

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

FY2011/12 Annual Results

2011/12 財政年度全年業績

20 August 2012

Presentation slides are available in www.hopewellhighway.com

Group Messages

集團信息

- **Impacts from new policies on toll will be stabilizing in next few months**

新路費政策的影響將在未來數月內漸趨穩定

- **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



Key Highlights – New Policies on Toll

摘要：新路費政策

● **New tariff implemented in Guangdong starting 1.6.2012**

廣東省的新路費標準已於2012年6月1日起生效

◆ **GS now adapting to impacts of new tariff, average daily toll approaching RMB9m (Jul 2012: RMB8.7m)**

廣深高速正在調適新路費標準的影響，日均路費收入接近人民幣900萬元 (2012年7月：人民幣870萬元)

◆ **GS average daily toll ↓ 16.7% yoy in Jun 2012**

廣深高速的日均路費收入在2012年6月較去年同期下跌16.7%

◆ **GS average daily traffic ↑ 6% yoy in Jun 2012**

廣深高速的日均車流量在2012年6月較去年同期上升6%

■ **Classes 1 & 3 traffic ↑ 8% yoy & ↑ 3% yoy respectively in Jun 2012**

在2012年6月，一類和三類車的車流分別較去年同期上升8%及3%

■ **Continuous growth in Class 1 - contributed 59% of GS' toll revenue in Jul 2012**

一類車的車流持續增長 — 在2012年7月，佔廣深高速路費收入59%

■ **Class 3 traffic rose mainly due to ↑ passenger coaches and medium-sized trucks**

三類車的車流增加，主要由旅遊巴士及中型貨車帶動

● **Impacts from new tariff will be stabilizing in next few months**

新路費標準的影響將在未來數月內漸趨穩定

● **“Holiday Toll-Free Policy” estimated to reduce aggregate annual toll revenue of GS, Phases I & II West by around 3%**

《重大節假日免收小型客車通行費實施方案》預計將減少廣深高速、西綫 I 期和 II 期的合計全年路費收入約3%

Key Highlights – GS Superhighway

摘要：廣深高速

- **GS' Class 1 vehicles continued to grow steadily and achieved historical high traffic and toll revenue**

廣深高速一類車持續穩健增長，其車流量及路費收入均創歷史新高

- ◆ **Guangdong's car population grew 16% yoy to 9.1m in 2011 (2010: 7.8m)**

2011年廣東省的汽車數量按年增長16%至910萬輛 (2010年：780萬輛)

- **Positive impacts on GS' widened sections at Hezhou-Fuyong and Wudianmei-Taiping**

廣深高速在已擴寬路段 (鶴州-福永及五點梅-太平) 獲得正面的影響

- ◆ **↑ Traffic, ↑ average speed & ↓ accidents**

增加車流量、加快平均行車速度及減少交通事故

- **Up to now, minimal impact from partial opening (41km) of Coastal Expressway on GS since Jan 2012**

沿江高速部分路段 (41公里) 自2012年1月起開通，至目前為止對廣深高速的影響輕微

Key Highlights (cont'd)

摘要 (續)

- **Phase II West traffic and toll revenue ↑ 39% and ↑ 36% respectively**
西綫 II 期的車流量及路費收入分別上升39%及36%
 - ◆ **Continued to record operating cash-flow breakeven (after interest expense payment)**
繼續錄得營運現金流收支平衡 (計及利息支出)
 - ◆ **Target profitable in 2014 (i.e. over RMB1.5 million average daily toll)**
目標在2014年錄得盈利 (日均路費收入超過人民幣150萬元)
 - ◆ **Direct connection to Zhongshan downtown opened 28 Apr 2012 and boosted traffic on Phase II West**
直接連接往中山市中心的路段已在2012年4月28日開通，有助增加西綫 II 期的車流量

- **Phase III West targeted to open earlier in 1Q2013 around Lunar New Year. It is adequately funded.**
西綫 III 期目標致力提早於2013年第1季接近農曆新年通車。它現時已備有充足的發展資金

- **Net cash on hand at HHI corporate level (excluding JV companies) approx. RMB718m (or HK\$876m, HK\$0.3/share) as of 30 Jun 2012**
在2012年6月30日，合和公路基建公司層面 (不包括合營企業公司) 持有手頭淨現金約人民幣7.18億元 (或相等於港幣8.76億元，每股港幣0.3元)

(HK\$'M) (港幣百萬元)	Year ended 30-Jun 截至6月30日止年度		% change 變動(%)
	2011	2012	
Net toll revenue 淨路費收入	2,275	2,386	+5%
EBIT of toll expressways 收費高速公路除利息及稅項前溢利	1,547	1,632	+5%
Profit attributable to owners of the Co. 公司股東應佔溢利	1,018	1,023	+0.5%

● **EBIT of toll expressways ↑ 5% mainly due to:**

收費高速公路除利息及稅項前溢利上升5%，主要由於

◆ **Net toll revenue ↑ 5%** 淨路費收入上升5%

■ **Rise in Phase II West's traffic** 西綫 II 期的車流增加

■ **RMB appreciation** 人民幣升值

◆ **GS' effective control of overheads** 廣深高速有效地控制營運支出

◆ **↑ Interest income (intercompany borrowing from GS to Phase II West)**

利息收入上升 (廣深高速提供公司內部借貸予西綫 II 期)

● **Profit attributable to owners of the Company ↑ 0.5% mainly because**

公司股東應佔溢利上升0.5%，主要由於

◆ **Rise in net toll revenue and interest income largely offset by fall in net exchange gain** 淨路費收入和利息收入的增加大致被淨匯兌盈利的下跌抵銷了

Financial Highlights (cont'd)

財務摘要(續)

	Year ended 30-Jun 截至6月30日止年度		% change 變動(%)
	2011	2012	
EPS (HK cents) 每股溢利 (港仙)	34.39	34.55	+0.5%
DPS (HK cents) 每股股息 (港仙)	Interim 中期: 16	Interim 中期: 18	
	Final 末期: 18	Final 末期: 16	
	Total 合計: 34	Total 合計: 34	

Financial Highlights (cont'd)

財務摘要(續)

- **HHI has fulfilled the remaining funding requirement for West Route with no financing need before 2015**

合和公路基建已滿足西綫項目餘下所需資金，於2015年前沒有融資需要

- ◆ **Signed RMB1.6 billion loan facility agreement in May 2012 (mature May 2015)**

在2012年5月，簽訂人民幣16億元貸款協議 (在2015年5月到期)

- ◆ **Issued RMB1.98 billion corporate bonds in Jul 2010 & May 2011 (RMB1.38b matured Jul 2012; RMB600m mature May 2014)**

分別在2010年7月及2011年5月發行共19.8億元人民幣企業債券 (人民幣13.8億元債券在2012年7月到期；人民幣6億元債券在2014年5月到期)

- **HHI had fully injected registered capital RMB980m for Phase III West's development (as of 30.6.2012)**

在2012年6月30日合和公路基建已投入全數註冊資本人民幣9.8億元，用作發展西綫 III 期項目

- ◆ **Remaining funding requirement fully covered by banking facilities**

餘下所需資金，全部由銀行貸款提供

- **HHI plans to provide financial support to Phase II West until the increase in project cost is approved and related bank loan is in place**

合和公路基建計劃提供財務支持予西綫 II 期，直到其增加項目成本獲批准及取得有關銀行貸款

- ◆ **GS advanced RMB731m to Phase II West as of 30.6.2012 (interim financing)**

在2012年6月30日，廣深高速提供貸款人民幣7.31億元予西綫 II 期 (過渡性的融資)

HK\$'M 港幣(百萬元)

For the year ended 30-Jun 截至6月30日止年度

GS Superhighway^{N1} 廣深高速公路

Phase I West 西綫 I 期

Phase II West 西綫 II 期

Net Toll Rev/EBIT/Net Profit of toll expys

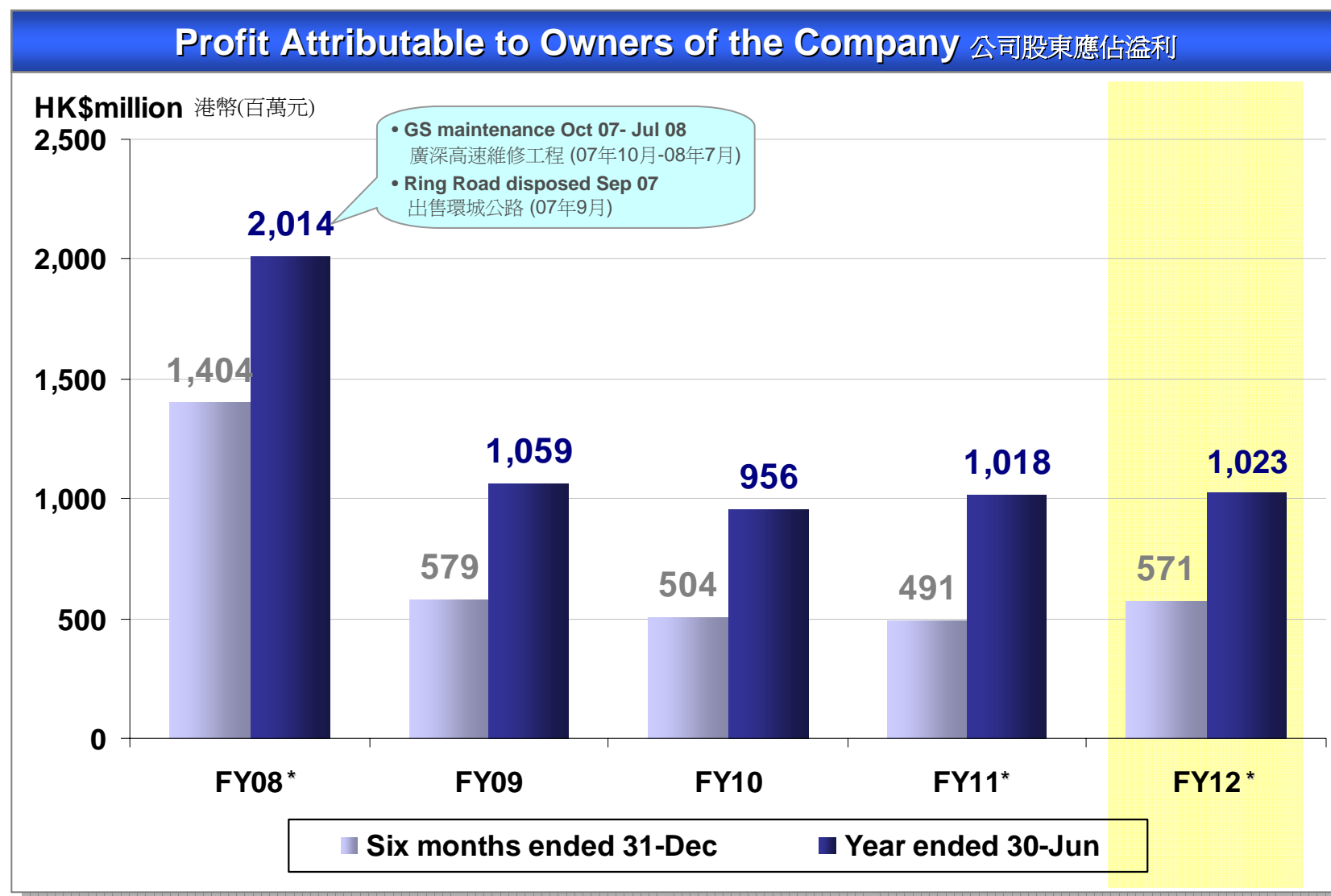
收費高速公路之淨路費收入/除利息及稅項前溢利/淨溢利

	Net Toll Revenue 淨路費收入		EBIT 除利息及稅項前溢利		Results 業績		
	2011	2012	2011	2012	2011	2012	% chng 變動(%)
GS Superhighway ^{N1} 廣深高速公路	2,021	2,068	1,403	1,449	978	993	
Phase I West 西綫 I 期	96	95	63	62	44	42	
Phase II West 西綫 II 期	158	223	81	121	(55)	(45)	
Net Toll Rev/EBIT/Net Profit of toll expys 收費高速公路之淨路費收入/除利息及稅項前溢利/淨溢利	2,275	2,386	1,547	1,632	967	990	+2%
		+5%		+5%			
Corporate results: 公司層面業績							
Bank deposit interest income 銀行存款利息收入					76	106	
Shareholder's loan Interest income 股東貸款利息收入					7	29	
Mangement fee income from JCE 收取共同控制個體的管理費收入					2	2	
General and administrative expenses 一般行政費用					(48)	(58)	
Finance costs 財務成本					(53)	(67)	
Income tax expenses 所得稅開支					(3)	(11)	
					(19)	1	
Net exchange gain/(loss) 淨匯兌盈利/(虧損)					89	50	
Profit for the year 本年度溢利					1,037	1,041	
Minority interests 少數股東權益					(19)	(18)	
Profit attributable to owners of the Company 公司股東應佔溢利					1,018	1,023	+0.5%

N1: Excl. exchange difference from USD & HKD loans and related tax

Profit Attributable to Owners of the Company

公司股東應佔溢利



Note: Figures in FY08 have been restated

* Incl. exchange gain of \$66m (FY12), \$121m (FY11) & \$439m (FY08)

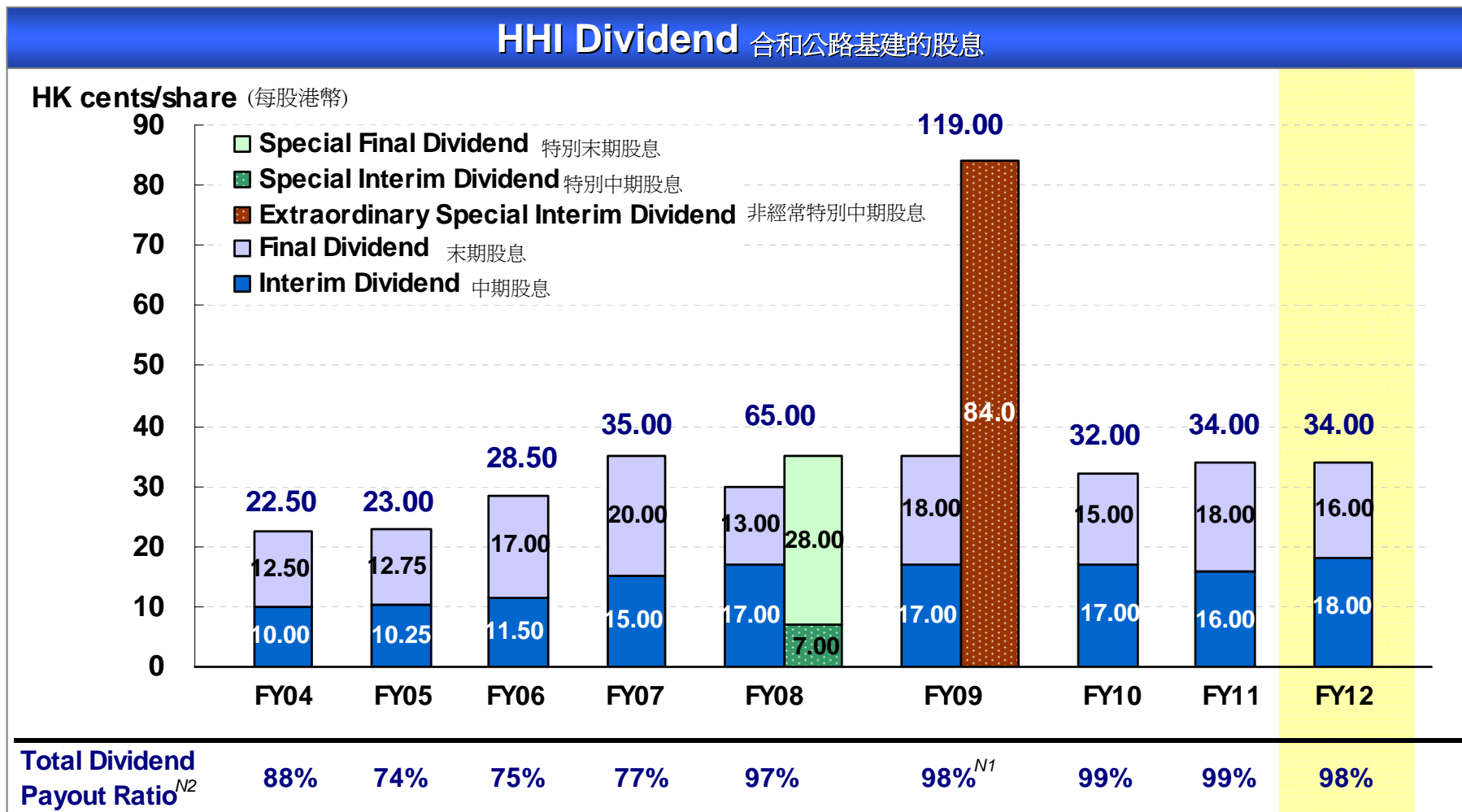
HHI Dividend History 合和公路基建的股息



● Target around 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，目標派息比率約100%

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



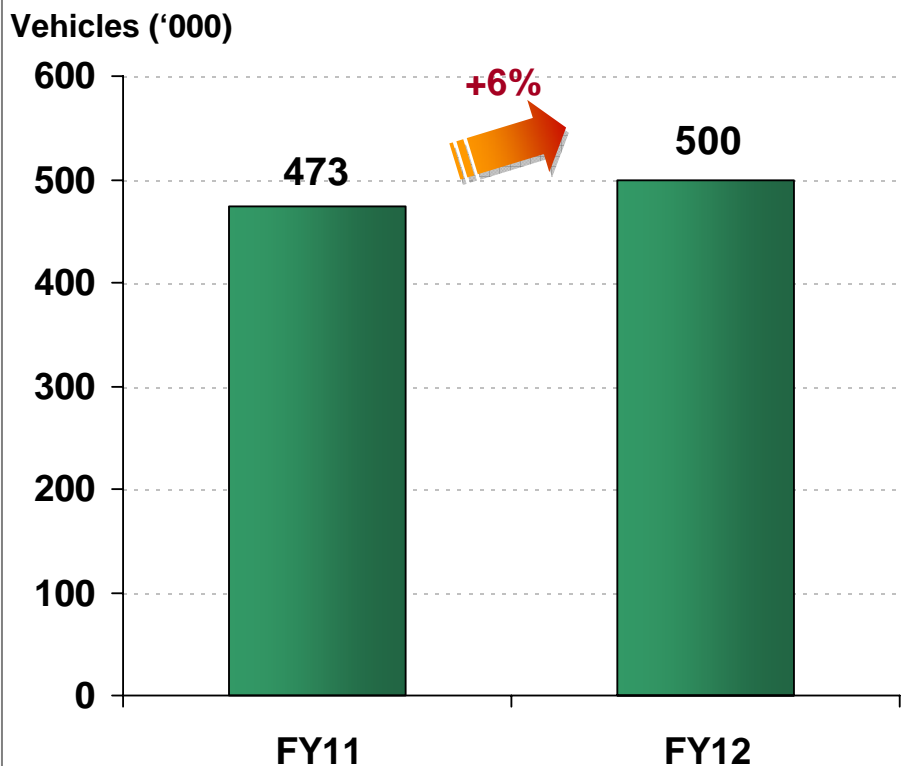
N1: Excl. \$0.84/share extraordinary special interim dividend paid in Nov 08

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 and II West ↑ 6% to 500k vehicles

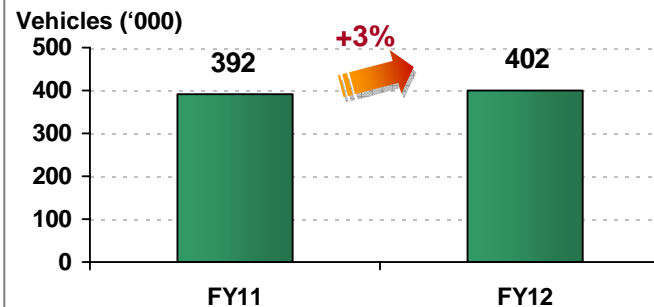
廣深高速、西綫 I 期和 II 期的合計日均車流量 ↑ 6% 至 50 萬架次

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

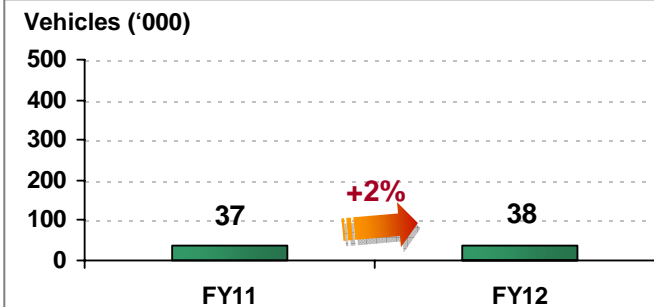


Average Daily Traffic 日均車流量

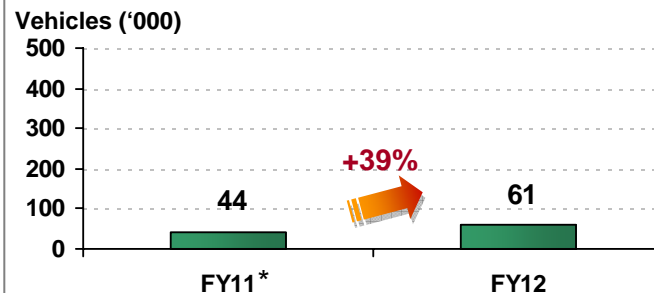
GS 廣深高速



Phase I West 西綫 I 期



Phase II West 西綫 II 期

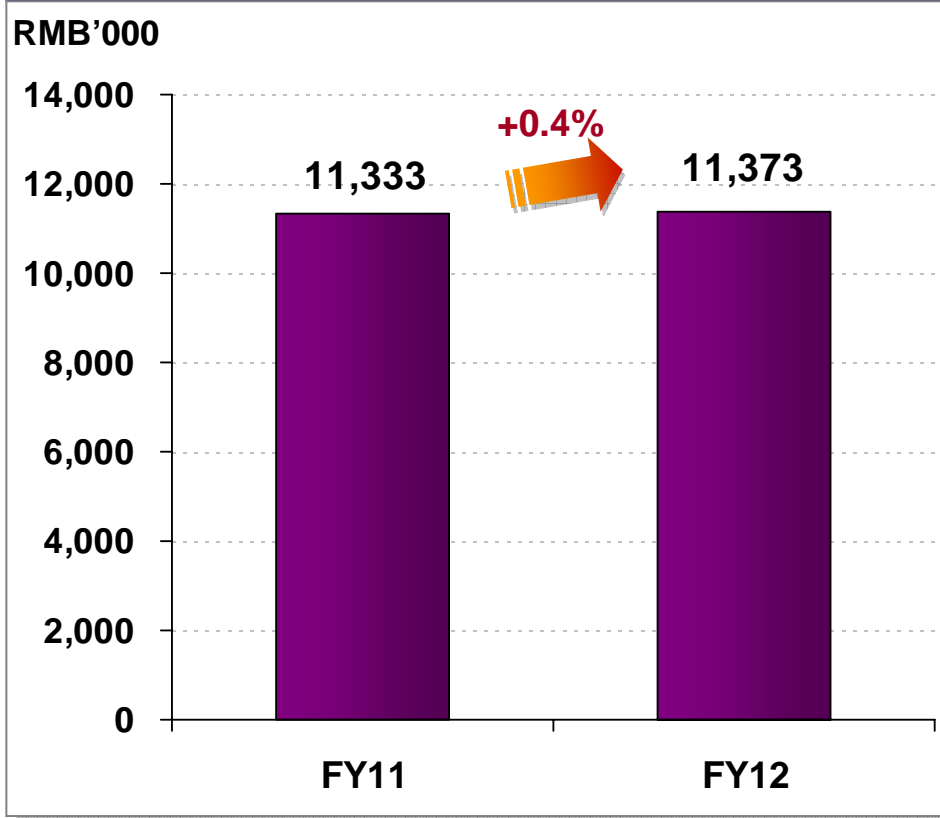


* Operation commenced on 25 Jun 2010

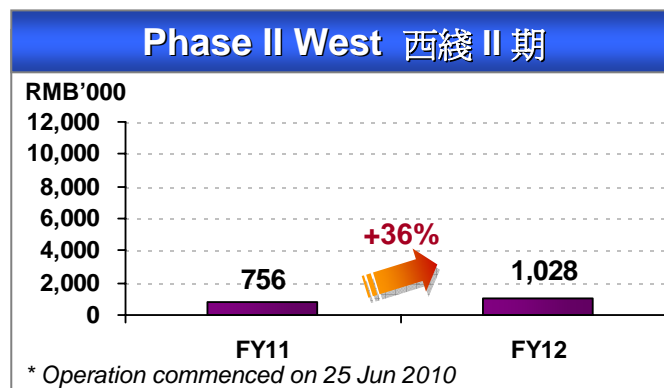
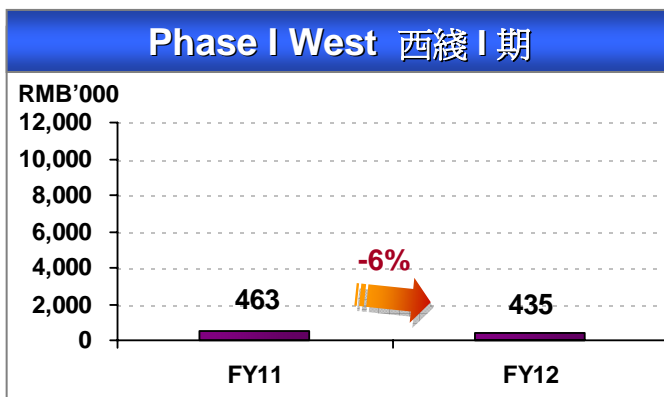
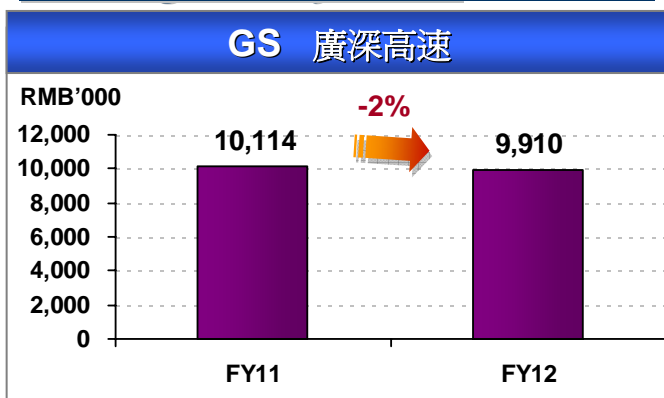
● **Aggregate average daily toll of GS, Phases I and II West ↑ 0.4% to RMB11.37 million**

廣深高速、西綫 I 期和 II 期的合計日均路費收入 ↑ 0.4% 至人民幣 1,137 萬元

GS, Phases I & II West Aggregate Avg. Daily Toll
廣深高速、西綫 I 期和 II 期的合計日均路費收入



Average Daily Toll 日均路費收入



Traffic driven by continuous passenger car sales growth in Guangdong

廣東省乘用車銷售量持續增長帶動車流量

National Highway 107 became toll free since Apr 2011

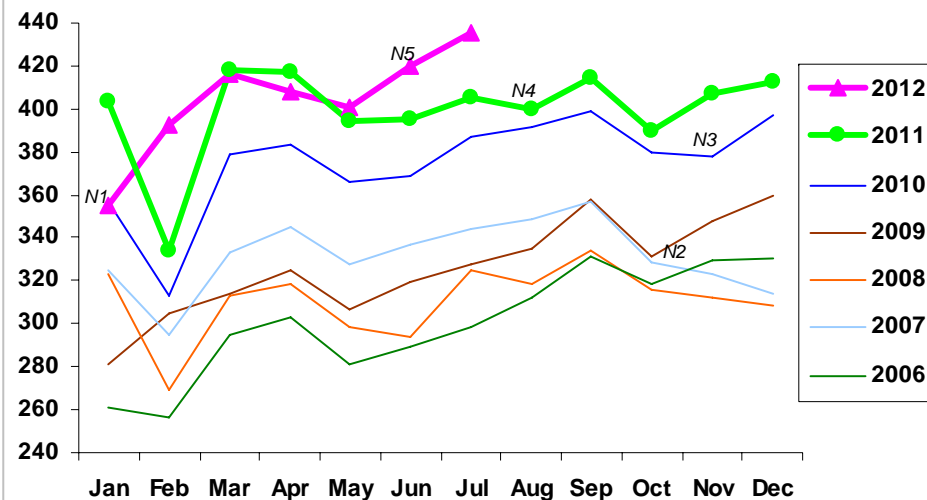
– mainly affects Classes 4 and 5 trucks of GS

107國道自2011年4月起免收路費 — 主要影響廣深高速的四及五類貨車

GS Superhighway – Average Daily Traffic

	FY11	FY12	change
Avg. Daily Traffic	392k	402k	↑ 3%

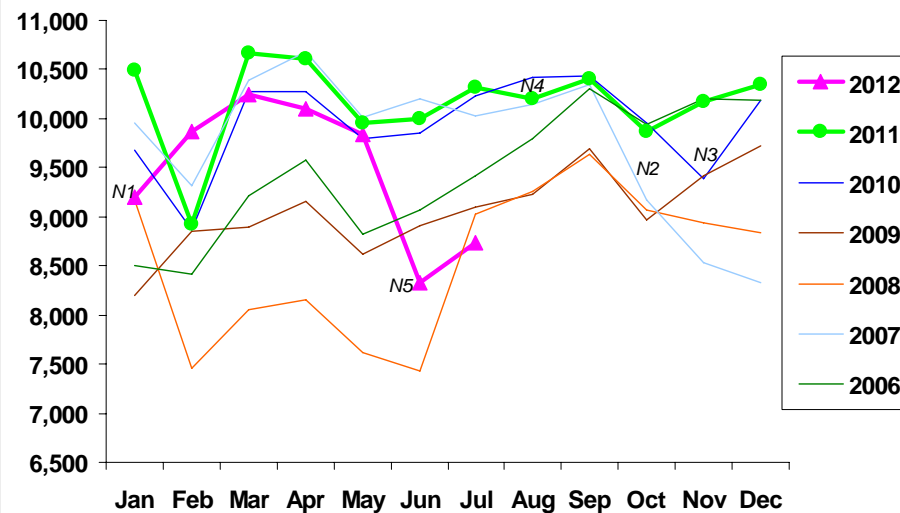
No. of vehicle ('000)



GS Superhighway – Average Daily Toll Revenue

	FY11	FY12	change
Avg. Daily Toll (RMB)	10,114k	9,910k	↓ 2%

RMB'000



N1: Chinese New Year in 2012 started on 23 Jan 2012 (2011 started on 3 Feb 2011)

N2: Xintang to Dongguan section (around 22.2km) was closed for maintenance 18 Oct 2007 - 9 Jul 2008

N3: 2010 Traffic restriction for Asian Games in Guangzhou (Nov 2010)

N4: 2011 Traffic restriction for Summer Universiade in Shenzhen (Aug 2011)

N5: New tariff became effective on 1 Jun 2012

Guangdong's New Tariff (Effective 1 Jun 2012)

- Impacts on GS' Traffic and Toll Revenue

廣東省新路費標準(2012年6月1日生效)：對廣深高速的車流和路費收入的影響

● Rise in GS' traffic (Classes 1 & 3 cars) in Jun 2012 & Jul 2012

在2012年6月和7月，廣深高速一類及三類車的車流量增加

	Jun 12	yoy	Jul 12	yoy
Average daily traffic (vehicle)	420k	+6%	435k	+7%
• Class 1	322k	+8%	331k	+8%
• Class 3	62k	+3%	66k	+5%

● Jun 2012 average daily toll ↓ 16.7% yoy to RMB8.3m – in line with announcement 31.5.2012

2012年6月的日均路費收入較去年同期下跌16.7%至人民幣830萬元 — 與2012年5月31日的公告相符

◆ Average daily toll ↓ 15.3% yoy to RMB8.7m in Jul 2012

2012年7月的日均路費收入較去年同期下跌15.3%至人民幣870萬元

● Aggregate net profit of GS* for Jun 2012 & Jul 2012 fell around 24% yoy

在2012年6月和7月，廣深高速的合計淨溢利較去年同期下跌約24%

● Minimal impacts on Phases I & II West

對西綫 I 期和 II 期的影響輕微

* Net profit of GS shared by HHI (excluding exchange difference from USD & HKD loans & related tax)

Guangdong's New Tariff (Effective 1 Jun 2012)

- Impact on GS' Traffic By Class

廣東省新路費標準 (2012年6月1日生效)：對廣深高速按車輛類別劃分的車流量之影響

- **↑ Traffic for all classes of vehicles (Jun 2012 vs Mar-May 2012)**
 2012年6月比較同年3月至5月期間，各類車的車流量均上升
- **Higher traffic growth in Classes 3, 4 & 5 commercial trucks, i.e. more price-sensitive** 三、四和五類貨車的車流錄得較強勁的增長，顯示它們對價格較敏感
- **Continuous growth in Class 1**
 一類車的車流持續增長
- **Impacts will be stabilizing in next few months**
 影響將在未來數月內漸趨穩定

Average Daily Traffic of GS before & after Implementation of New Tariff

Avg Daily Traffic (vehicles '000)	Before Implementation	After Implementation	Change
	Mar-May 2012	Jun 2012	
Class 1	314.8	321.9	+2.2%
Class 2	8.9	9.2	+3.0%
Class 3	59.0	62.4	+5.7%
Class 4	6.2	6.5	+4.4%
Class 5	19.6	20.2	+3.3%
TOTAL	408.5	420.1	+2.8%

GS Superhighway – Class 1, 4 & 5 Vehicles

廣深高速公路：一、四及五類車

- **Class 1 – traffic & toll revenue recorded growth and rose to historical high levels**

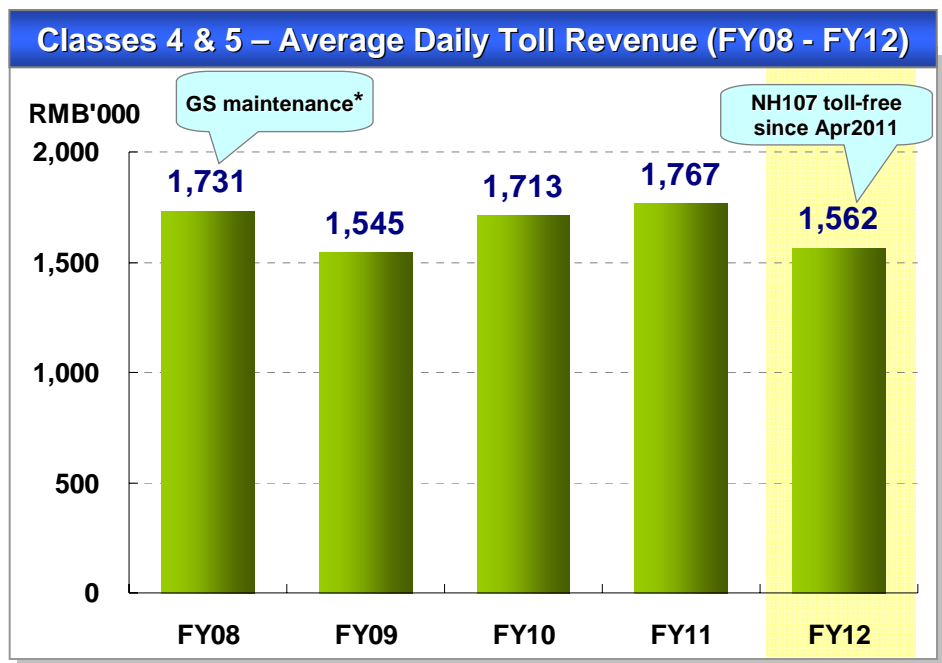
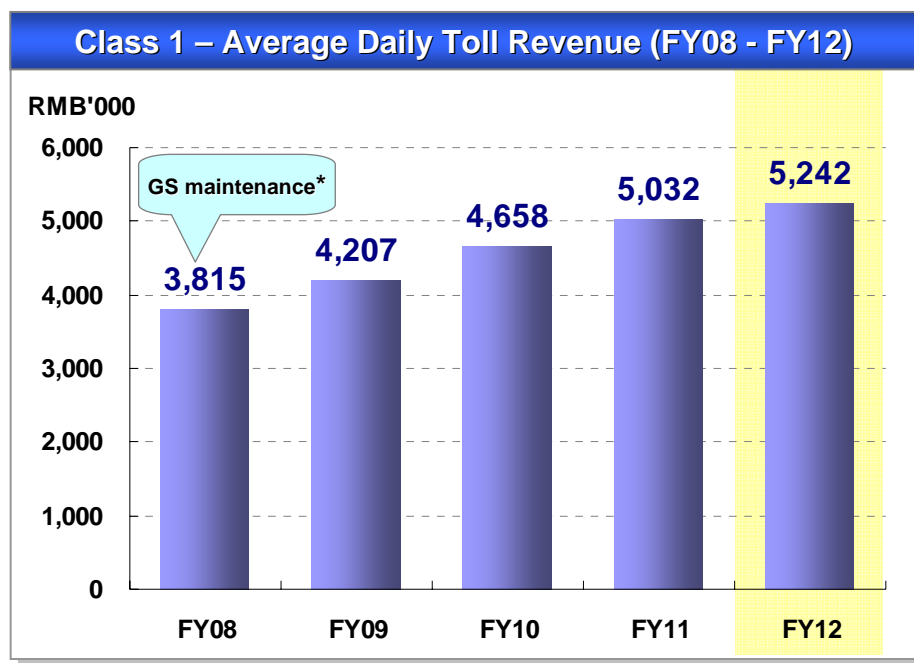
一類車的車流量及路費收入均錄得增長，並升至歷史新高

- ◆ **Contributed 59% of GS' toll revenue in Jul 2012**

在2012年7月，佔廣深高速路費收入59%

- **Classes 4 & 5 – fall in traffic & toll revenue due to National Highway 107 became toll free since Apr 2011, but the drop has stabilized**

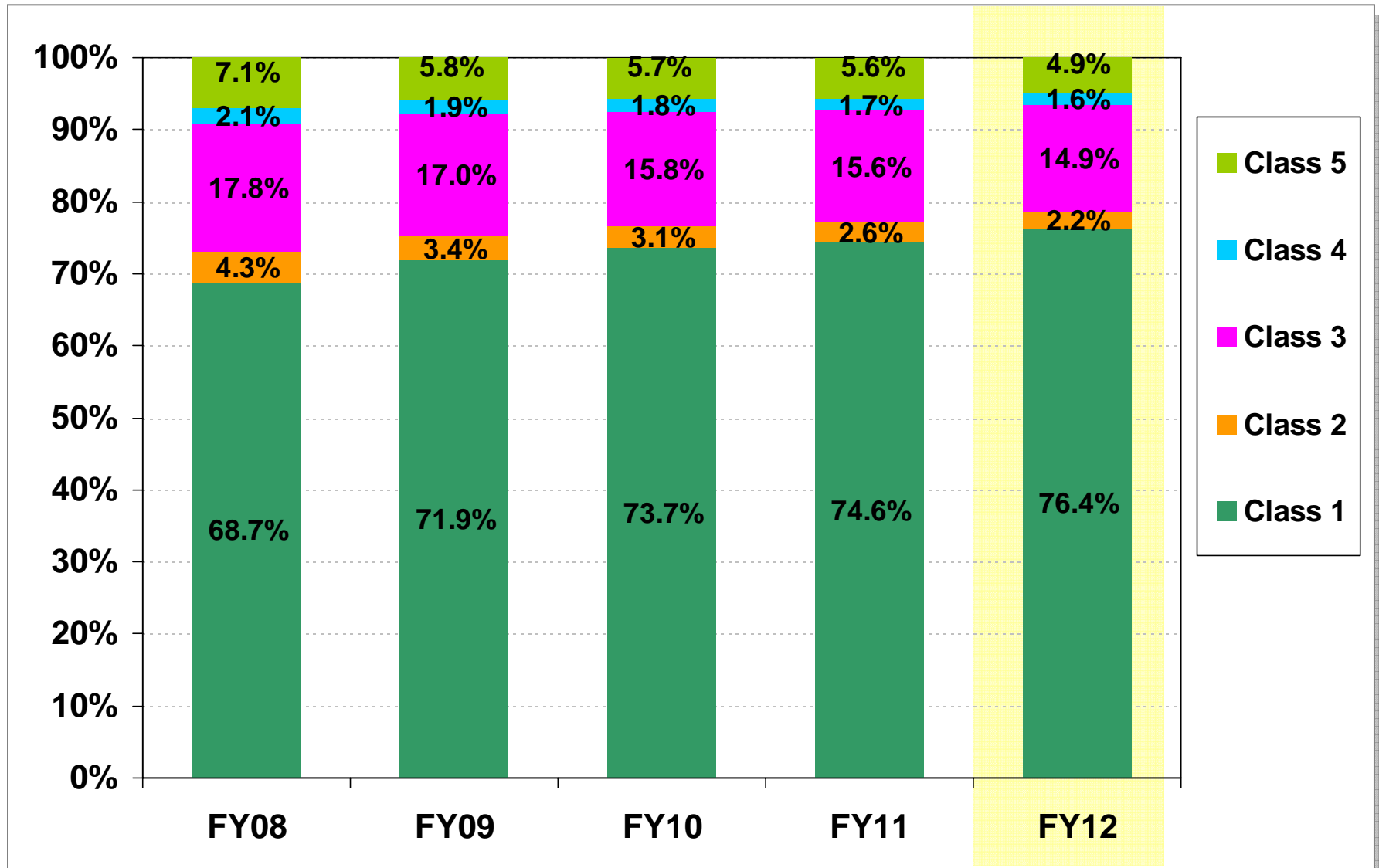
四及五類車的車流量及路費收入下跌，主要受107國道自2011年4月起免收路費影響，但其跌勢已趨穩定



* 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量



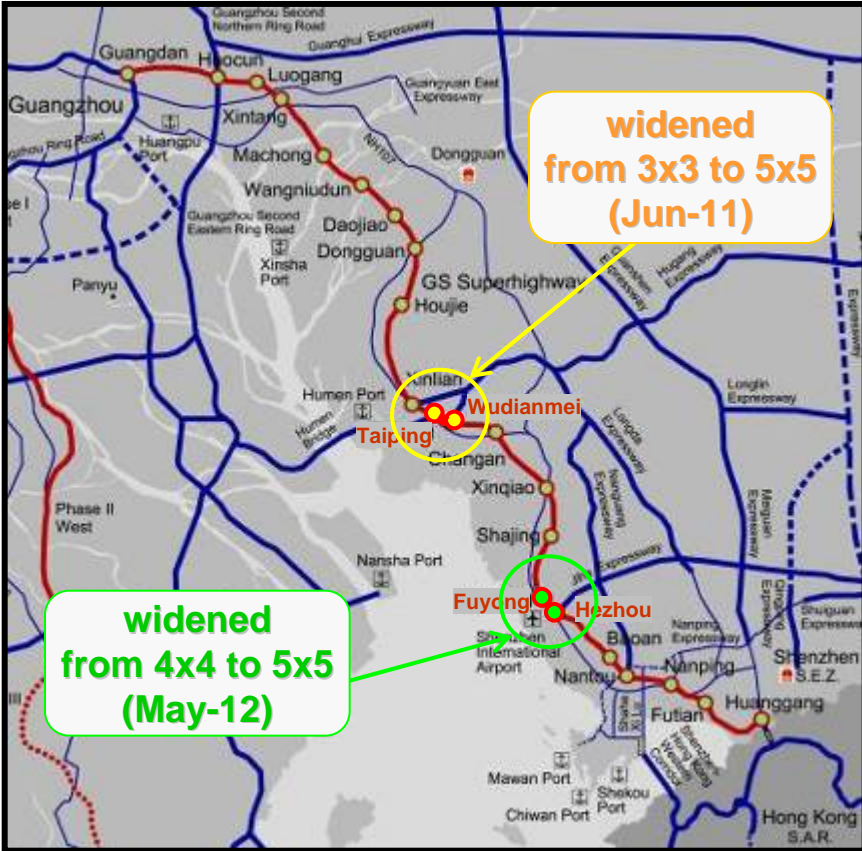
GS Superhighway - Proactive Traffic Management

廣深高速公路：主動的交通管理

Proactively monitor traffic flow and adopts effective measures to raise efficiency

主動監察車流量及採取有效措施以提高效率

Locations 位置	Status of Widening 擴寬狀況
Hezhou to Fuyong (~2 km) 鶴州至福永 (約2公里)	Already widened from 3x3 to 4x4 in 2003 已在2003年完成由雙向共六車道擴寬至雙向共八車道
Wudianmei to Taiping (3.5km) 五點梅至太平 (3.5公里)	Already widened from 3x3 to 5x5 in Jun-11 已在2011年6月完成由雙向共六車道擴寬至雙向共十車道
Hezhou to Fuyong (~2 km) 鶴州至福永 (約2公里)	Already widened from 4x4 to 5x5 in May-12 已在2012年5月完成由雙向共八車道擴寬至雙向共十車道



GS Superhighway – Widening of Hezhou-Fuyong and Wudianmei-Taiping Sections **(completed)**

廣深高速公路：鶴州至福永及五點梅至太平之間的擴寬工程（已完工）

Positive impacts on the widened sections:

擴寬路段後帶來正面的影響：

◆ Relieve peak-hour traffic pressure

紓緩繁忙時段的交通壓力

◆ ↑ Average speed

加快平均行車速度

◆ ↓ No. of accidents

減少交通事故

◆ ↑ Traffic passing through

增加行經擴寬路段的車流量

2km Hezhou-Fuyong Section

鶴州至福永之間2公里

2011年12月02日 星期五 11:20:04

G4 廣深
K2250+790
A74

鶴州入口
K89+180



Before Widening 擴寬前

2012年05月25日 星期五 11:21:13

G4 廣深
K2250+610
A74

鶴州出口
K89+000



After Widening 擴寬後

● Synergy from Phase II West (opened Jun 2010)

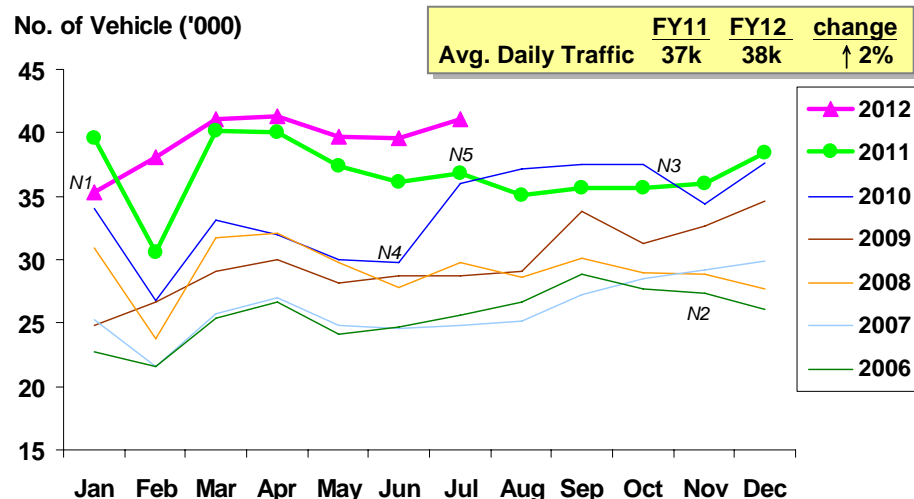
西綫 II 期在2010年6月開通後帶來協同效應

● Improving performance after traffic restrictions for Yajisha Bridge repair works on Guangzhou ESW Ring Road ended Dec 2011

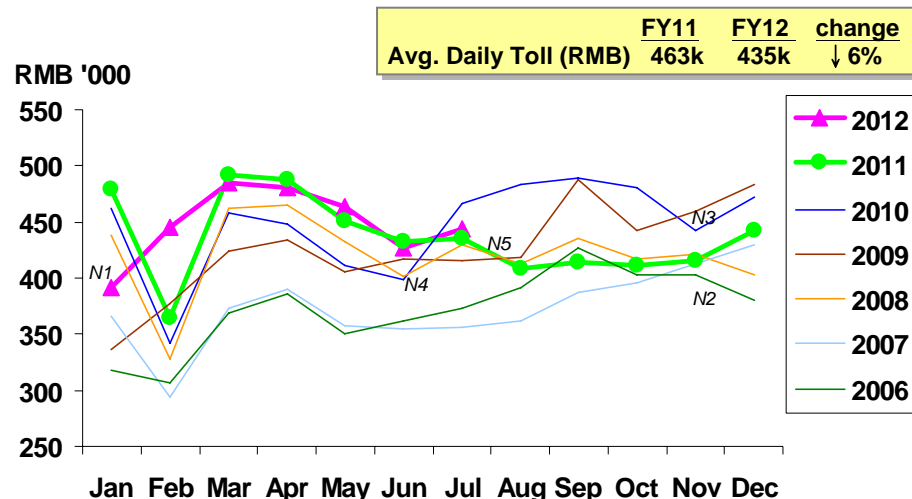
自2011年12月東南西環高速的丫髻沙大橋進行維修工程期間實施的交通管制解除後，業務表現已逐漸改善

- ◆ **Class 1 traffic & toll continued to grow** 一類車的車流量和路費收入持續增長
- ◆ **Classes 4 & 5 traffic & toll picking up but hasn't returned to level before Yajisha Bridge repair (as National Highway 105 toll-free at section near Phase I West since Jan 2012)**
四及五類車的車流量和路費收入已逐漸回升，但尚未返回丫髻沙大橋維修工程前的水平 (由於自2012年1月起105國道鄰近西錢 I 期的路段開始實施免收路費)
- ◆ **Class 1 small cars traffic growth outweighed the setback from Classes 4 & 5 trucks**
一類車的車流增長蓋過了四及五類貨車的頓挫

Phase I West – Average Daily Traffic



Phase I West – Average Daily Toll Revenue

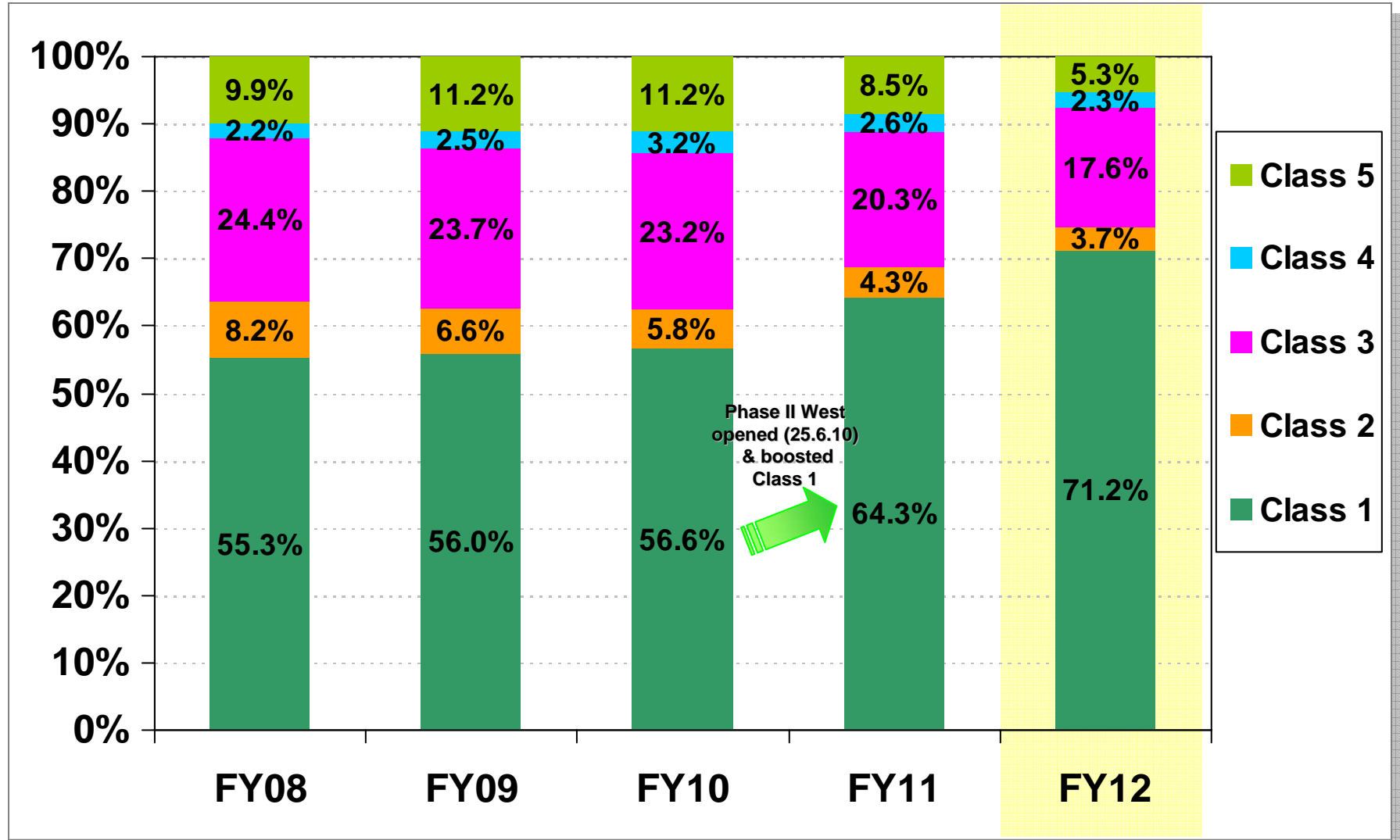


N1: Chinese New Year in 2012 started on 23 Jan 2012 (2011 started on 3 Feb 2011)
 N2: Opening of a local toll-free road in Foshan parallel to Phase I West in Nov 2006
 N3: 2010 Traffic restriction for Asian Games in Guangzhou (Nov 2010)

N4: Phase II West commenced operation on 25 Jun 2010
 N5: Traffic restriction for Yajisha Bridge on ESW Ring Road maintenance Jan 2010 – Dec 2011 (intensified since mid Jul 2011)

Phase I West – Traffic by Class of Vehicles

西綫I期：按車輛類別劃分的車流量



Traffic and toll revenue continued to grow

車流量及路費收入持續增長

Direct connection to Zhongzhan downtown (links southern end of Phase II West) opened on 28 Apr 2012

直接連接到中山市中心的路段已在2012年4月28日開通 (連接西綫 II 期南面末段)

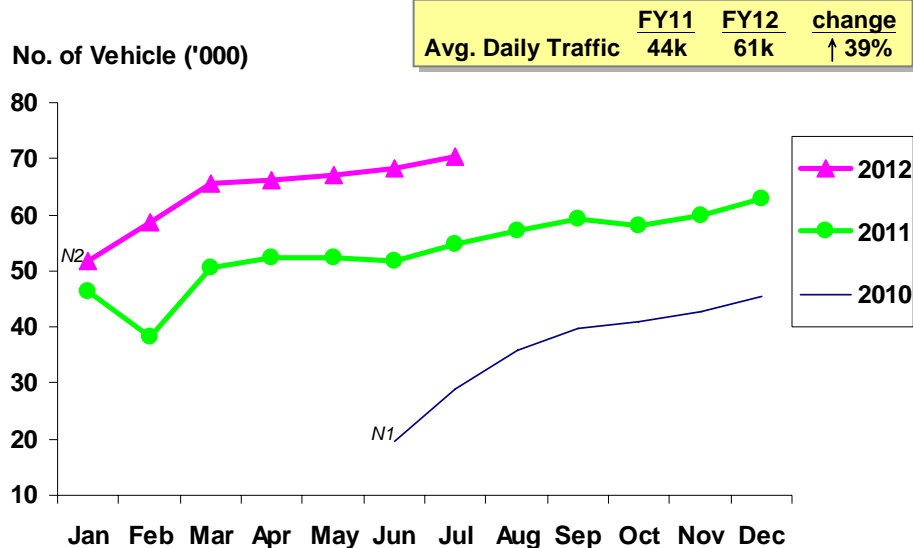
Faster route to Zhongzhan downtown

更快捷的連接通道前往中山市中心

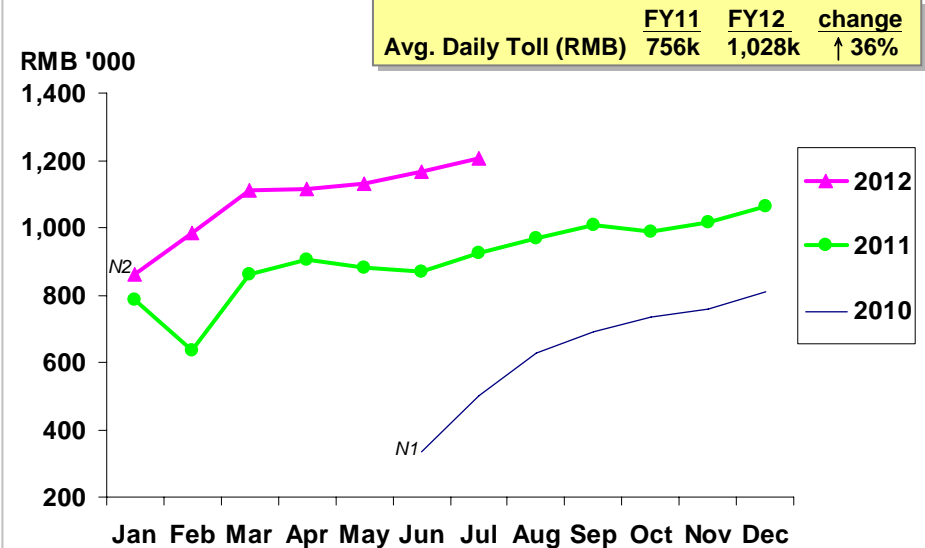
Attracts more traffic to Phase II West

吸引更多車輛行經西綫 II 期

Phase II West – Average Daily Traffic



Phase II West – Average Daily Toll Revenue



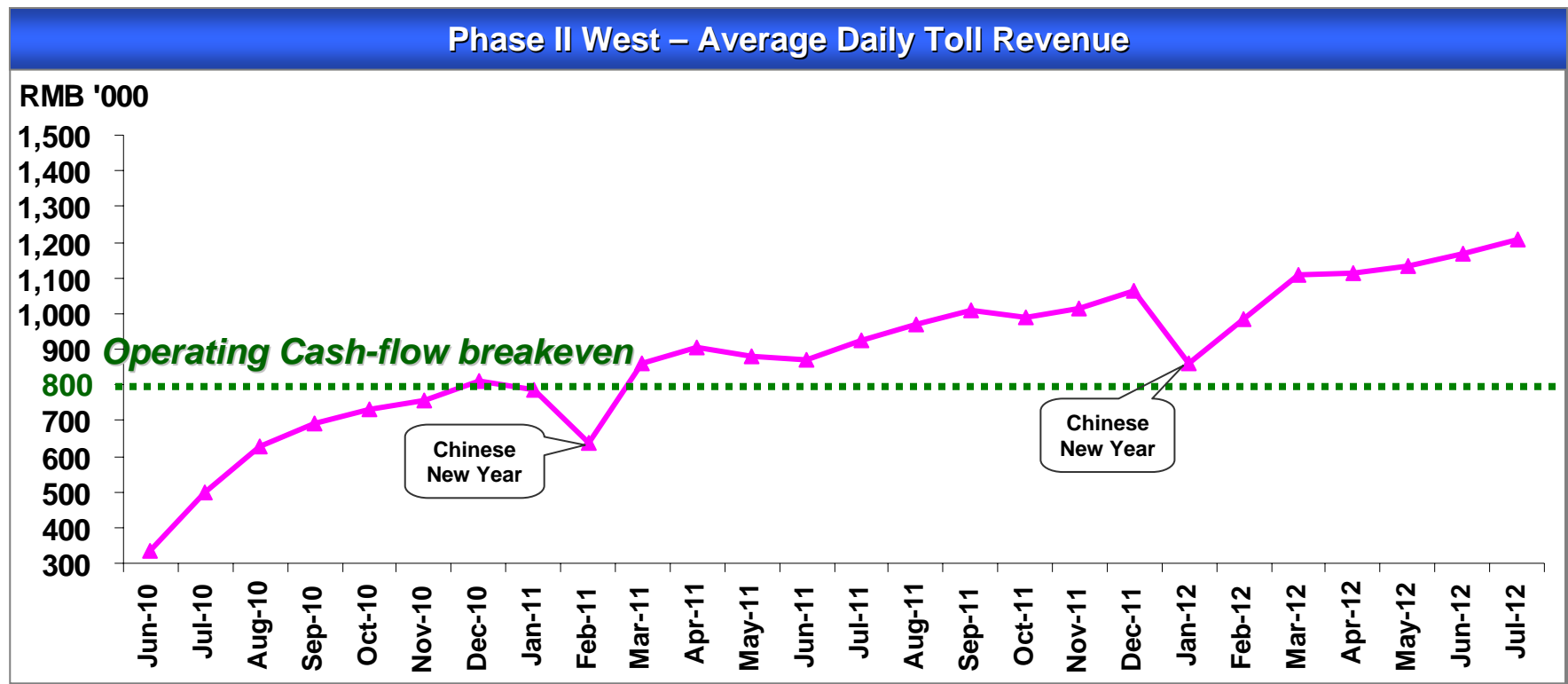
N1: Operation commenced on 25 Jun 2010

N2: Chinese New Year in 2012 started on 23 Jan 2012 (2011 started on 3 Feb 2011)

Phase II West – Achieved Operating Cash-flow Breakeven

西綫II期：達到營運現金流收支平衡

- **Continued to record net cash inflow (from operation & after interest expense payment) and EBITDA ↑ 36% in FY12**
 在2012財政年度繼續錄得淨現金流入 (來自營運和計及利息支出)，除利息、稅項、折舊及攤銷前溢利增加36%
- **In 2HFY11, achieved operating cash-flow breakeven (after interest expense payment) target in 1st year of operation**
 在2011財政年度下半年已達到營運現金流收支平衡 (計及利息支出) 的首年營運目標
 - ◆ **i.e. RMB800k average daily toll revenue** 日均路費收入達人民幣80萬元



Note: Phase II West opened on 25 Jun 2010

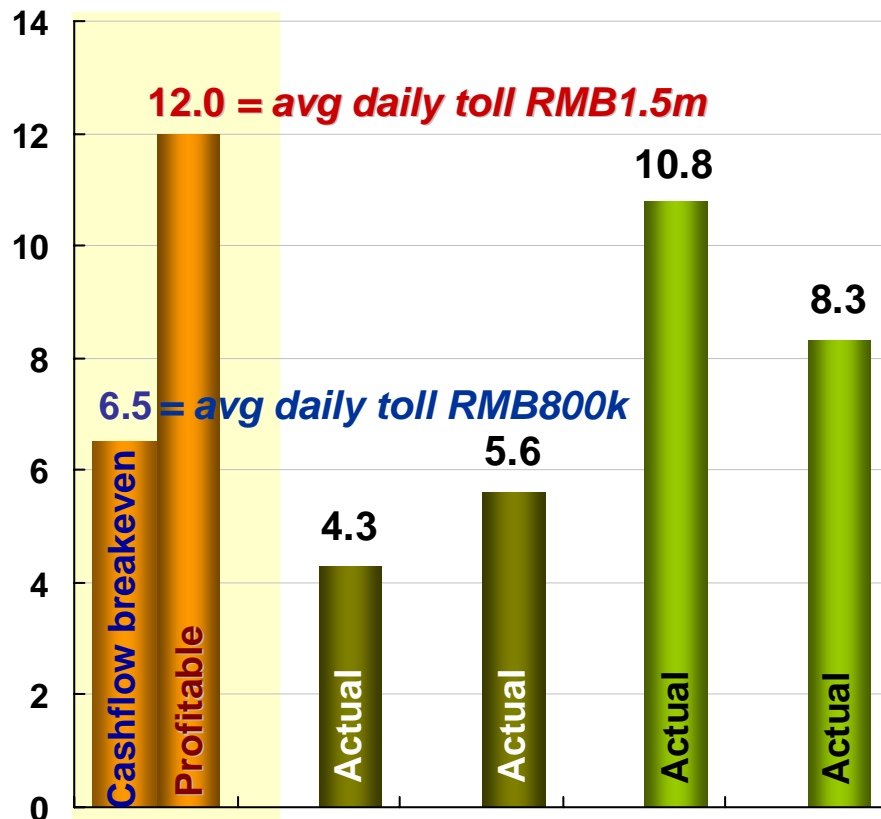
Phase II West – Profitability Study

西綫II期：盈利能力研究

Annual Toll Revenue/km

全年的每公里路費收入

RMB'M



Phase II
West
(Target)

GS^{N1}
(1st year:
CY1994)

Phase I
West^{N2}
(1st year:
CY2004)

Phase I
West
(FY12)

Phase II
West
(FY12)

N1: Annualized figure for CY94 (GS started operation on 18.7.94)

N2: Annualized figure for CY04 (Phase I West started operation on 30.4.04)

Highlights 重點

- **Target: profitable in 2014**
目標在2014年錄得盈利
 - ◆ **Even without synergy from Phase III West opening**
即使沒有西綫 III 期通車後帶來的協同效應
- **Could achieve profit earlier with synergy from Phase III West opening in 1Q 2013 around Lunar New Year**
加上西綫 III 期在2013年第1季接近農曆新年通車後帶來的協同效應，將可更早錄得盈利
- **Will record profit if achieve over RMB1.5m average daily toll revenue**
假如日均路費收入超過人民幣150萬元，將錄得盈利
 - ◆ **RMB1.5m now vs RMB1.3m previously due to rise in interest rate and borrowing, as the rise in project cost is not approved yet**
目前的人民幣150萬元比較早前公布人民幣130萬元為高，主要由於利率上升和增加項目成本尚未獲批准令借款增加

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

- **Phase III West opening (1Q 2013 around Lunar New Year)**

西綫 III 期通車 (2013年第1季接近農曆新年)

- **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

- ◆ **Boosts Phase II West traffic**

有助增加西綫 II 期的車流量

- **Direct connection to Zhongshan downtown**

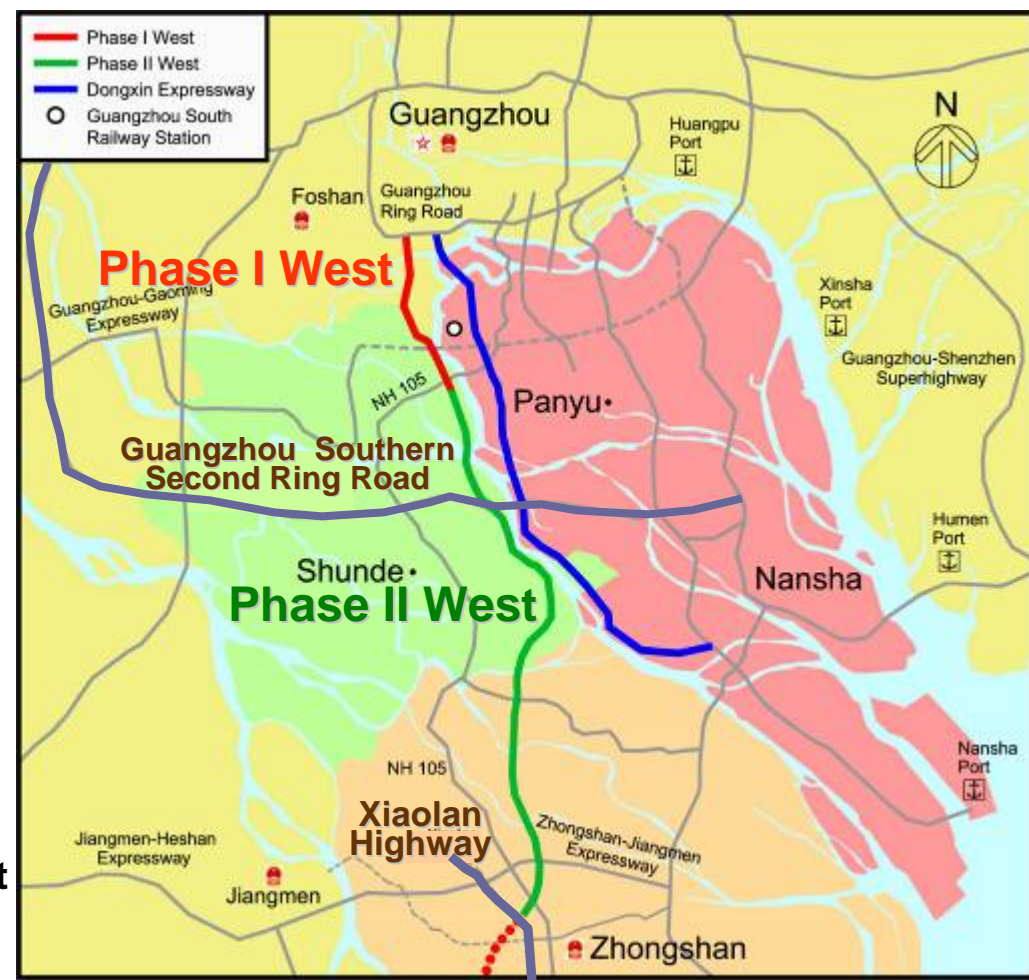
直接連接到中山市中心的路段

- ◆ **Opened in Apr 2012**

在2012年4月通車

- ◆ **Attracted more traffic to Phase II West**

吸引更多車輛行經西綫 II 期



Future Project: Phase III West – Opening 1Q2013 around Lunar New Year

未來項目：西綫III期 - 2013年第1季接近農曆新年開通



Highlights 重點

- **Planned to open earlier in 1Q 2013 around Lunar New Year**

計劃提早於2013年第1季接近農曆新年通車

- **Adequately funded**

資金充足

- **As of 30.6.12, HHI injected:**

在2012年6月30日，合和公路基建已投入

- ◆ **Equity: RMB980m (full amount)**

股本：人民幣9.8億元 (全數)

- ◆ **Outstanding shareholder's loan: RMB30m**

未償還的股東貸款：人民幣3,000萬元

- ◆ **Remaining funding requirement fully covered by banking facilities**

銀行貸款足以全數應付餘下所需資金

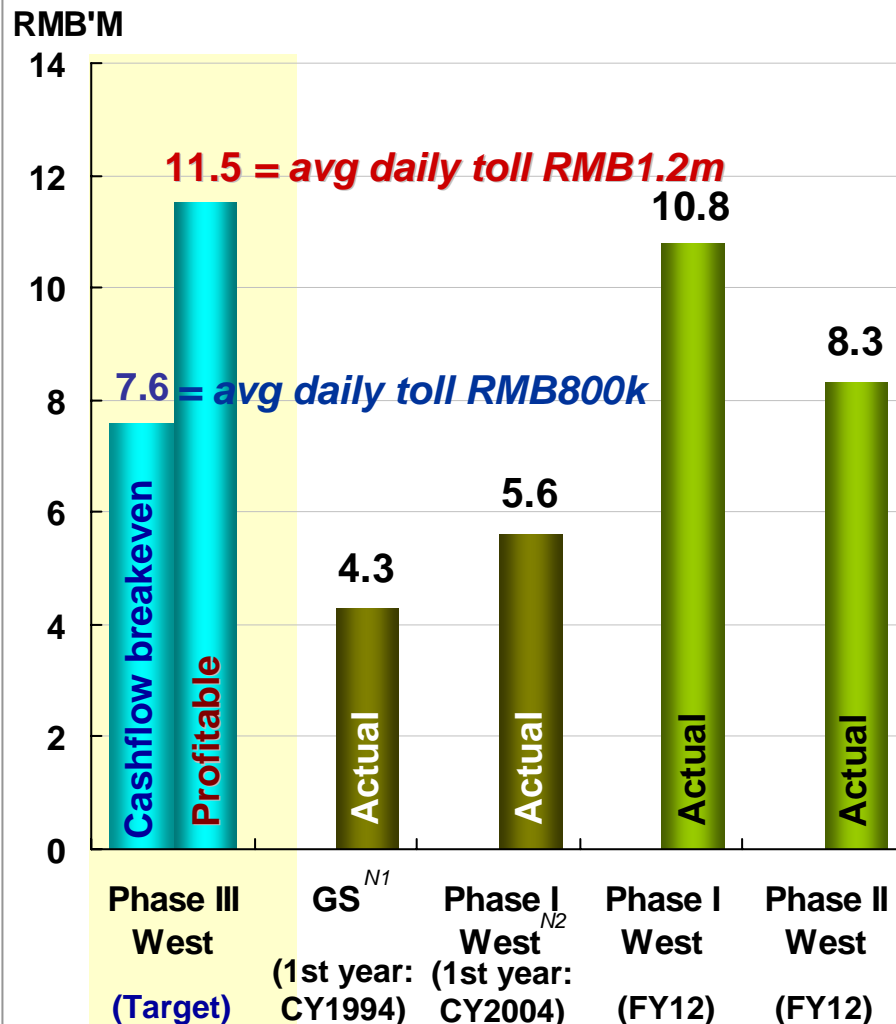
Note: All subject to Govt. approval

Phase III West – Profitability Study

西綫III期：盈利能力研究

Annual Toll Revenue/km

全年的每公里路費收入



N1: Annualized figure for CY94 (GS started operation on 18.7.94)

N2: Annualized figure for CY04 (Phase I West started operation on 30.4.04)

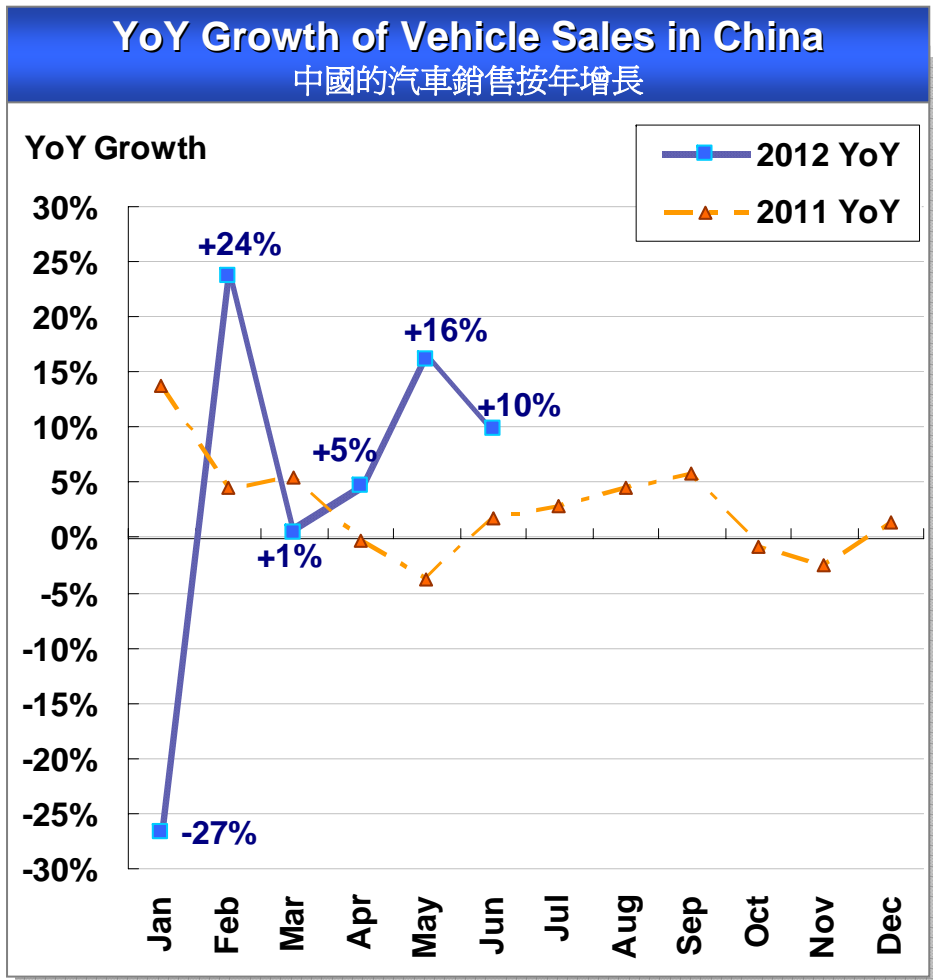
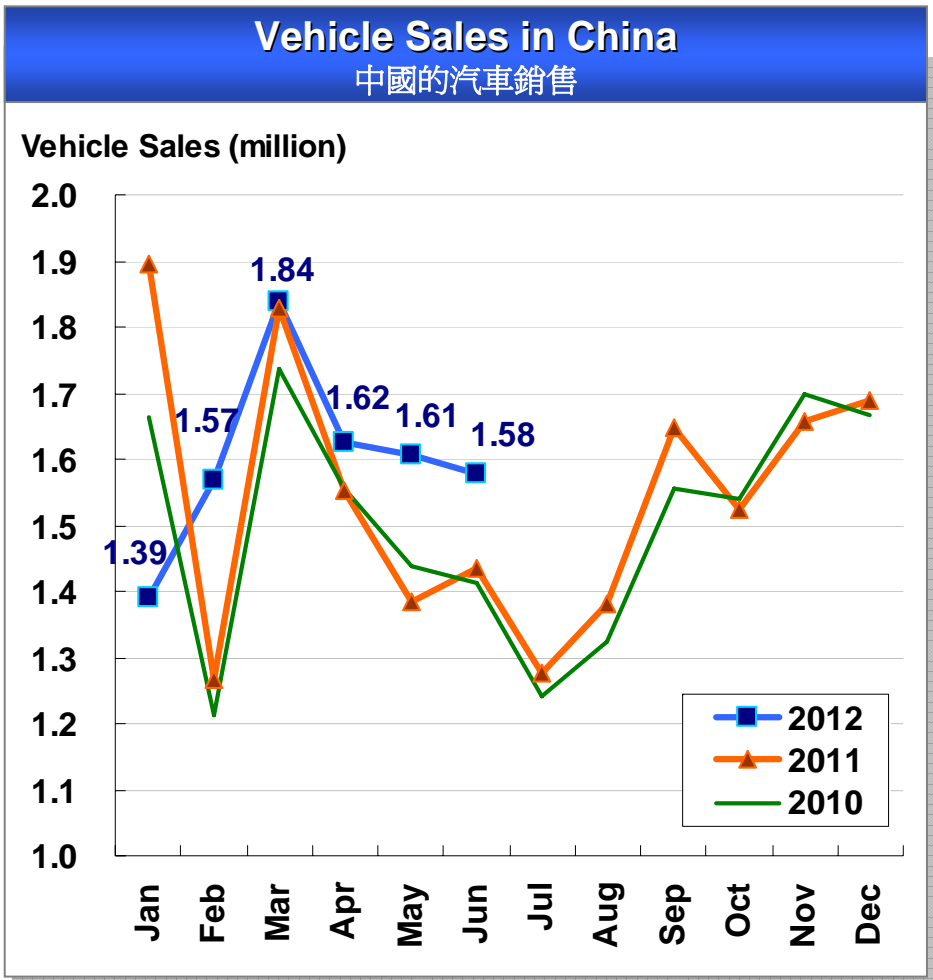
Highlights 重點

- **Target: operating cashflow breakeven (after interest expenses payment) in first full year of operations in FY14**
目標在2014財政年度的首次全年營運，錄得營運現金流收支平衡 (計及利息支付)
 - ◆ **i.e. RMB800k average daily toll revenue**
日均路費收入達人民幣80萬元
- **Will record net profit if achieve over RMB1.2m average daily toll revenue**
假如日均路費收入超過人民幣120萬元，將錄得淨盈利
- **West Route targeted to be profitable after HK-Zhuhai-Macau Bridge opens in 2016**
目標在2016年港珠澳大橋開通後能錄得盈利
 - ◆ **all 3 phases of West Route will complete in 2013**
西綫全線三期將在2013年全面通車

Vehicle Sales in China

中國的汽車銷售

Total vehicle sales in China around 9.6 million vehicles in Jan-Jun 2012 (+3% yoy)
 在2012年1月至6月，中國的總汽車銷售約960萬輛 (較去年同期上升3%)



Source: 中國汽車工業協會統計信息網 (www.auto-stats.org.cn)

China – World's Largest Vehicle Sales Market in 2011

中國在2011年是世界最大汽車銷售市場

● **China has been the world's largest vehicle sales market since 2009**

自2009年起，中國已是世界最大的汽車銷售市場

Motor Vehicle* Sales 2011

Ranking	Country	<u>2011</u> Total Vehicle Sales
1	China	18.5m
2	U.S.A.	13.0m



Motor Vehicle* Sales 2010

Ranking	Country	<u>2010</u> Total Vehicle Sales ('M)
1	China	18.1
2	U.S.A.	11.8
3	Japan	5.0
4	Brazil	3.5
5	India	3.0
6	Germany	2.9
7	France	2.3
8	Russia	2.1
9	U.K.	2.0
10	Italy	2.0

China 2011: 18.5m
(+3% yoy)

China 1994: 1.6m

* Incl. passenger & commercial vehicles but excl. motorcycles

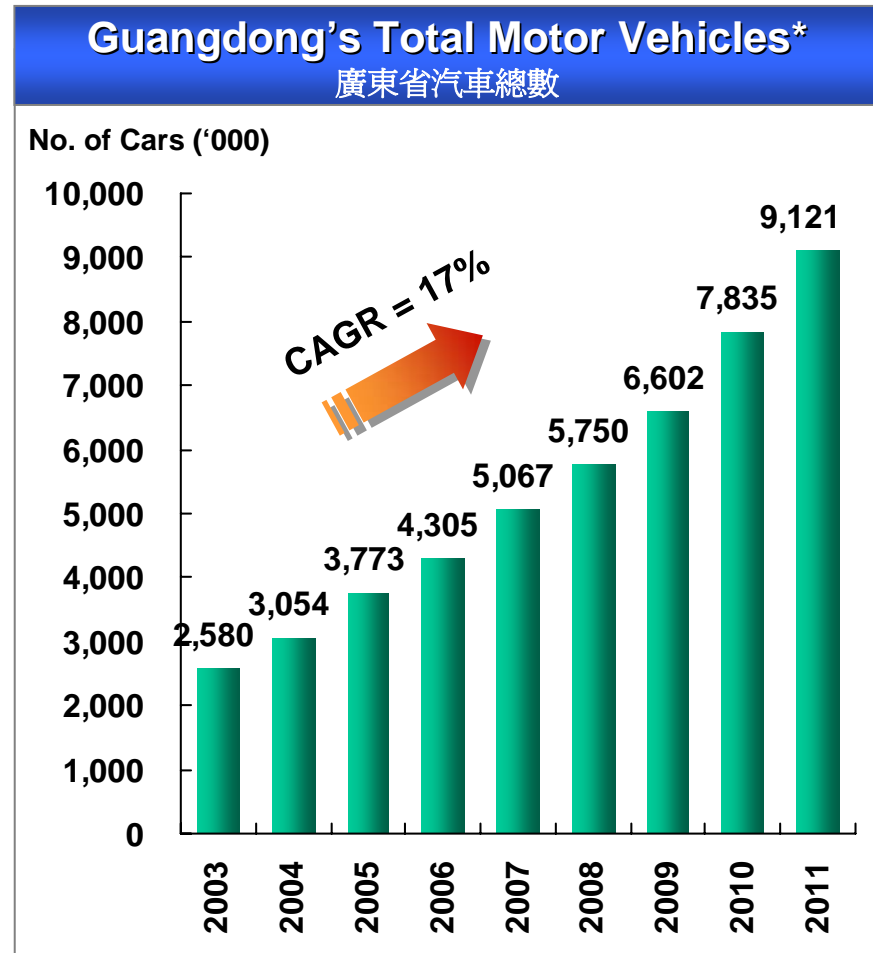
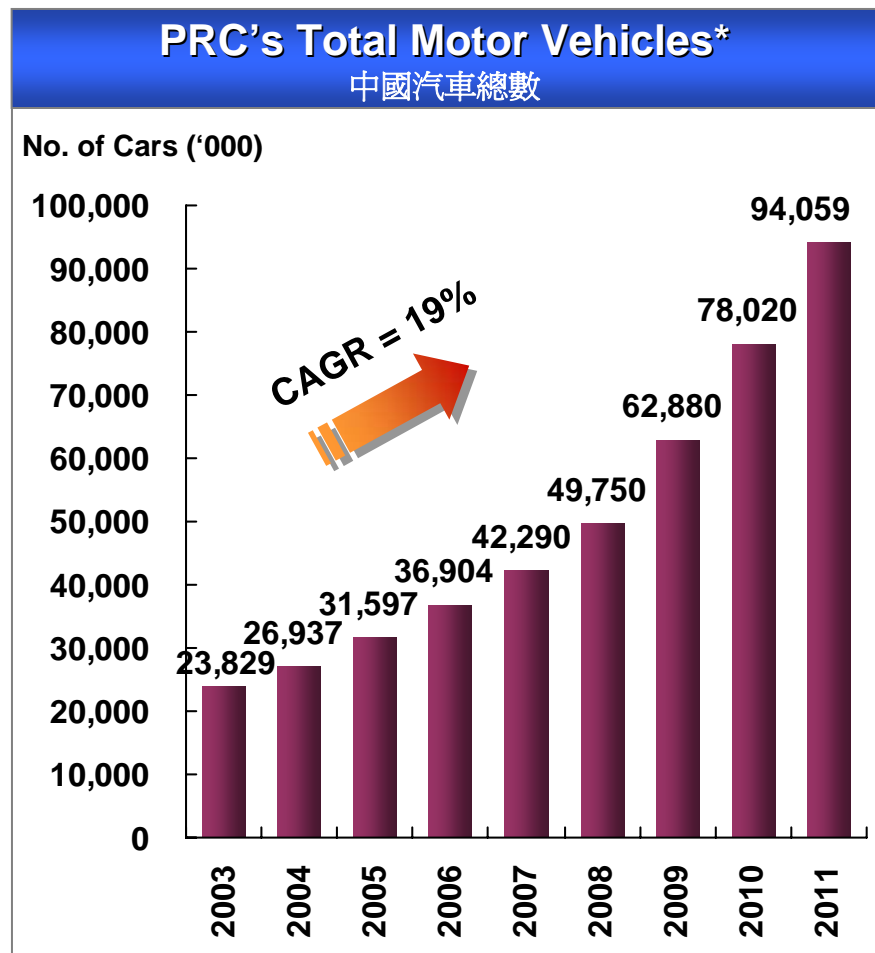
Source: CEIC, Thomson Reuters & various car manufacturer associations

Steady Growth in PRC & Guangdong Car Population **HWI**

中國及廣東省汽車數目增長穩健

● Driven mainly by small car sales

主要由小車銷售帶動



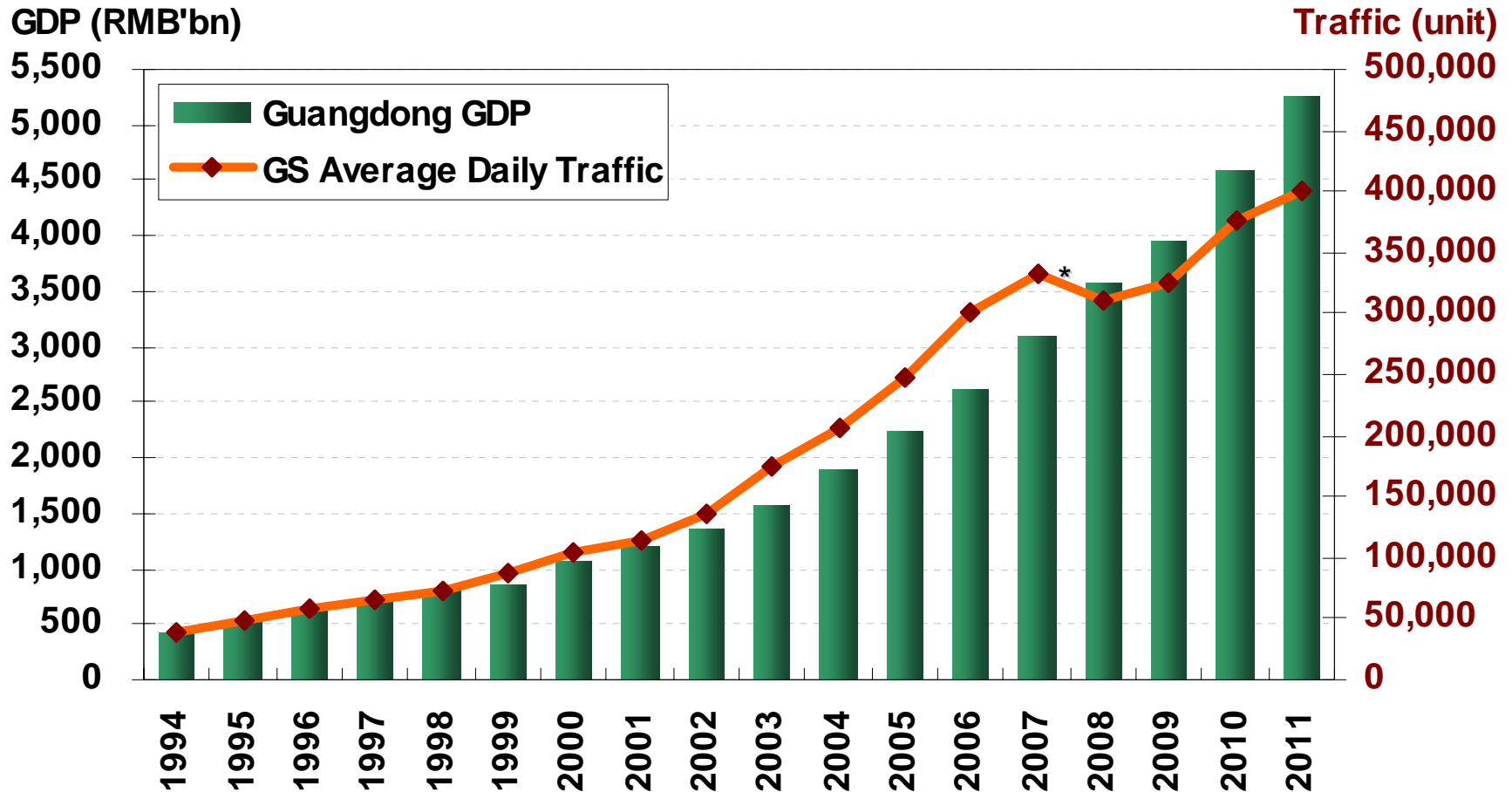
* Incl. passenger & commercial vehicles but excl. motorcycles & truckers

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

廣深高速的車流量與廣東省本地生產總值關係密切

GS Traffic and Guangdong GDP



* A section of the GS Superhighway's Xintang to Dongguan toll station (approximately 22.2km) was closed for maintenance/improvement works from 18 Oct 2007 to 9 Jul 2008.

Measures to Lower Operating Costs and Enhance Operational Efficiency

減低營運成本及提高經營效率的措施

● Automation 自動化

◆ 80 new automatic card-issuing machines at all entrances of GS

已在廣深高速全部的入口車道安裝80部新的自動發卡機

◆ 60% of GS' toll lanes have Electronic Toll Collection (“ETC”) lanes or automatic card-issuing machines

廣深高速60%的收費車道，已設置電子不停車收費車道或自動發卡機

● Energy Saving 節省能源

◆ Installation of LED lights at toll plaza

在收費站安裝LED照明燈

● Actively studying toll-by-weight

積極研究量重收費

- **HHI signed RMB1.6 billion loan facility in May 2012 (mature May 2015) and issued RMB1.98 billion corporate bonds in Jul 2010 & May 2011**

合和公路基建在2012年5月，簽訂人民幣16億元貸款協議 (在2015年5月到期)和在2010年7月及2011年5月共發行19.8億元人民幣企業債券

- ◆ **Fulfill remaining funding needs of West Route**

滿足西綫項目餘下的資金需求

- **West Route should be able to repay all shareholder's loans from HHI by 2018 given its rising cash-flow^{N1} from toll income**

在路費收入帶動現金流能持續上升的前提下，西綫能夠在2018年或以前償還所有由合和公路基建貸出的股東貸款

As of 30.6.2012	Phase II West	Phase III West
Shareholder's loan from HHI (Interim financing)		
• Plan to provide not more than	RMB1.5b	n/a
• Repaid in FY12	n/a	RMB500m
• Outstanding	n/a	RMB30m ^{N3}
Other loans	Intercompany borrowing of RMB731m provided by GS^{N2}	n/a

N1: Based on preliminary assessment, assuming government approval for the increase in project cost for Phase II West has yet to be obtained and other factors remain unchanged

N2: Additional project loans can be borrowed to repay GS after approval for increasing total project cost is obtained

N3: Shareholder's loan totalled RMB1.1b to be provided by HHI to Phase III West had been approved

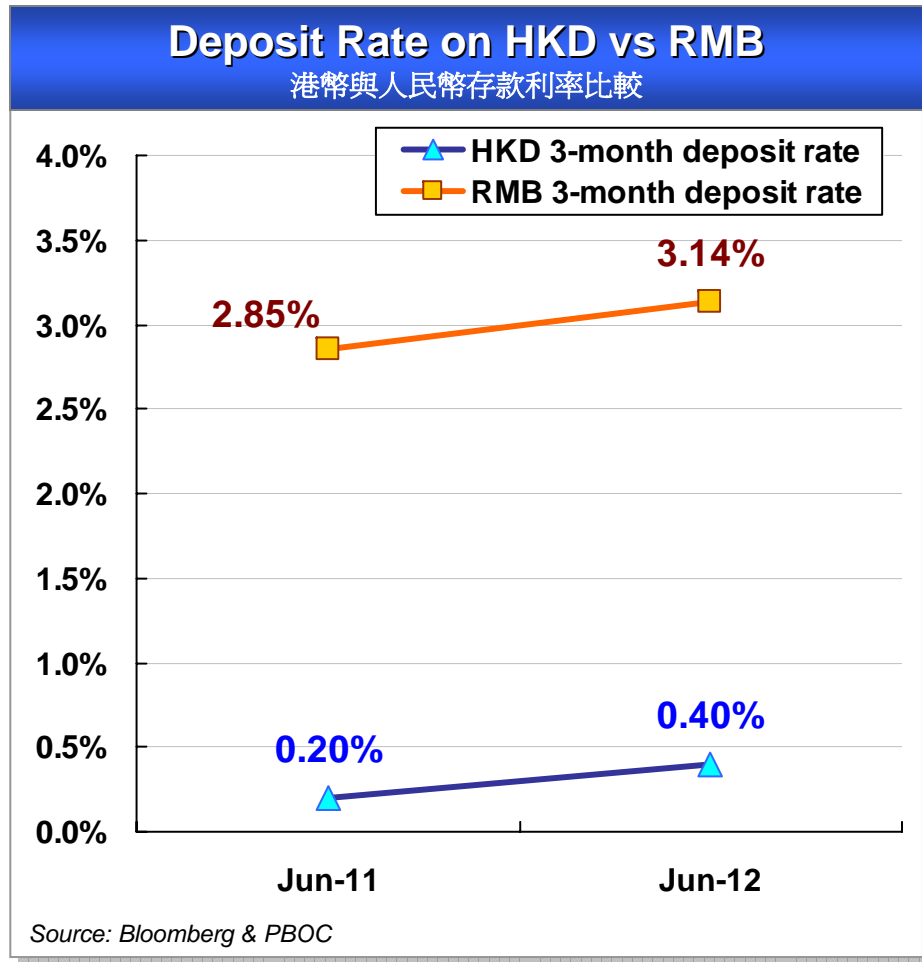
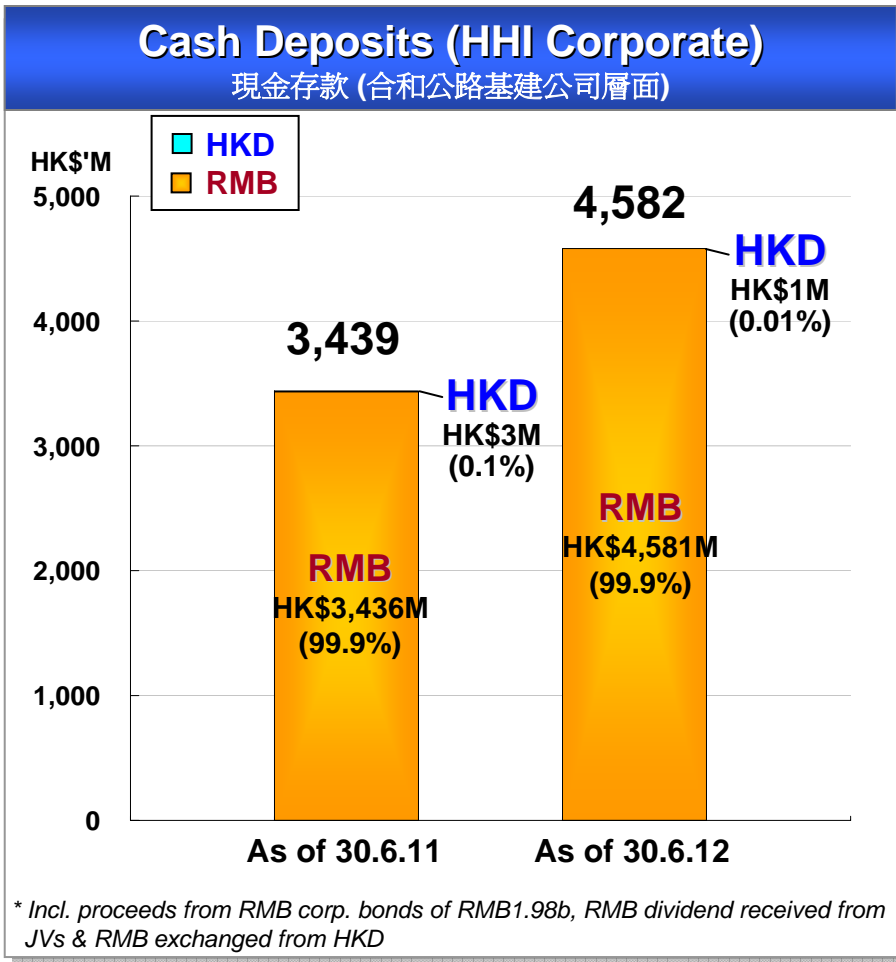
Cash Management 現金管理

RMB cash deposits to match RMB-based operations

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 2.1% (FY11) to 3.3% (FY12)

人民幣的存款利率較高：財資收益率由2011財政年度的2.1%，提升至2012財政年度的3.3%

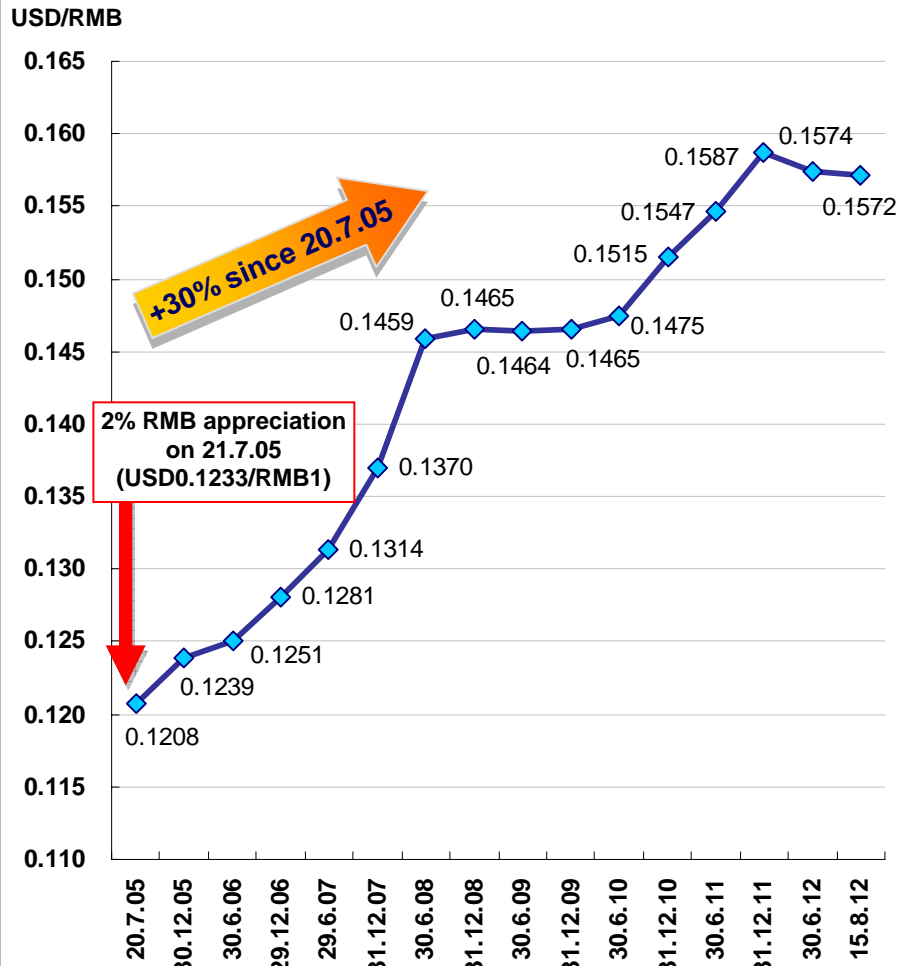


Exchange Rate Movement

匯率走勢

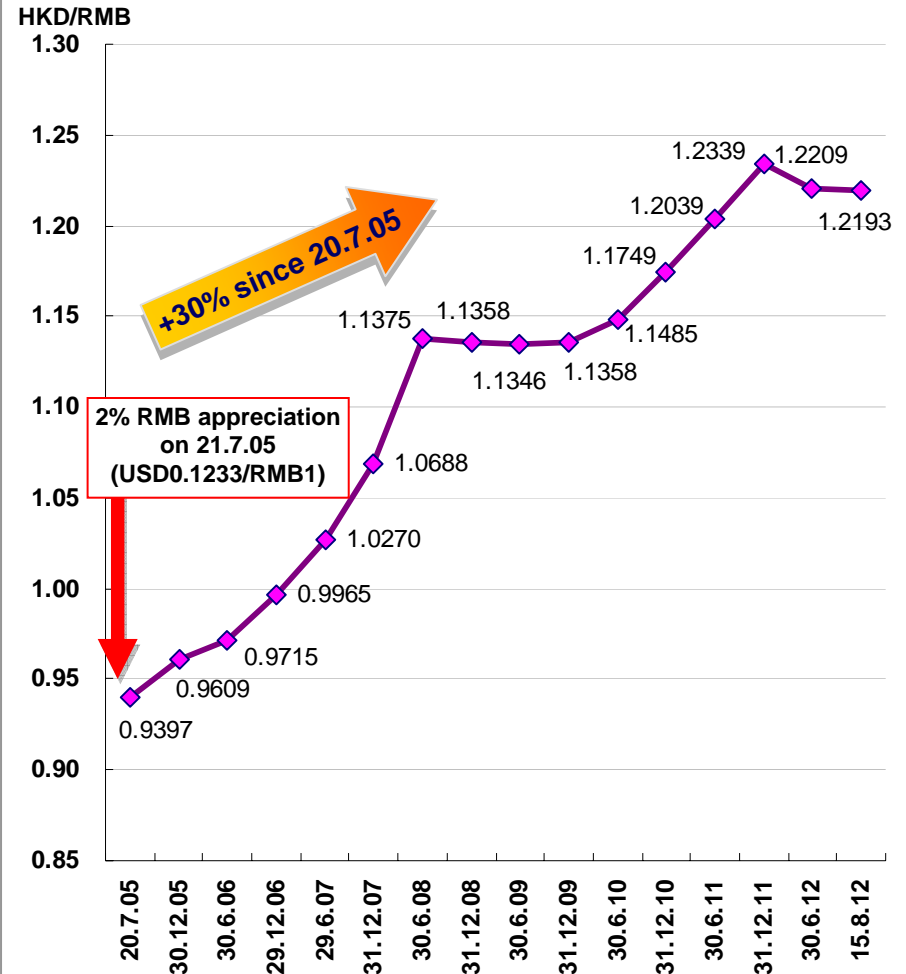
USD/RMB Exchange Rate

美元兌人民幣的匯率



HKD/RMB Exchange Rate

港元兌人民幣的匯率



Major Project Plan

主要項目計劃

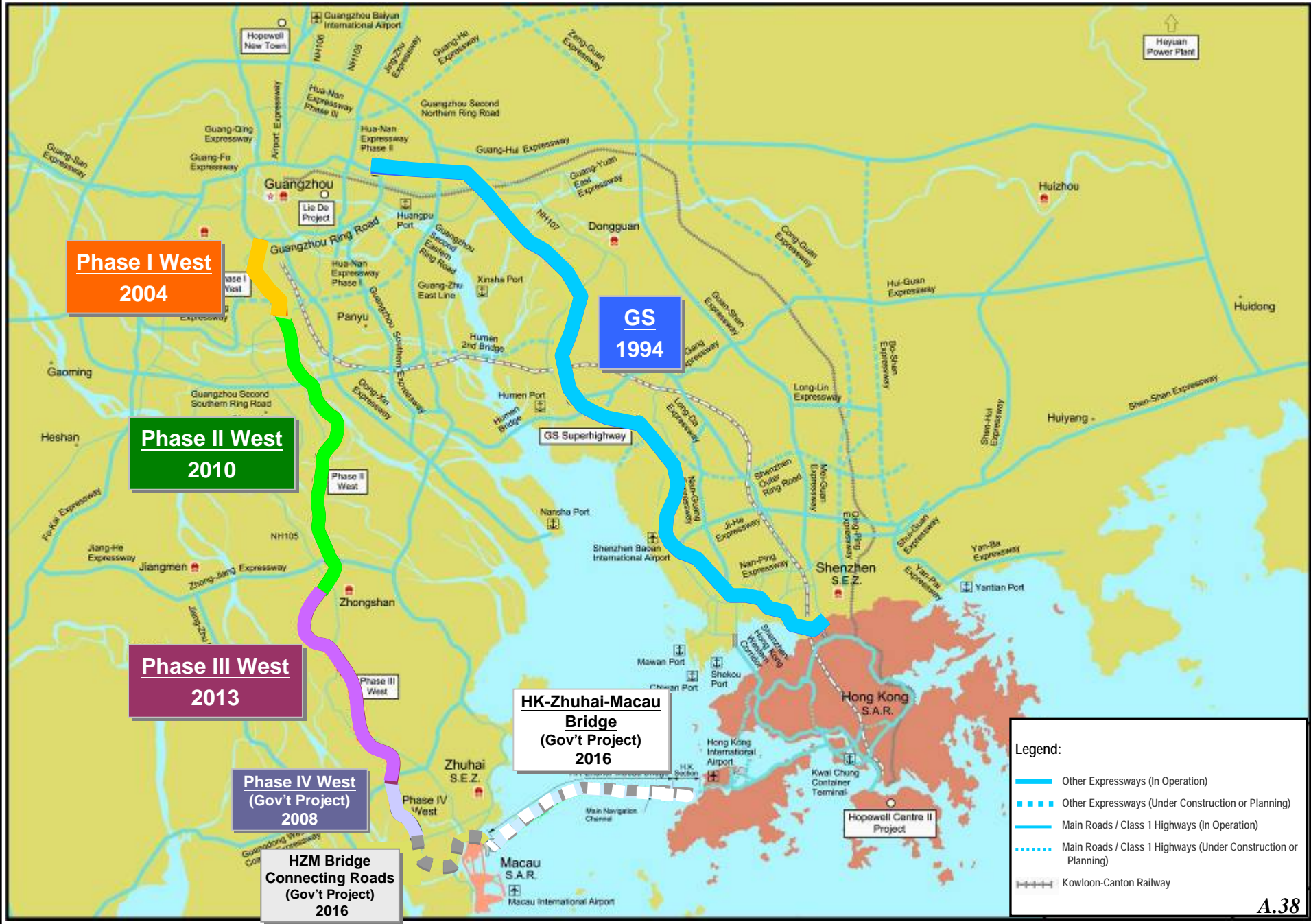
Project 項目	Description 詳情	Current Planned Investment* 現計劃的投資額	Current Planned [#] Opening 現計劃建成通車
Phase III West 西綫 III 期 (HHI: 50%)	Zhongshan - Zhuhai expressway of approx. 38km 中山市至珠海市約38公里的高速公路	Approx. RMB5.6b (Equity/Debt: 35%/65%) 約人民幣 56億元 (股本 / 債務: 35% / 65%)	Construction is underway 工程正在建設中 Opening: earlier in 1Q2013 around Lunar New Year 提早於2013年第1季接近農曆新年通車

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

Present planning, subject to change

The Complete Network – 2016

2016年:完整的道路網絡



Phase I West
2004

Phase II West
2010

Phase III West
2013

Phase IV West
(Gov't Project)
2008

GS
1994

HK-Zhuhai-Macau
Bridge
(Gov't Project)
2016

HZM Bridge
Connecting Roads
(Gov't Project)
2016

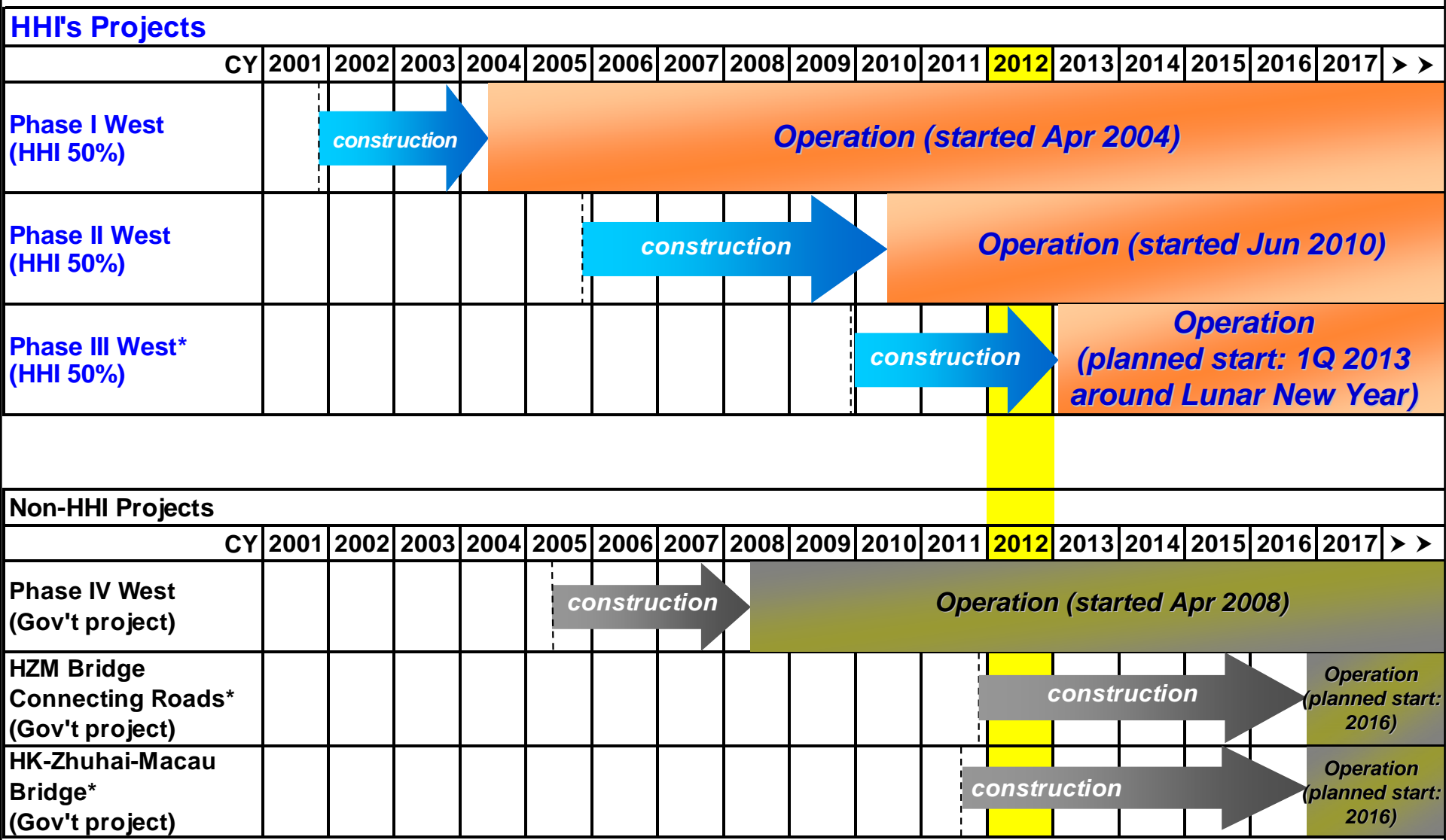
Legend:

- Other Expressways (In Operation)
- - - - Other Expressways (Under Construction or Planning)
- Main Roads / Class 1 Highways (In Operation)
- - - - Main Roads / Class 1 Highways (Under Construction or Planning)
- + + + + Kowloon-Canton Railway

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增加約20%至約220公里



* Present planning, subject to change

Sources: Company, Newspaper

HK-Zhuhai-Macau Bridge (Government's Project)

- Construction Progress Update

港珠澳大橋 (政府項目): 工程進度概況



Tunnel Man-made Island (East Island)



Immersed Tube Tunnel
- First segment of tunnel section started casting



Tunnel Man-made Island (West Island)



Zhuhai-Macau Man-made Island
- 70% completed

Major Projects Plan 主要項目計劃

As of 30 Jun 2012 (JV Level)	Planned Investment RMB'm	Equity		Bank loans and others RMB'm	Target shareholder's loan ^{N1} as interim financing (max.) RMB'm
		Injected RMB'm	Approved / Required %		
Phase II West ^{N3}	7,200	1,715 ^{N2}	24%	3,990 ^{N5}	1,500 ^{N4}
Phase III West	5,600	1,960	35%	3,610	30
Total	12,800				

N1: Present planning, subject to change. RMB30m shareholder's loan for Phase III West represent the outstanding amount as of 30.6.2012

N2: RMB403m planned to be injected by each of HHI & JV partner as equity in FY13, subject to Government's approval for the increase in project cost

N3: Present planning. The financing structure will change after Government approves the increase in project cost

N4: Incl. repayment of RMB731m inter-company borrowing to GS

N5: Of which RMB3,890m are bank loans & "others" include operating cash

● Funding for projects from: 發展項目的資金來自:

1) Net cash of approx. RMB718m (or HK\$876m) at HHI corporate level (excluding JV companies) as of 30 Jun 2012

在2012年6月30日，合和公路基建公司層面 (不包括合營企業公司) 的淨現金約人民幣7.18億元 (或相等於港幣8.76億元)

2) Healthy cash-flow

穩健的現金流

3) HHI signed RMB1.6b loan facility in May 2012, HK\$300m revolving banking facility in Jan 2012 & issued second tranche of RMB600m corporate bonds in May 2011

合和公路基建在2012年5月簽訂人民幣16億元貸款協議，在2012年1月簽訂港幣3億元循環銀行貸款，和在2011年5月再次發行6億元人民幣企業債券

Step-up of PRC Income Tax[^]

中國利得稅的增加

- **Rise in GS income tax rate from 24% (2011) to 25% (2012)**
 廣深高速的利得稅率由2011年的24%上升至2012年的25%
- **Rise in Phase I West income tax rate from 24% (2011) to 25% (2012)**
 西綫 I 期的利得稅率由2011年的24%上升至2012年的25%

Income Tax Rate	GS Superhighway	Phase I West	Phase II West	Sino-foreign JV in PRC
CY2008	9% [*]	9% [*]		18%
CY2009	10% [*]	10% [*]		20%
CY2010	22%	11% [*]		22%
CY2011	24%	24%	0% [*]	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

Source: 國務院關於實施企業所得稅過渡優惠的通知, HHI

Ad Hoc Quotas for Cross-border Vehicles

跨境車輛的一次性特別配額

- First phase of ad-hoc Quota Trial Scheme for cross-border private cars was launched in late Mar 2012**
 第一階段兩地過境私家車一次性特別配額的試驗計劃，已在2012年3月底推行
- First batch of HK private cars (5 seats or less) can drive into Guangdong via Shenzhen Bay Port from end Apr 2012, with a maximum stay of 7 days**
 首批香港私家車(五座位或以下)可在2012年4月底開始經深圳灣口岸前往廣東省，容許逗留最多7天
- Over 300 travellers drove their cars from Hong Kong to PRC under this scheme as of 31 Jul 2012**
 在2012年7月31日，已有超過300名自駕旅遊人士通過此計劃由香港往返內地
- Benefit GS Superhighway in long run**
 長遠對廣深高速公路有利

30 Jun 2012 2012年6月30日	Private Cars 私家車	Trucks 貨車	Others 其他	Total 合計
Vehicles with cross-boundary license 持有跨境車牌的車輛	24,800	14,600	1,430	40,830
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例(%)	6%	13%	2%	6%
Licensed vehicles in Hong Kong 香港已領牌的車輛	443,442	111,598	84,665	639,705

Source: Transport Department, Newspaper

Coastal Expressway 沿江高速公路

- **Full completion: 3Q2013^{N1}**
在2013年第3季全線通車
- **Up to now, minimal impact to GS from partial opening (41km)**
至目前為止，分段通車 (41公里) 對廣深高速的影響輕微
- **Coastal Expressway connects ports along PRD's eastern coast**
沿江高速連接沿珠江三角洲的東岸港口
 - ◆ **Mainly serves trucks destined for ports**
主要服務以港口為目的地的貨車
- **GS is competitive**
廣深高速具有競爭力
 - ◆ **Connects to populous downtowns and major expressways**
連接多個大城市及主要高速公路
 - ◆ **Strong patrol and rescue team**
強勁的巡邏和救援團隊



N1: Source: Media reports
 Completion dates:
 • Guangzhou to Dongguan (59km): 41km opened in mid Jan 2012 & remaining 18km before mid-2013 in phases
 • Shenzhen section (30km): 3Q 2013

Changes from Tariff Proposal on GS Superhighway since 1 Jun 2012

廣深高速自2012年6月1日起實施新路費標準方案後的變化

<p>1) Standardization of Tariff for Expressways 統一高速公路的收費標準</p>	<ul style="list-style-type: none"> ■ No change in basic toll rate at RMB0.6/km 基本收費費率人民幣0.6元/車公里將維持不變 ■ Reduction in multipliers for Classes 2, 3, 4 & 5 降低二、三、四及五類車的收費系數 <table border="1" data-bbox="784 501 1746 882"> <thead> <tr> <th rowspan="2">Class 車類</th> <th colspan="2">Multiplier 收費系數</th> <th colspan="3">Toll Rate 路費標準</th> </tr> <tr> <th>Old 調整前</th> <th>New 調整後</th> <th>Old 調整前</th> <th>New 調整後</th> <th>Change 變動</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>1</td> <td>0.6</td> <td>0.6</td> <td>0%</td> </tr> <tr> <td>2</td> <td>2</td> <td>1.5</td> <td>1.2</td> <td>0.9</td> <td>-25%</td> </tr> <tr> <td>3</td> <td>3</td> <td>2</td> <td>1.8</td> <td>1.2</td> <td>-33%</td> </tr> <tr> <td>4</td> <td>4</td> <td>3</td> <td>2.4</td> <td>1.8</td> <td>-25%</td> </tr> <tr> <td>5</td> <td>4.5</td> <td>3.5</td> <td>2.7</td> <td>2.1</td> <td>-22%</td> </tr> </tbody> </table>	Class 車類	Multiplier 收費系數		Toll Rate 路費標準			Old 調整前	New 調整後	Old 調整前	New 調整後	Change 變動	1	1	1	0.6	0.6	0%	2	2	1.5	1.2	0.9	-25%	3	3	2	1.8	1.2	-33%	4	4	3	2.4	1.8	-25%	5	4.5	3.5	2.7	2.1	-22%
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<p>2) Toll Distance between entry/exit plaza 互通立交匝道里程的收費計算</p>	<p>50% cut in the toll distance between the entry/exit plaza and the junction of the entry ramp/exit ramp with the main alignment 高速公路主綫的進出口匝道接合點至出入口收費廣場之間的路段之收費長度，將減少50%計入收費里程</p>																																									
<p>3) Tariff rounding 收費標準以四捨五入計算</p>	<p>Tariff will be rounded up/down to the nearest yuan 收費標準計算以一元為單位四捨五入取整</p>																																									

Holiday Toll-Free Policy

節假日免費通行方案

- **State Council issued notice on “Holiday Toll-Free Policy” for all provinces on 2 Aug 2012**

在2012年8月2日，國務院公布在各省份執行《重大節假日免收小型客車通行費實施方案》

Time Period 假日時段	<ul style="list-style-type: none"> ● Major statutory holiday: 20 days in a year 重大法定節假日：每年20日 ● Lunar New Year, Ching Ming Festival, Labour Day, National Day 農曆新年、清明節、勞動節、國慶日 ● 1st day of holdiai (00:00) - last day of holdiai (24:00) 節假日第一天(零時零分) 至節假日最後一天(午夜12時正)
Vehicles 車類	Small passenger vehicles ≤ 7 seats^{N1} 7座位或以下的客車

- **Commence from National Day in 2012**

由2012年國慶節開始實施

- **Impact:** 影響

- ◆ **Aggregate annual toll revenue of GS, Phases I & II West: ↓ 3%^{N2}**

廣深高速、西綫 I 期和 II 期的合計全年路費收入下跌3%

N1: Including motorcycles permitted on toll roads

N2: Based on the annualized aggregate toll revenue of RMB3,709m for GS & West Route. For details, please refer to announcement dated 14.8.2012

~ End of Presentation ~



Supplementary Information (Analyst)

Breakdown of HHI's Proportionate Share of Project Loans[#] by Currency

按貨幣種類劃分的合和公路基建按比例分佔之項目貸款

As at 30 Jun 2012,

在2012年6月30日

● USD-based loans: 24%

以美元為基礎計算的貸款：24%

■ USD loans: 21%

美元貸款：21%

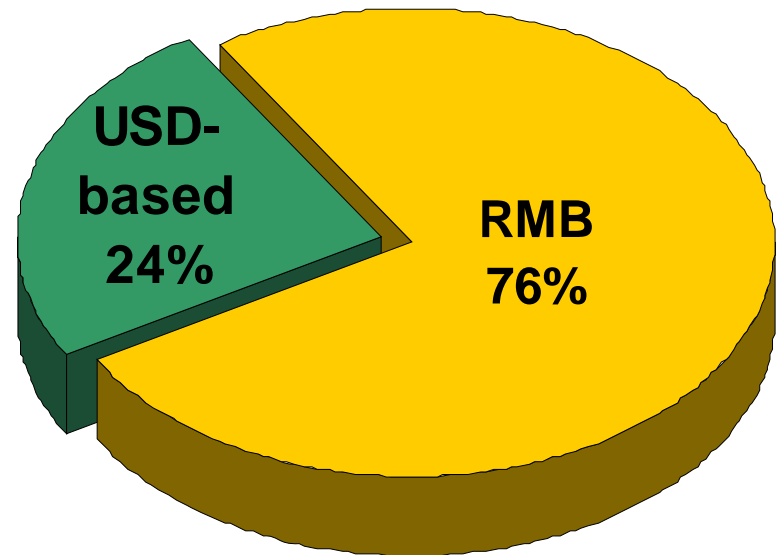
■ HKD loans: 3%

港元貸款：3%

● RMB loans: 76%

人民幣貸款：76%

Breakdown of HHI's Proportionate Share of Project Loans[#] by Currency



Incl. bank & other loans and RMB corporate bonds

Consolidated Balance Sheet Highlights



綜合財務狀況表摘要

As at	30.6.11 HK\$'M	30.6.12 HK\$'M	As at	30.6.11 HK\$'M	30.6.12 HK\$'M
Bank balances and cash ^{N1}	3,802	5,061	Prop. share of JV debt ^{N2}	6,412	7,295
HHI corp	3,439	4,582	JV debt	6,180	6,983
- USD	0	0	- USD	2,498	2,270
- HKD	3	1	- HKD	306	286
- RMB	3,436	4,581	- RMB	3,376	4,427
JV	363	479	JV other debt	232	300
			Party A's loan (50%)	-	12
S/H loan to Phase III West (RMB30m)	608	40	Interco loan (RMB731M)	410	446
less: Elimination on prop. consolidation	(304)	(20)	less: Elimination	(394)	(428)
Net shareholder's loan to JV	304	20	Net loan amount	16	18
Property & equipment	326	379	HHI RMB corporate bonds	2,384	2,416
Concession intangible assets	14,337	15,601	HHI RMB term loan	-	1,220
Other assets	353	441	HHI HKD short term bank loan	25	71
			Other payables	1,411	1,530
Total assets	19,122	21,502	Total liabilities	10,248	12,550
			Equity attributable to owners of the Co.	8,814	8,884
			Minority interests	60	68
			Total equity & liabilities	19,122	21,502
				30.6.11	30.6.12
Total debt / total assets				46%	51%
Net debt ^{N3} / equity attributable to owners of the Co.				57%	67%

N1: Included pledged bank deposits \$344M (30.6.12) and \$295M (30.6.11)

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

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；票面息率為2.98厘；2012年7月到期

- **Received overwhelming market response**

市場反應熱烈

- **Helps diversify financing sources**

有助拓展融資渠道

- **Provide funds for Phase III West development**

提供資金發展西綫 III 期項目



Second RMB Corporate Bonds Issuance, May 2011

再次發行人民幣企業債券（2011年5月）

● Issued 600 million RMB corporate bonds in May 2011

於2011年5月，發行6億元人民幣企業債券

◆ Interest rate 1.55% 票面息率為1.55厘

◆ Due in May 2014 2014年5月到期

● Use of net proceeds

集資所得用於

◆ Develop Phase III West 西綫 III 期項目的發展

◆ Invest in new projects 投資新項目

◆ General working capital 一般營運資金

● The issuance helps

發債的原因

◆ Broaden financing sources of HHI & JV company

有助進一步拓闊合和公路基建及合營企業的融資渠道

◆ Strengthen HHI's financial position and maintain a healthy balance sheet to explore new projects

鞏固合和公路基建的財務實力及優化資產負債表以拓展新項目

Signed RMB Loan Facility Agreement, May 2012

簽訂人民幣貸款協議 (2012年5月)

● Signed RMB 1.6 billion loan facility in May 2012

於2012年5月，簽訂人民幣16億元貸款

◆ Tenure: 3 years from 10 May 2012

貸款年期：自2012年5月10日起計為期3年

● Use of net proceeds

集資所得用於

◆ General working capital

一般營運資金

◆ Together with HHI's internal resources, to repay HHI's RMB1.38 billion corporate bonds which matured in Jul 2012

連同合和公路基建的內部資源，用作償還合和公路基建在2012年7月到期的人民幣13.8億元企業債券

● The issuance helps

貸款的原因

◆ Further diversified HHI's sources of funding

有助進一步拓闊合和公路基建的融資渠道

◆ Strengthen HHI's financial position and maintain a healthy balance sheet to explore new projects

鞏固合和公路基建的財務實力及優化資產負債表以拓展新項目

Phase II West

西綫II期



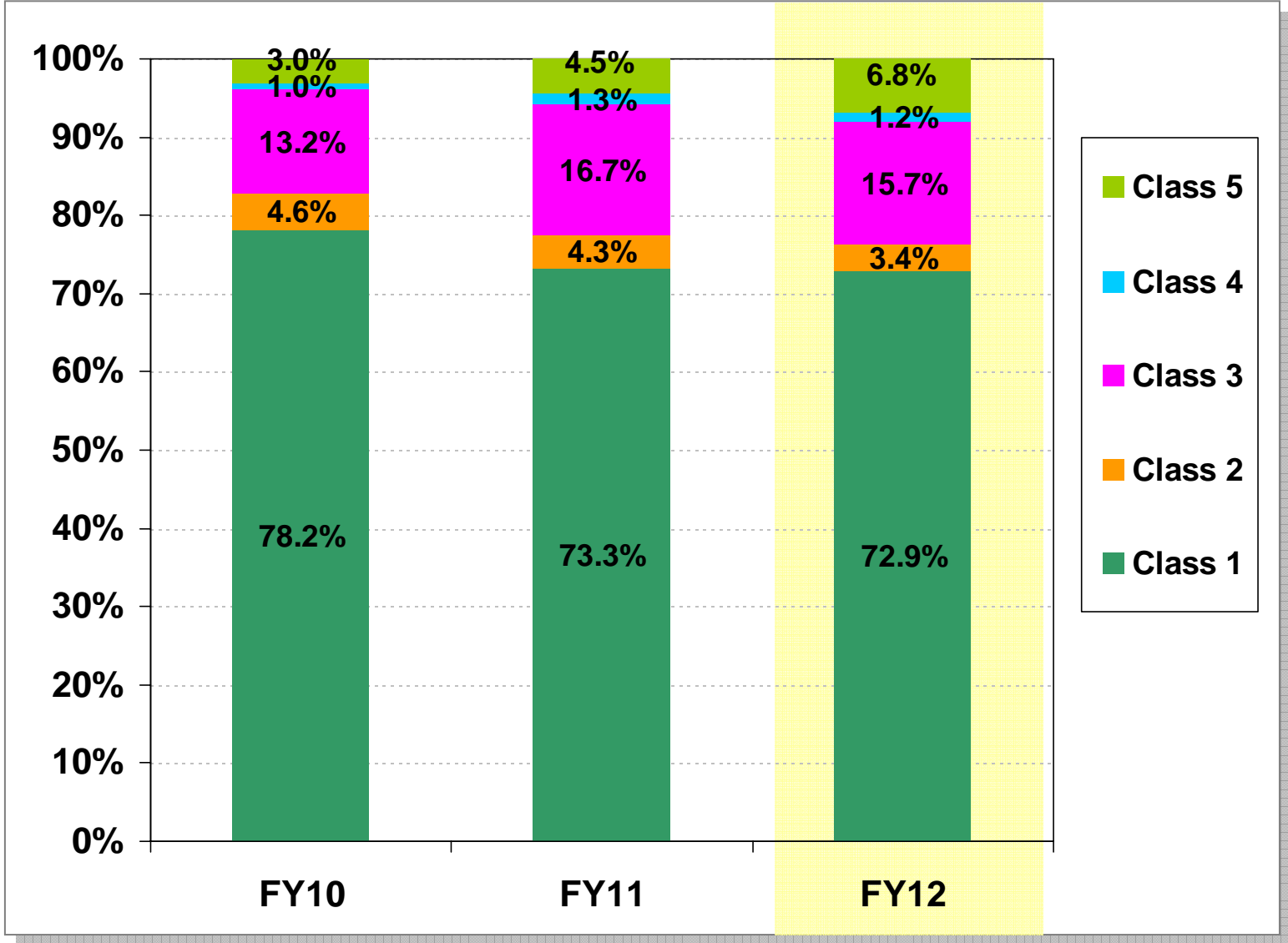
Project Description 項目詳情

Route: 路線	Shunde – Zhongshan 順德區至中山市
Length: 長度	45.5km 45.5 公里
Type: 車道	3 x 3 closed system expressway 雙向共六車道
JV Partner: 合營企業夥伴	Guangdong Provincial Highway Construction Co Ltd (same as GS Superhighway) 廣東省公路建設有限公司(與廣深高速相同)
Total Investment*: 總投資額	Approx. RMB7.2 billion 約人民幣72億元
Opening: 開通	25 Jun 2010 shortens traveling time between Guangzhou & Zhongshan to approx. 30 mins (originally above 1 hr) 2010年6月25日通車, 使往來廣州市及中山的行程時間由1小時以上減至約30分鐘

* Present planning, subject to Government's approval & change, incl. finance cost

Phase II West – Traffic by Class of Vehicles

西綫II期：按車輛類別劃分的車流量



Future Project: Phase III West - Connects Downtown

Areas of Guangzhou & Zhuhai

未來項目：西綫III期 - 連接廣州至珠海市中心



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 Partner: 合營企業夥伴	Guangdong Provincial Highway Construction Co Ltd (same as GS Superhighway) 廣東省公路建設有限公司 (與廣深高速相同)
Planned Investment*: 計劃投資額	Approx. RMB5.6 billion (35% equity, HHI & PRC partner RMB980m each) 約人民幣56億元 (其中股本佔35%，合和公路基建及中方各人民幣9.8億元)
Traveling Time: 行車時間	Shorten traveling time of Guangzhou-Zhuhai by 50% to around 1 hour 往來廣州至珠海的行車時間由現時縮減50%至約1小時

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

Rise in Exposure for Western Delta Route

珠江三角洲西岸幹道的投資上升

- **Planned shareholder's loan of RMB1.5b from HHI to support Phase II West**
合和公路基建計劃提供股東貸款人民幣15億元以支持西綫 II 期項目
- **Phase II West can then repay RMB731m intercompany borrowing to GS**
西綫 II 期因此將能償還人民幣7.31億元公司內部借貸予廣深高速
- **Exposure of HHI in Western Delta Route will rise from 18% to 26% of total investment**
合和公路基建於珠江三角洲西岸幹道的投資佔比，將由18%上升至26%
- **Strong fundamentals of Western Delta Route project remains unchanged**
珠江三角洲西岸幹道項目強勁的基本因素保持不變

Coastal Expressway

– Comparable Travel Distance to GS Superhighway

沿江高速公路：與廣深高速公路的行駛里程相近

- From media reports, 89km Coastal Expressway: middle part of the route between HK and Guangzhou

據報導89公里的沿江高速公路：位於香港與廣州之間的中間路段

- Travel via Coastal Expressway between HK and Guangzhou: around 116km

經沿江高速公路往來香港及廣州：約116公里

- ◆ Including connecting roads 計及接駁路
- ◆ Similar to GS 與廣深高速公路相若



~ **End** ~