

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

FY2006/07 Interim Results

2006/07 財政年度中期業績

1 March 2007

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 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

	6 months ended		% Change
	31.12.05	31.12.06	
Net toll revenue (HK\$' m) 淨路費收入 (港幣百萬元)	860	1,004	+16.8%
 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)	564	682	+20.9%
 EPS (HK cents) 每股溢利 (港仙)	19.52	22.99	+17.8%
DPS (HK cents) 每股股息 (港仙)	11.50	15.00	+30.4%

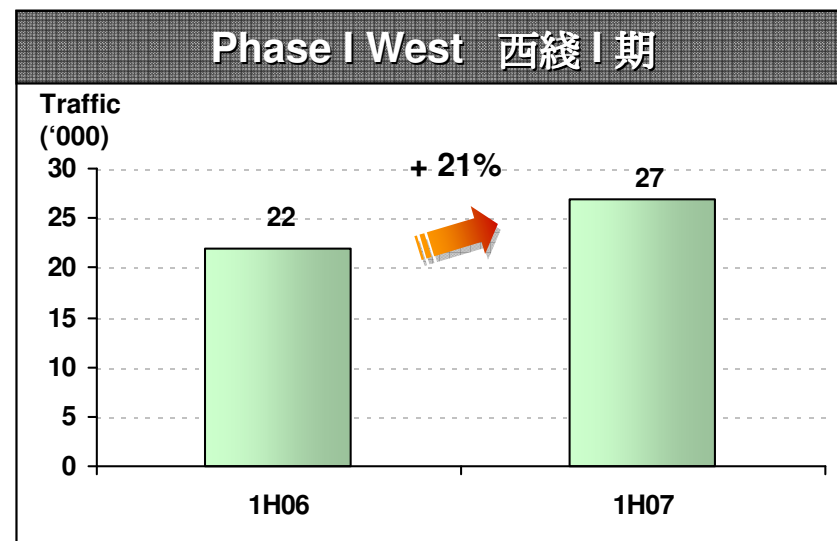
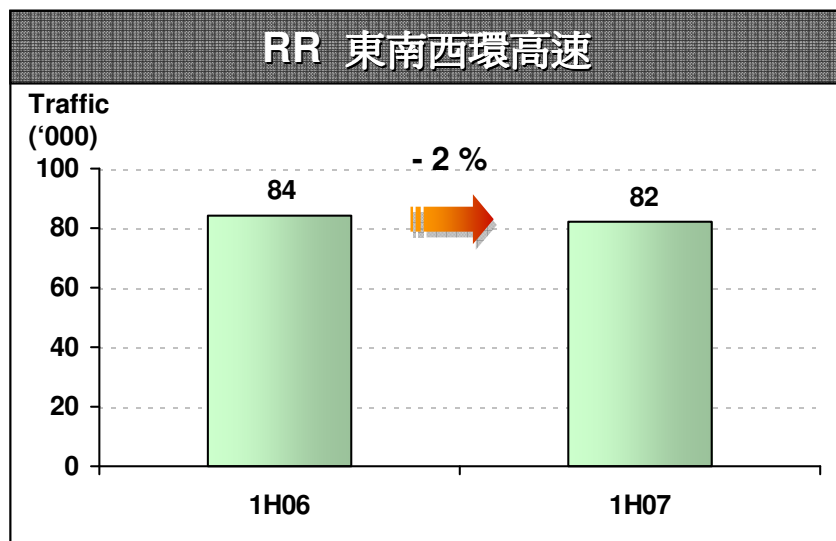
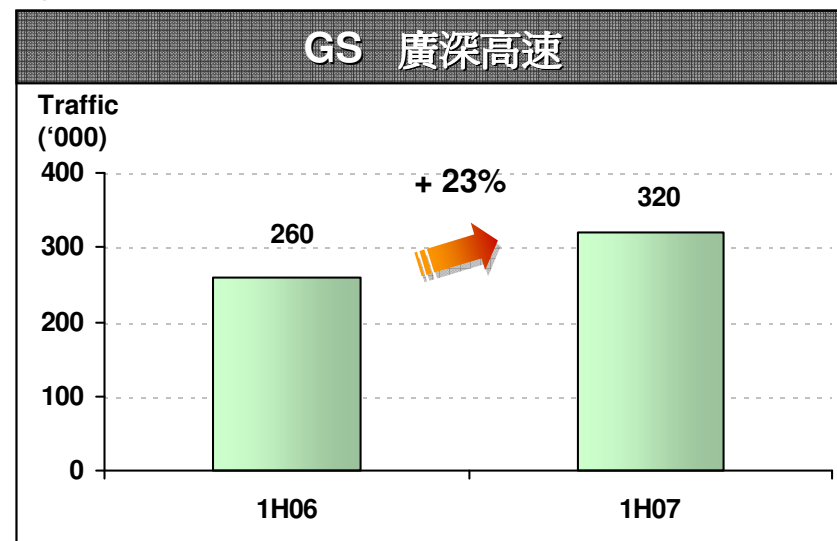
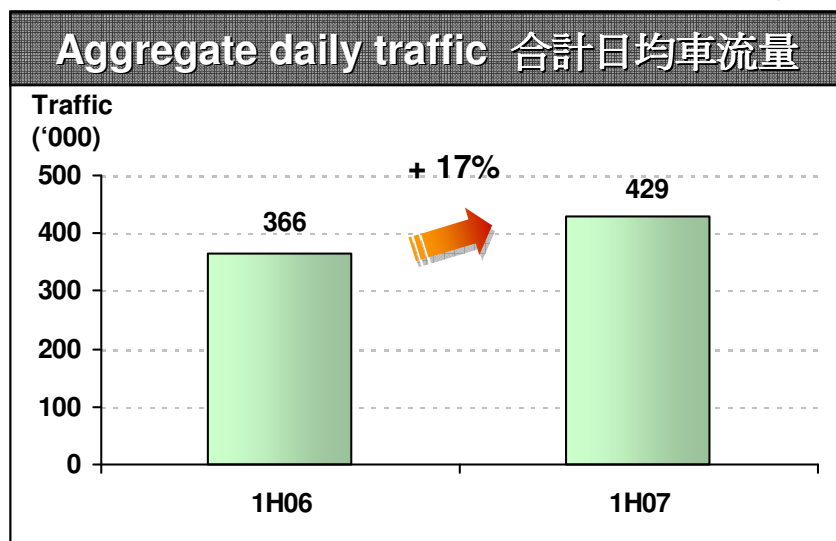
- **Aggregate average daily traffic rose 17% to 429K**
合計日均車流量增長17%至42.9萬架次
- **HHI's net cash on hand HK\$ 3.3 billion (excluding JV Entity)**
合和公路基建持有手頭淨現金港幣33億元 (不包括合營企業)

Operation Highlights 營運摘要

- Aggregate average daily traffic of the Group's 3 toll expressways +17% to 429,000 vehicles

集團旗下3條收費高速公路合計日均車流量上升17%至42.9萬架次

Average daily traffic

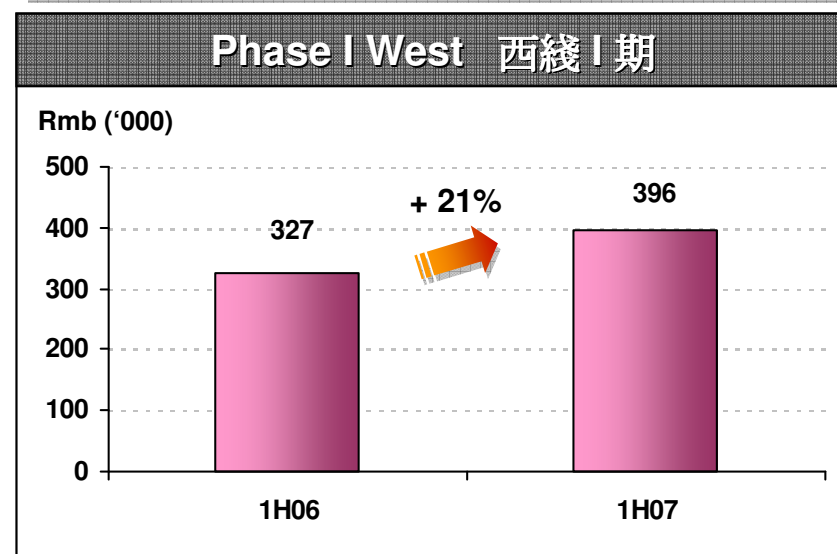
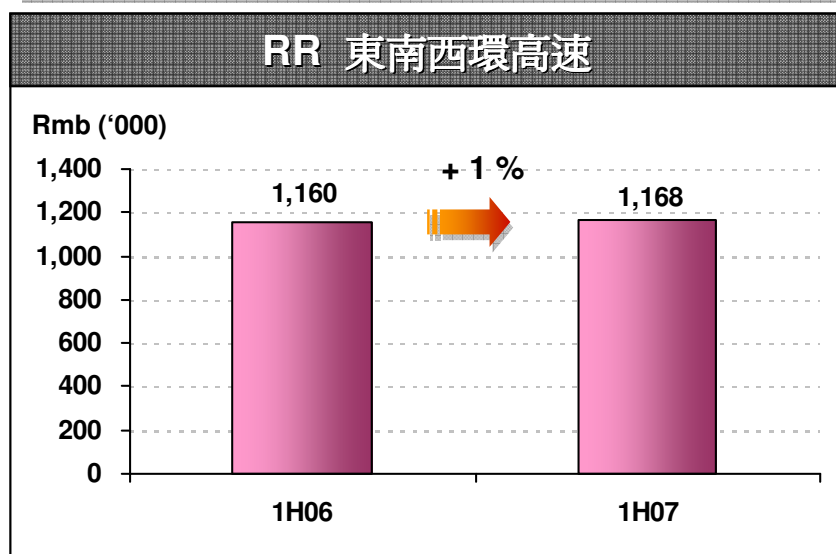
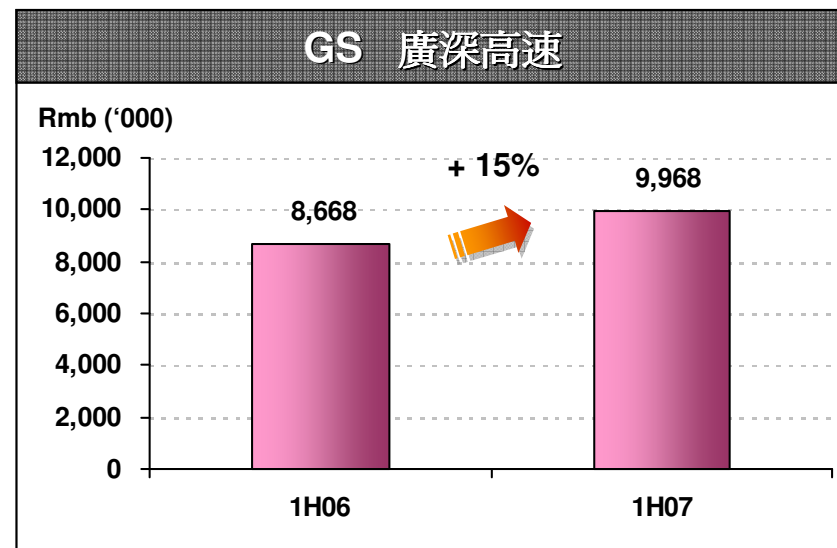
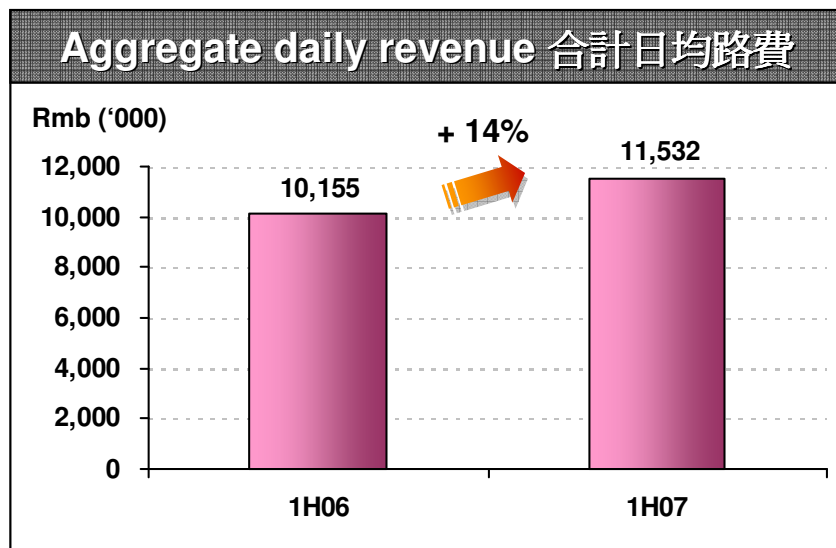


Operation Highlights 營運摘要

- Aggregate average daily toll of the Group's 3 toll expressways +14% to Rmb11.5 million

集團旗下3條收費高速公路合計日均路費收入上升14%至人民幣1,150萬元

Average daily toll revenue



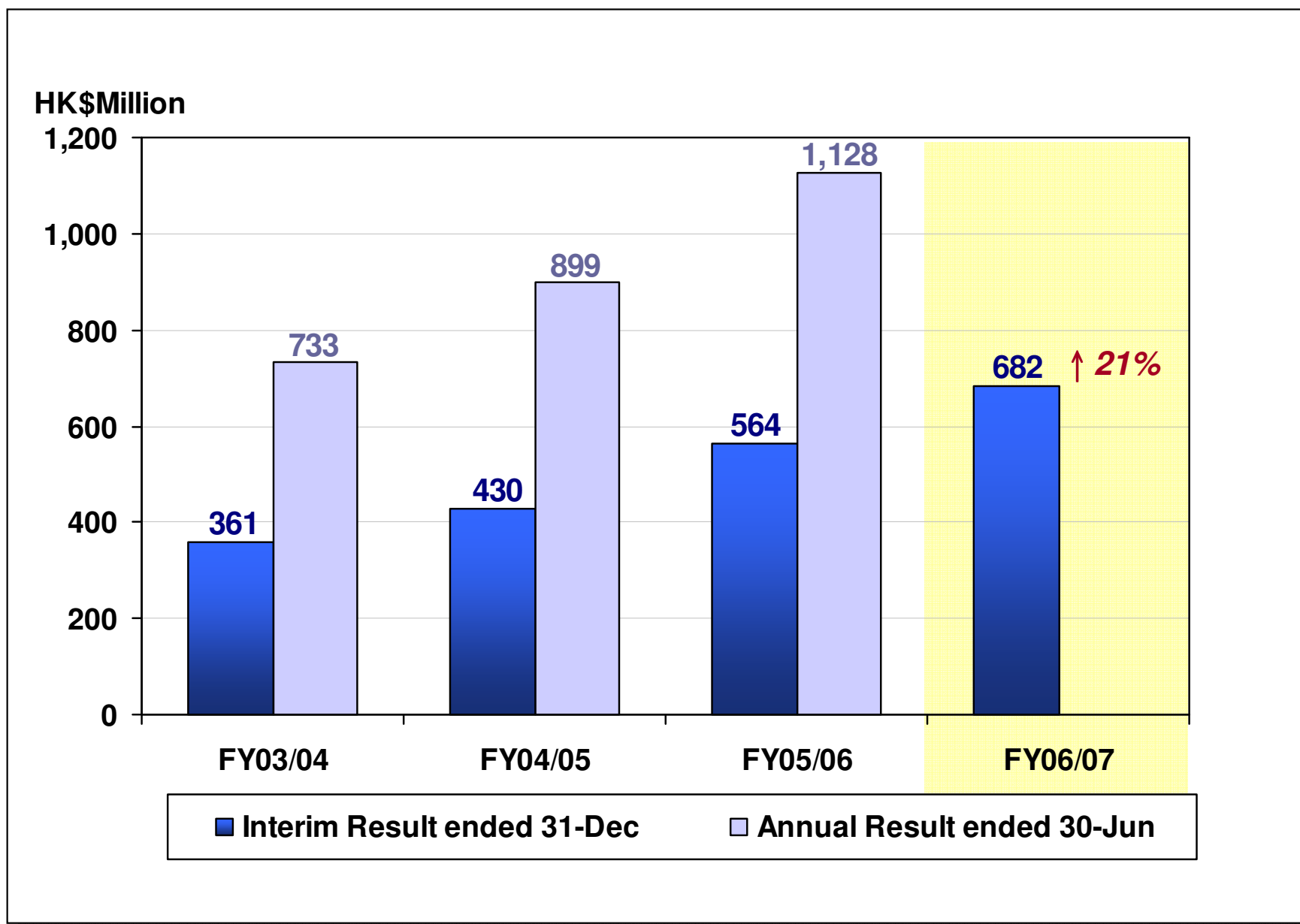
Group Results 集團業績

HK\$'M 港幣(百萬元)	6 months ended		
	31.12.05	31.12.06	% Change
Net toll revenue 淨路費收入	860	1,004	17%
Exchange gain 匯兌盈利	97	86	
Interest income 利息收入	62	107	
Other revenue 其他收入	25	25	
Total Revenue 總收入	1,043	1,222	17%
Opex 營運費用	(122)	(123)	
Depn & amortn exp 折舊及攤銷費用	(153)	(188)	
EBIT 除利息及稅項前溢利	769	911	18%
Finance costs 財務成本	(134)	(161)	
Tax expenses 稅項開支	(61)	(56)	
Net Profit 淨溢利	574	694	
Attributable to:			
Minority interests 少數股東應佔淨溢利	10	12	
Equity holders of the Co. 公司股東應佔淨溢利	564	682	21%
	574	694	
Op. margin (excl. exchange gain & interest income) ⁽¹⁾ 經營邊際利潤(不包括匯兌盈利及利息收入) ⁽¹⁾	89%	90%	
EBITDA/Interest (x) 利息覆蓋率 (倍)	6.9	6.8	

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

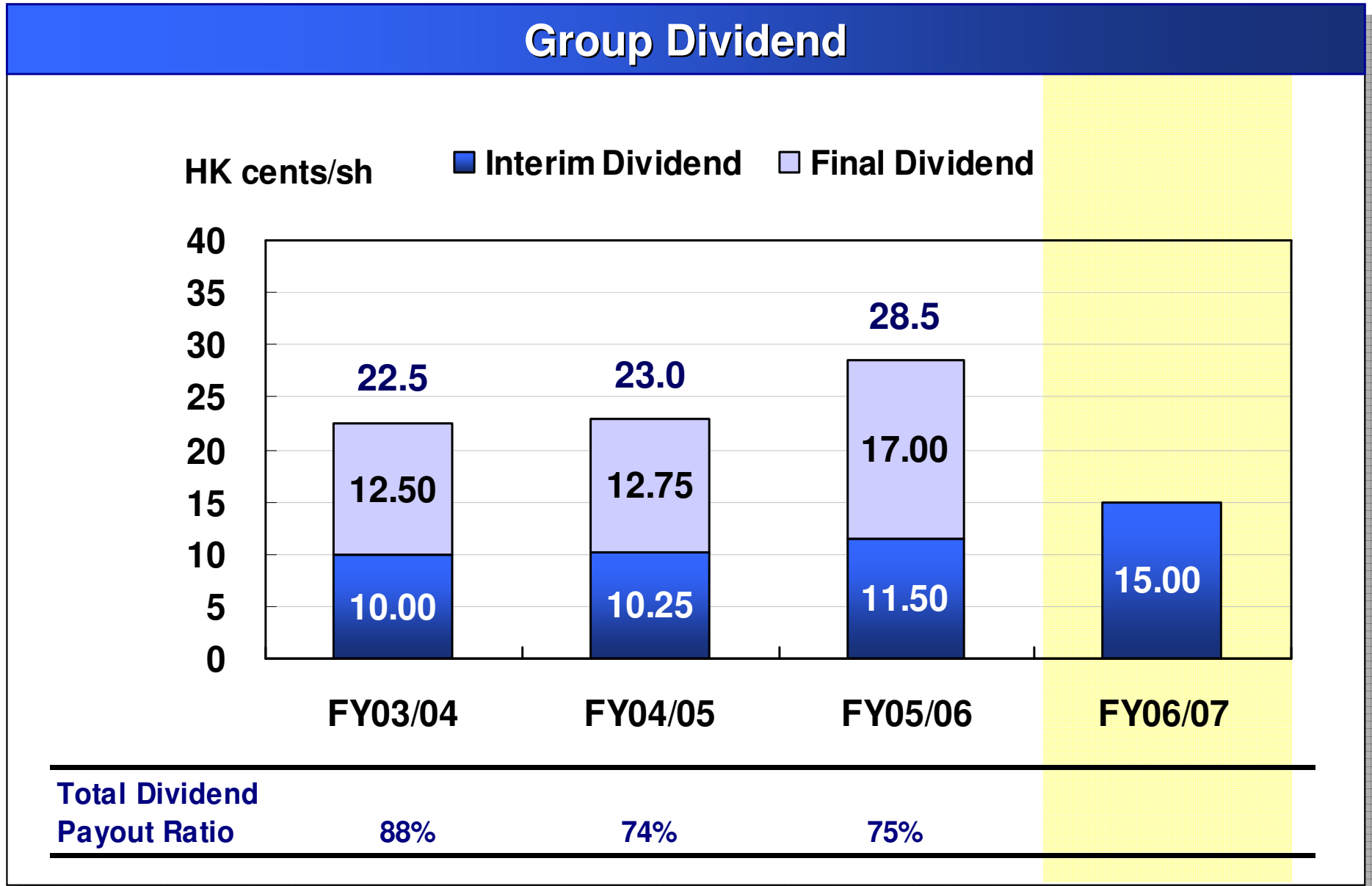
Net Profit Attributable to Equity Holders of the Co.

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*
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%)	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%)

Targeted Projects 目標項目

Projects 項目	Description 描述	Planned Inv.* 計劃的投資*
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

•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)			
					FY07	FY08	FY09	FY10
Phase II West 廣珠西綫II 期	4,900	50%	35%	854				
Phase III West 廣珠西綫III 期	3,600	50%	35%	627				
GS expansion 廣深高速擴闊	7,000	50%#	0%	-				
Total 合計	15,500			1,481	256	530	507	188

* Based on exchange rate of Rmb1 = HK\$0.9954 as of closing on 31-12-2006

[^] 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:

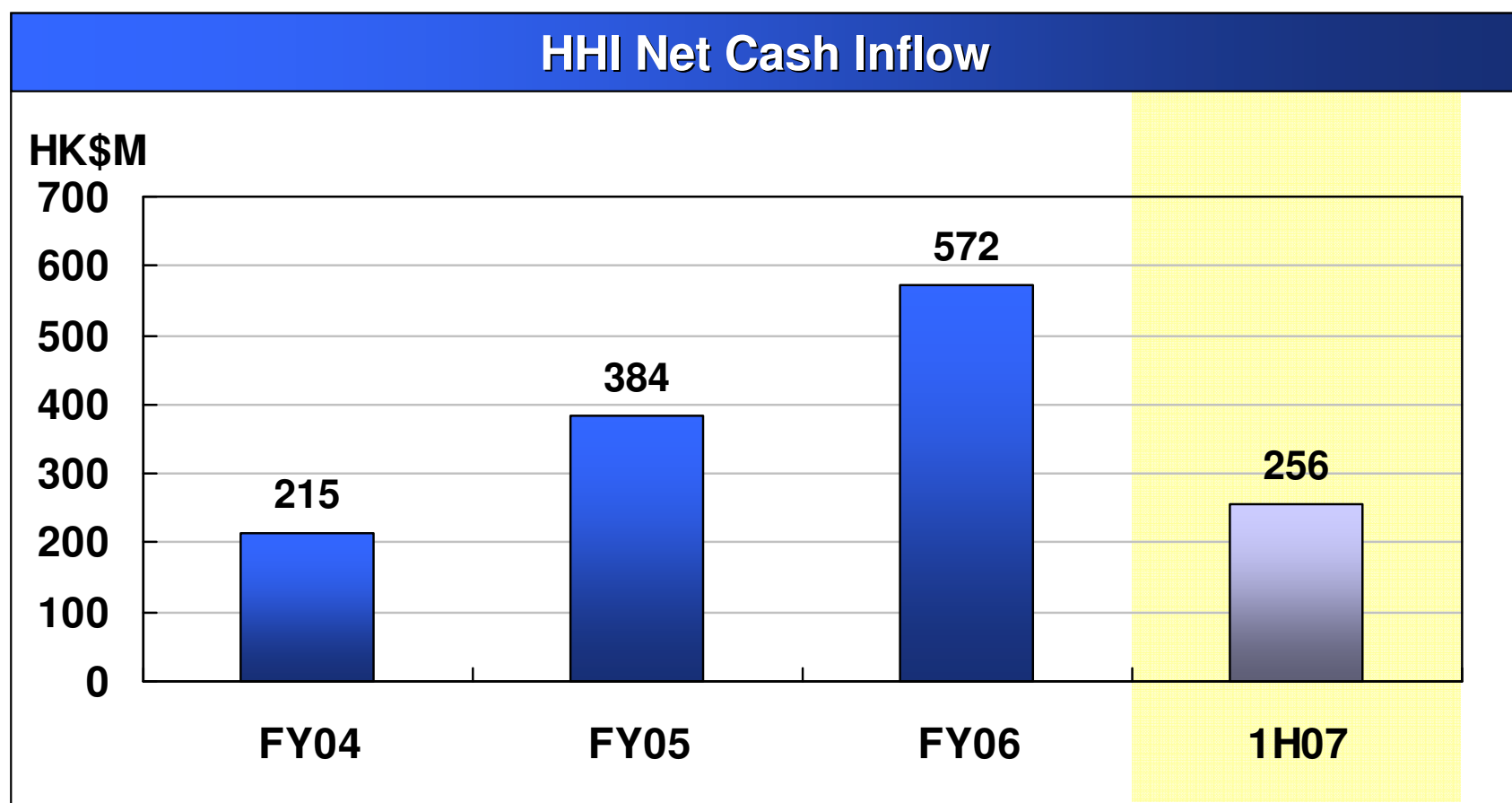
- net cash of \$3.3billion on hand (approx.\$1.1 per share)** 手頭淨現金港幣33億元 (約每股港幣1.1元)
- operating cash inflow of over HK\$1.3 billion per year** 營運現金收入每年逾港幣13億元
- Annual net cash reserve of approx. HK\$390m in the past 3 years on average
 過去3年資金淨流入平均每年累積約港幣3.9億元
- HK\$3.6 billion 5-year syndicated bank loan facility - no need to draw for above projects**
 以上項目所需資金不需要動用港幣36億元的5年期銀團貸款

HHI Net Cash Inflow

合和公路基建淨現金流入

- 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年淨現金儲備平均每年累積約港幣3.9億元 (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: 72%**

美元貸款：72%

- **RMB loans: 28%**

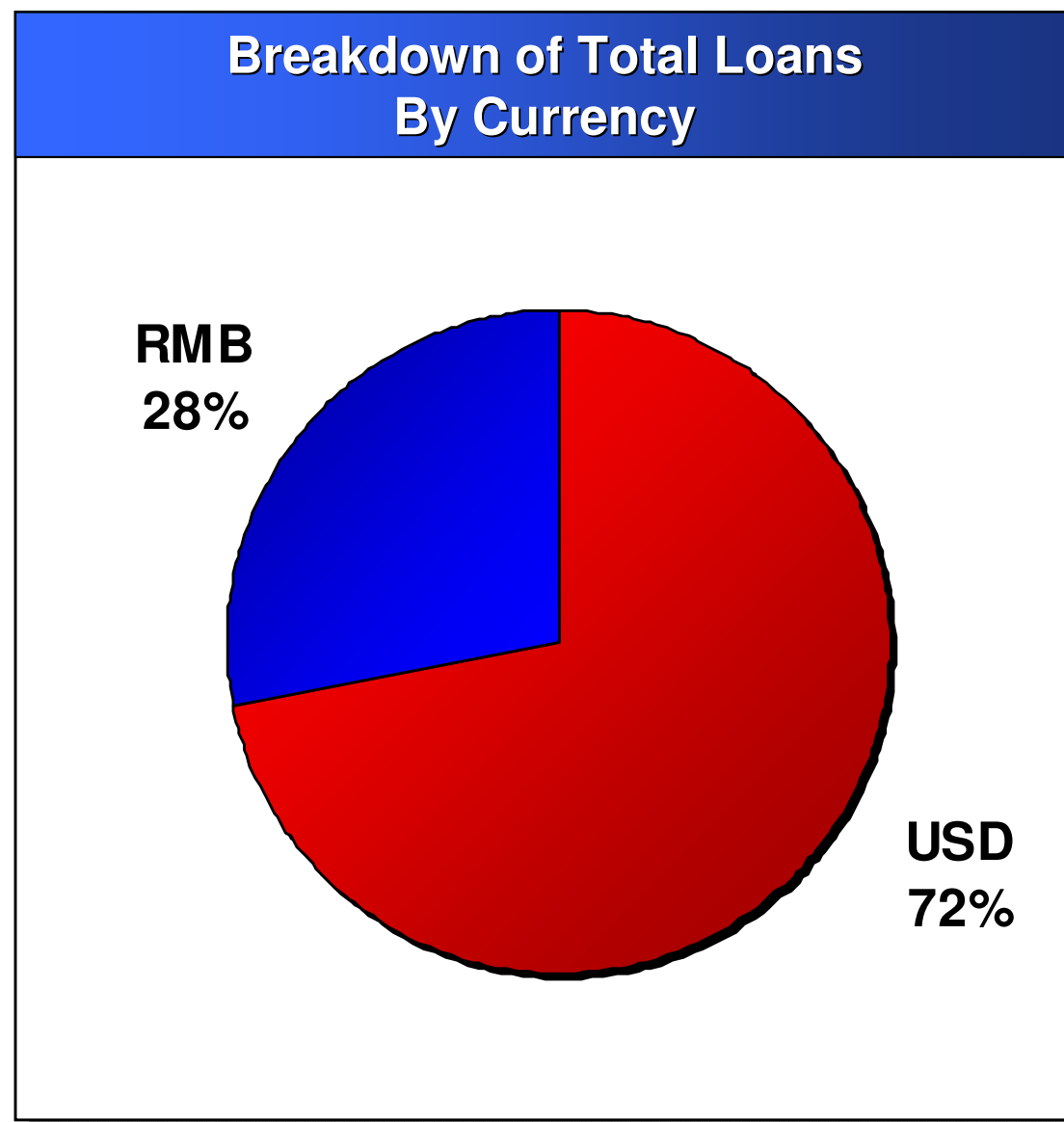
人民幣貸款：28%

- **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

- **Exchange gain HK\$86m**

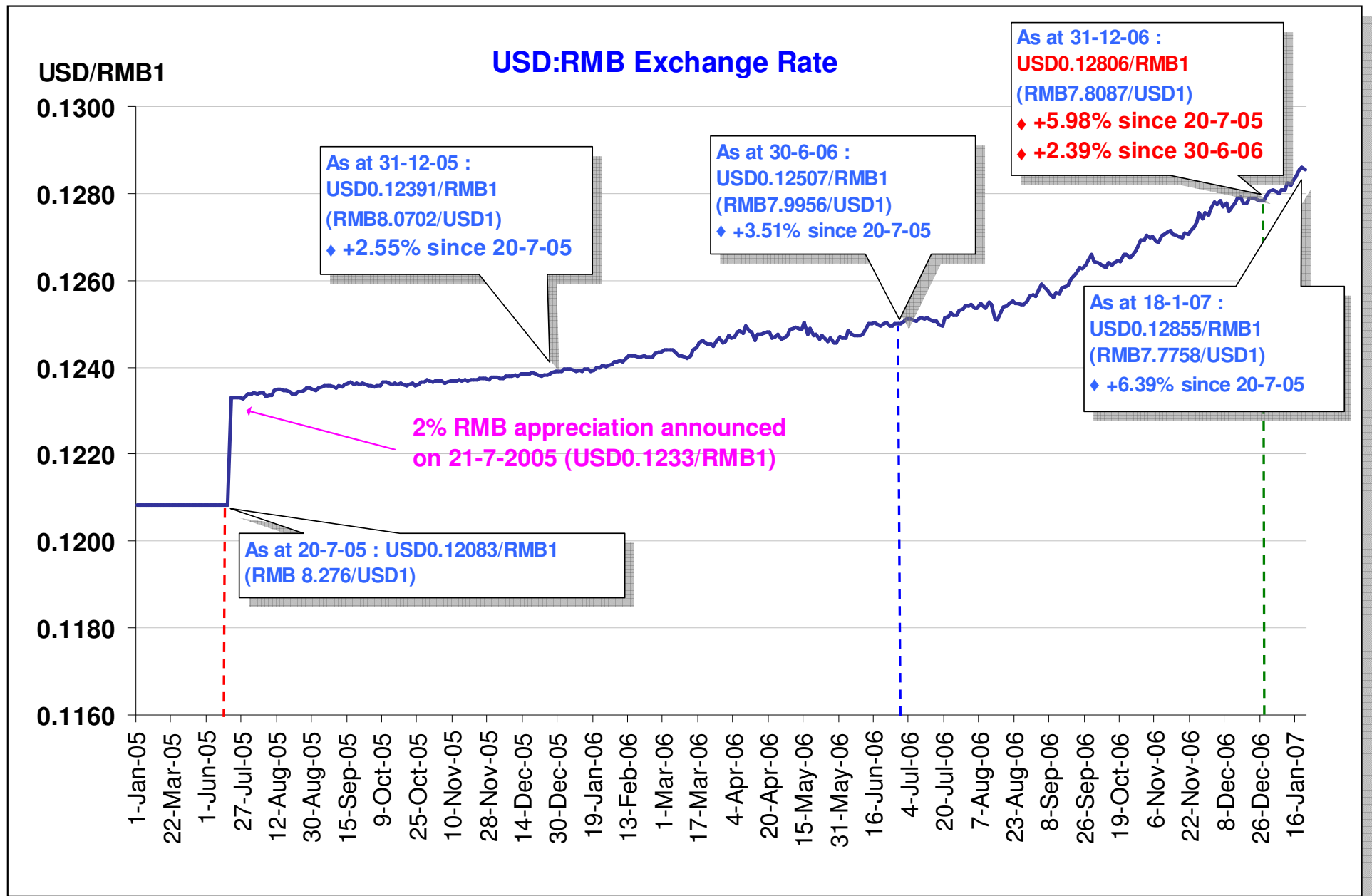
匯兌盈利港幣\$8,600萬元



As at 31 Dec 2006

USD:RMB Exchange Rate Movement

美元兌人民幣匯率走勢



Source: PBOC

Consolidated Balance Sheet Highlights



綜合資產負債表摘要

	<u>30.6.06</u> HK\$'M	<u>31.12.06</u> HK\$'M		<u>30.6.06</u> HK\$'M	<u>31.12.06</u> HK\$'M
Bank balances and cash ⁽¹⁾	3,408	3,586	Prop. share of JV debt ⁽³⁾	5,283	5,138 ⁽²⁾
HHI	3,013	3,273	JV bank loans	4,556	4,487
JV	395	313	Other debt	727	651
Property & equipment	9,509	9,589	Other payables	457	522
			Total liabilities	5,740	5,660
Other assets	3,159	3,144	Equity attr. to shareholders of Co.	10,300	10,619
Total assets	16,076	16,319	Minority interests	36	40
			30.6.06	31.12.06	
Total debt / total assets			33%	31%	
Net debt ⁽⁴⁾ / equity attributable to shareholders of Co.			18%	15%	

Notes: (1) Included pledged bank deposits \$282M (31.12.06) and \$473M (31.12.05)

(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

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

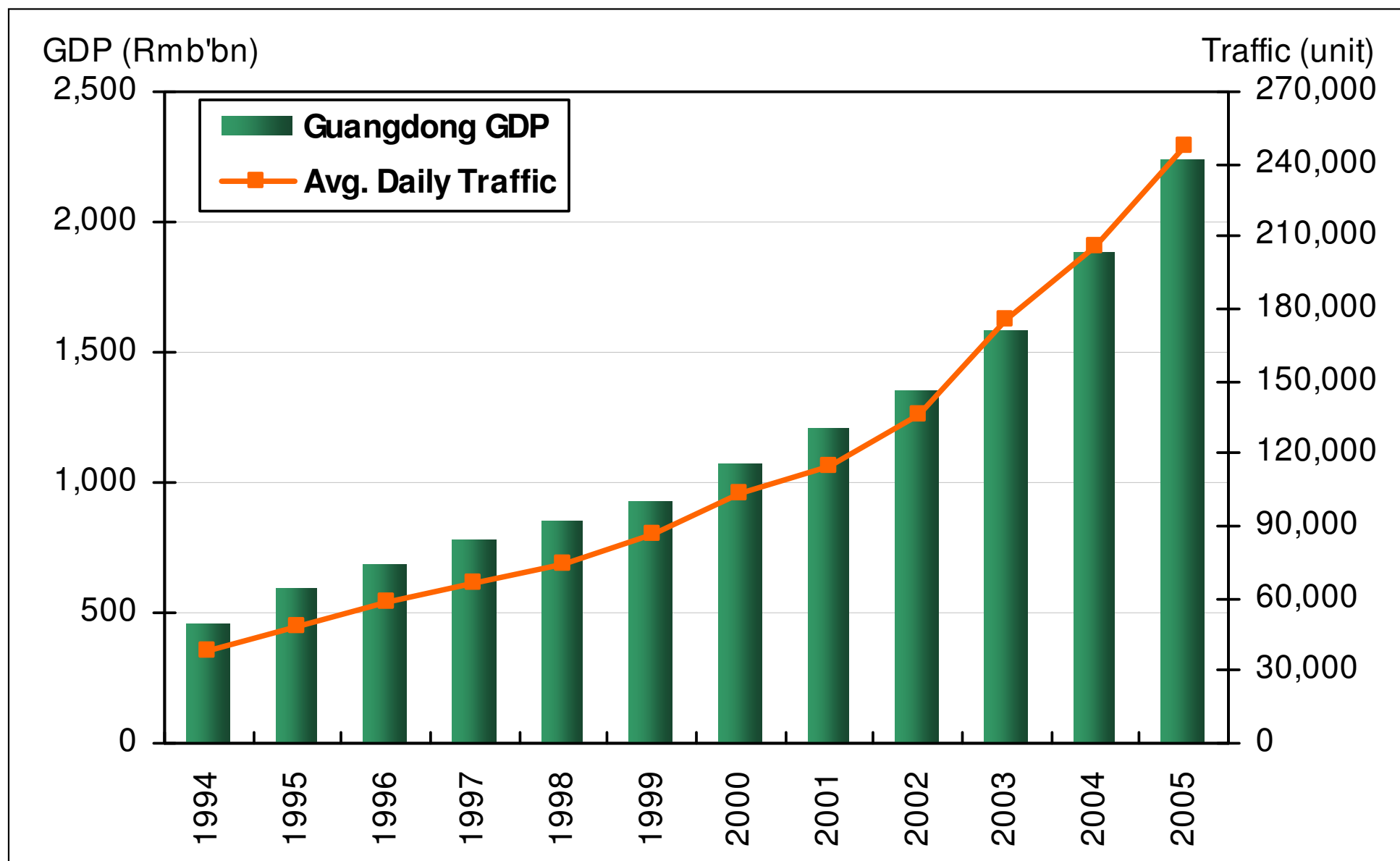
* Total vehicles incl. passenger & commercial vehicles but excl. motorcycles

** 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之車流量有密切關係



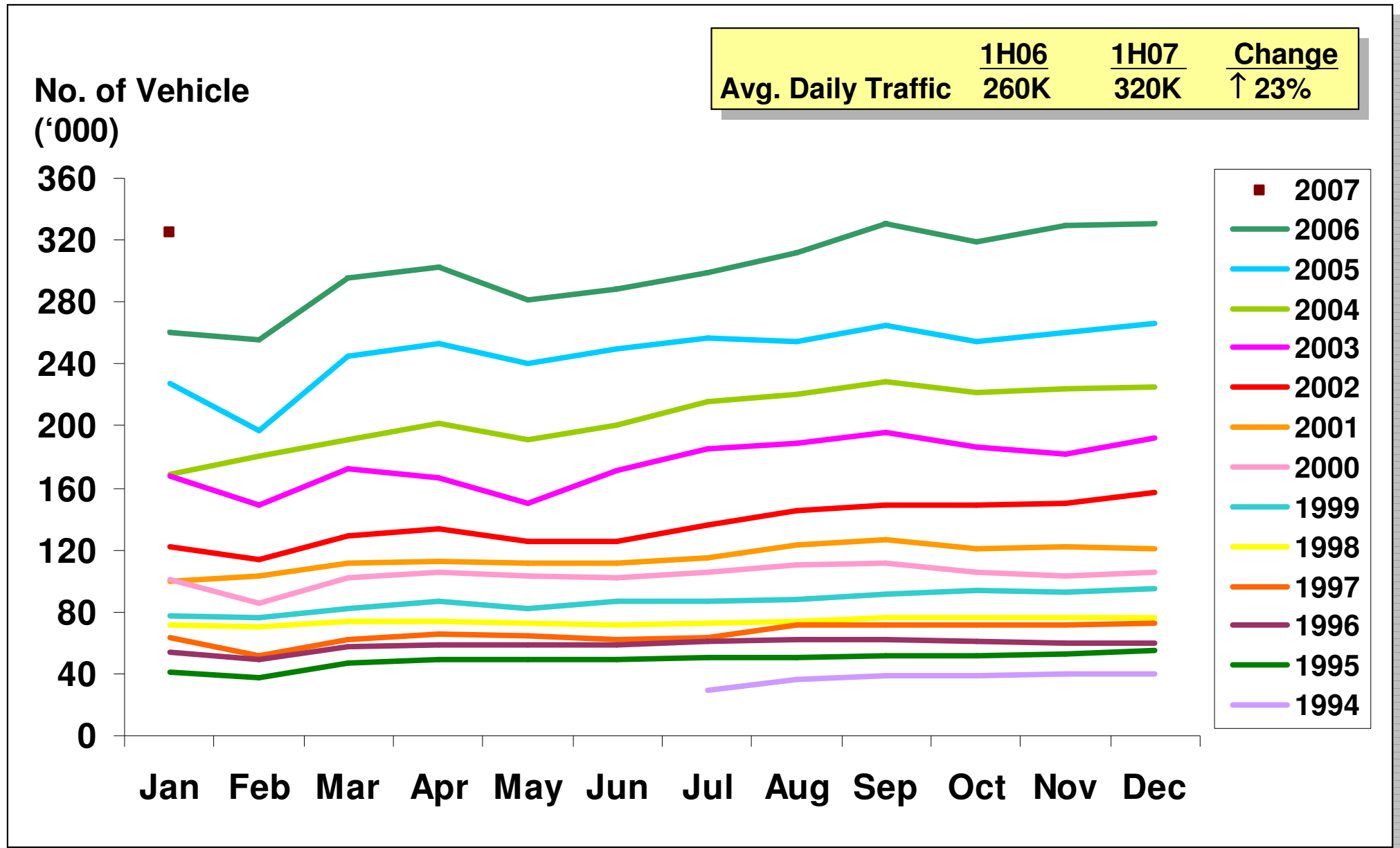
Source: GD Statistical Yearbooks and Company data

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Supplementary Info (Analyst Meeting)

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

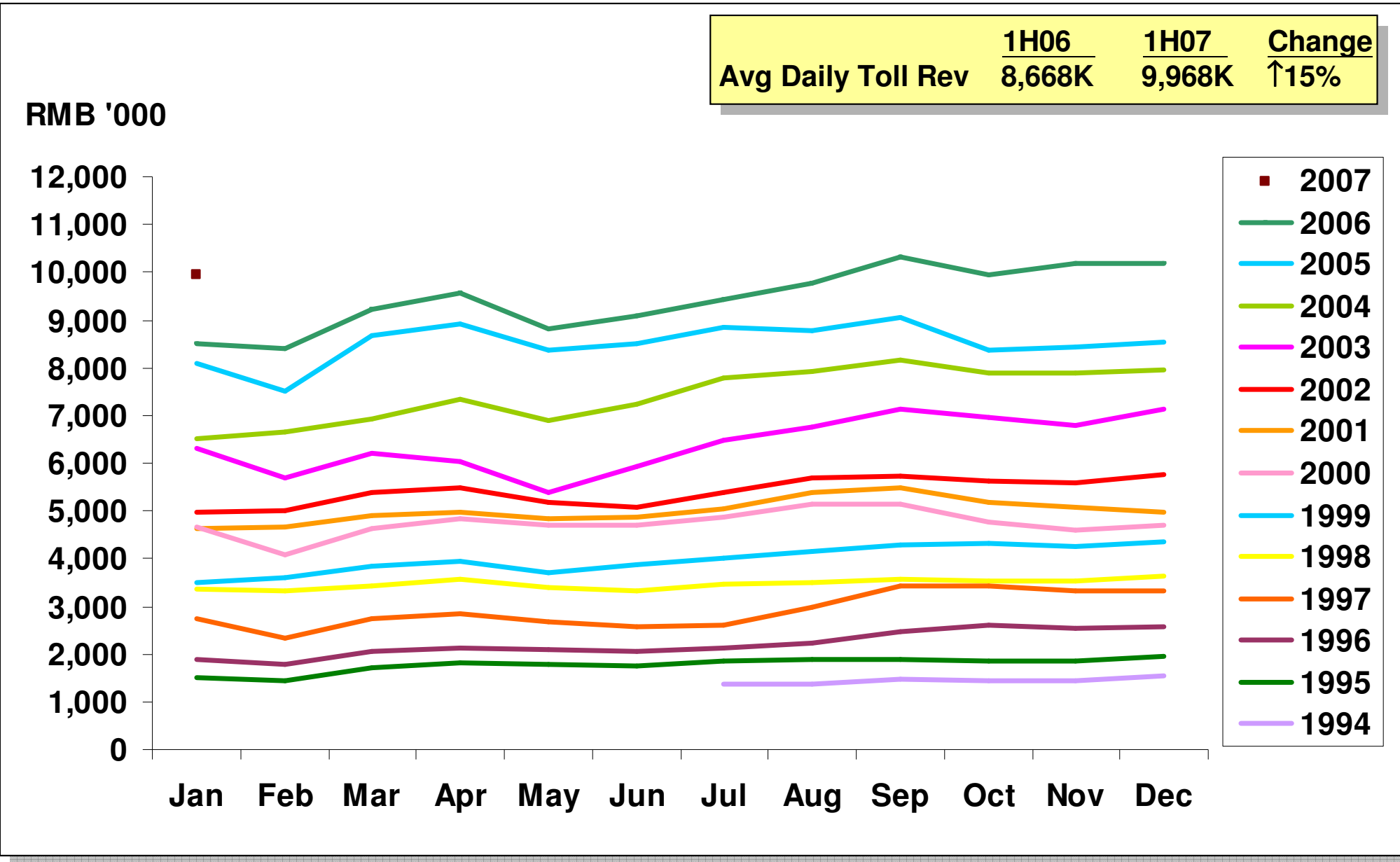
GS Superhighway – Avg. Daily Traffic



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

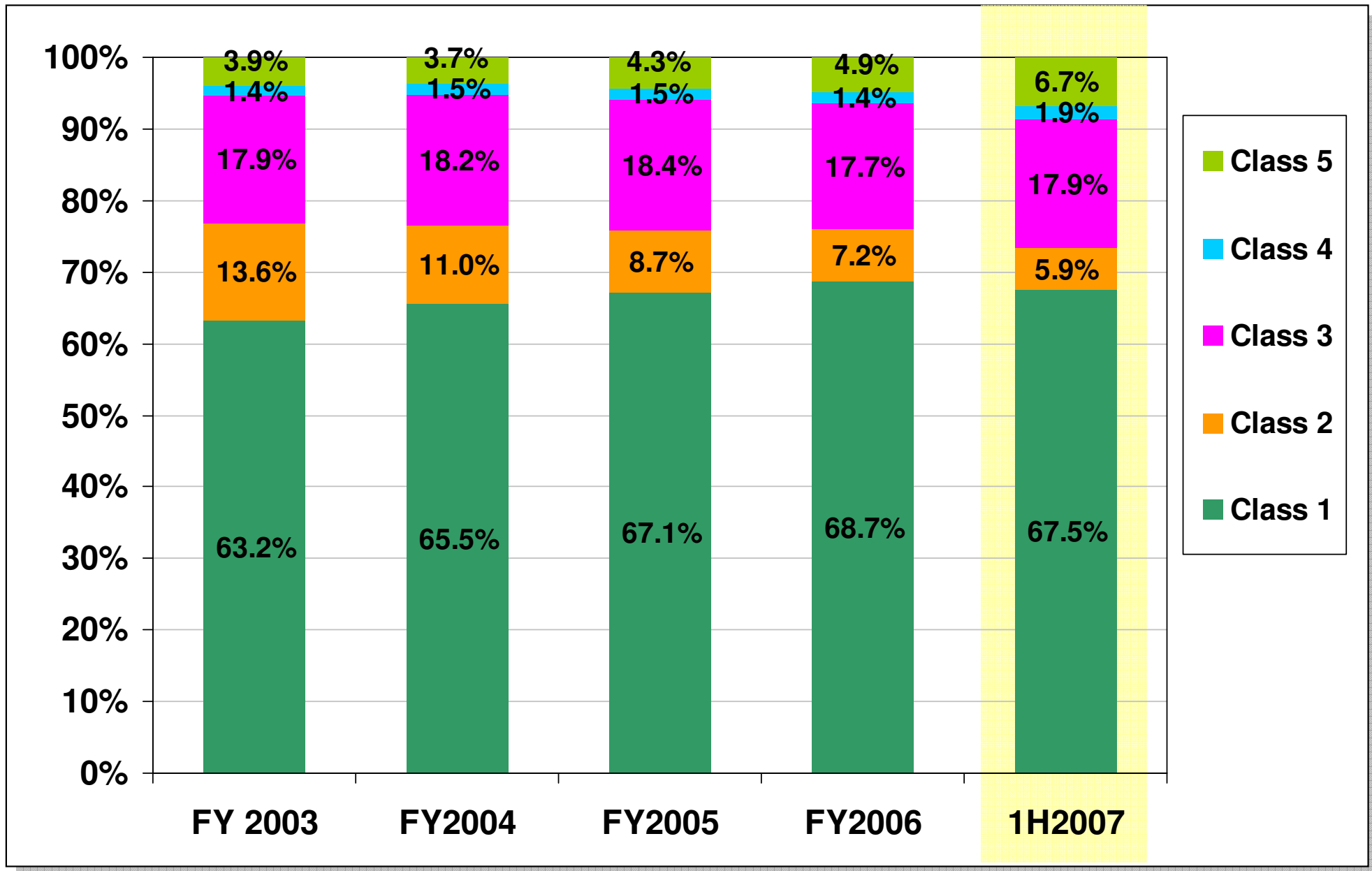
GS Superhighway – Avg. Daily Toll Revenue

	1H06	1H07	Change
Avg Daily Toll Rev	8,668K	9,968K	↑15%

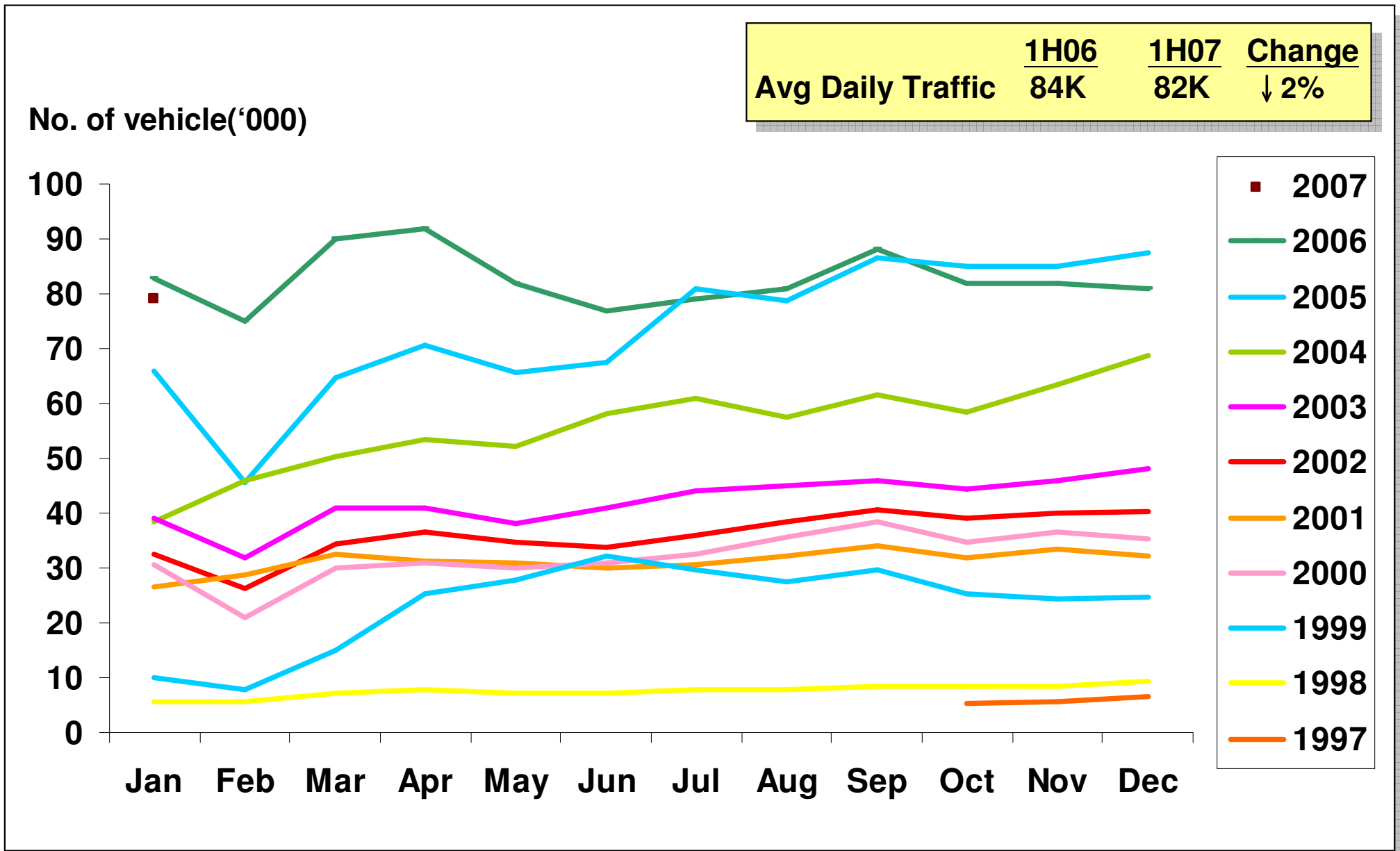


* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

GS Superhighway – Traffic by Class of Vehicles

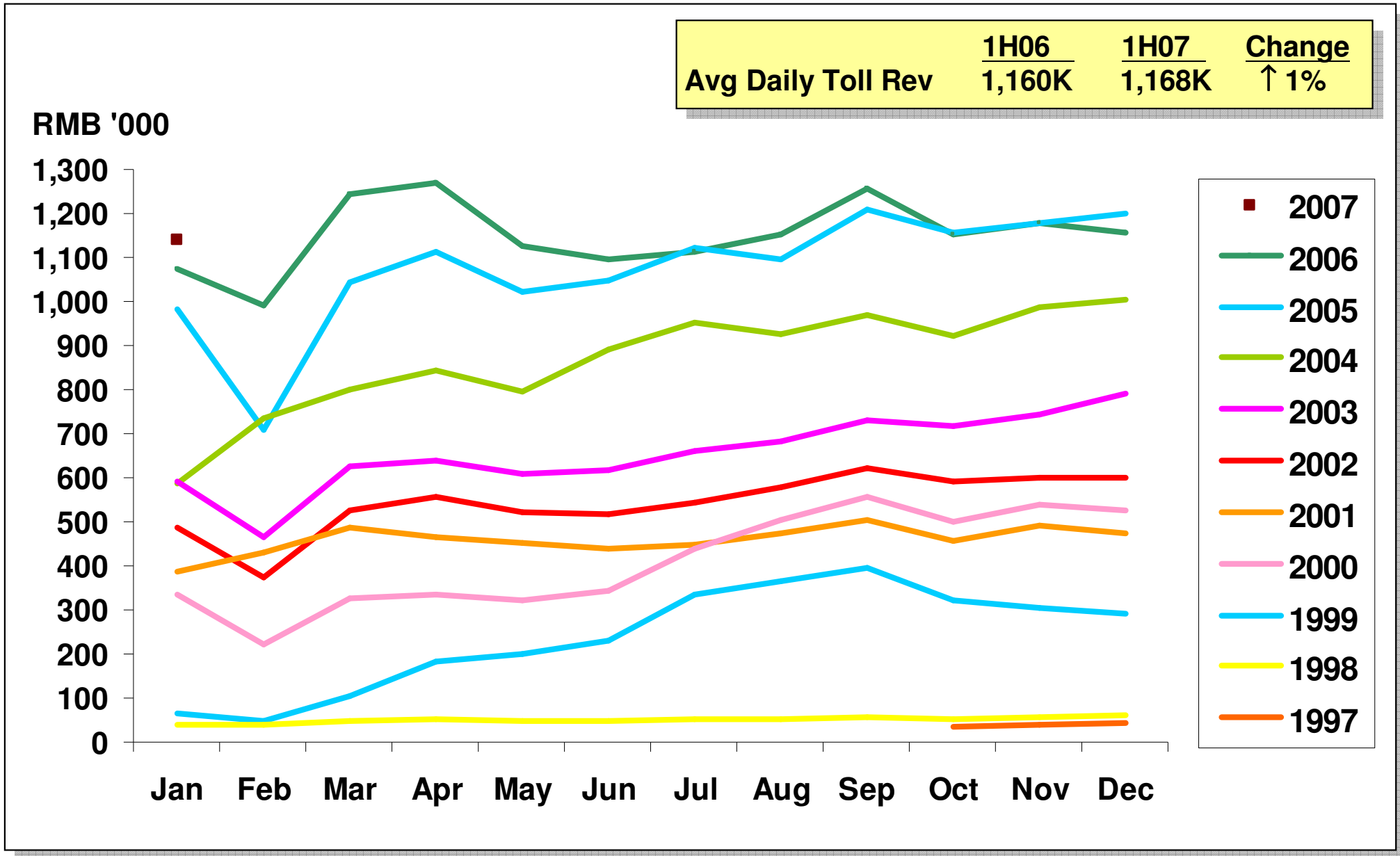


ESW Ring Road – Avg. Daily Traffic



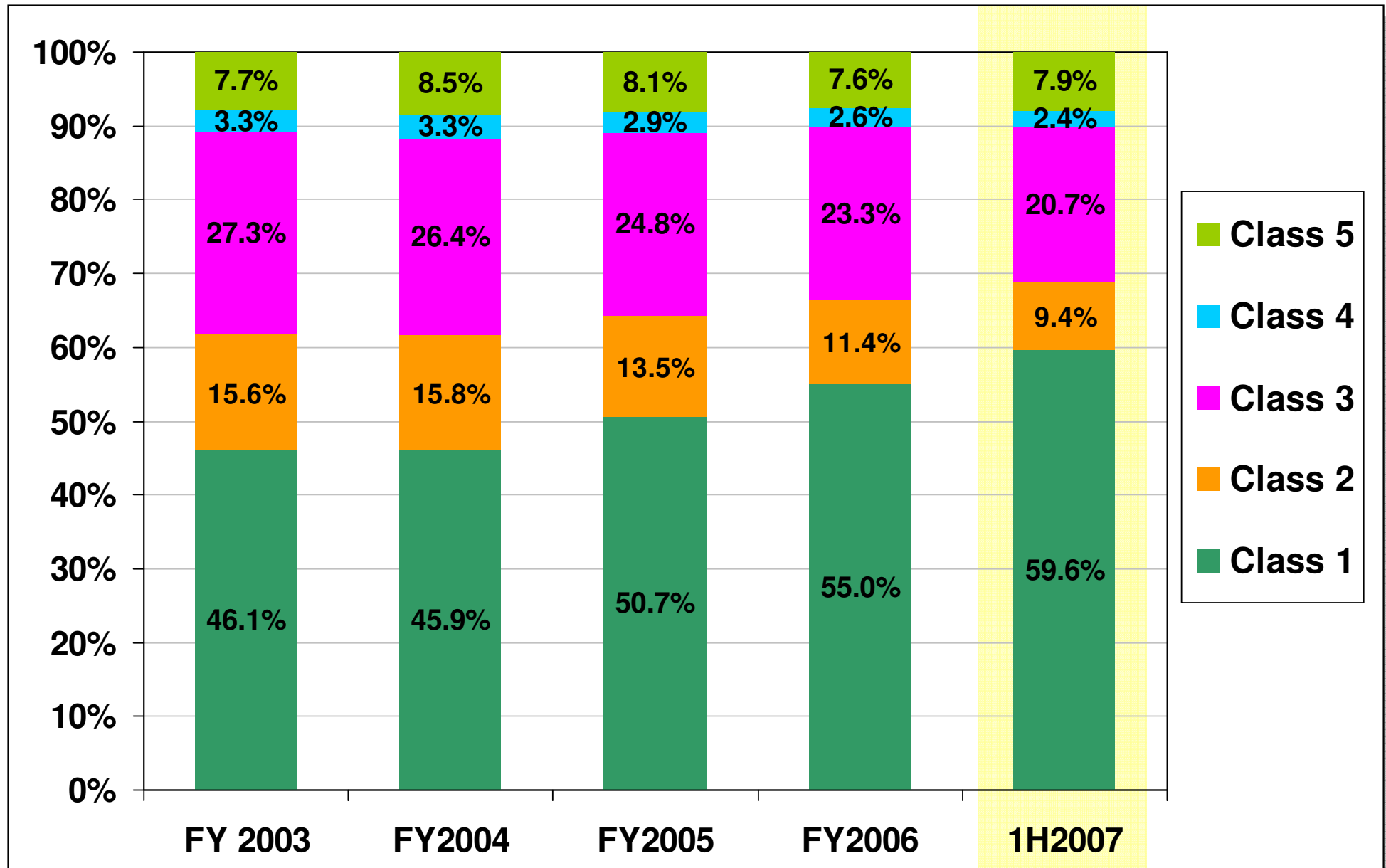
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ESW Ring Road – Avg. Daily Toll Revenue

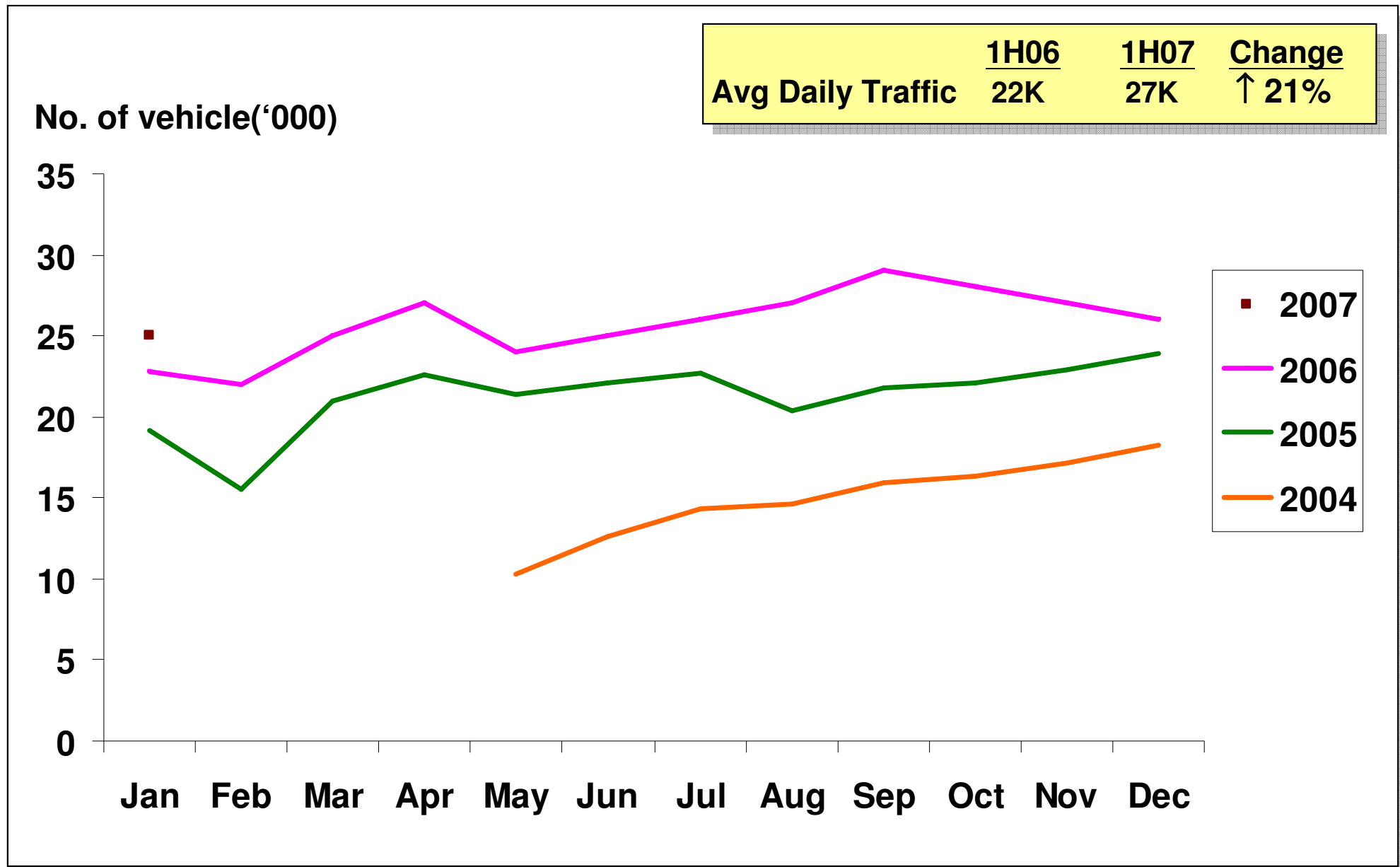


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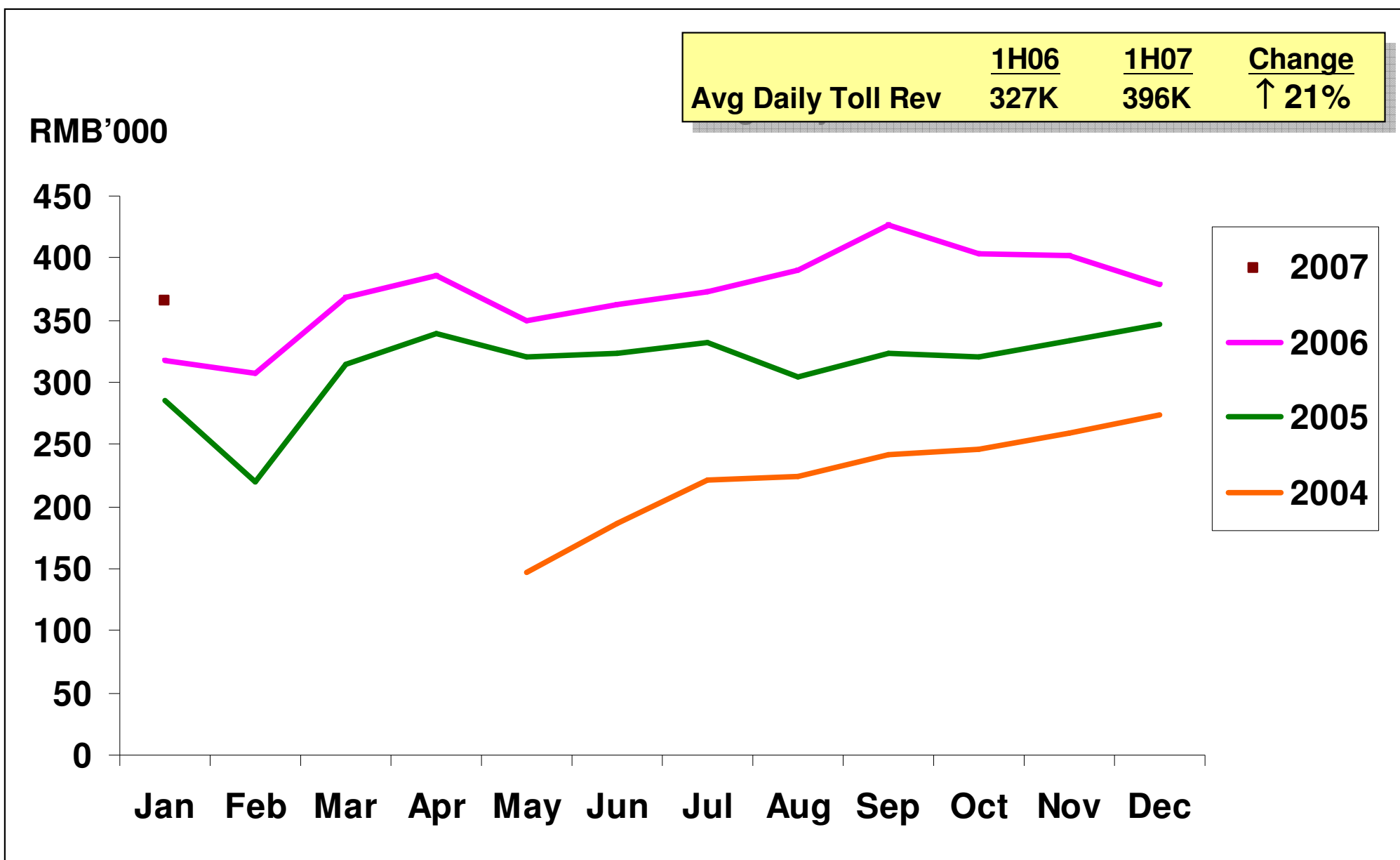


Phase I West – Avg. Daily Traffic



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

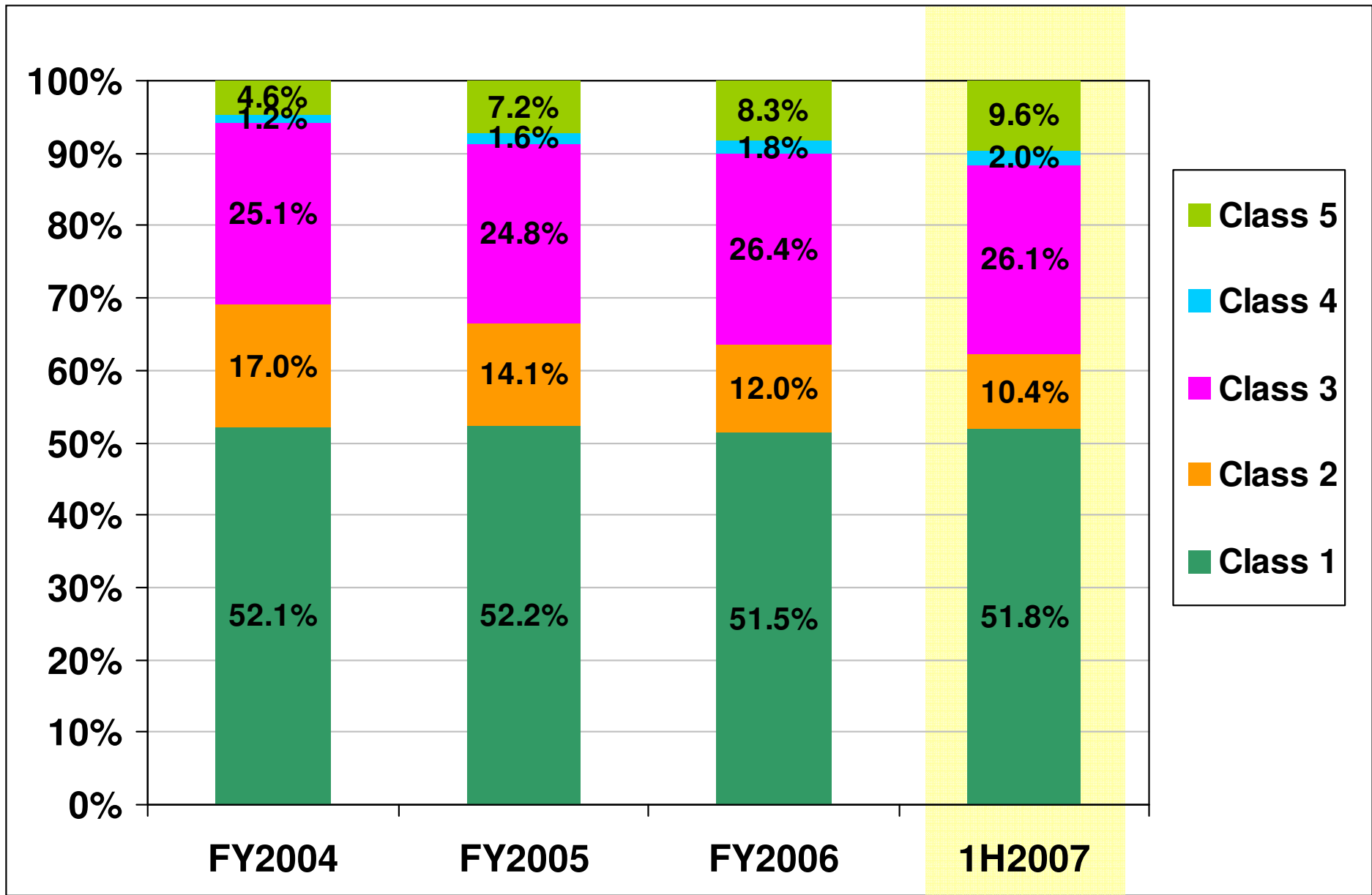
Phase I West – Avg. Daily Toll Revenue



	1H06	1H07	Change
Avg Daily Toll Rev	327K	396K	↑ 21%

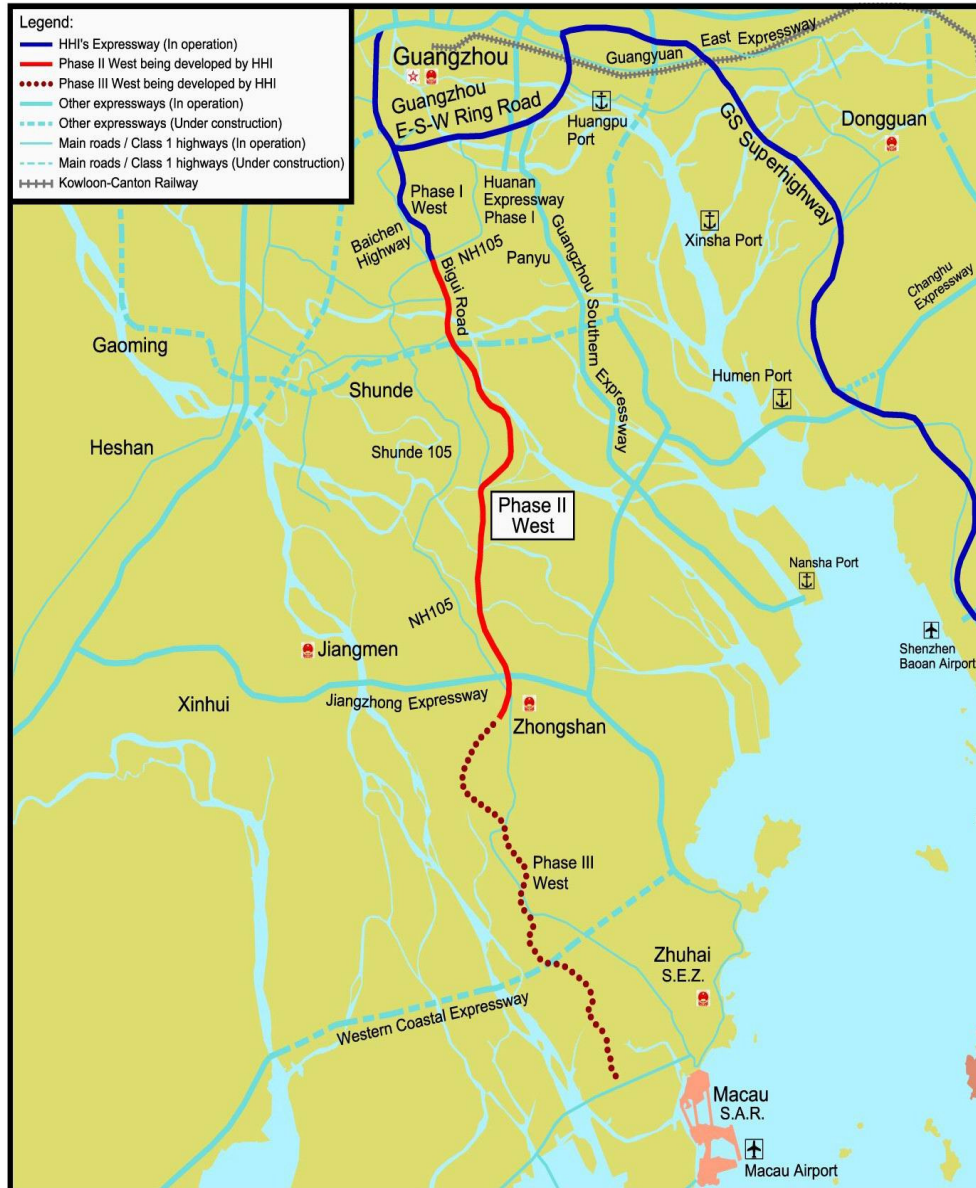
* Chinese New Year in 2007 started on 18 Feb 2007 (2006 started on 29 Jan 2006)

Phase I West – Traffic by Class of Vehicles



Future Projects

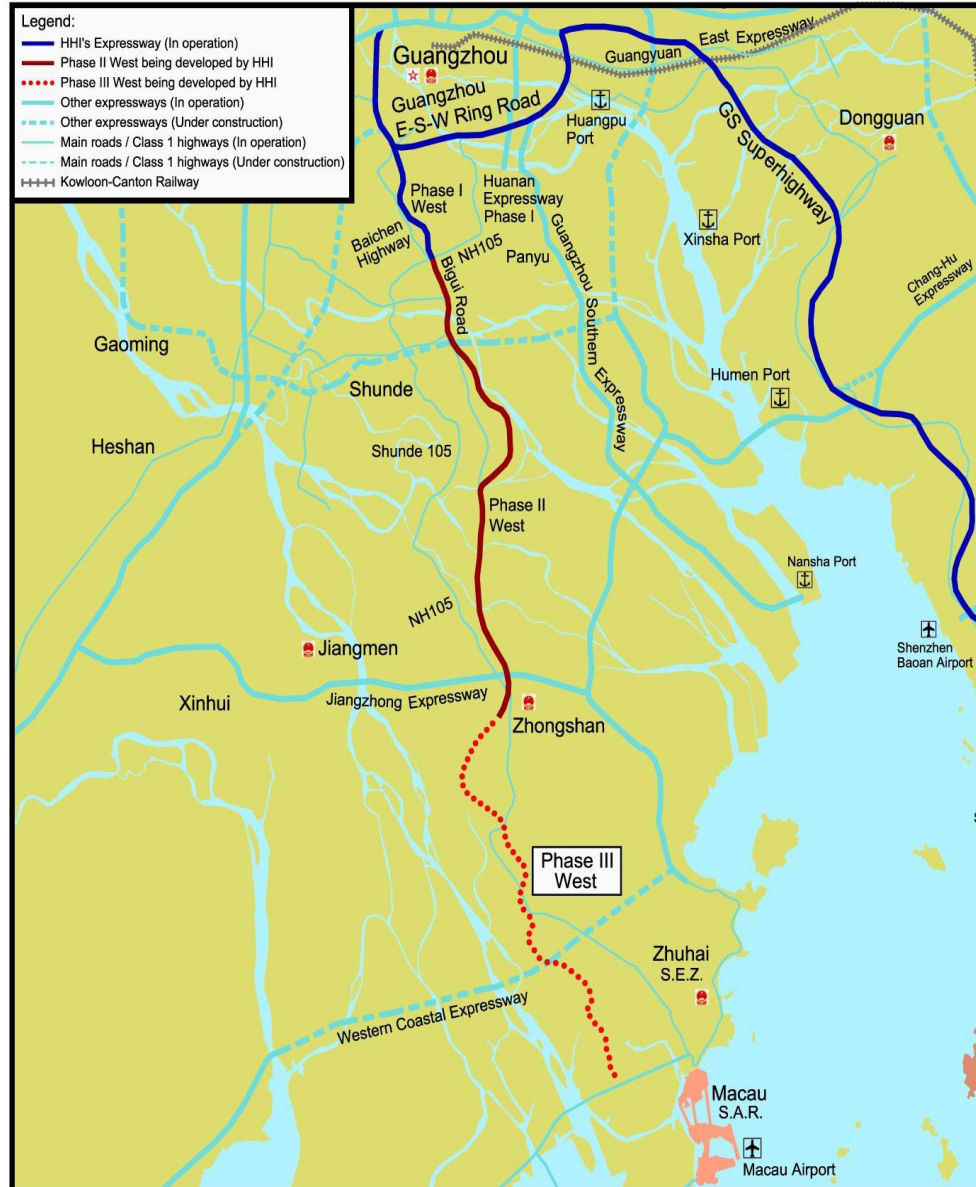
Phase II West



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
Completion:	Approx. 3 years

* 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** ~