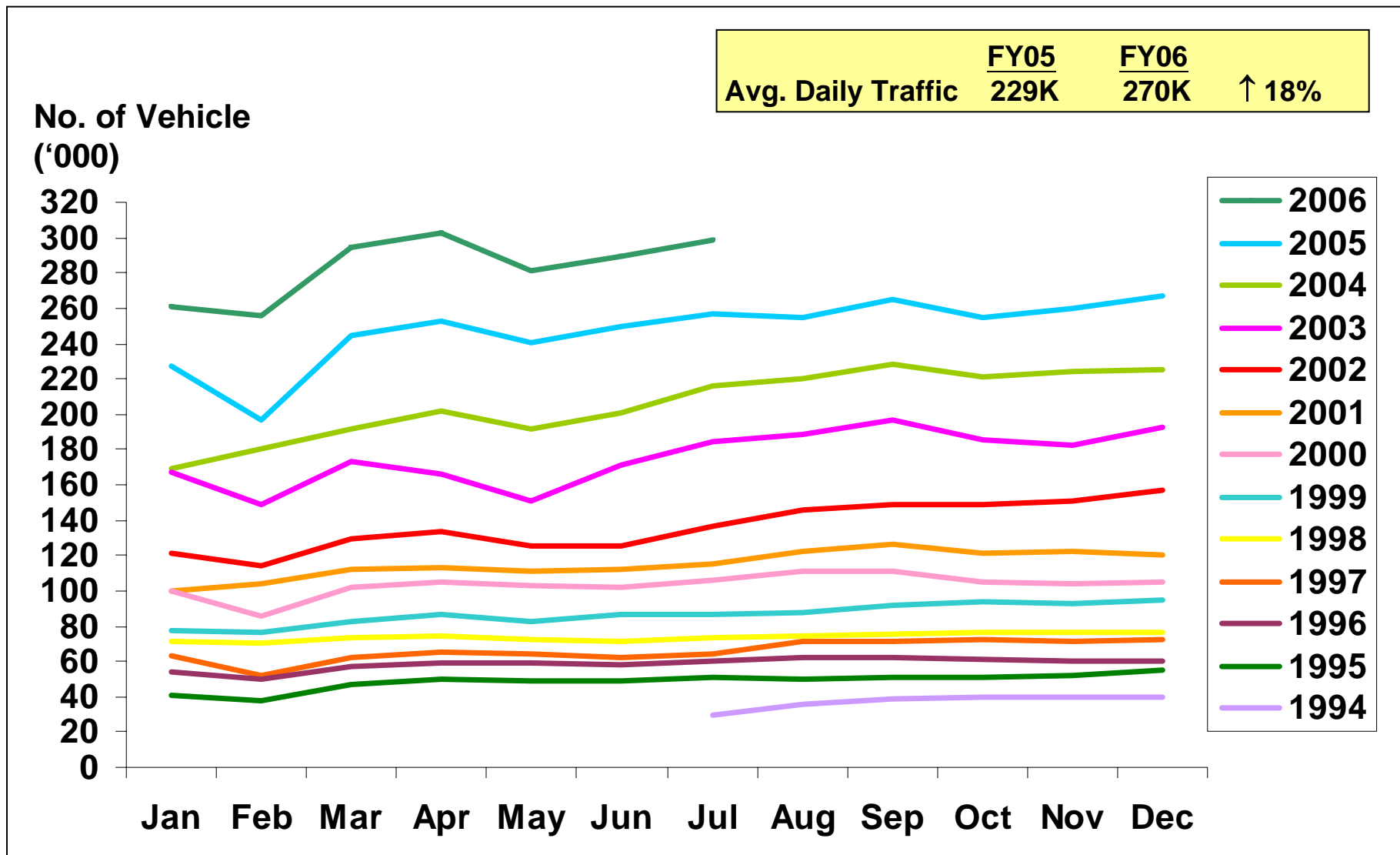
Notes: (1) Included pledged bank deposits \$357M (30.6.06) and \$334M (30.6.05)

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

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

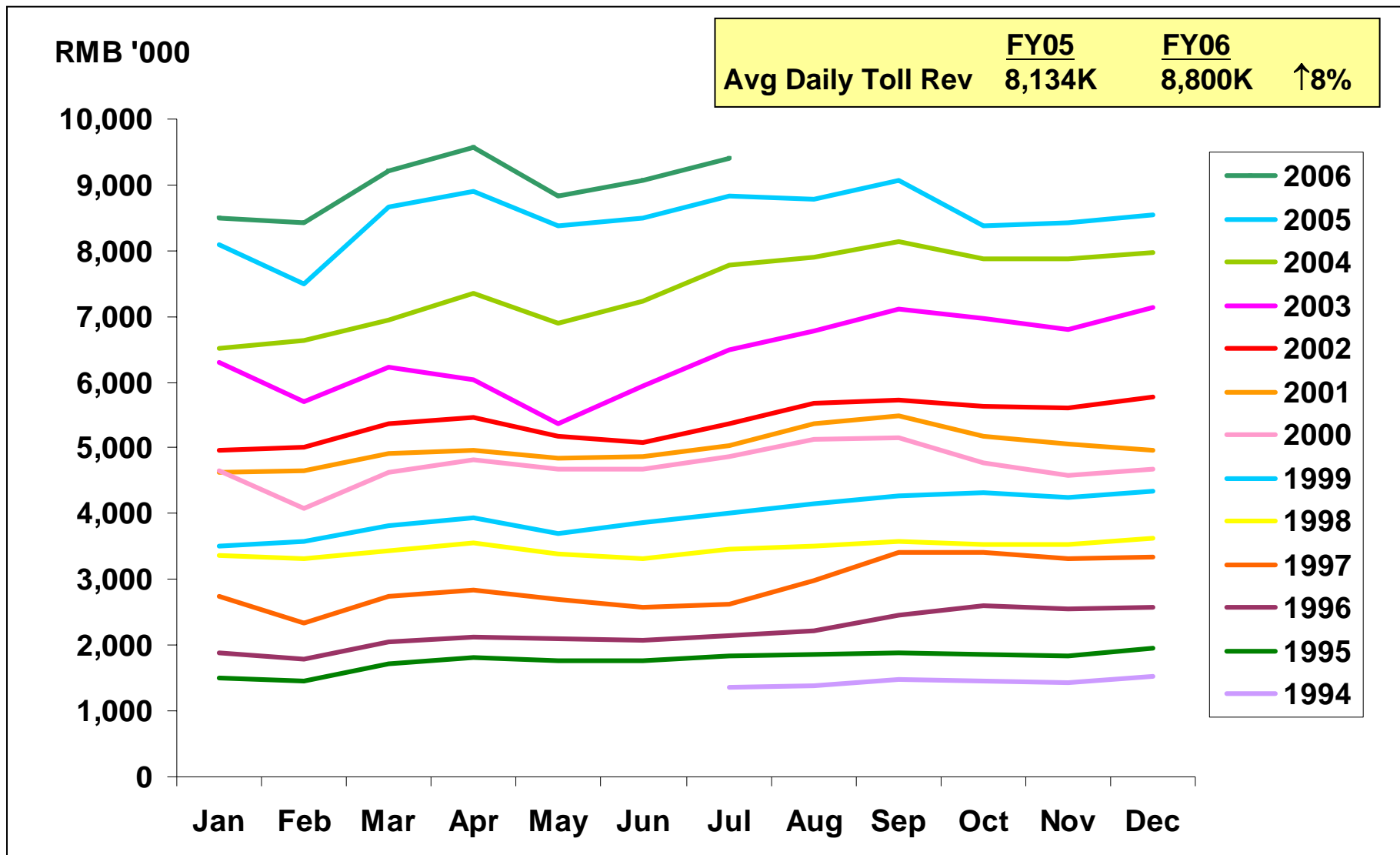
(4) Net debt refers to total debt less pledged bank deposits, bank balances and cash

GS Superhighway – Avg. Daily Traffic



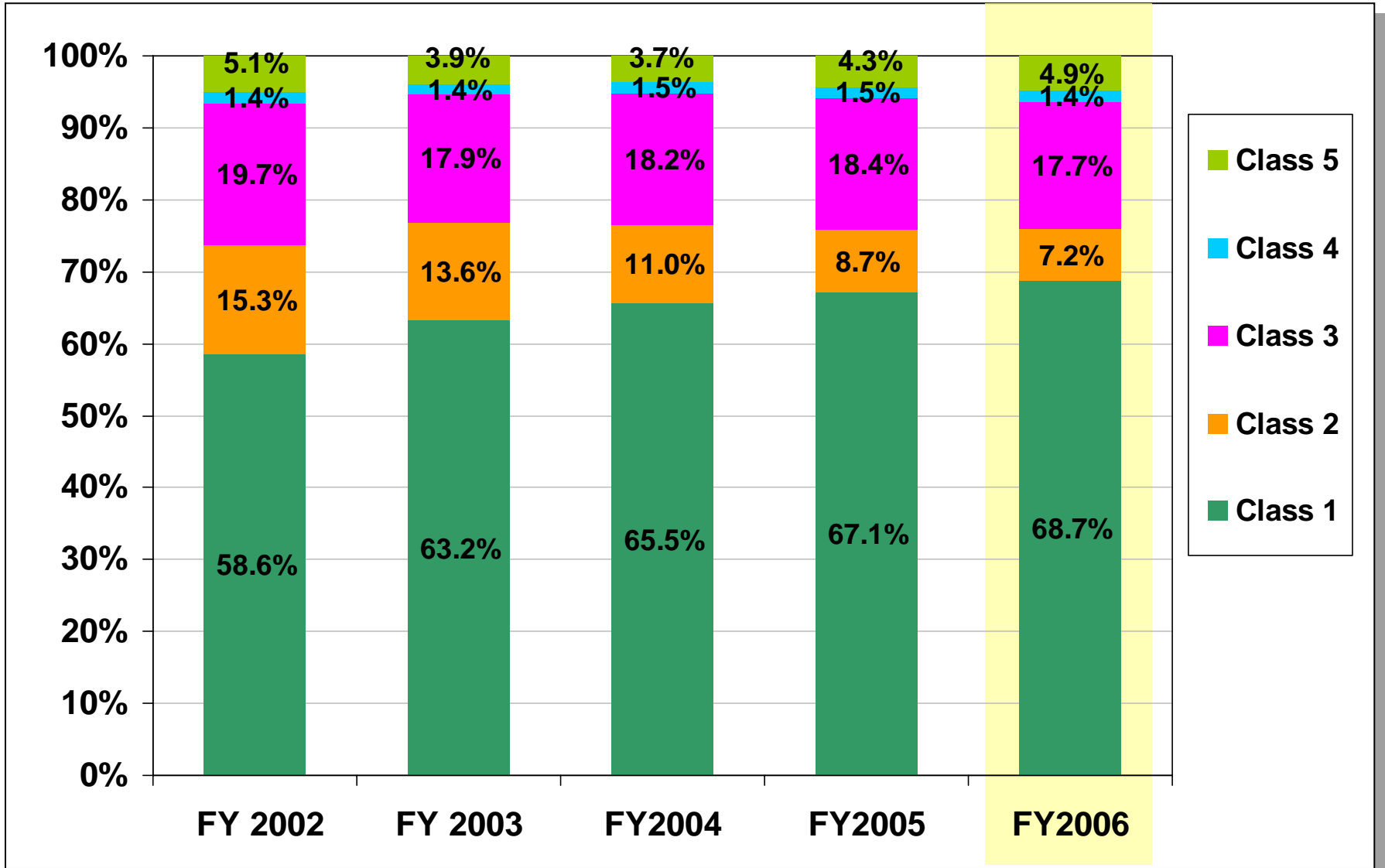
* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

GS Superhighway – Avg. Daily Toll Revenue

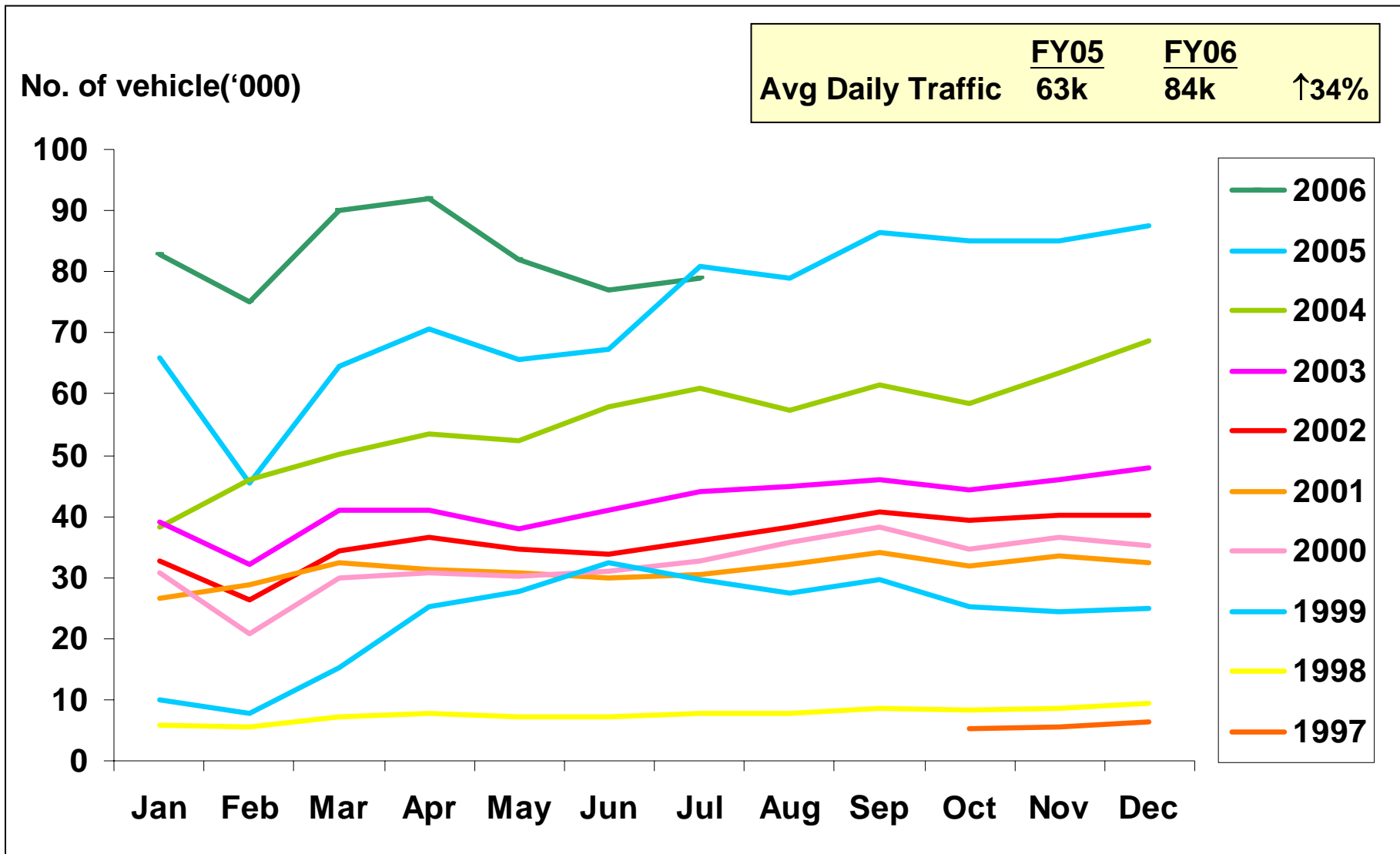


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GS Superhighway – Traffic by Class



ESW Ring Road – Avg. Daily Traffic

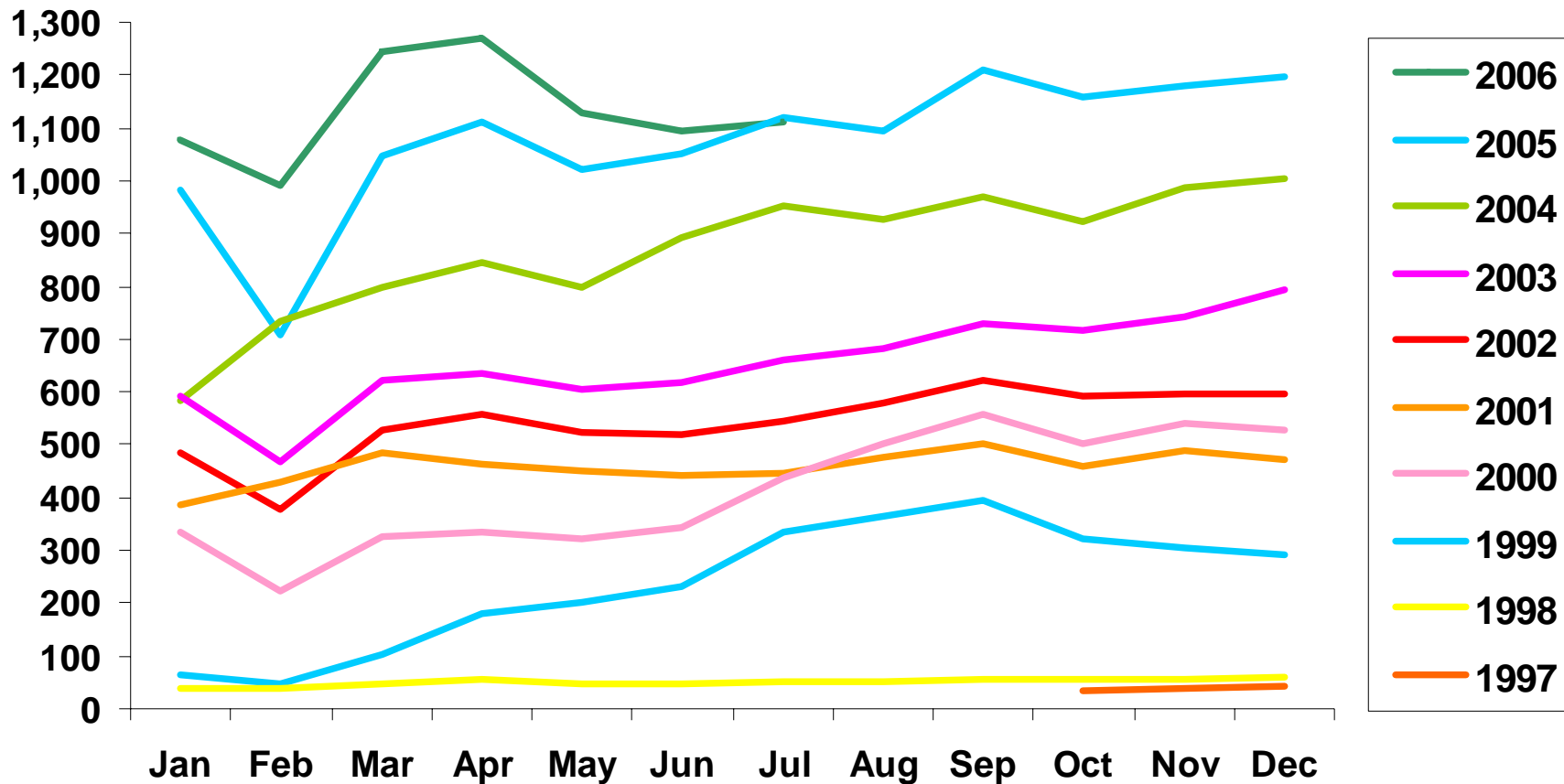


* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

ESW Ring Road – Avg. Daily Toll Revenue

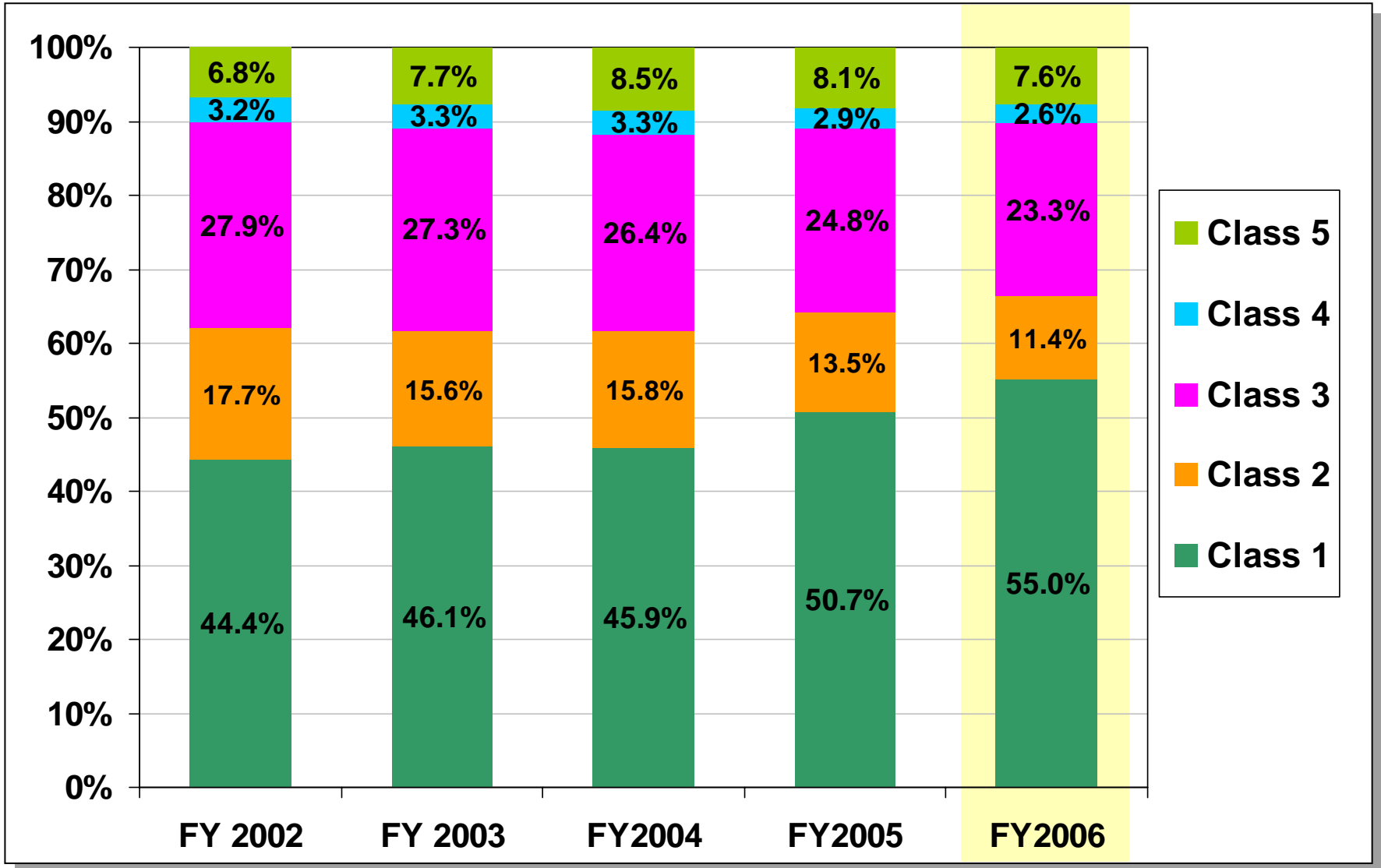
	<u>FY05</u>	<u>FY06</u>	
Avg Daily Toll Rev	975k	1,150k	↑ 18%

RMB '000



* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

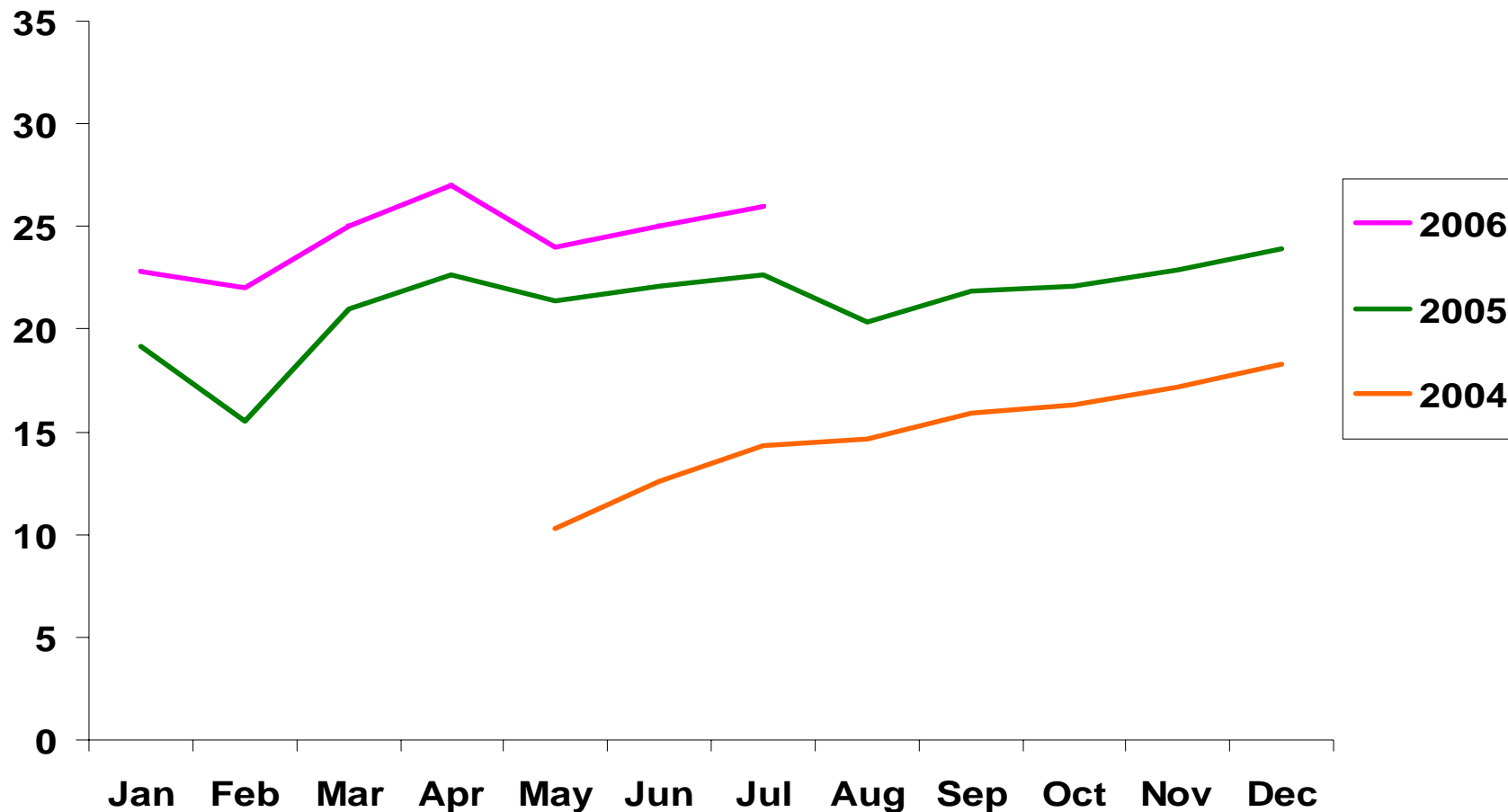
ESW Ring Road – Traffic by Class



Phase I West – Avg. Daily Traffic

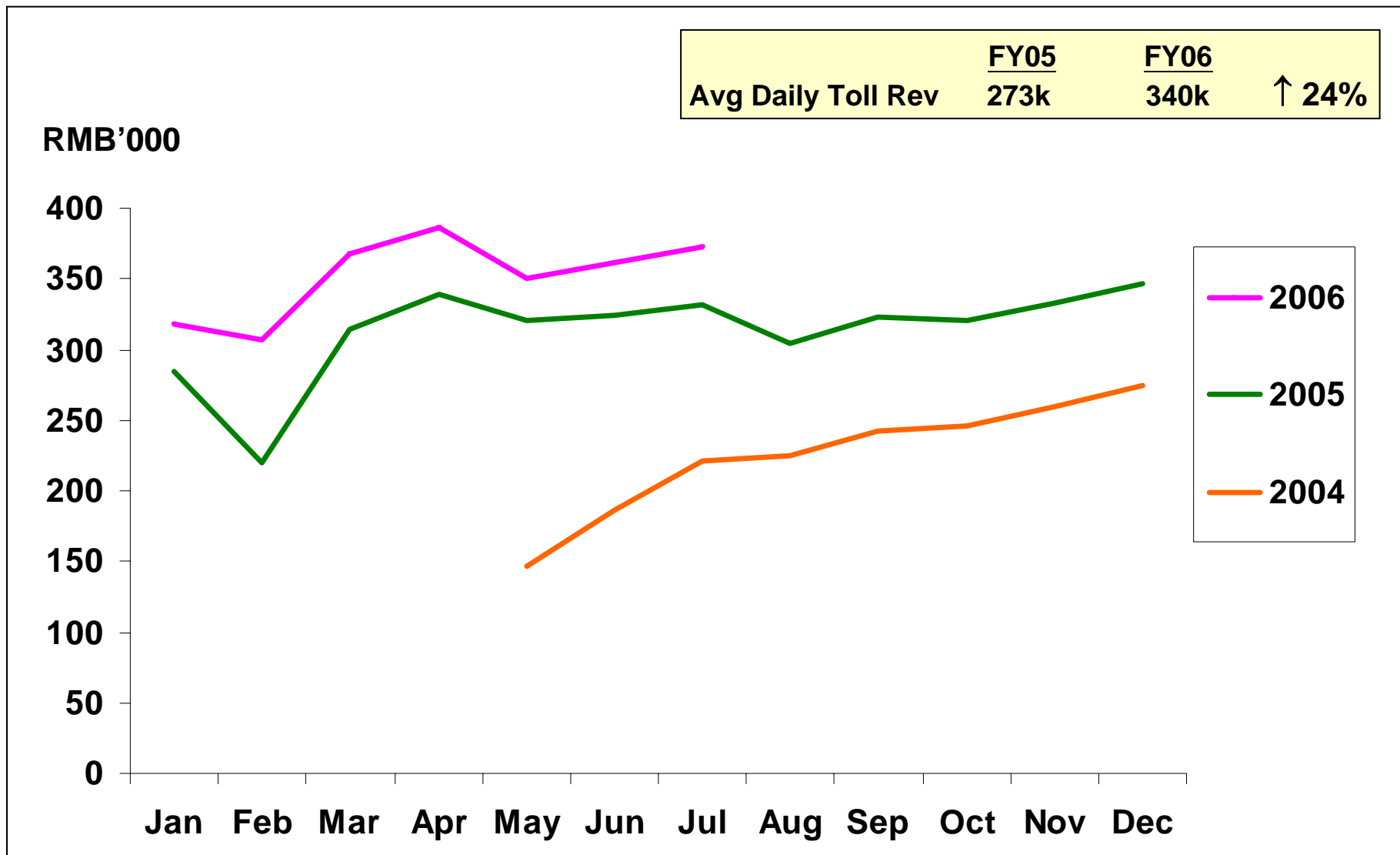
No. of vehicle('000)

	<u>FY05</u>	<u>FY06</u>	
Avg Daily Traffic	18K	23K	↑ 28%



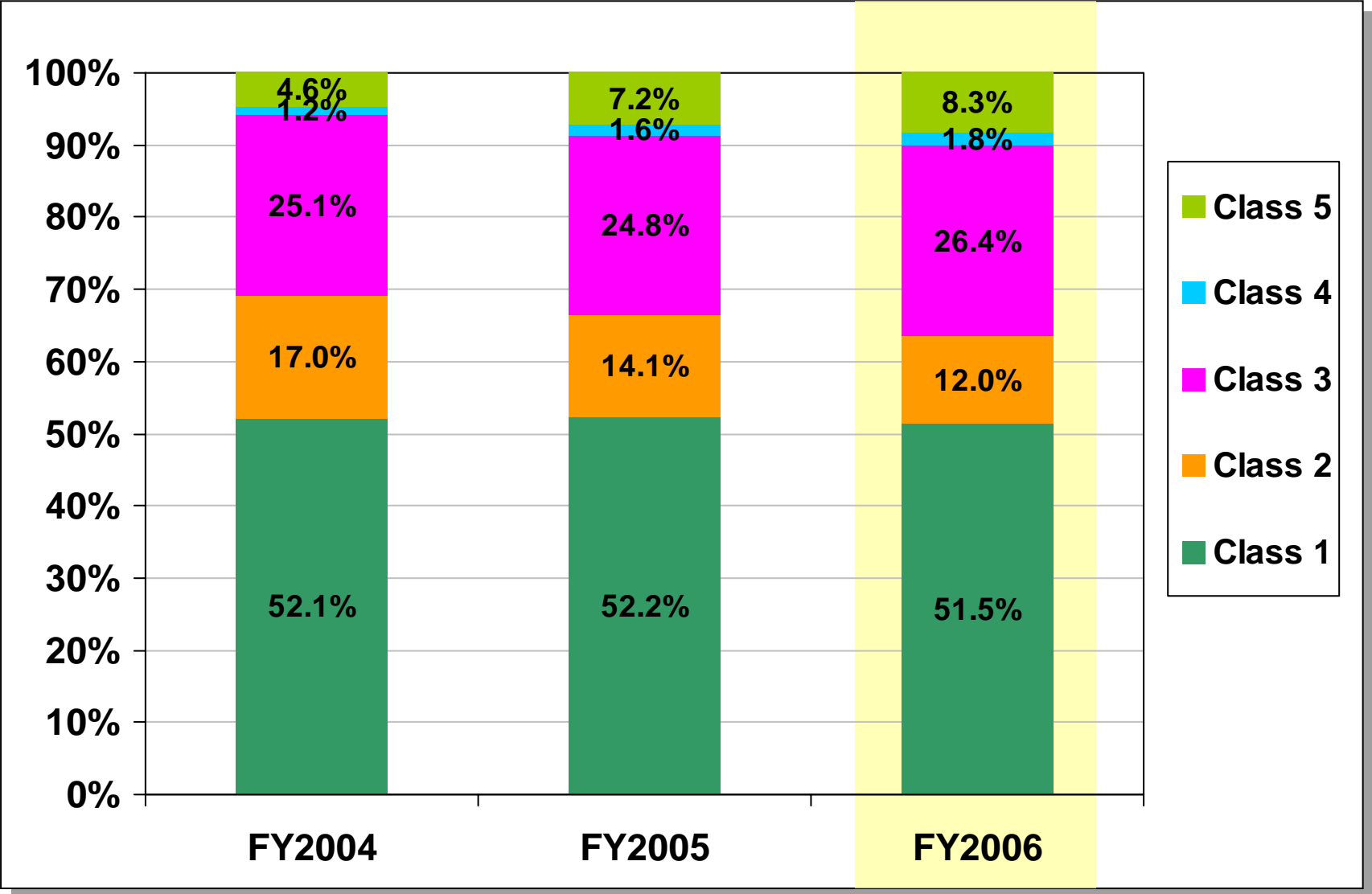
* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

Phase I West – Avg. Daily Toll Revenue



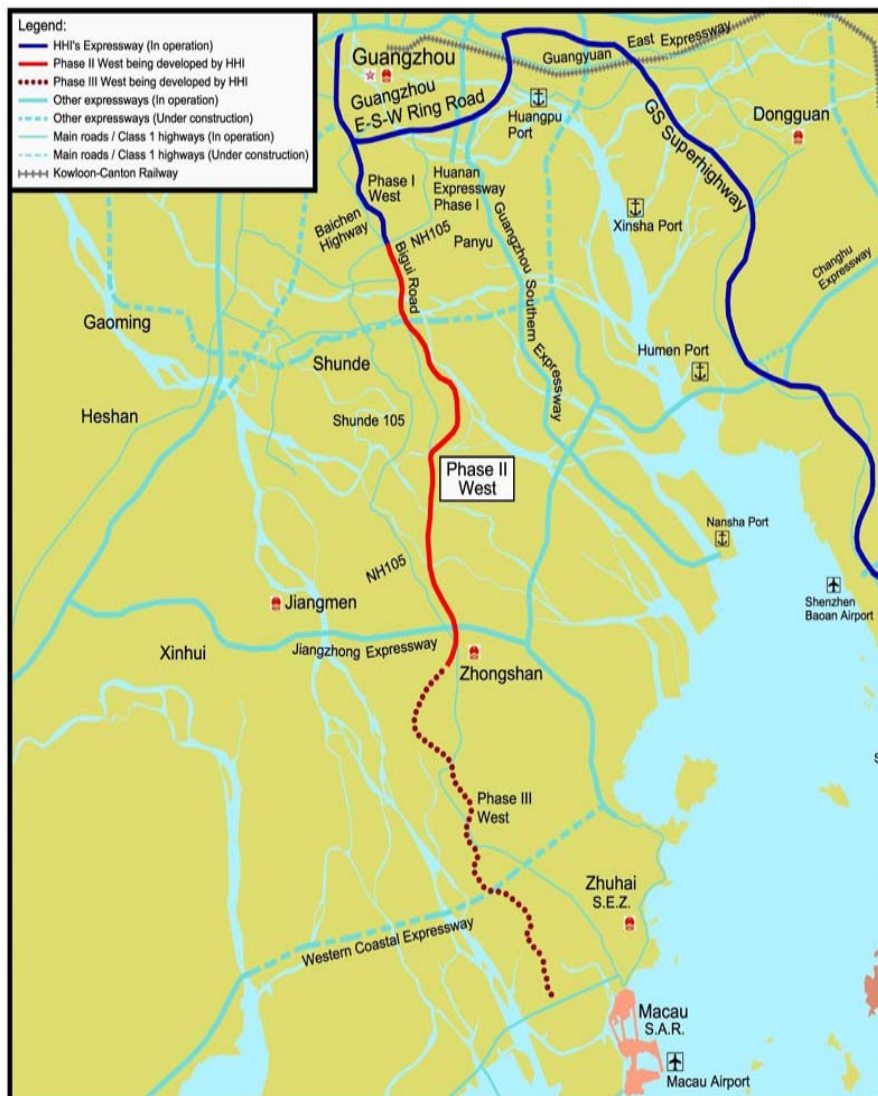
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Phase I West – Traffic by Class



Future Projects

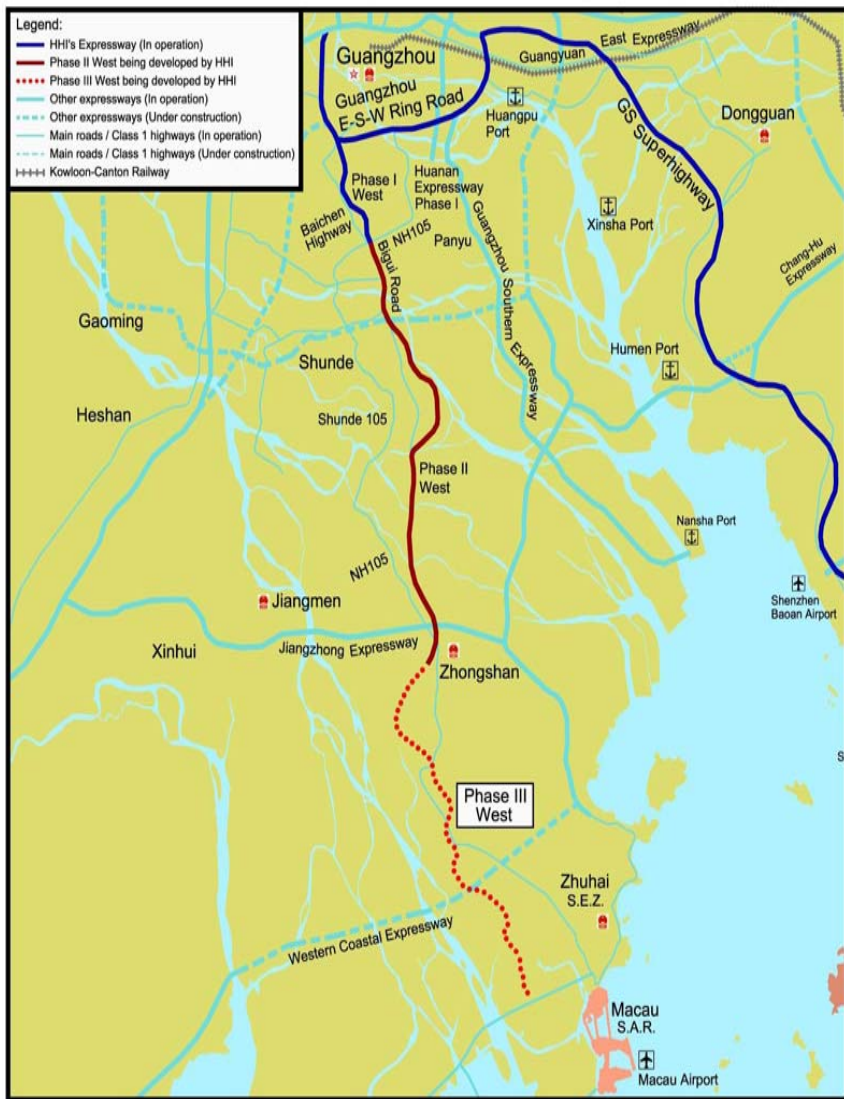
Phase II West



Project Description	
Route:	Shunde - Zhongshan
Length:	approx. 46 km
JV Partner:	Same as GS Superhighway
Planned Total Investment:	Approx. Rmb4.9 billion (35% equity, HHI & PRC partner each to contribute RMB857.5 million)
Construction:	Started in Dec 2005
Completion:	Approx. 3 years

Future Projects

Phase III West (subject to govt. approval)



Project Description	
Route:	Zhongshan - Zhuhai
Length:	approx. 38km
JV Partner:	Same as GS Superhighway
Planned Total Investment:	Approx. Rmb3.6 billion (35% equity, HHI & PRC partner each to contribute RMB630 million)
* All subject to govt. approval	

~ End ~