

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

FY2010/11 Interim Results

2010/11 財政年度中期業績

24 February 2011

Presentation slides are available in www.hopewellhighway.com

Group Messages 集團信息

- **Entering a new phase**

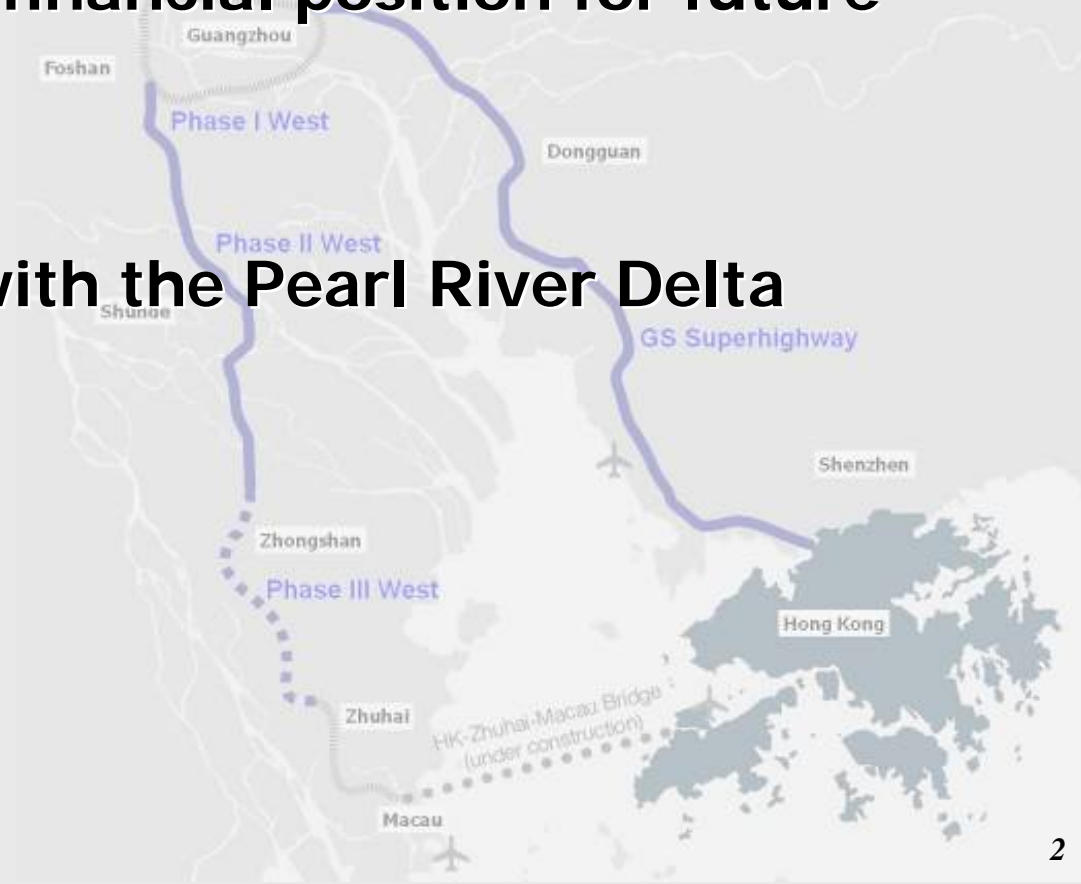
昂然邁進新階段

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

具備穩健的財務實力投資新項目

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

緊貼珠江三角洲的經濟發展



- **GS, Phases I & II West aggregate average daily traffic ↑ 24% to 465k vehicles**
廣深高速、西綫 I 期和 II 期的合計日均車流量上升 24% 至 46.5 萬架次
- **GS historical high Class 1 average daily toll revenue**
廣深高速一類小車的日均路費收入創歷史新高
 - ◆ **Classes 4 & 5 trucks toll revenue approaching historical high level in FY07**
四及五類貨車的路費收入，逐步接近 2007 財政年度的歷史高位
- **Phase II West traffic and toll revenue kept rising. Cash-flow breakeven target of RMB800,000 average daily toll revenue has already been achieved**
西綫 II 期的車流及路費收入持續上升，並已達到現金流平衡的目標，即日均路費收入人民幣 80 萬元
- **Phase III West started construction in Dec 2009 and planned to complete by end of 2013**
西綫 III 期已於 2009 年 12 月動工及計劃於 2013 年底前完工
- **Net cash on hand at HHI corporate level (excluding jointly controlled entities) approx. RMB1.8 billion (or HK\$2.1 billion, HK\$0.7/share) as of 31 Dec 2010**
於 2010 年 12 月 31 日，合和公路基建公司層面 (不包括共同控制個體) 持有手頭淨現金約人民幣 18 億元 (或相等於港幣 21 億元，每股港幣 0.7 元)

(HK\$'M) (港幣百萬元)	Six months ended 31-Dec 截至12月31日止6個月		% change 轉變(%)
	2009	2010	
Net toll revenue 淨路費收入	955	1,122	+17%
EBIT of toll expressways 收費高速公路除利息及稅項前溢利	662	748	+13%
Profit attributable to owners of the Co. 公司股東應佔溢利	504	491	-3%

● **Net toll revenue ↑ 17% due to** 淨路費收入上升17%，受惠於

- ◆ **Guangdong's strong car ownership and economic growth**
廣東省強勁的汽車擁有量及經濟增長
- ◆ **Passenger and freight transportation growth**
客貨運輸的增長
- ◆ **Phase II West commenced operation on 25 Jun 2010**
西綫 II期於2010年6月25日開始營運

● **Profit attributable to owners of the Company ↓ 3% mainly because**

公司股東應佔溢利下跌 3%，主要由於

- i) **Growth of GS toll revenue offset by rise in tax rate**
廣深高速的稅率增加，抵銷了路費收入的增長
- ii) **Phase II West's slight loss in its first 6 months of operation**
西綫 II 期在首6個月的營運錄得輕微虧損

Financial Highlights (cont'd)

財務摘要 (續)

	Six months ended 31-Dec 截至12月31日止6個月		% change 轉變(%)
	2009	2010	
EPS (HK cents) 每股溢利 (港仙)	17.01	16.58	-3%
DPS (HK cents) 每股股息 (港仙)	Interim 中期: 17	Interim 中期: 16	

Financial Highlights (cont'd)



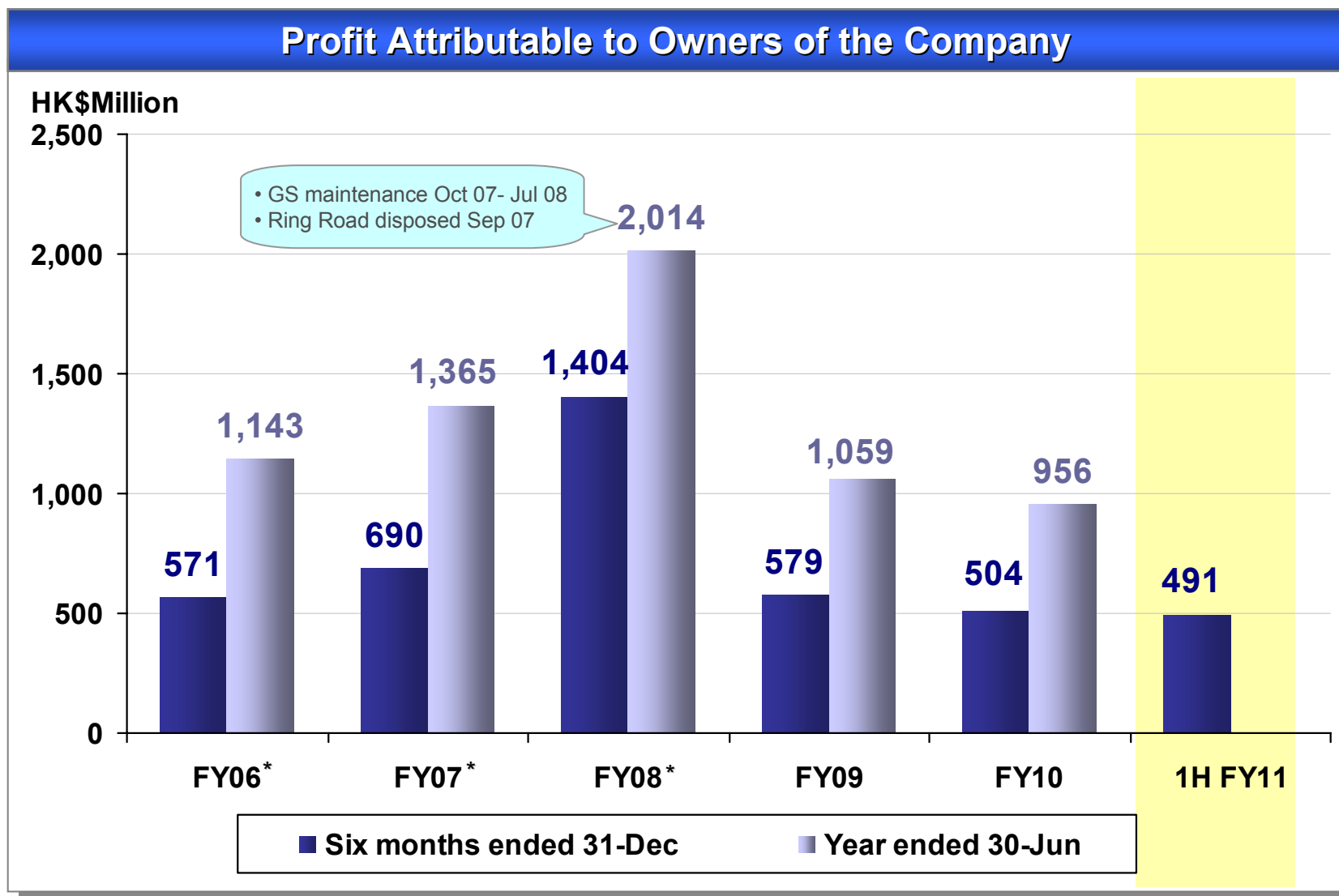
財務摘要 (續)

- **The first non-financial institution to issue RMB corporate bonds in Hong Kong, Jul 2010**
於2010年7月，成為首家非金融機構於香港發行人民幣企業債券
- **Started to receive dividends from PRC JVs in RMB since Apr 2010**
自2010年4月開始，從中國合營企業收取人民幣股息
- **HHI corporate level increased RMB cash deposits to around 100% of total cash deposits**
合和公路基建公司層面的人民幣存款佔總現金存款的比例增加至接近100%
- **Injected RMB396m for Phase III West's development since Jun 2010**
自2010年6月，已投入人民幣 3.96億元以發展西綫 III 期項目
- **Phase II West total cost of approx. RMB7b was lower than budget**
西綫 II 期的總成本約人民幣 70億元，低於預算的數字

HK\$'M 港幣(百萬元)	Net Toll Revenue 淨路費收入		EBIT 除利息及稅項前溢利		Results 業績		
	2009	2010	2009	2010	2009	2010	% chng 轉變(%)
For the six months ended 31-Dec 截至12月31日止6個月							
GS Superhighway ^{N1} 廣深高速公路	909	1,002	631	676	515	478	
Phase I West 西綫 I 期	46	49	31	34	18	24	
Phase II West 西綫 II 期	-	71	-	38	-	(27)	
Net Toll Rev./EBIT/Net Profit of toll expys 收費公路之淨路費收入/除利息及稅項前溢利/淨溢利	955	1,122	662	748	533	475	-11%
		+17%		+13%			
Corporate results: 公司層面業績							
Interest income from bank deposits 來自銀行存款的利息收入					3	35	
Other income 其他收入					4	1	
General and administrative expenses 一般行政費用					(17)	(22)	
Finance costs 財務成本					(9)	(26)	
Income tax expenses 所得稅開支					(0)	(1)	
					(19)	(13)	
Net exchange gain/(loss) 淨匯兌盈利/虧損					(1)	38	
Profit for the period 本期溢利					513	500	
Minority interests 少數股東權益					(9)	(9)	
Profit attributable to owners of the Company 公司股東應佔溢利					504	491	-3%

Profit Attributable to Owners of the Company

公司股東應佔溢利



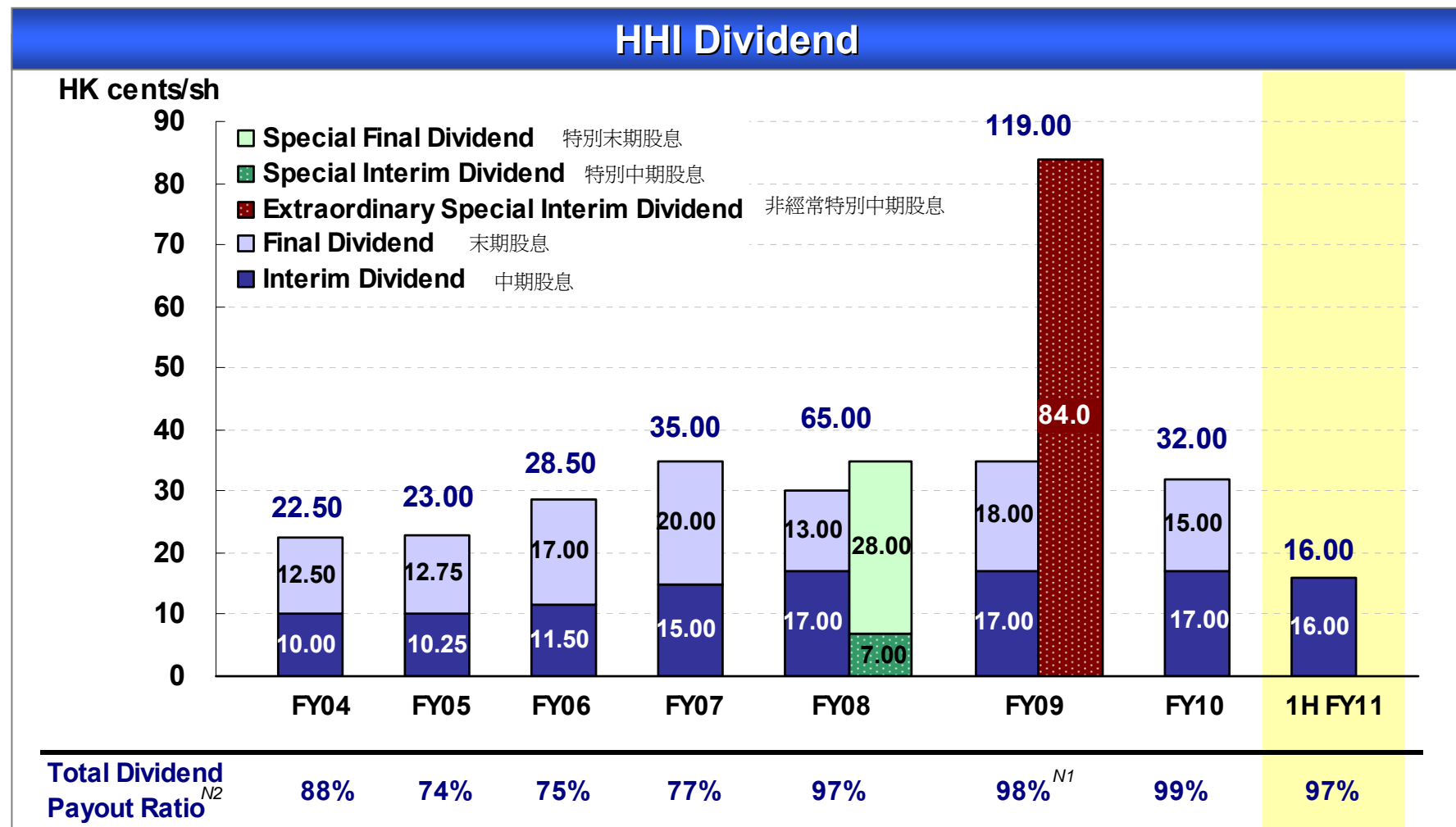
Note: Figures in FY06-08 have been restated

* Incl. exchange gain of \$439m, \$236m & \$146m in FY08, FY07 & FY06 respectively

● **Target 100% dividend payout ratio, in light of HHI's strong financial position**

由於合和公路基建的財政穩健，目標派息比率為100%

● **100% target dividend payout sustainable** 100%的目標派息比率可以持續

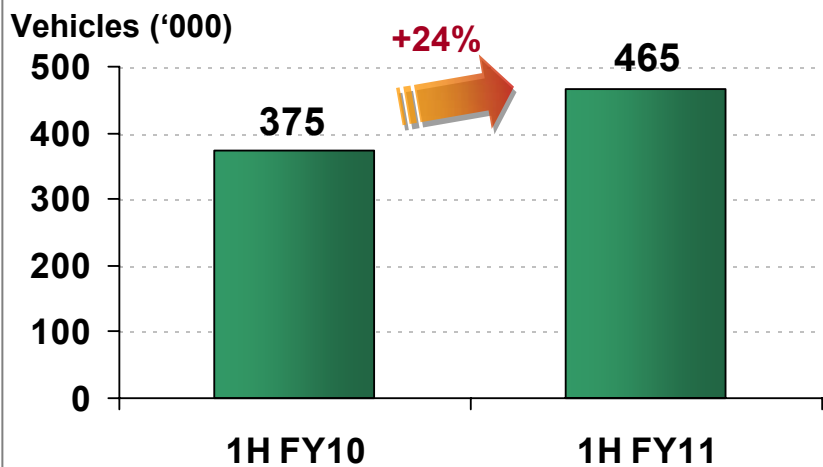


N1: Excl. \$0.84/share extraordinary special interim dividend paid in Nov 08

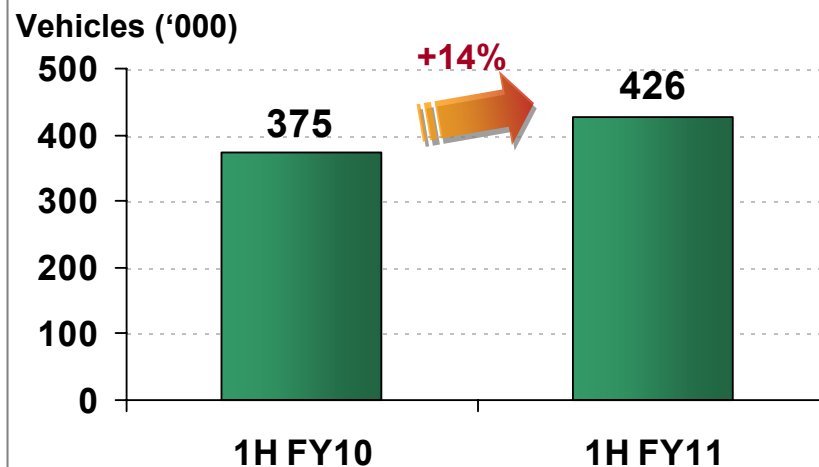
N2: Profits in FY04-08 have not been restated in order to reflect the actual payout ratio decided in those years

- Aggregate average daily traffic of GS, Phases I & II West ↑ 24% to 465k vehicles 廣深高速、西綫 I 期和 II 期的合計日均車流量 ↑ 24% 至 46.5 萬架次

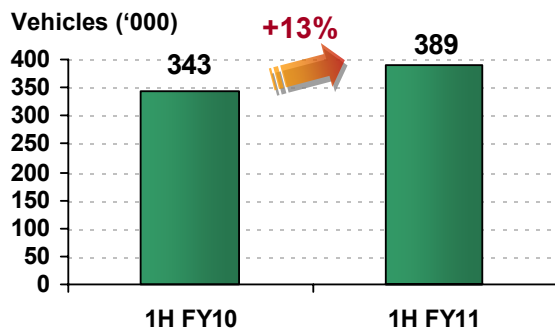
GS, Phases I & II West Aggregate Daily Traffic
廣深高速、西綫 I 期和 II 期的合計日均車流量



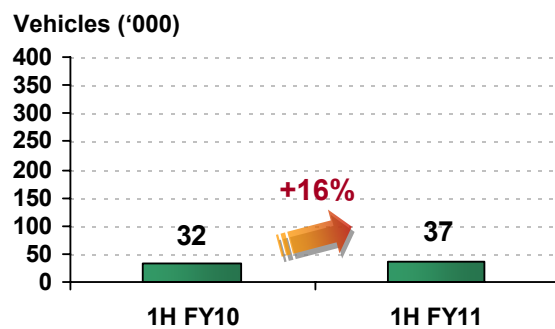
GS & Phase I West Aggregate Daily Traffic
廣深高速和西綫 I 期的合計日均車流量



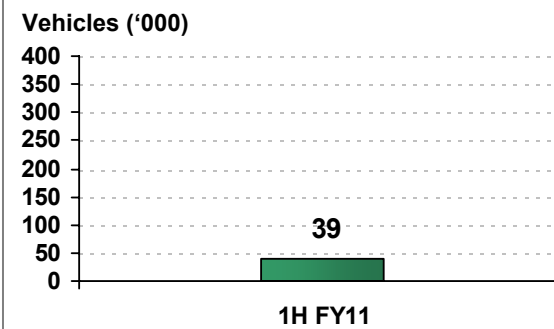
GS 廣深高速



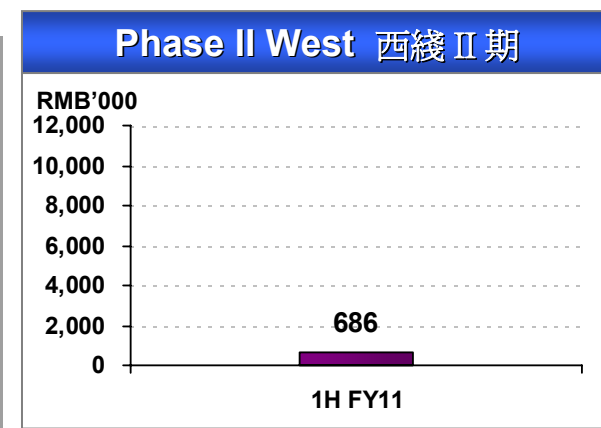
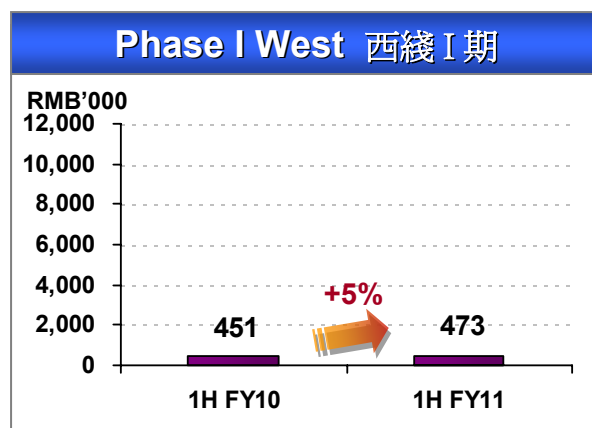
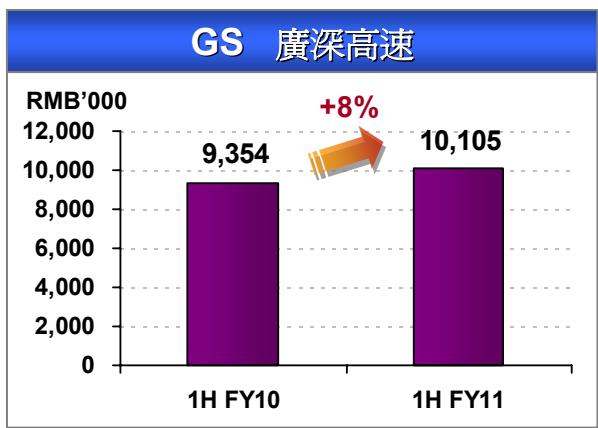
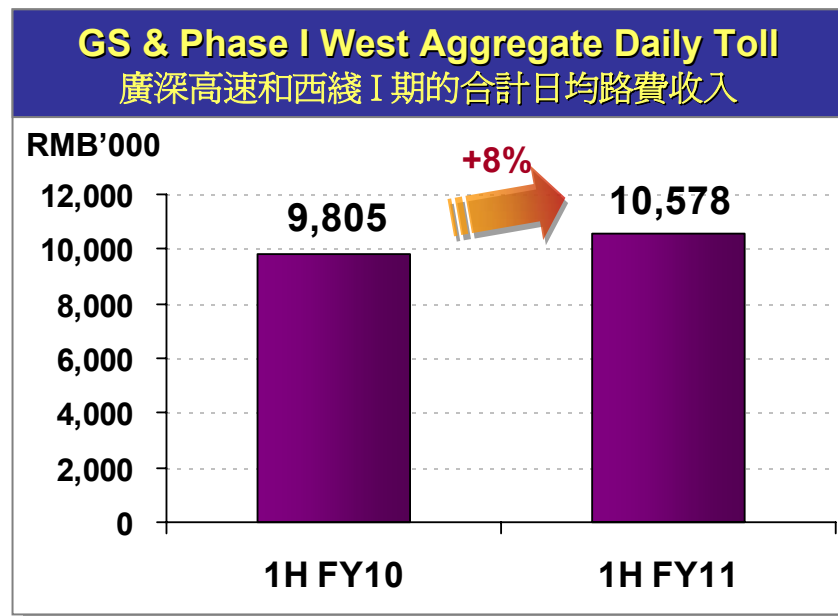
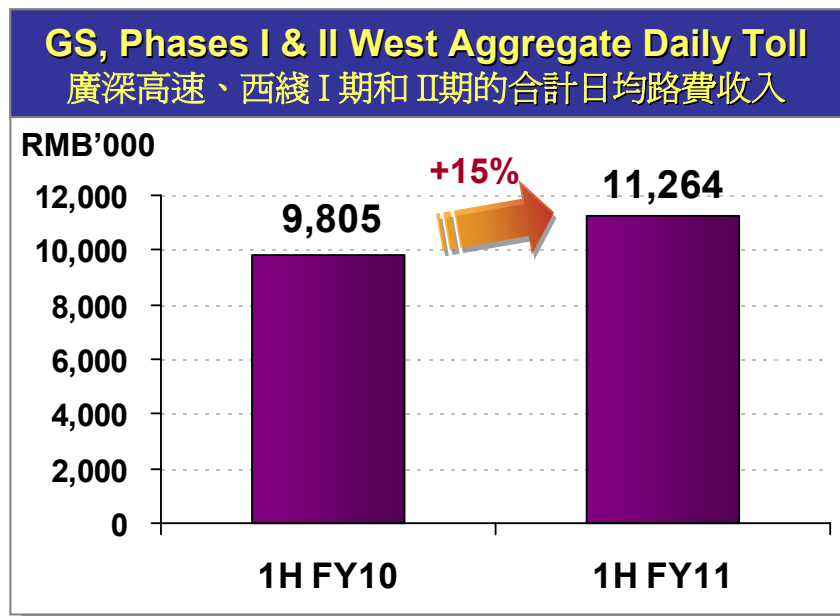
Phase I West 西綫 I 期



Phase II West 西綫 II 期



- Aggregate average daily toll of GS, Phases I & II West ↑ 15% to RMB11.3 million 廣深高速、西綫 I 期和 II 期的合計日均路費收入 ↑ 15% 至人民幣 1,130 萬元



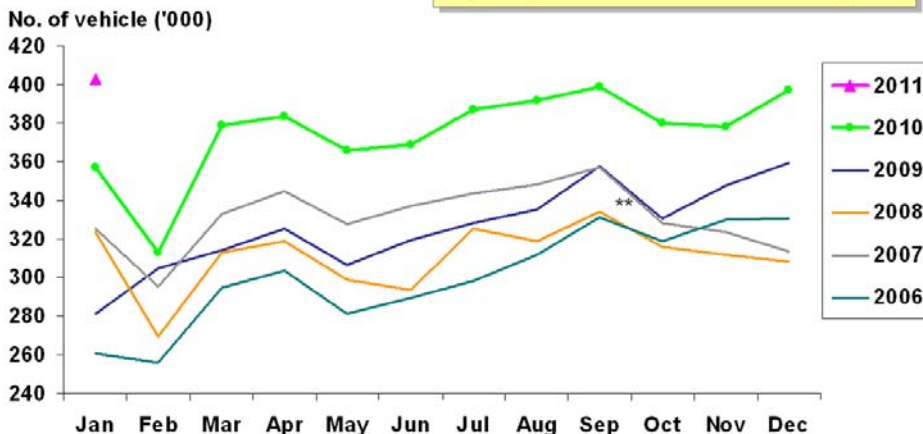
GS Superhighway – Continued to Grow

廣深高速公路：持續增長

- Benefiting from growth of car ownership in PRC**
 受惠於中國汽車擁有量的增長
- Traffic achieved all-time record for a single day**
 達到歷來最高的單日車流量
- Nov 2010 average daily toll revenue fell slightly due to traffic restrictions during Asian Games in Guangzhou**
 由於廣州亞運期間實施汽車限行政策，2010年11月的日均路費收入輕微下跌
 → **rebounded rapidly in Dec 2010 after the Games ended**
 亞運結束後，在2010年12月已迅速回升

GS Superhighway – Average Daily Traffic

	1H FY10	1H FY11	change
Avg. Daily Traffic	343k	389k	↑ 13%

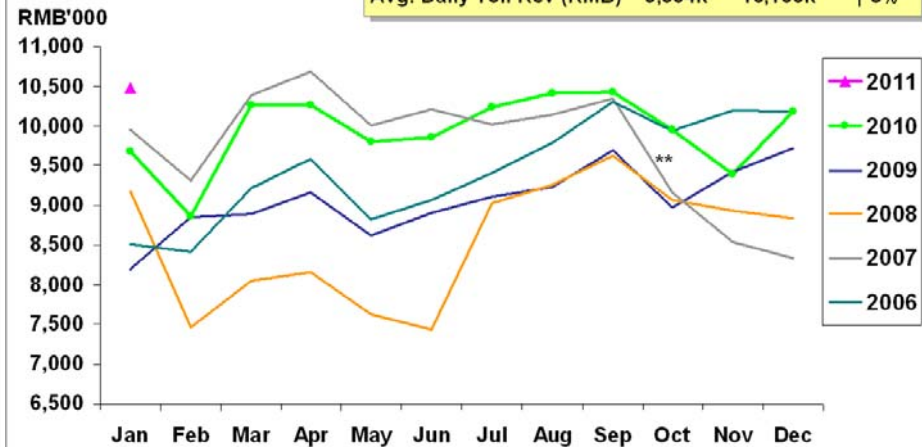


* Chinese New Year in 2011 started on 3 Feb 2011 (2010 started on 14 Feb 2010)

** The Xintang to Dongguan section (approximately 22.2km) were closed for maintenance 18 Oct 2007 - 9 Jul 2008

GS Superhighway – Average Daily Toll Revenue

	1H FY10	1H FY11	change
Avg. Daily Toll Rev (RMB)	9,354k	10,105k	↑ 8%



* Chinese New Year in 2011 started on 3 Feb 2011 (2010 started on 14 Feb 2010)

** The Xintang to Dongguan section (approximately 22.2km) were closed for maintenance 18 Oct 2007 - 9 Jul 2008

GS Superhighway – Class 1, 4 & 5 Vehicles

廣深高速公路：一、四及五類車

Class 1 – traffic and toll revenue reached historical high levels

一類車的車流及路費收入創下歷來最高紀錄

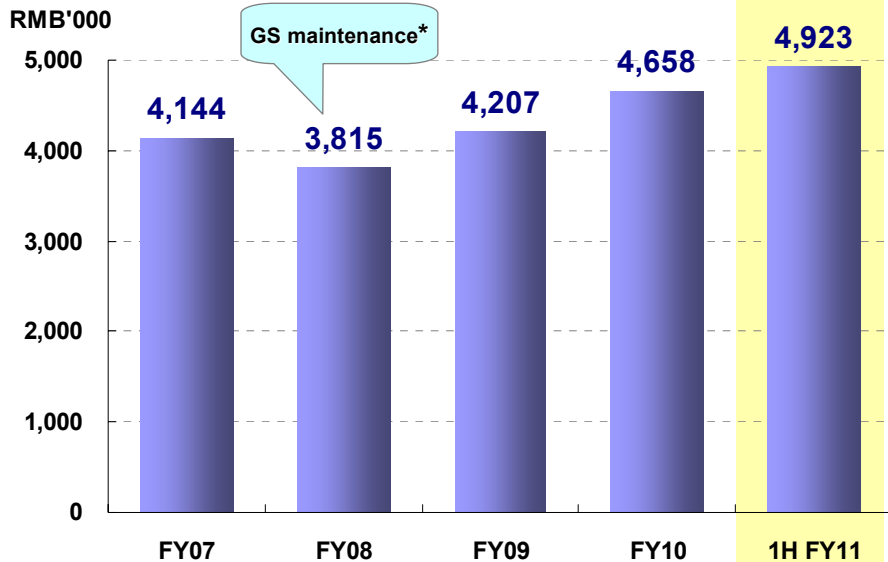
Classes 4 & 5 – traffic and toll approaching historical high levels in FY07

四及五類車的車流及路費逐步接近2007財政年度的歷史高位

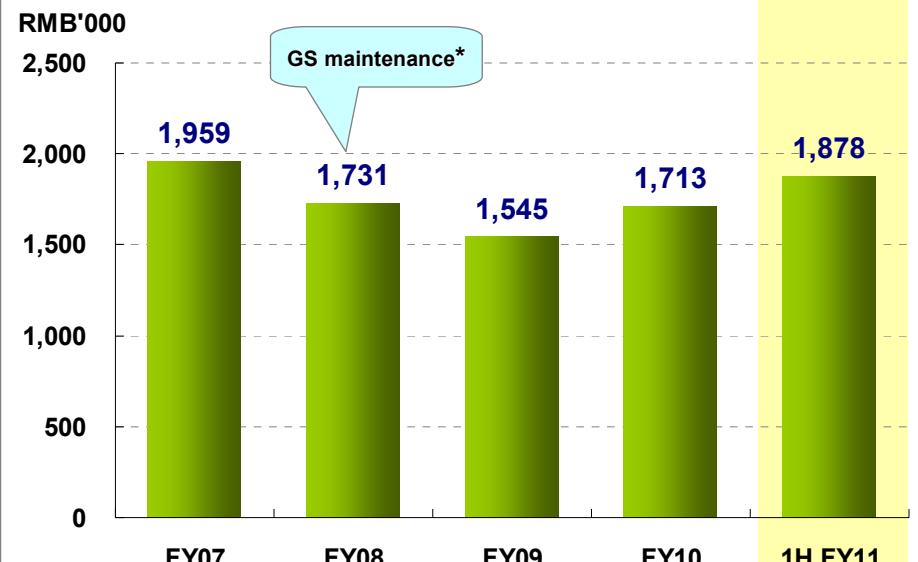
– benefited from the growth in Guangdong imports and exports

受惠於廣東省進出口貿易的增長

Class 1 – Average Daily Toll Revenue (FY07-1H FY11)



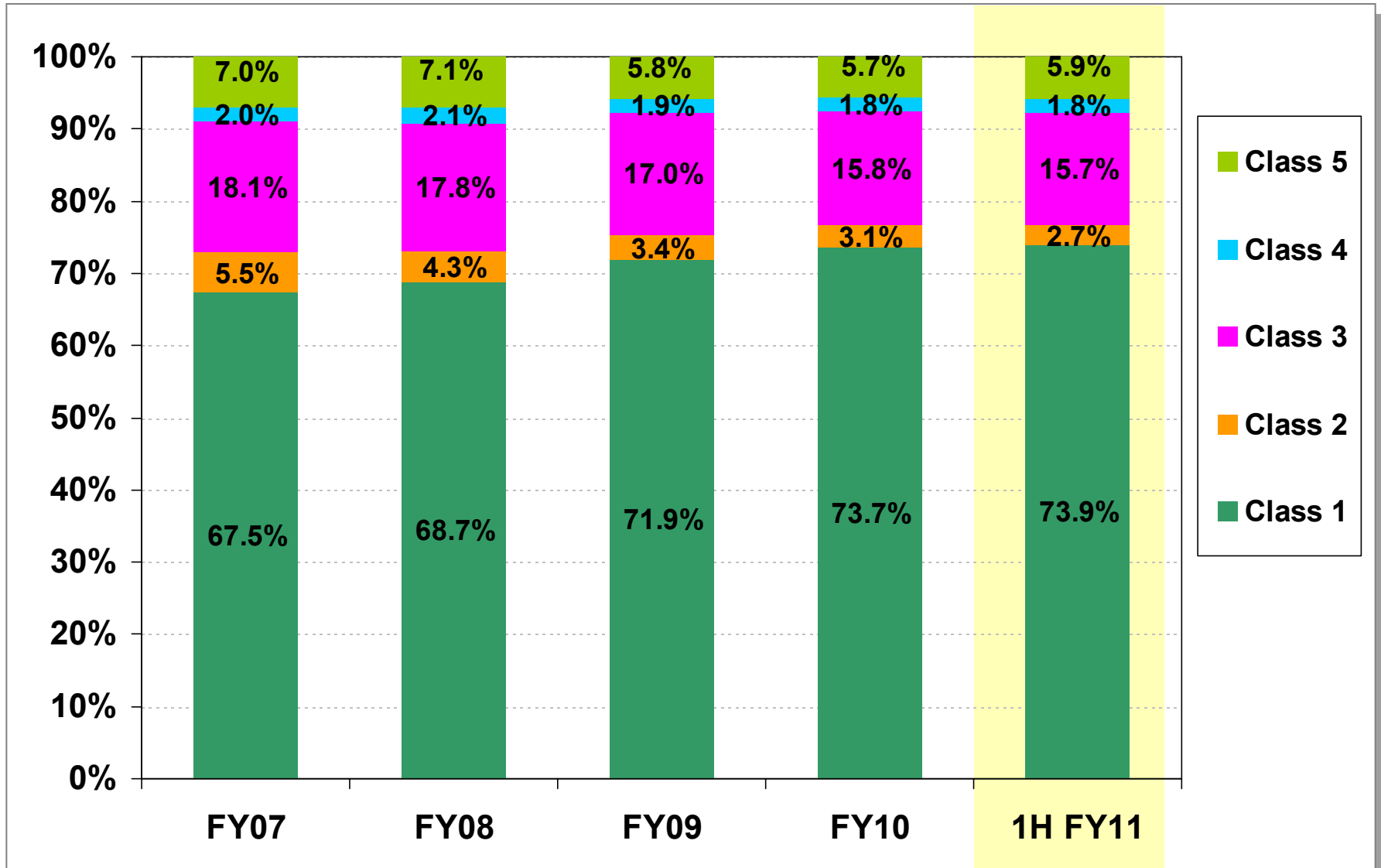
Classes 4 & 5 – Average Daily Toll Revenue (FY07-1H FY11)



* Xintang to Dongguan section (approx. 22.2km) of GS closed for maintenance in phases during Oct07-Jul08

GS Superhighway – Traffic by Class of Vehicles

廣深高速公路 – 按車輛類別劃分的車流

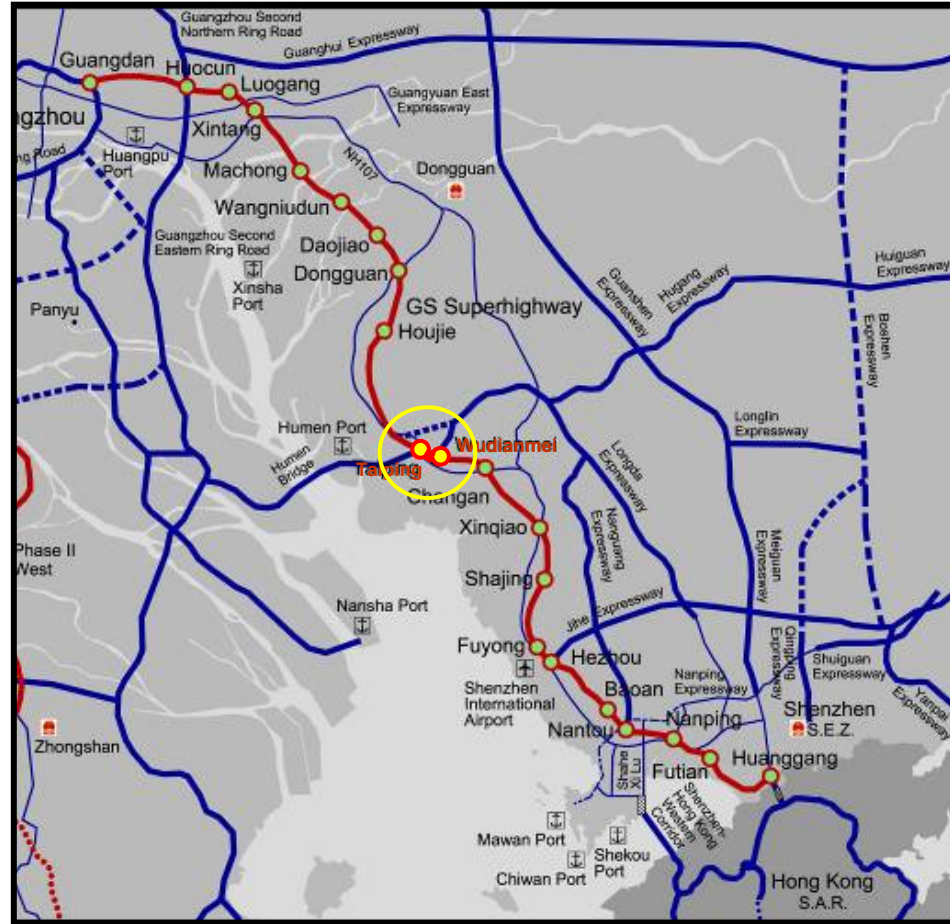


GS Superhighway

– Widening of Wudianmei & Taiping Section

廣深高速公路 - 五點梅至太平段的擴寬工程

- **3.5km busier section between Wudianmei and Taiping**
 五點梅至太平之間 3.5公里較繁忙的路段
- **Expand to 10 lanes in dual directions**
 擴建至雙向共十車道
- **Started in Jul 2010, 2.1km completed in Dec 2010 and remaining 1.4km planned to complete around mid-2011**
 已於2010年7月動工，其中 2.1公里於2010年12月完工，而餘下的 1.4公里計劃約在2011年中完工
- **No adverse impact on traffic as all 6 lanes kept opened during widening works**
 在擴寬工程期間仍保持六車道行車，對車流沒有負面的影響

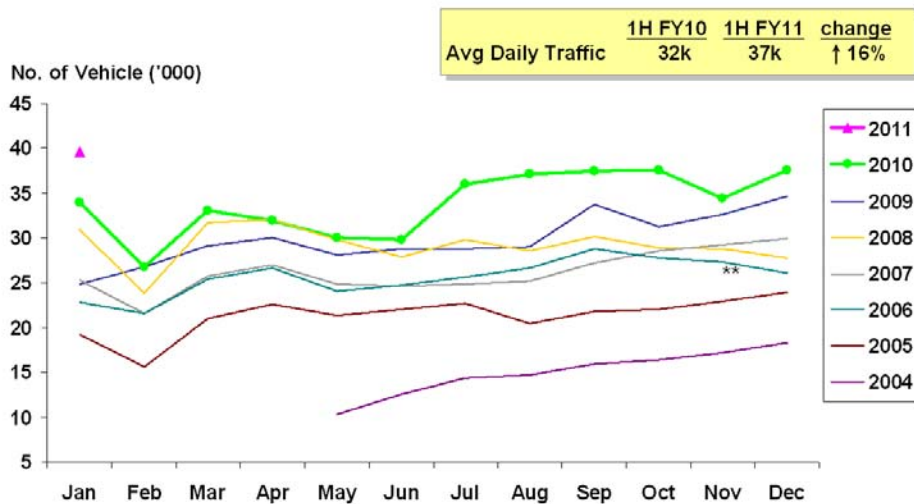


Phase I West – Synergy from Phase II West

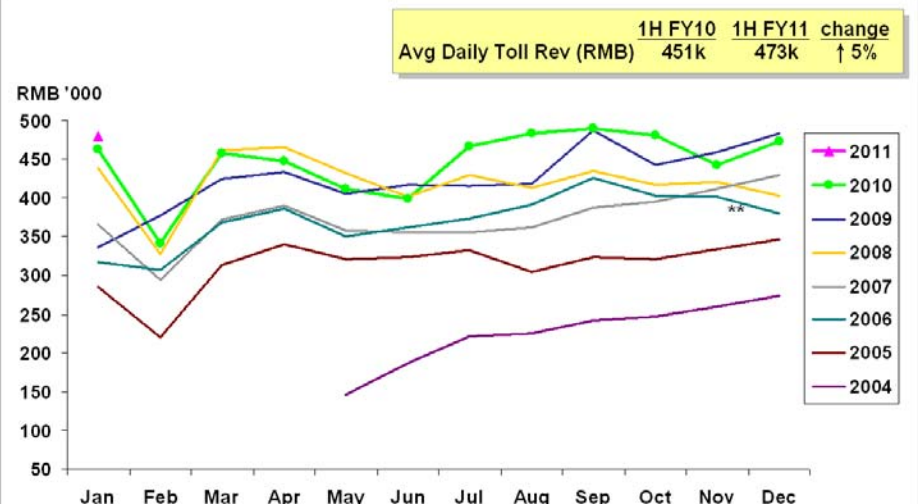
西綫 I 期：西綫 II 期帶來協同效應

- Synergy from Phase II West opening (25 Jun 2010) has increased traffic**
 西綫 II 期在2010年6月25日通車後的協同效應使車流增加
- Toll revenue in Nov 2010 fell slightly due to traffic restrictions during Guangzhou Asian Games. It rebounded to normal levels when the Games ended**
 由於廣州亞運期間實施汽車限行政策，2010年11月的路費收入輕微下跌。在亞運結束後，路費收入已回升至正常的水平
- Yajisha Bridge on ESW Ring Road under maintenance works (since Jan 2010) and affected Class 5 trucks**
 由於在東南西環高速的丫髻沙大橋，由2010年1月起進行維修工程，對五類的貨車造成影響

Phase I West – Average Daily Traffic



Phase I West – Average Daily Toll Revenue



* Chinese New Year in 2011 started on 3 Feb 2011 (2010 started on 14 Feb 2010)

** Growth slowed because of opening of a local toll-free road in Foshan parallel to Phase I West in Nov 06

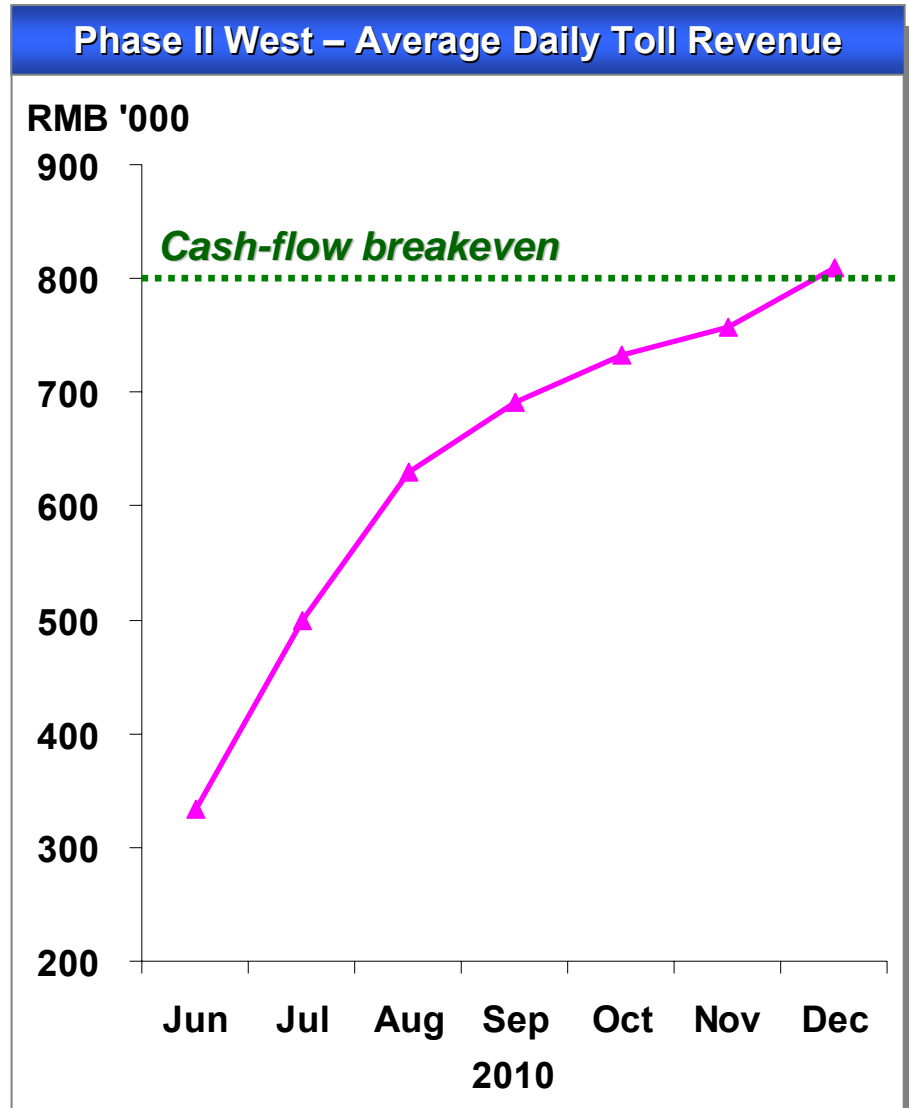
* Chinese New Year in 2011 started on 3 Feb 2011 (2010 started on 14 Feb 2010)

** Growth slowed because of opening of a local toll-free road in Foshan parallel to Phase I West in Nov 06

Phase II West – Achieved Cash-flow Breakeven Target

西綫 II 期：達到現金流平衡的目標

- Already achieved cash-flow breakeven target**
 已達到現金流平衡的目標
- Cash-flow breakeven if achieve average daily toll revenue approx. RMB800,000**
 假如日均路費收入達到約人民幣 80萬元，將可達致現金流平衡
- Average daily toll revenue rose from RMB333k in Jun 2010 to RMB809k in Dec 2010**
 日均路費收入由2010年6月的人民幣 33.3萬元，上升至2010年12月的人民幣 80.9萬元



New Roads to Improve Connectivity of Phases I & II West

新公路有助改善西綫 I 期及 II 期的交通網絡

● Guangzhou Southern Second Ring Road

廣州南二環高速公路

◆ **Opened in Dec 2010**

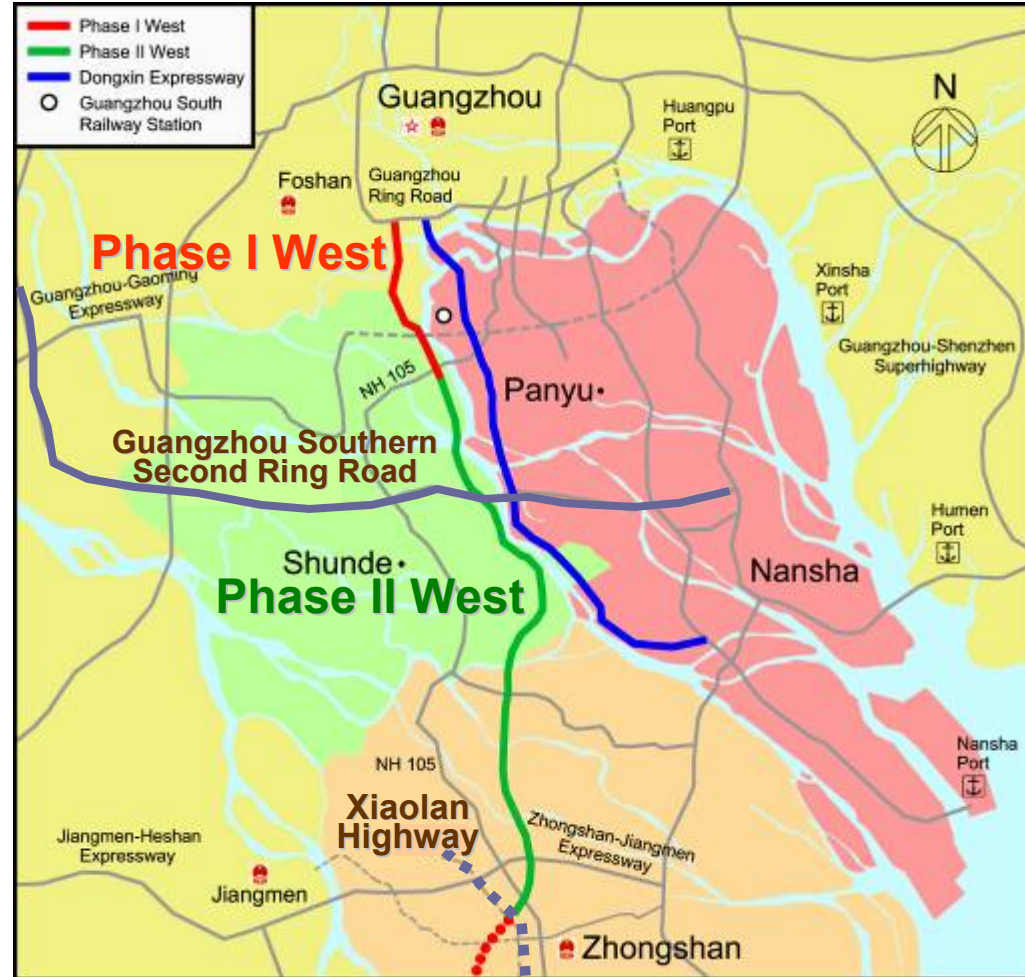
於2010年12月通車

● Connection to Xiaolan Highway

小欖公路的連接

◆ **Planned opening by end-2011**

計劃於2011年底開通



Factors to Boost Traffic of Phases I & II West ^{N1}

有助增加西綫 I 及 II 期車流的因素

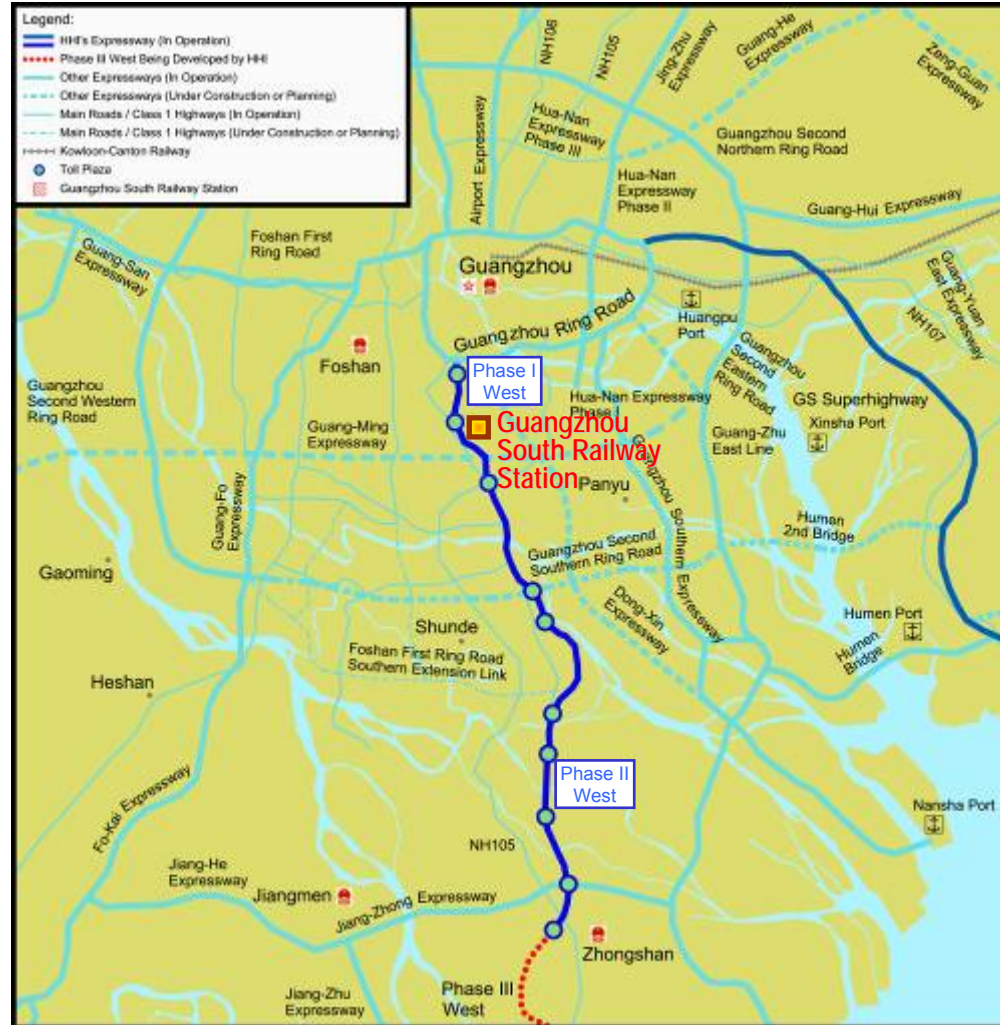
- Foshan's strong economic growth**
佛山強勁的經濟增長

- Opening of peripheral connecting road network between the new Guangzhou South Railway Station and Phase I West in Oct 2010**

貫通西綫 I 期與新的廣州南站的周邊連接道路網絡，於 2010 年 10 月開通

- this high-speed rail station opened in Jan 2010**

高速鐵路車站，已於 2010 年 1 月開始營運



N1: Phases I & II West shorten travel time between Guangzhou and Zhongshan to around 30 minutes from over 1 hour via local roads

China – World’s Largest Vehicle Sales Market in 2010

中國在2010年是世界最大汽車銷售市場

Motor Vehicle* Sales 2010

Ranking	Country	<u>2010</u> Total Vehicle Sales
1	China	18m
2	U.S.A.	12m



Motor Vehicle* Sales 2009

Ranking	Country	<u>2009</u> Total Vehicle Sales (in unit)
1	China	13,644,794
2	U.S.A.	11,772,300
3	Japan	4,609,256
4	Germany	4,049,353
5	Brazil	3,153,995
6	France	2,718,599
7	India	2,715,817
8	Italy	2,357,918
9	U.K.	2,222,542
10	Russia	1,465,917

China 2009: 13.6m
(+5% yoy)

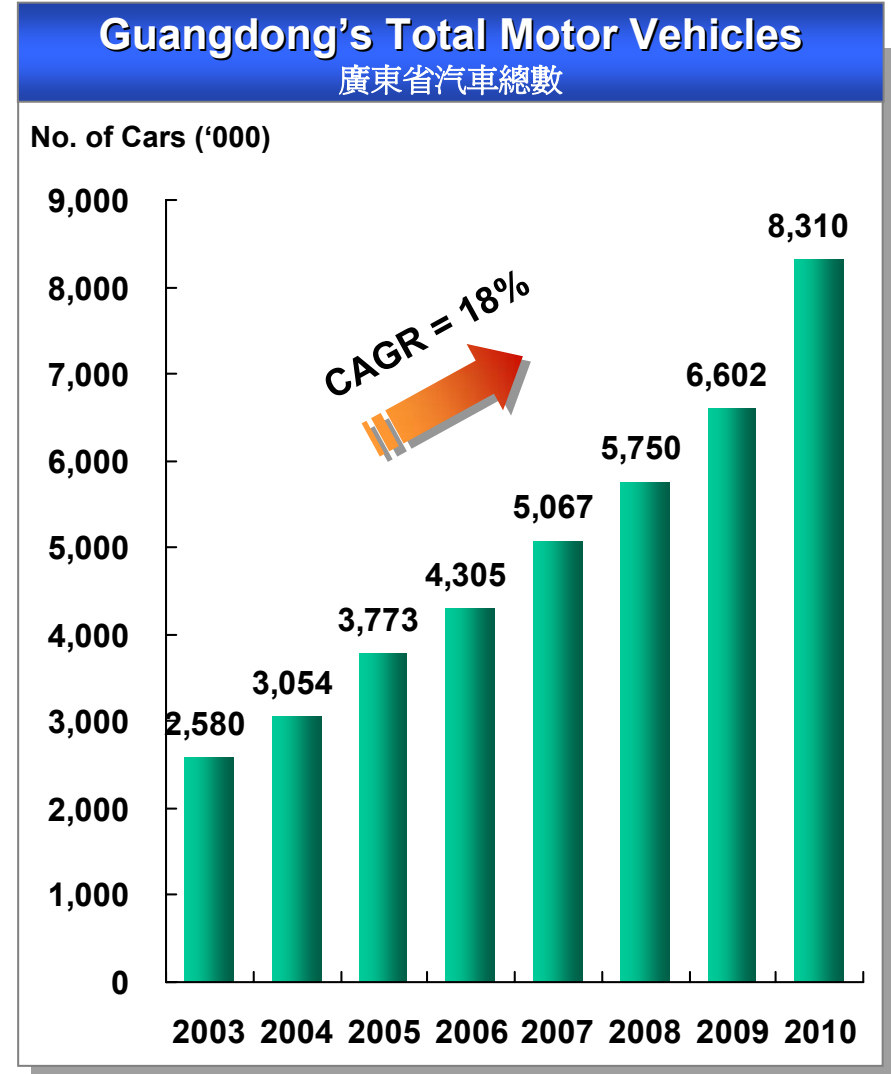
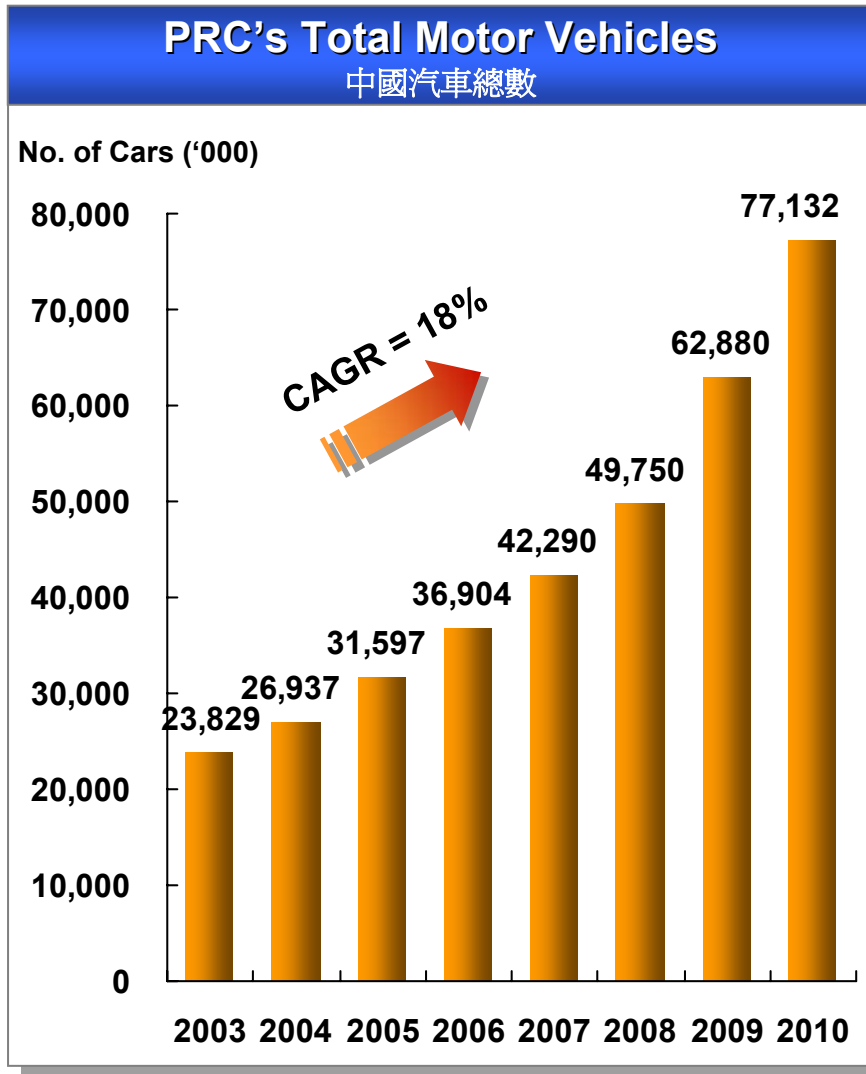
China 1994: 1.6m

* Incl. passenger & commercial vehicles but excl. motorcycles

Source: CEIC , Thomson Reuters & various car manufacturer associations

Strong Growth in PRC and Guangdong Car Population

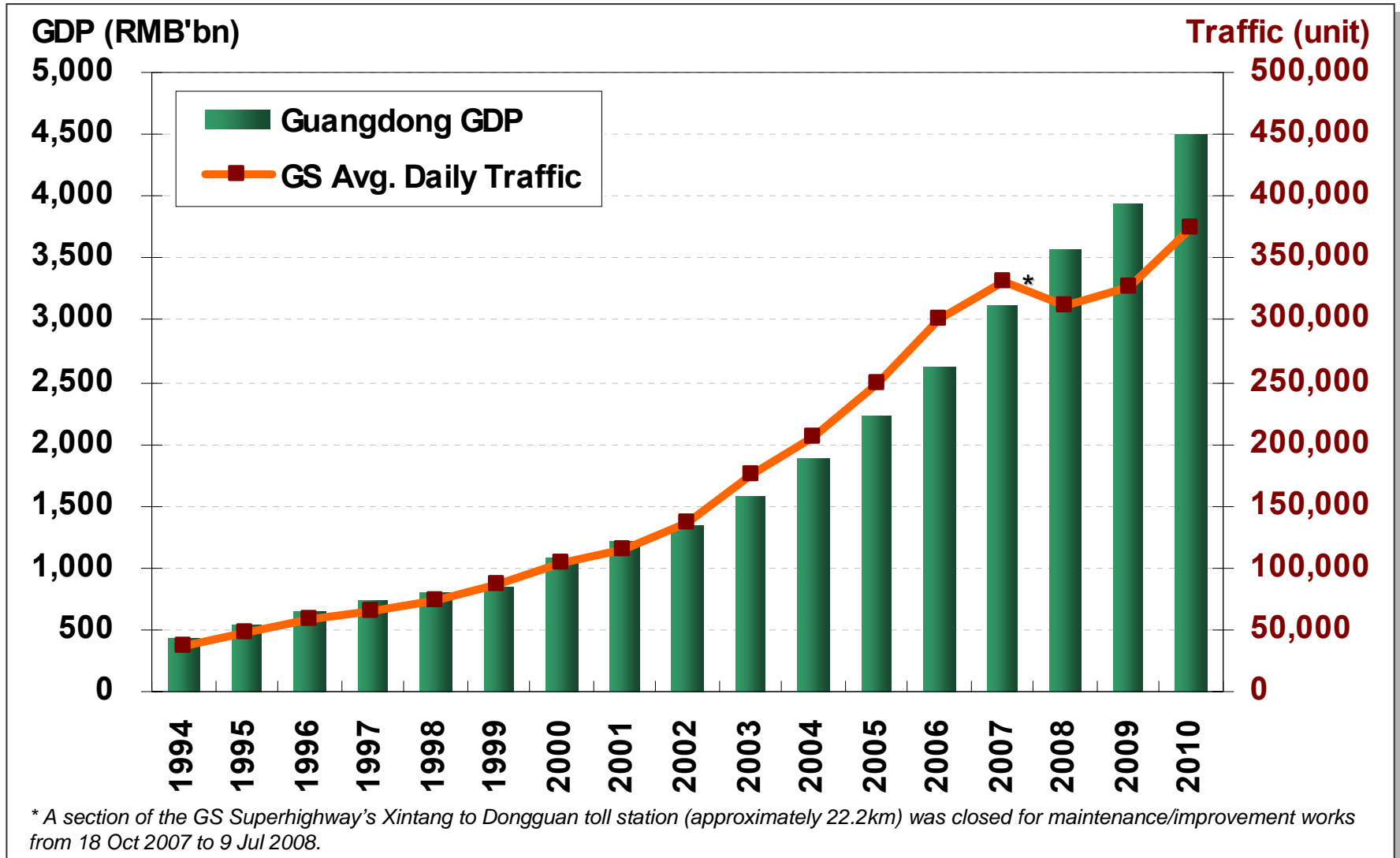
中國及廣東省汽車數目增長強勁



Source: Statistics Bureau of Guangdong (www.gdstats.gov.cn), National Bureau of Statistics of China (www.stats.gov.cn), China Association of Automobile Manufacturers (www.caam.org.cn), CEIC

Strong Correlation between Guangdong GDP and GS Traffic

廣深的車流量與廣東省本地生產總值關係密切



Measures to Lower Operating & Finance Costs

減低營運及財務成本的措施

Operating Costs Control 控制營運成本

- **Promote staff productivity**
提升員工生產力
- **Increase energy saving**
增強節能措施
- **Control administrative expenses**
控制行政開支

Finance Cost Reduction 減低財務成本

- **Arrange shareholder loans for Phase III West to save finance costs**
安排股東貸款藉以減低西綫 III期項目的財務成本
 - **First tranche RMB100 million was provided in Feb 2011**
於2011年2月，已提供首筆股東貸款人民幣 1 億元

The First Non-financial Institution to Issue RMB Corporate Bonds in HK, July 2010

首家於香港發行人民幣企業債券的非金融機構 (2010年7月)

- **Issue size of RMB1.38b; interest rate 2.98% per annum; due in Jul 2012**

發行金額為人民幣13.8億元；年息率為2.98厘；2012年7月到期

- **Received overwhelming market response**

市場的反應熱烈

- **Helps diversify financing sources**

有助拓展融資渠道

- **Provide funds for Phase III West capital injection in RMB with approval obtained**

提供了可用於已獲批向西綫 III期項目投入資本金所需的人民幣資金

- **Further RMB100m capital injected in Oct 2010***

於2010年10月再投入人民幣 1億元的資金

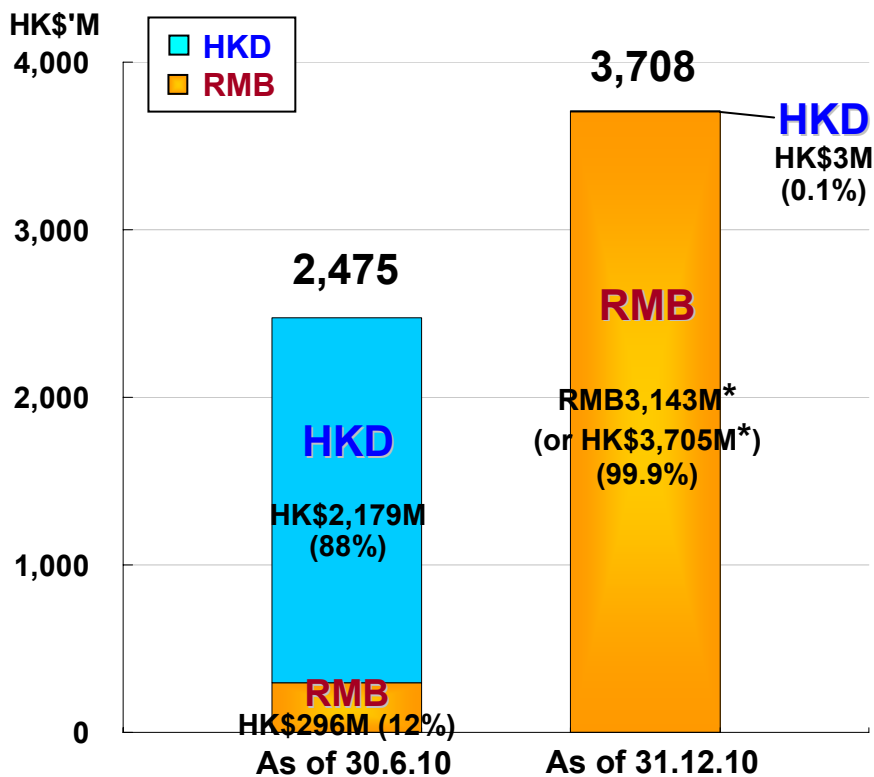


* First capital injection of RMB196 million was made in Jun 2010

- **Increased RMB cash deposits to match RMB-based operations**
 增加人民幣現金存款以配合人民幣為主的業務
- **Higher deposit rate on RMB – treasury yield improved from 0.2% (1HFY10) to 1.7% (1H FY11)** 人民幣的存款利率較高：財資收益率由2010財政年度上半年的0.2%，改善至2011財政年度上半年的1.7%
- **RMB for capital injection of PRC projects**
 以人民幣資金投入在中國的項目

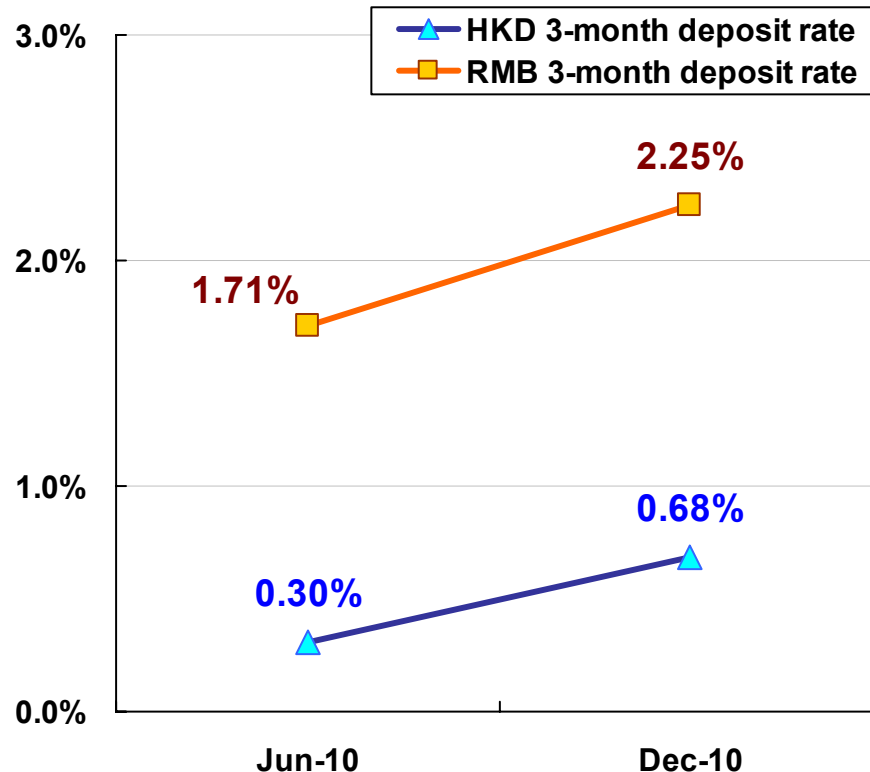
Cash Deposits (HHI Corporate)

現金存款 (合和公路基建公司層面)



Deposit Rate on HKD vs RMB

港幣與人民幣存款利率比較

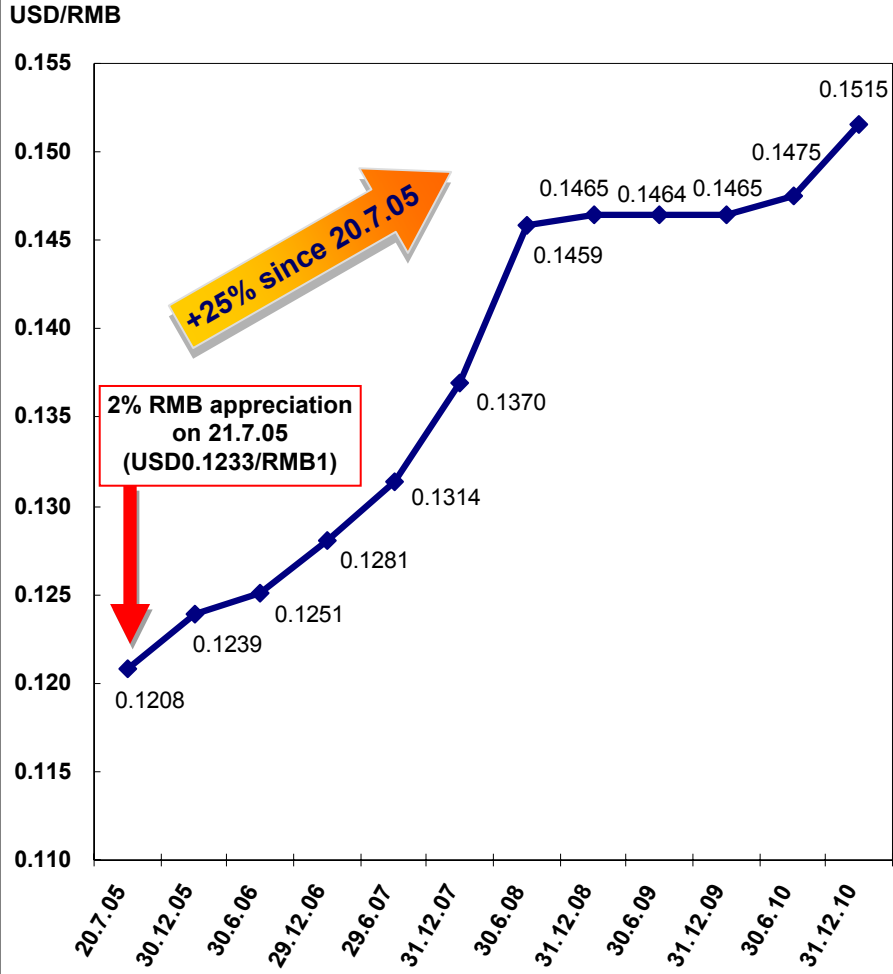


Source: Bloomberg & PBOC

Exchange Rate Movement 匯率走勢

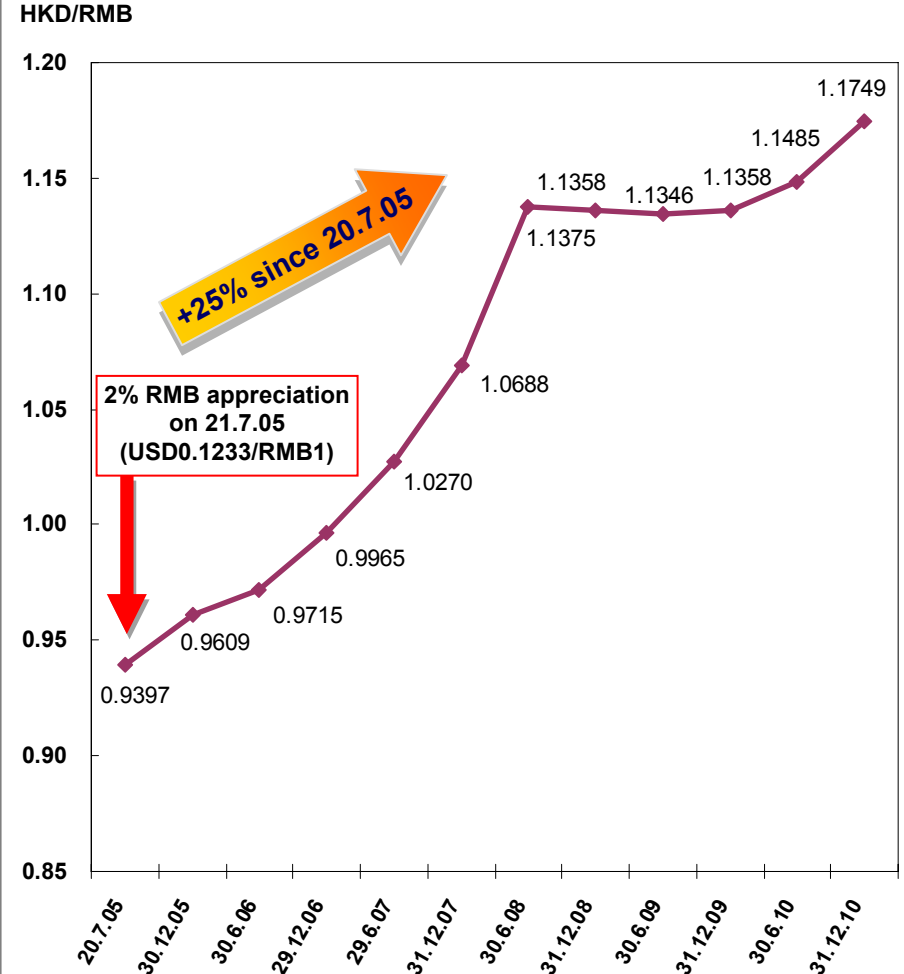
USD/RMB Exchange Rate

美元兌人民幣的匯率



HKD/RMB Exchange Rate

港元兌人民幣的匯率



Major Projects Plan 主要項目計劃

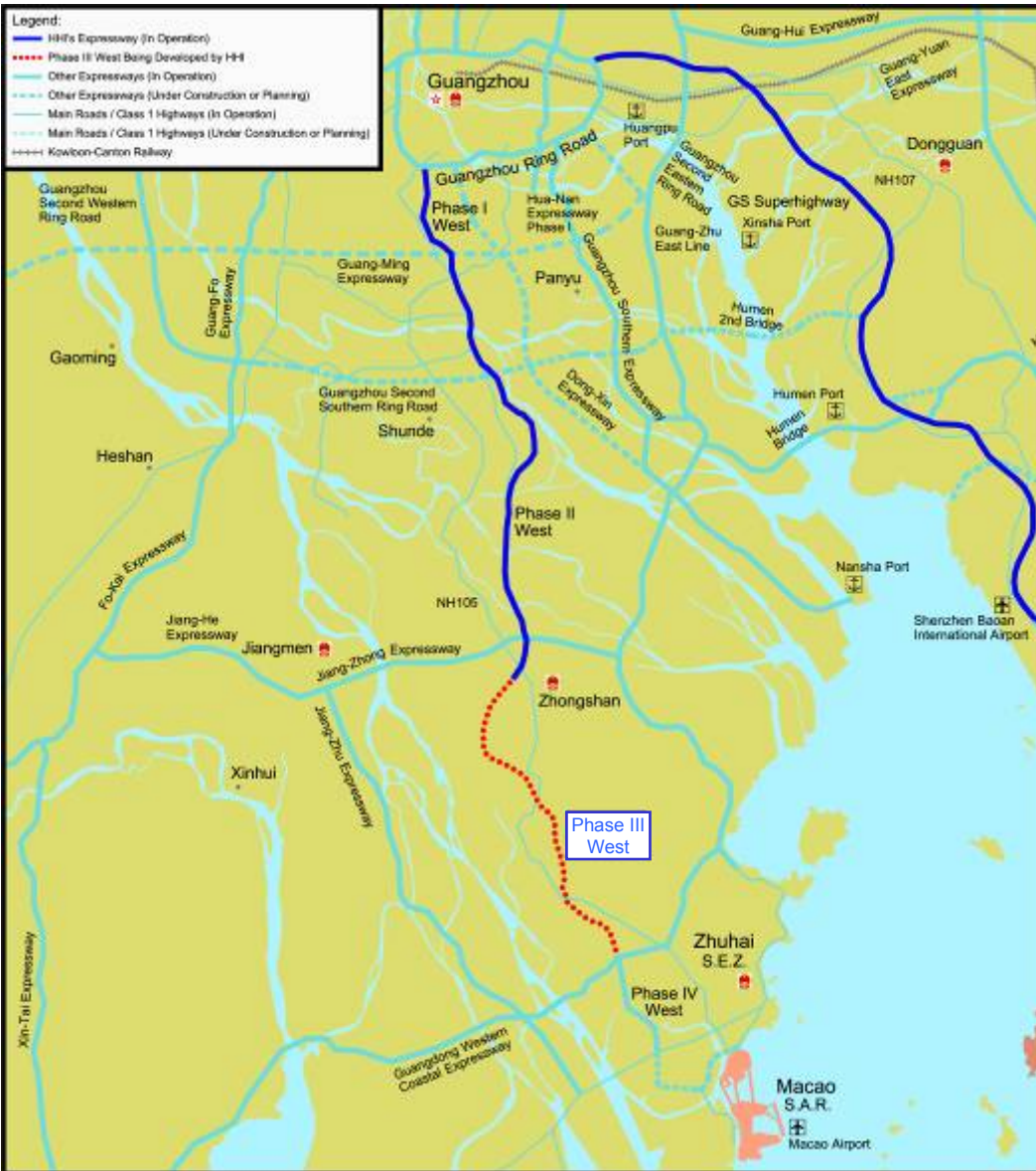
Projects 項目	Description 詳情	Current Planned Investment* 現計劃的投資額	Current Planned# Construction Start / Completion Date 現計劃工程開始 / 完工期
Phase III West 西綫 III 期 (HHI: 50%)	Zhongshan - Zhuhai expressway of approx. 38km 中山至珠海約38公里的高速公路	Approx. RMB5.6b (Equity/Debt: 35%/65%) 約人民幣 56億元 (股本/債務: 35%/65%)	Construction start: Dec 2009 工程開始: 2009年12月 Completion: by end of 2013 完工: 2013年底前
GS Expansion 廣深高速擴寬工程 (HHI: 48%)	◆ Expansion from current dual 3 to dual 5 lanes 由現時雙向3車道擴寬至雙向5車道 ▪ Feasibility study in progress 可行性研究報告正在進行中	Approx. RMB7.0b (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

* Present planning, subject to change; incl. finance cost

Present planning, subject to change

Future Project: Phase III West

未來項目：西綫 III 期



Note: All subject to govt. approval

* Present planning, subject to change, incl. finance cost

^ Subject to approval by PRC Government

Highlights 重點

- Started construction in Dec 2009
已於2009年12月動工
- Planned completion by end-2013
計劃於2013年底前竣工
- Signed RMB3.9b 18-year project loan agreement with 7 PRC banks in April 2010
於2010年4月與 7家內地銀行簽訂人民幣 39億元的 18年項目貸款協議

Project Description 項目詳情

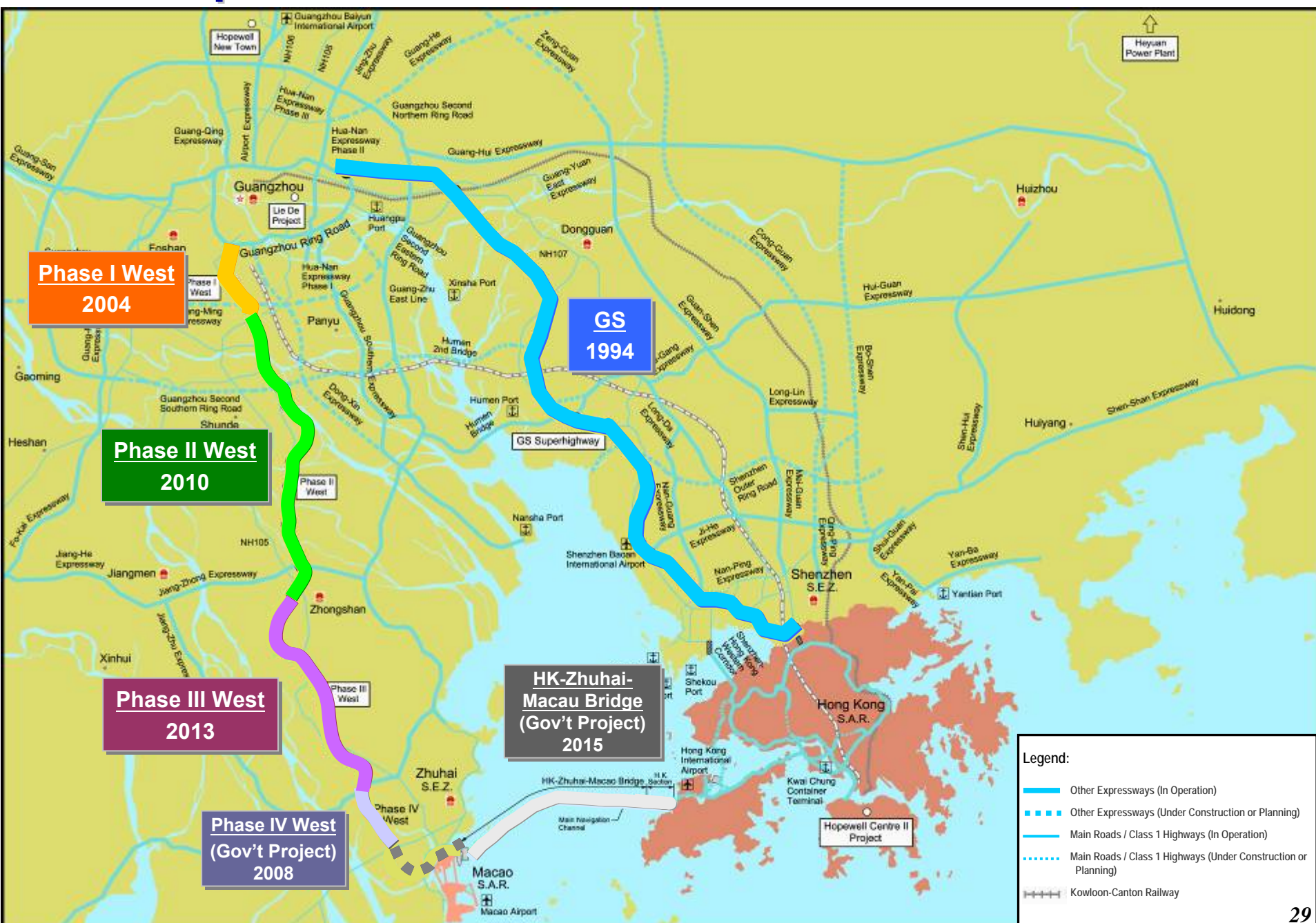
Route 位置: Zhongshan - Zhuhai 中山市至珠海市

Length 長度: approx. 38km 約38公里

JV Partners: Guangdong Provincial Highway Construction Co Ltd (same as GS Superhighway)
合營夥伴 廣東省公路建設有限公司 (與廣深高速相同)

Planned Investment*^ (35% equity, HHI & PRC partner each to contribute RMB980 million)
計劃投資額 約人民幣56億元 (股本35%, 合和公路基建及中方各投資人民幣9.8億元)

The Complete Network - 2016 完整的道路網絡-2016

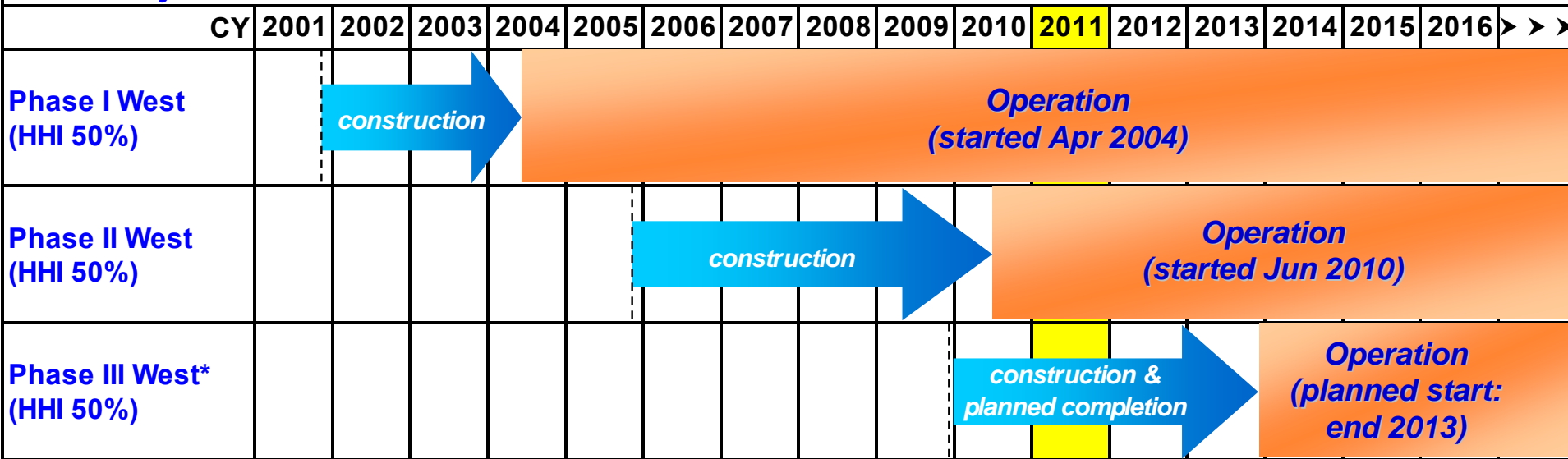


Construction Timeline 工程進度時間表

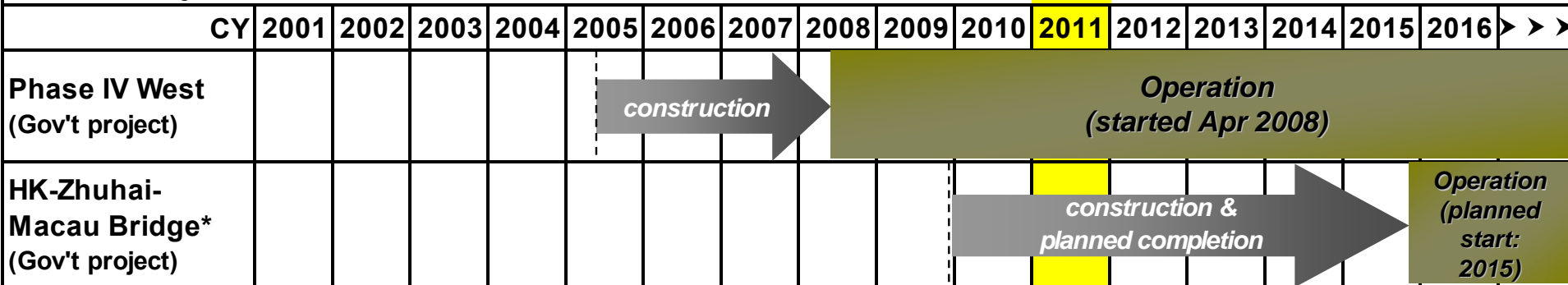
When Phase III West is completed, total length of toll expressways invested by HHI will be expanded by about 20% to around 220km

當西綫 III 期完工時，合和公路基建投資的收費高速公路總長度將會擴展約 20% 至約 220 公里

HHI's Projects



Non-HHI Projects



* Present planning, subject to change

Major Projects Plan 主要項目計劃

Projects	Planned Investment ^{N1}	Interest	Equity required	HHI's Planned Equity Portion ^{N1}	HHI's Equity Injected 1H FY11	HHI's Equity Portion Outstanding ^{N1}	HHI's Planned Equity Injection ^{N1}	
	RMB'm						%	%
Phase II West 西綫II 期	7,000	50%	35%	1,260 ^{N2}	-	403	403	-
Phase III West 西綫III 期	5,600 ^{N3}	50%	35%	980	100	684	400	284
GS expansion 廣深高速擴寬	7,000	48% ^{N4}	0%	-	-	-	-	-
Total 合計	19,600			2,240	100	1,087	803	284

N1: Present planning, subject to change; incl. finance cost

N2: Based on total budgeted cost of RMB7.2b (subject to Govt approval). Currently estimated total cost of RMB7b is lower than budget

N3: Subject to approval by PRC Government

N4: HHI's interest in GS: 50% for 1 Jul 97 - 30 Jun 07; 48% for 1 Jul 07 - 30 Jun 17; 45% for 1 Jul 17 - 30 Jun 27

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

- 1) Total cash of approx. RMB3.1 billion (or HK\$3.7 billion) and net cash of approx. RMB1.8 billion (or HK\$2.1 billion) at HHI corporate level (excluding jointly controlled entities) as of 31 Dec 2010**

於2010年12月31日，合和公路基建公司層面（不包括共同控制個體）的合計現金約人民幣 31 億元（或相等於港幣 37億元）及手頭淨現金約人民幣18億元（或相等於港幣 21億元）

- 2) Healthy cash-flow**

強勁的現金流

Step-up of PRC Income Tax[^]

中國利得稅的增加

- **Rise in GS income tax rate from 22% (2010) to 24% (2011)**
 廣深高速的利得稅率上升，由2010年22%上升至2011年24%
- **Rise in Phase I West income tax rate from 11% (2010) to 24% (2011)**
 西綫 I 期的利得稅率上升，由2010年11%上升至2011年24%

Income Tax Rate	GS Superhighway	Phase I West	Phase II West	Sino-foreign JV in PRC
CY2008	9%* FY09	9%* FY09		18%
CY2009	10%* FY10	10%* FY10		20%
CY2010	22% FY11	11%* FY11		22%
CY2011	24% FY12	24% FY12	0%* FY12	24%
CY2012				
CY2013				
CY2014	25% (until end of JV)	25% (until end of JV)	12.5%*	25%**
CY2015				
CY2016 onwards			25% (until end of JV)	

* Enjoying tax holiday

** Previous terminal tax rate was 18%

^ Announced in Mar 2007 and effective from 1 Jan 2008

Short Term Quotas for Cross-border Vehicles

短期跨境車輛配額

Dec 2010 2010年12月	Private Cars 私家車	Trucks 貨車	Others 其他	Total 總數
Vehicles with cross-boundary license 持有跨境車牌的車輛	24,800	15,400	1,000	41,200
As a % of total licensed vehicles 持有跨境車牌的車輛佔香港已領牌車輛的比重(%)	6%	14%	1%	7%
Licensed vehicles in HK 香港已領牌的車輛	414,966	109,416	83,414	607,796

- **Hong Kong and PRC relevant authorities now studying feasibility of introducing one-off short-term cross-border license for HK private vehicles first**

香港和中國有關政府部門正研究先向香港私家車發出一次性短期過境牌照的可行性

- **Pilot project at Shenzhen Bay Port**

以深圳灣口岸為試點

- **Will benefit GS Superhighway**

將有利廣深高速公路

Coastal Expressway

沿江高速公路

- **Completion dates*:** 完工日期
 - ◆ **Guangzhou to Dongguan sections:**
Jun 2011
 廣州至東莞段：2011年6月
 - ◆ **Shenzhen section: 2012**
 深圳段：2012年

- **Coastal Expressway designed to connect ports along PRD's eastern coast**
 沿江高速為連接沿珠江三角洲的東岸港口而設計
- ◆ **Mainly serves trucks destined for ports**
 主要服務以港口為目的地的貨車



* Source: Media reports

~ Presentation End ~

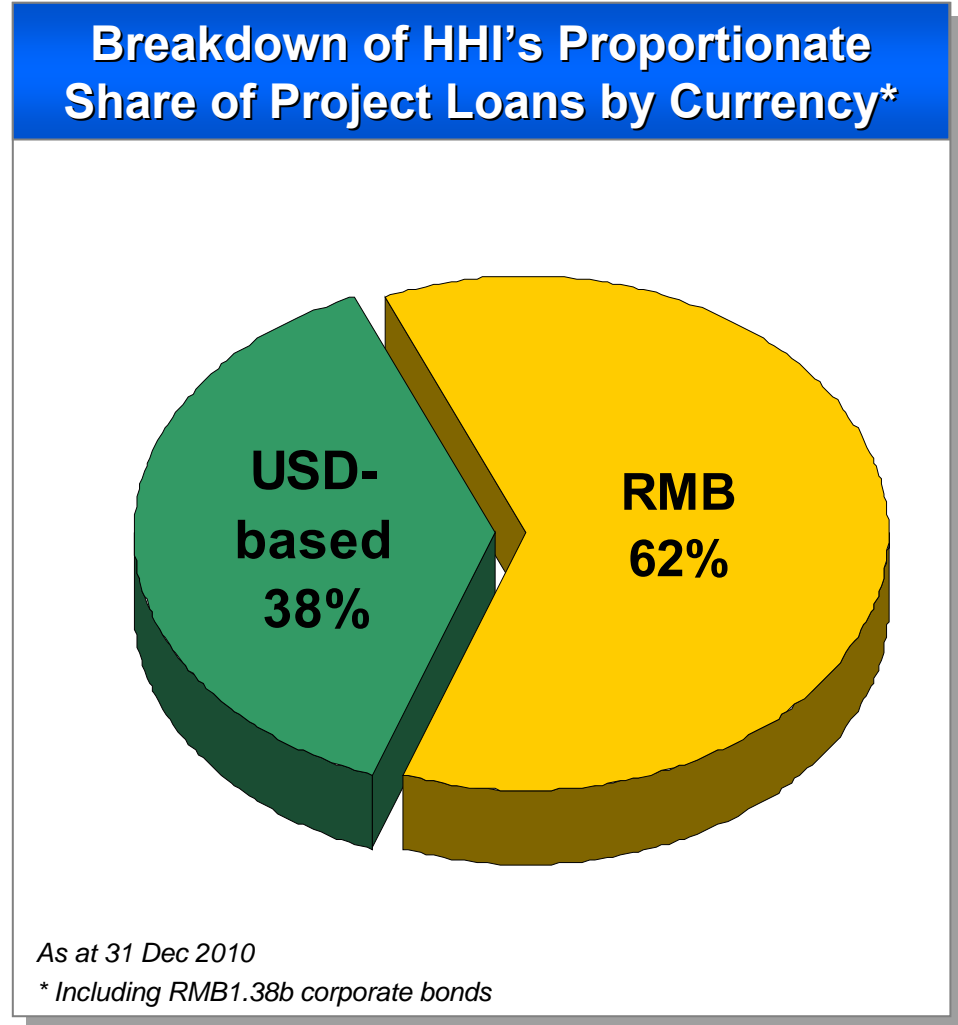


Supplementary Information (Analyst Meeting)

Breakdown of HHI's Proportionate Share of Project Loans by Currency

- **USD-based loans: 38%**
 - **USD loans: 34%**
 - **HKD loans: 4%**

- **RMB loans: 62%**



Consolidated Balance Sheet Highlights

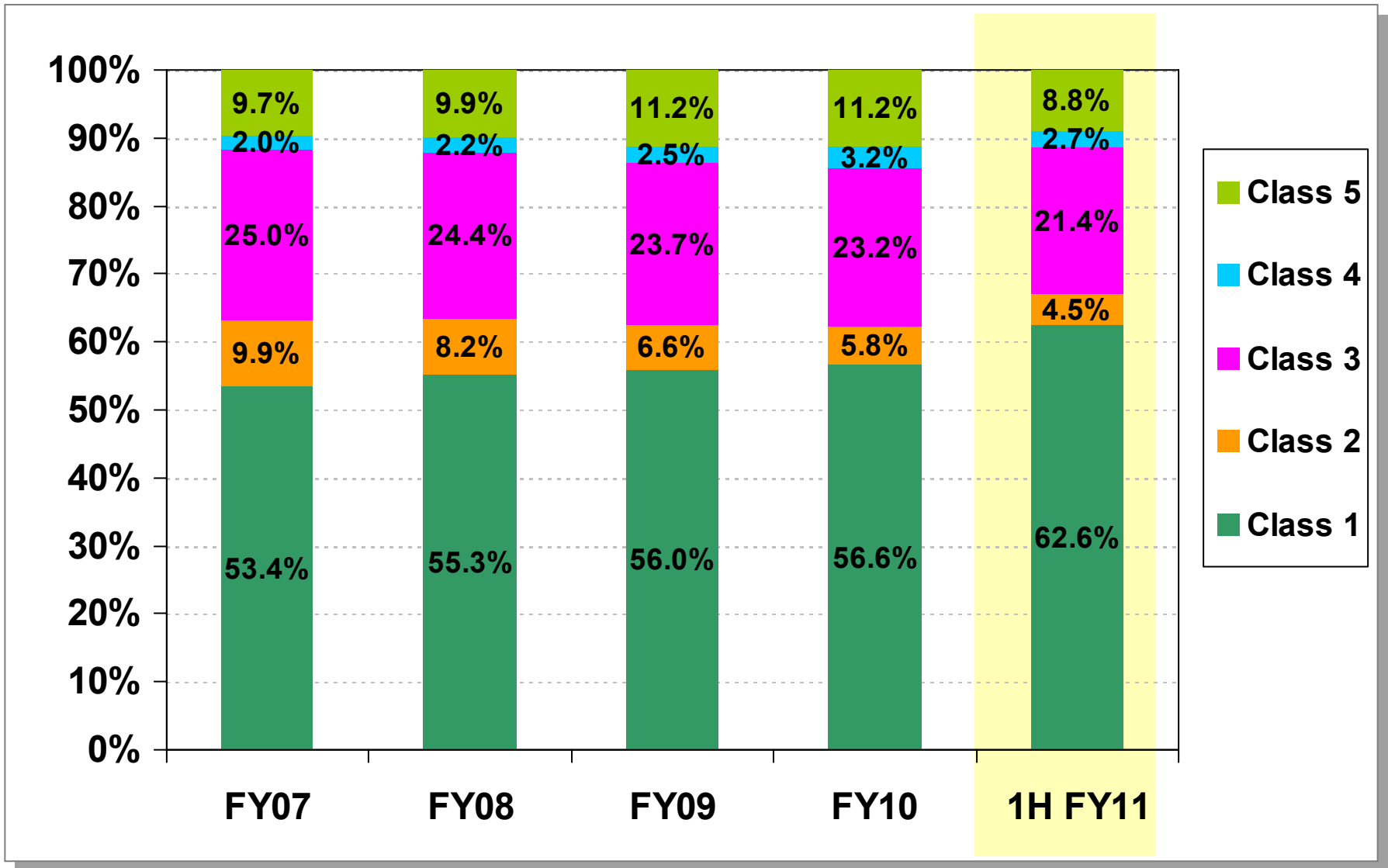
As at	30.06.10	31.12.10		As at	30.06.10	31.12.10
	HK\$'M	HK\$'M			HK\$'M	HK\$'M
Bank balances and cash ^{N1}	2,865	4,024		Prop. share of JV debt ^{N2}	6,465	6,603
HHI corp	2,475	3,708		JV debt	5,916	6,112
- USD	0	0	↑ 3	- USD	2,666	2,598
- HKD	2,179	3		- HKD	320	314
- RMB	296	3,705		- RMB	2,930	3,200
JV	390	316		JV other debt	549	491
Property & equipment	307	317		HHI RMB corporate bonds	0	1,627
				Other payables	1,276	1,304
Concession intangible assets	12,574	13,279		Total liabilities	7,741	9,534
Other assets	347	554		Equity attributable to owners of the Co.	8,300	8,585
				Minority interests	52	55
Total assets	16,093	18,174		Total equity & liabilities	16,093	18,174
					30.06.10	31.12.10
Total debt / total assets					40%	45%
Net debt ^{N3} / equity attributable to owners of the Co.					43%	49%

N1: Included pledged bank deposits \$299M (31.12.10) and \$122M (30.6.10)

N2: HHI's proportionate share of joint venture's debts. Majority of the debt has long maturity of over 5 years

N3: Net debt refers to total debt less bank balances and cash together with pledged bank balances and deposits

Phase I West – Traffic by Class of Vehicles



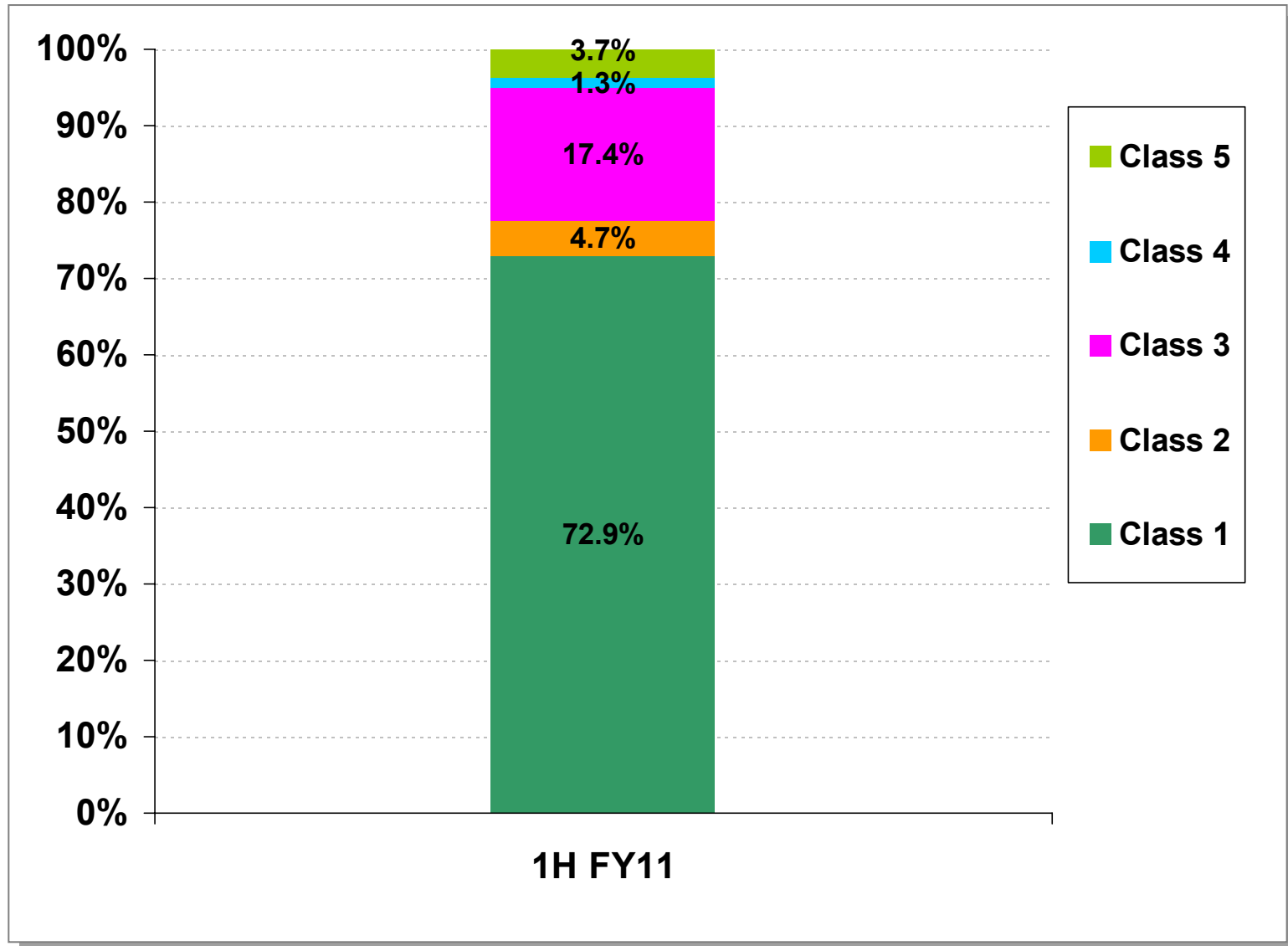
Phase II West



Project Description

Route:	Shunde – Zhongshan
Length:	45.5km
Type:	3 x 3 closed system expressway
JV Partners:	Guangdong Provincial Highway Construction Co Ltd (same as GS Superhighway)
Total Investment*:	- approx. RMB7.0 billion (35% equity) - lower than budgeted cost
Opening:	25 Jun 2010 shortens travelling time between Guangzhou & Zhongshan to approx. 30 mins (originally above 1 hr)
<i>* incl. finance cost</i>	

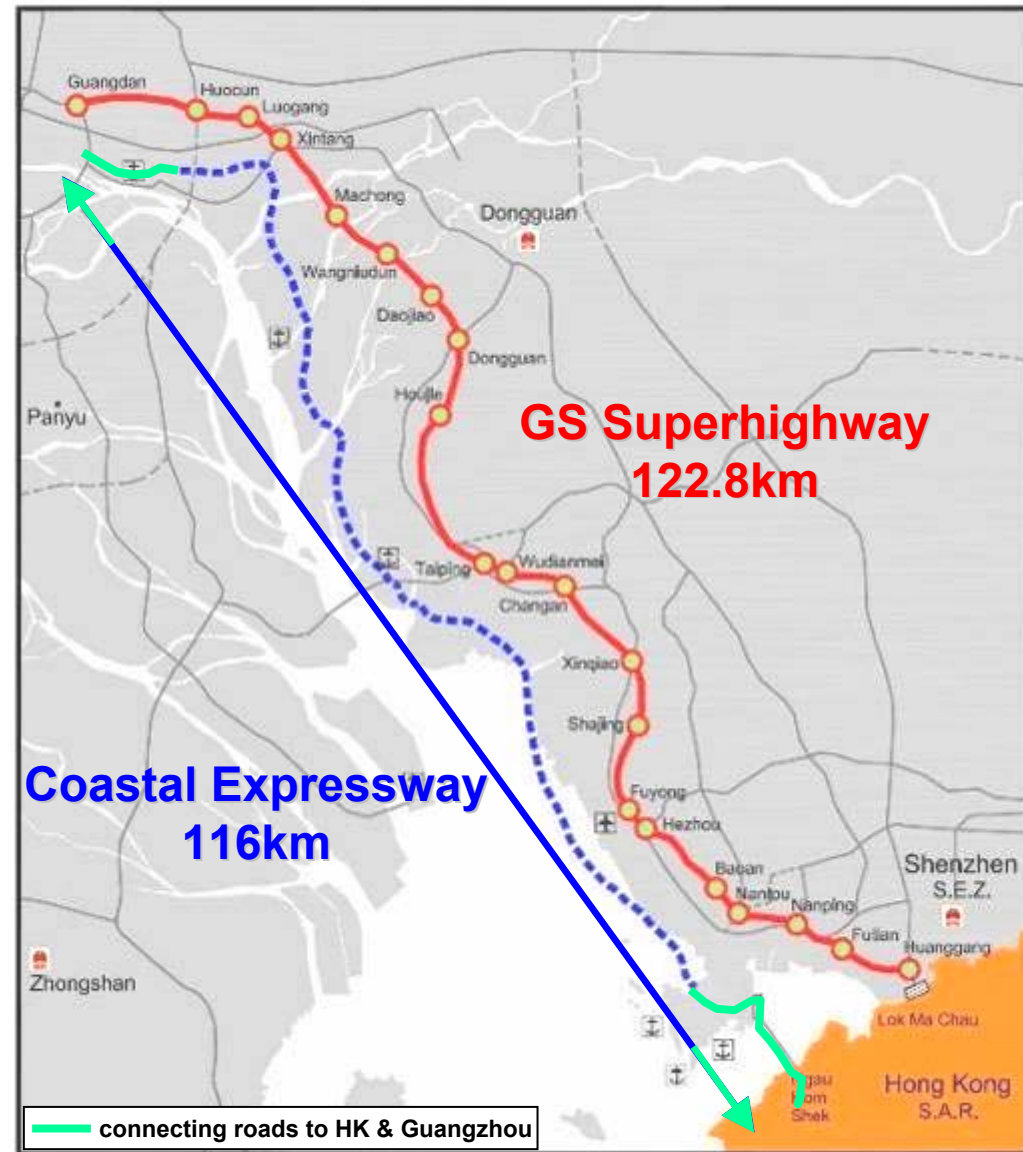
Phase II West – Traffic by Class of Vehicles



Coastal Expressway

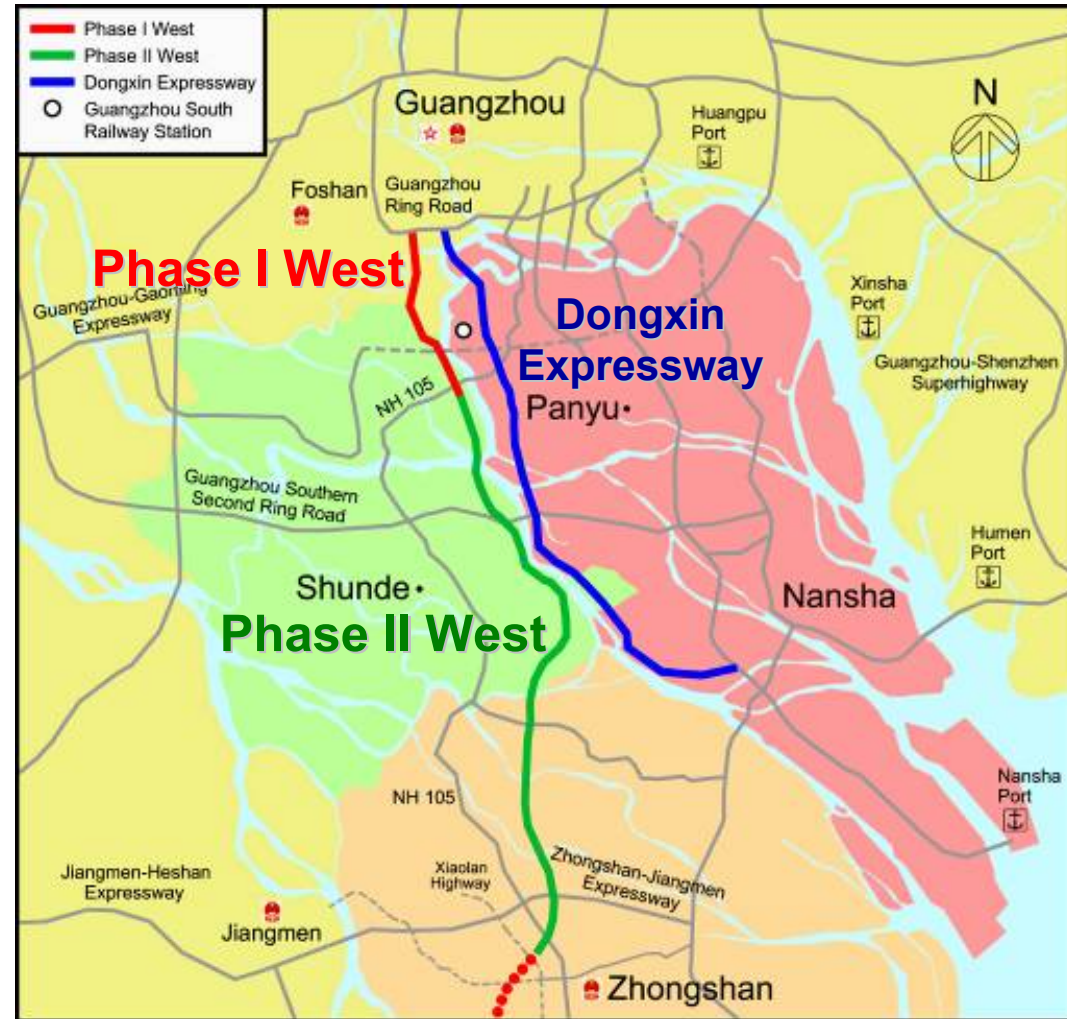
– Comparable Travel Distance to GS Superhighway

- **Reported 89km Coastal Expressway:** middle part of the route between HK and Guangzhou
- **Travel via Coastal Expressway:** around 116km
 - ◆ Including connecting roads to HK and Guangzhou
 - ◆ Comparable to GS



Dongxin Expressway

- **Dongxin Expressway: 46.7km**
- **Opened at the end of Dec 2010**
- **Connects different regions**
 - ◆ **Dongxin Expressway:**
Guangzhou-Panyu-Nansha
 - ◆ **Phases I & II West:**
Guangzhou-Foshan-Shunde-Zhongshan
- **Insignificant impact to Phase I West in Jan & Feb 2011**



~ **End** ~