



Hopewell Highway Infrastructure Limited

合和公路基建有限公司

FY2007/08 Interim Results

2007/08 財政年度中期業績

28 February 2008

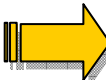
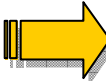
Presentation slides are available in www.hopewellhighway.com

Group Messages 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



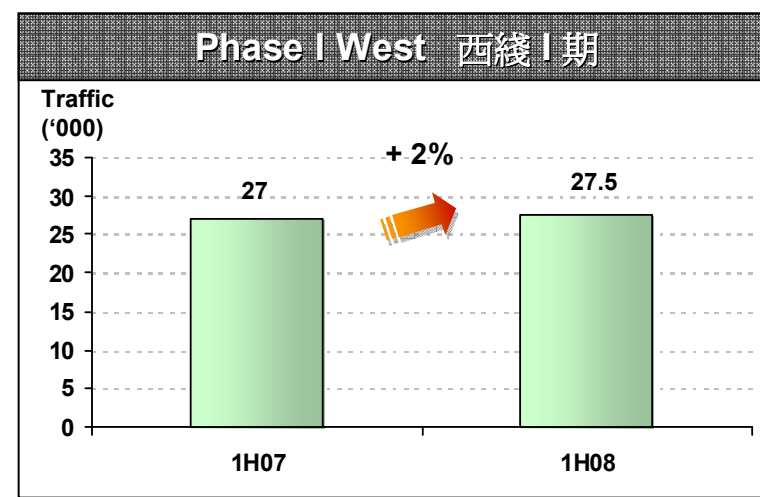
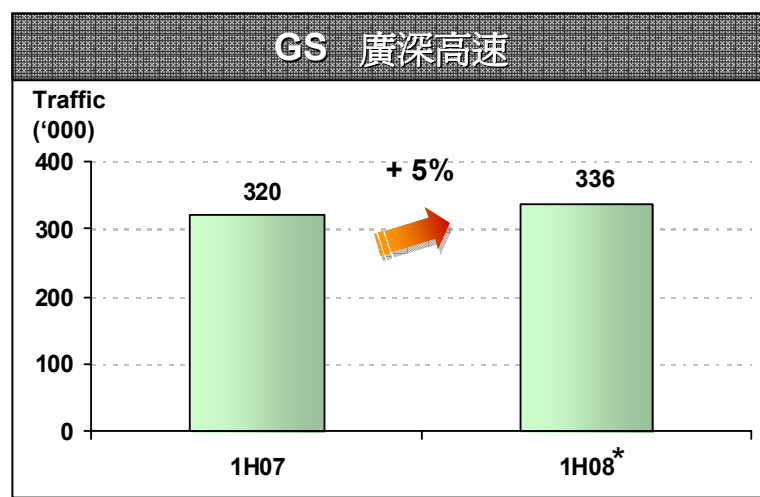
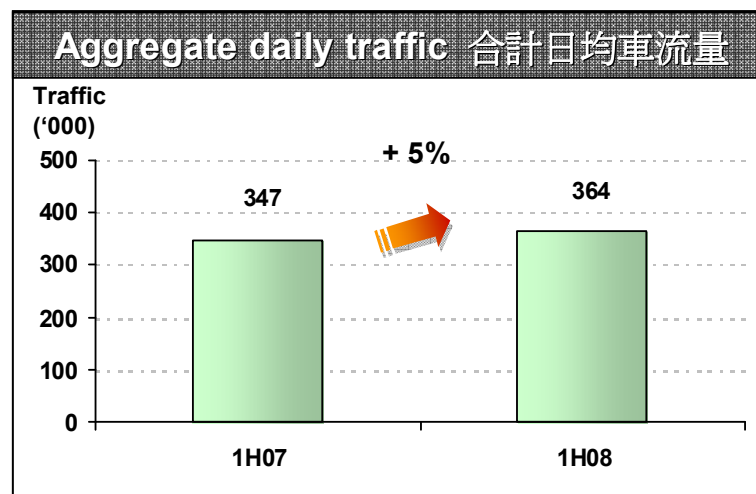
	6 months ended		% Change
	31.12.06	31.12.07	
Net toll revenue (HK\$' m) 淨路費收入 (港幣百萬元)	1,004	924	-8%
 Profit attr. to equity holders of the Co. (HK\$' m) 公司股權持有人應佔溢利 (港幣百萬元)	682	1,383	+103%
 EPS (HK cents) 每股溢利 (港仙)	22.99	46.55	+102%
DPS (HK cents) 每股股息 (港仙)	Interim 中期: 15.00	Interim 中期: 17.00 Special 特別: 7.00 Total 合計: 24.00	+13% n/a +60%

- Aggregate average daily traffic rose 5% to 363,500
合計日均車流量升5%至36.35萬架次
- HHI's net cash on hand approx. HK\$6.3 billion (excluding JV Entity)
合和公路基建持有手頭淨現金約港幣63億元 (不包括合營企業)
- Disposal of 45% stake of ESW Ring Road completed in Sep 2007
於2007年9月完成出售東南西環高速公路45%的權益
 - Consideration of approx. Rmb1.71 billion cash received
已收取現金約17.1億元人民幣的代價
 - Disposal gain HK\$974 million (before tax) booked in 1H08
港幣9.74億元(除稅前)的出售盈利已於08財政年度上半年入賬

Operation Highlights 營運摘要

- Aggregate average daily traffic of the Group's toll expressways ↑ 5% to 363,500 vehicles

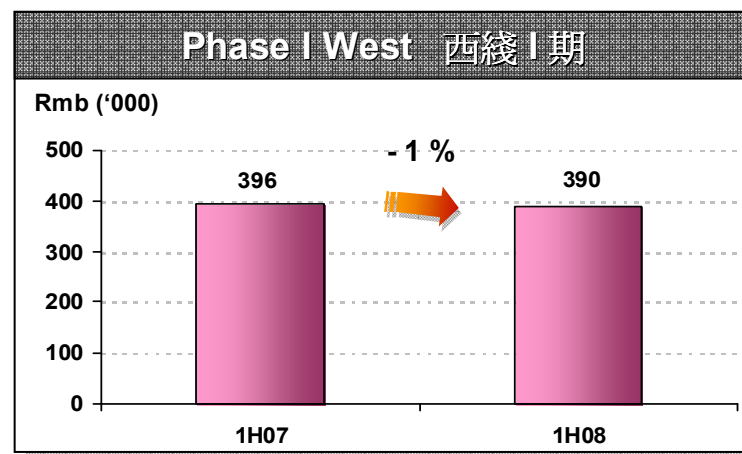
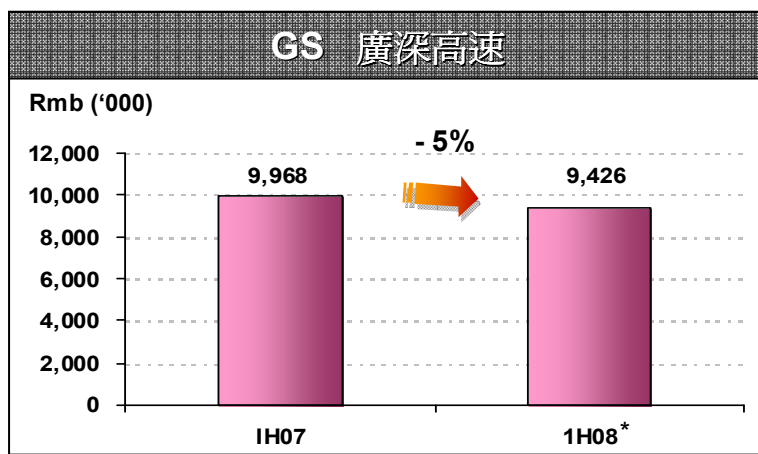
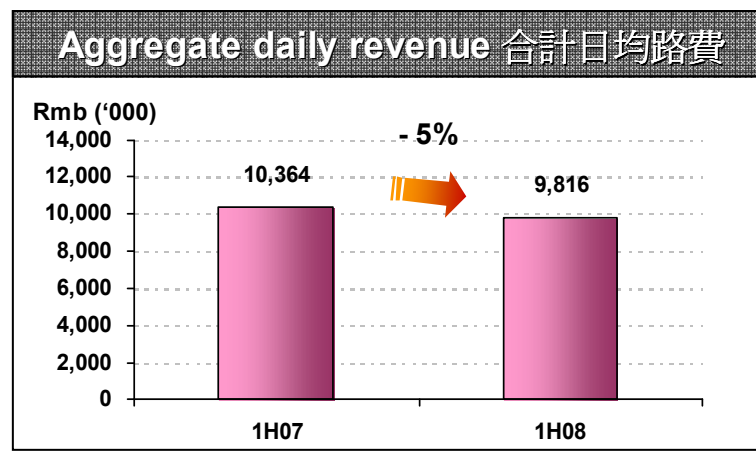
集團旗下的收費高速公路合計日均車流量 ↑ 5% 至 36.35 萬架次



* A section of the GS Superhighway in the South bound lanes of Xintang to Dongguan toll station (approximately 22.2km) was closed for maintenance /improvement works from 18th October 2007 to 10 January 2008.

Operation Highlights 營運摘要

- Aggregate average daily toll of the Group's toll expressways ↓ 5% to Rmb9.8 million
集團旗下的收費高速公路合計日均路費收入 ↓ 5%至人民幣980萬元



* A section of the GS Superhighway in the South bound lanes of Xintang to Dongguan toll station (approximately 22.2km) was closed for maintenance /improvement works from 18th October 2007 to 10 January 2008.

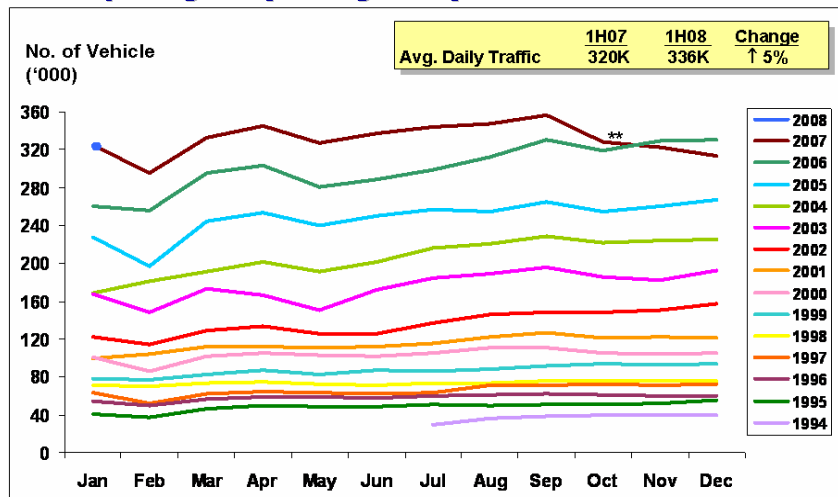
GS Superhighway – Maintenance & Improvement Works



廣深高速公路 – 維修及改善工程

- Drop in average daily toll due to temporary closure of South bound lanes of Xintang to Dongguan section for maintenance & improvement works from 18 Oct 2007 to 10 Jan 2008
 新塘至東莞段南行綫，由2007年10月18日至2008年1月10日暫時封閉進行維修及改善工程，致日均路費收入下跌
 - Average daily toll revenue fell by about Rmb1.7 million during such period vs last period
 期間的日均路費收入較上年同期下跌約170萬元人民幣
 - Southbound: Completed on 10 Jan 2008
 南行綫: 已於2008年1月10日完工
 - Northbound: Started on 18 Feb 2008 (currently planned completion: within this financial year ending 30 Jun 2008)
 北行綫: 已於2008年2月18日展開(現計劃將於2008年6月30日止的財政年度內完工)

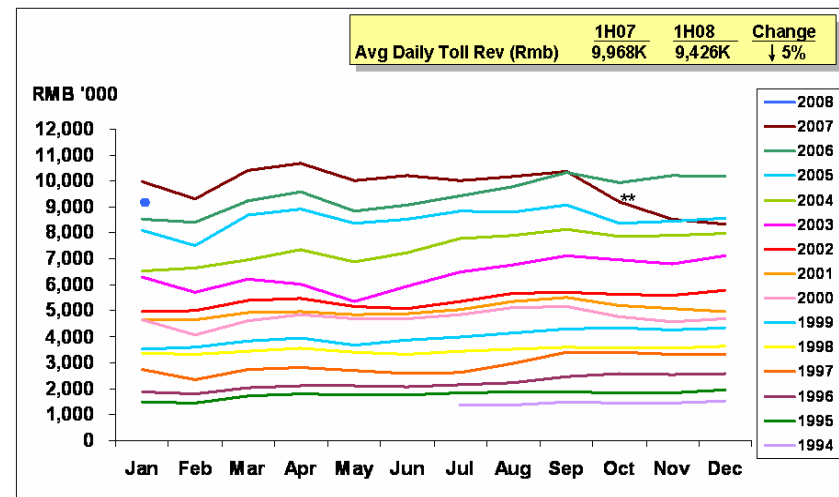
GS Superhighway – Avg. Daily Traffic



* Chinese New Year in 2008 started on 7 Feb 2008 (2007 started on 18 Feb 2007)

** The South bound lanes of Xintang to Dongguan toll station (approximately 22.2km) of the GS Superhighway were closed for maintenance /improvement works starting from 18th October 2007 and reopened to traffic since 10th January 2008. Similar works for North bound lanes have started on 18 February 2008 and currently planned to be completed within this financial year ending 30 Jun 2008

GS Superhighway – Avg. Daily Toll Revenue



* Chinese New Year in 2008 started on 7 Feb 2008 (2007 started on 18 Feb 2007)

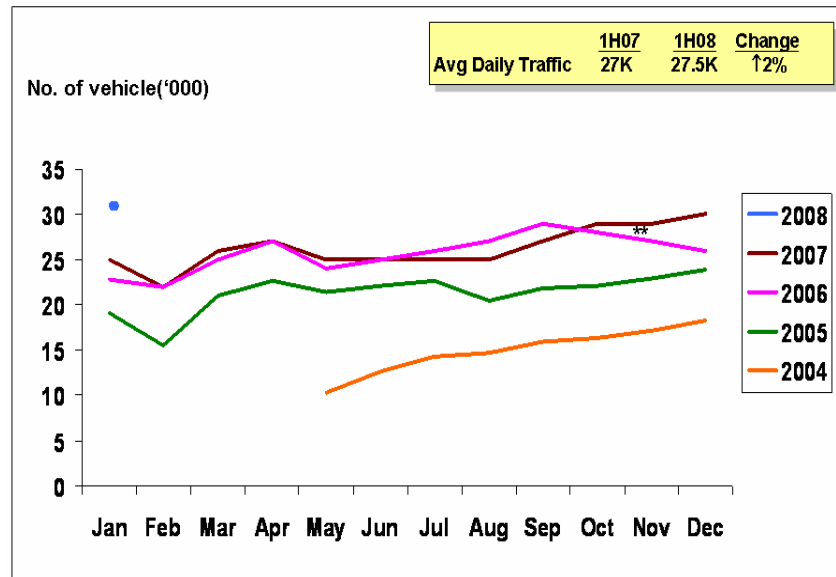
** The South bound lanes of Xintang to Dongguan toll station (approximately 22.2km) of the GS Superhighway were closed for maintenance /improvement works starting from 18th October 2007 and reopened to traffic since 10th January 2008. Similar works for North bound lanes have started on 18 February 2008 and currently planned to be completed within this financial year ending 30 Jun 2008

Phase I West – Growth Momentum Has Resumed

西綫 I 期 – 已重拾增長動力

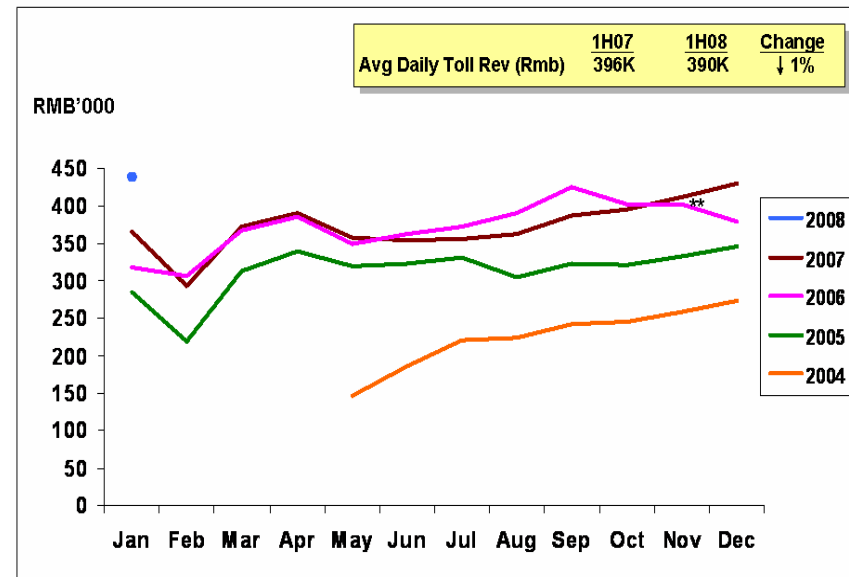
- Traffic diversion caused by a parallel-run local toll-free road in Foshan had been stabilised
佛山一條平行的免費地方路引致的交通分流已漸趨穩定
- ESW Ring Road become toll-free from mid-Sep 2007
東南西環高速公路自2007年9月中起免收費
- Phase I West traffic flow & toll revenue have resumed growth momentum
西綫一期之車流及路費已重拾增長動力

Phase I West – Avg. Daily Traffic



* Chinese New Year in 2008 started on 7 Feb 2008 (2007 started on 18 Feb 2007)
** Growth slowed because of opening of a local toll-free road in Foshan parallel to Phase I West in Nov 06

Phase I West – Avg. Daily Toll Revenue



* Chinese New Year in 2008 started on 7 Feb 2008 (2007 started on 18 Feb 2007)
** Growth slowed because of opening of a local toll-free road in Foshan parallel to Phase I West in Nov 06

Group Results 集團業績

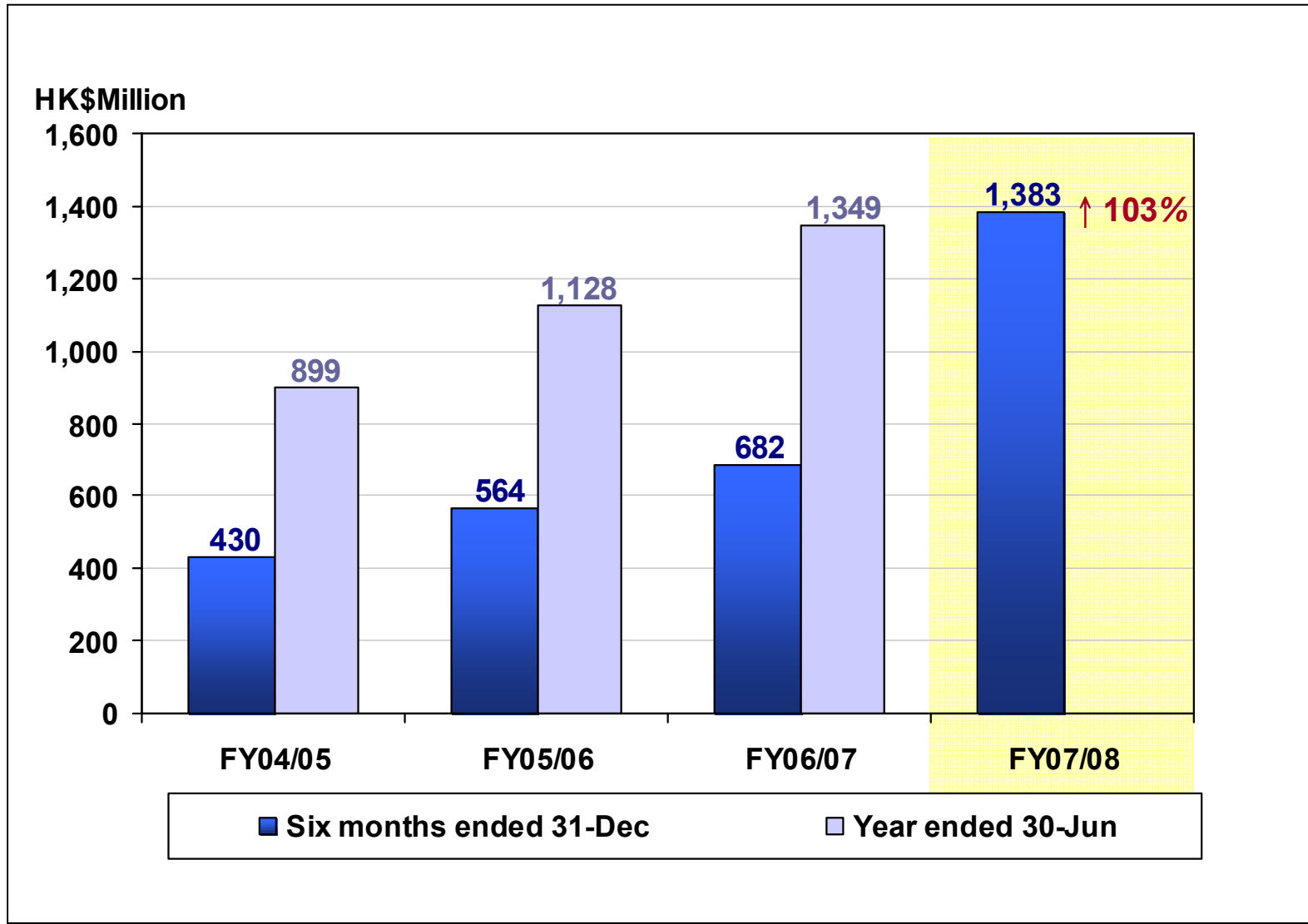


HK\$'M 港幣(百萬元)	6 months ended		
	31.12.06	31.12.07	% Change
Net toll revenue 淨路費收入	1,004	924	-8%
Exchange gain 匯兌盈利	86	152	
Interest income 利息收入	118	168	
Other revenue 其他收入	14	23	
Total Revenue 總收入	1,222	1,267	4%
Opex 營運費用	(123)	(181)	
Depn & amortn exp 折舊及攤銷費用	(188)	(207)	
Gain on disposal of a jointly controlled entity 出售共同控制個體之盈利	-	974	
EBIT 除利息及稅項前溢利	911	1,853	103%
Finance costs 財務成本	(161)	(164)	
Tax expenses 稅項開支	(56)	(297)	
Profit for the period 本期溢利	694	1,391	
Attributable to: 撥歸:			
Minority interests 少數股東權益	12	9	
Equity holders of the Co. 公司股權持有人	682	1,383	103%
	694	1,391	

Note: HHI's profit sharing ratio in GS has been adjusted from 50% to 48% since 1 Jul 2007 pursuant to the JV contract

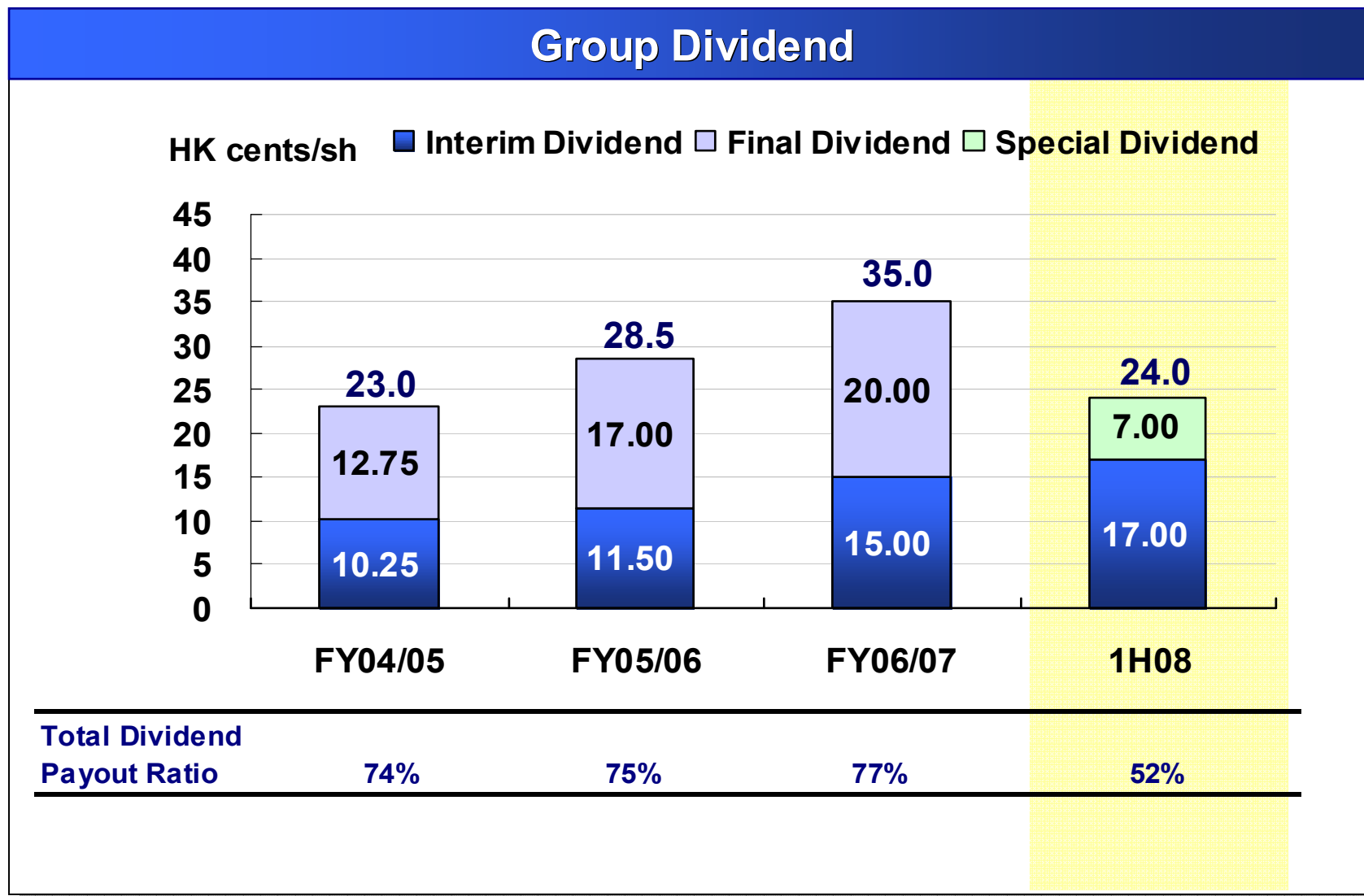
Profit Attributable to Equity Holders of the Co.

公司股權持有人應佔溢利



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	Current Planned Inv.* 現計劃的投資額*	Current Planned Completion Date 現計劃完工日期
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 2009年底
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	Current Planned Inv.* 現計劃的投資額*
HK-Zhuhai-Macau Bridge 港珠澳大橋 (HHI: planned 50%)	Proposed bridge linking Hong Kong, Zhuhai & Macau 倡議的大橋連接香港、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，或按情況改變；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 ^ Rmb'm	HHI's Equity Portion Outstanding ^ Rmb'm	HHI's Planned Equity Injection^ Rmb'm			
						FY08	FY09	FY10	FY11
Phase II West 廣珠西綫II期	4,900	50%	35%	858	591				
Phase III West 廣珠西綫III期	3,600	50%	35%	630	630				
GS expansion 廣深高速擴闊	7,000	48% [#]	0%	-	-				
Total 合計	15,500			1,488	1,221	683	126	252	252

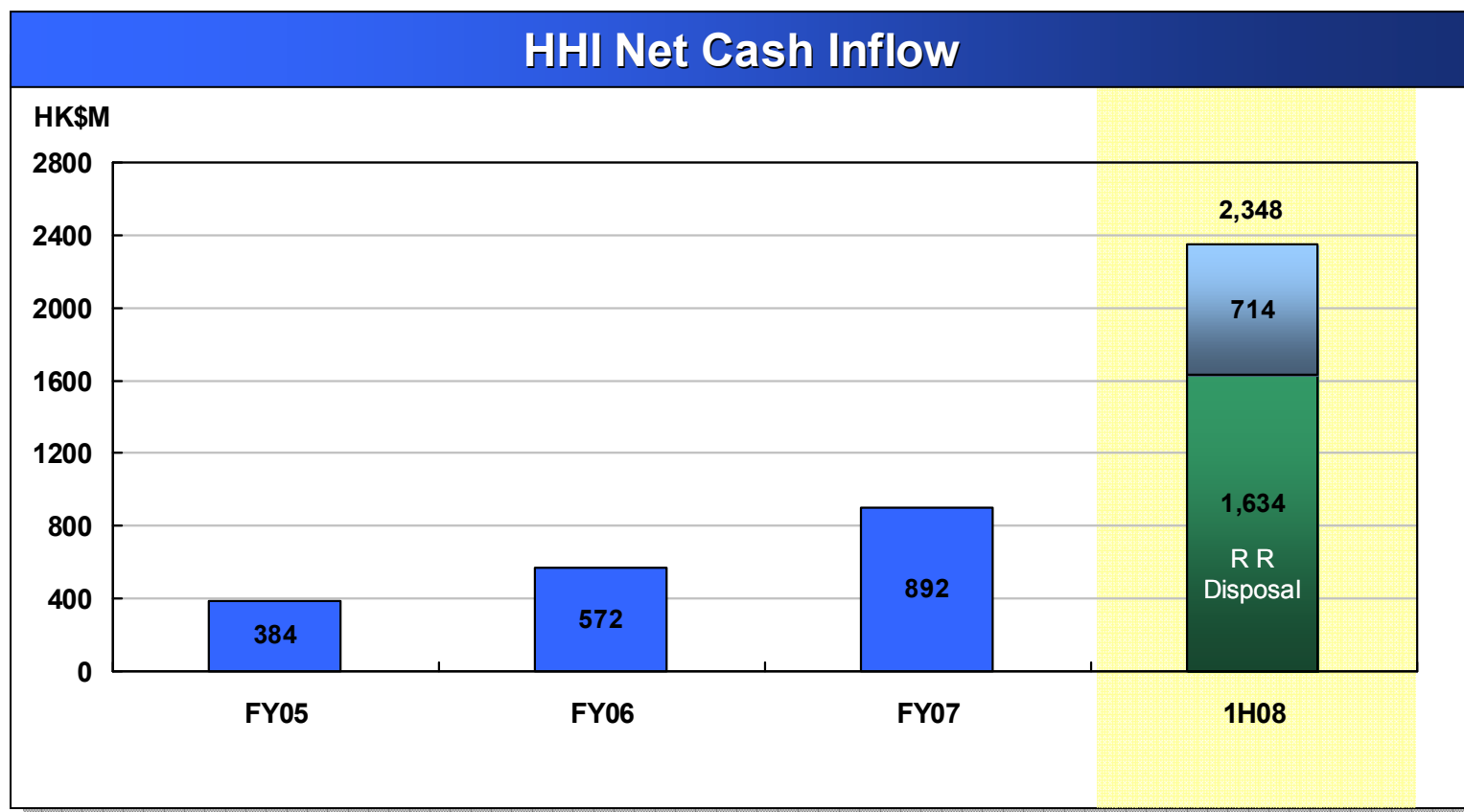
[^] Present planning, subject to change; excluding finance cost

[#] 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:** 有充足資金發展新項目:
 - 1) **net cash of approx. \$6.3 billion on hand (approx. \$2.1 per share) as of 31 Dec 07 (excluding JV Entity)**
截至07年12月31日手頭淨現金約港幣63億元(約每股港幣2.1元)(不包括合營企業)
 - 2) **Annual net cash inflow of approx. HK\$616m in the past 3 years on average**
過去3年現金淨流入平均每年約港幣6.16億元
 - 3) **HK\$3.6 billion 5-year syndicated bank loan facility available and undrawn**
港幣36億元的5年期銀團貸款尚未使用
- **No cash raising needed for HK-Zhuhai-Macau bridge's equity portion**
毋須集資來支付港珠澳大橋項目的股本部份

HHI Net Cash Inflow 合和公路基建淨現金流入

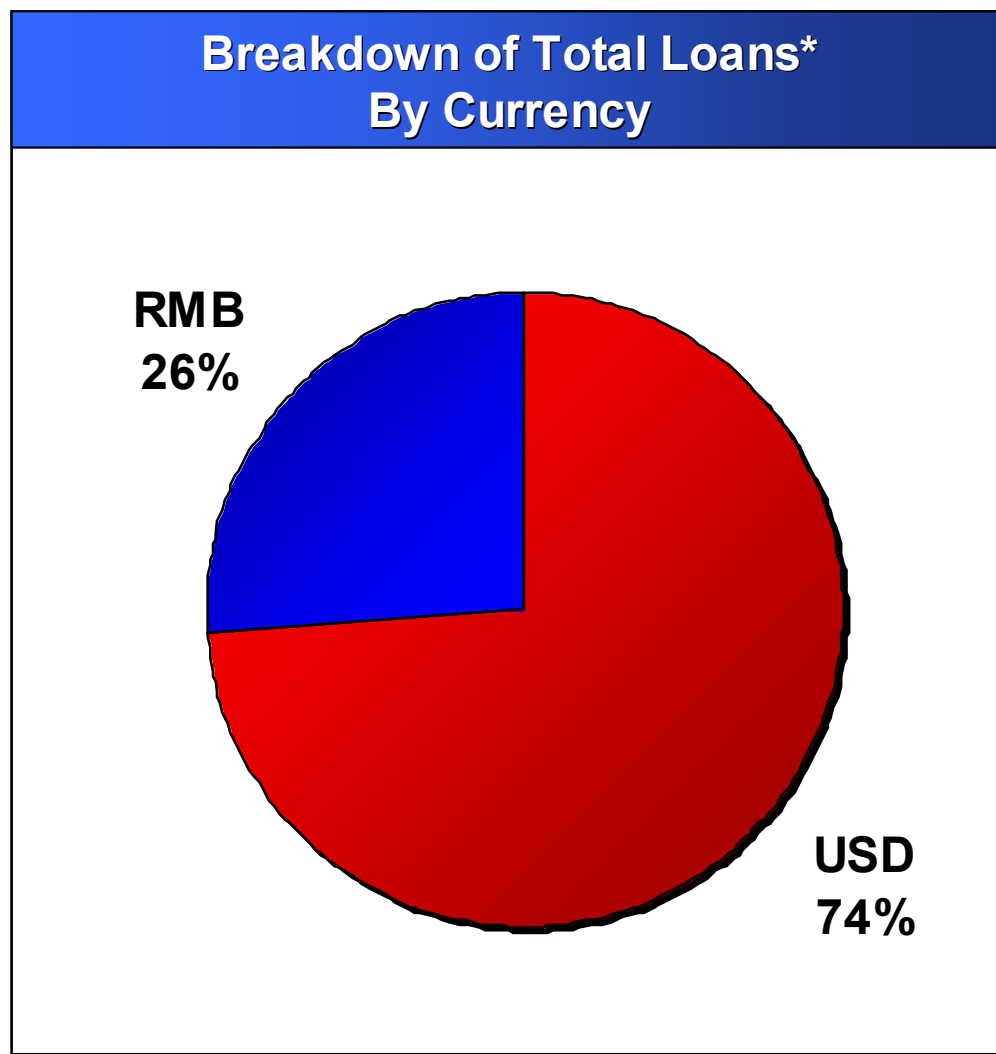
- Annual net cash inflow of approx. HK\$616m in past 3 years on average (after payment of dividend to HHI shareholders & HHI opex)
過去3年現金淨流入平均每年約港幣6.16億元 (扣除支付予合和公路基建股東的股息及合和公路基建營運費用後)



Positive Impact from Renminbi Appreciation

人民幣升值帶來正面影響

- **USD loans: 74%**
美元貸款：74%
- **RMB loans: 26%**
人民幣貸款：26%
- **Exchange gain HK\$152m for 1H08**
08財政年度上半年匯兌盈利為港幣1.52億元

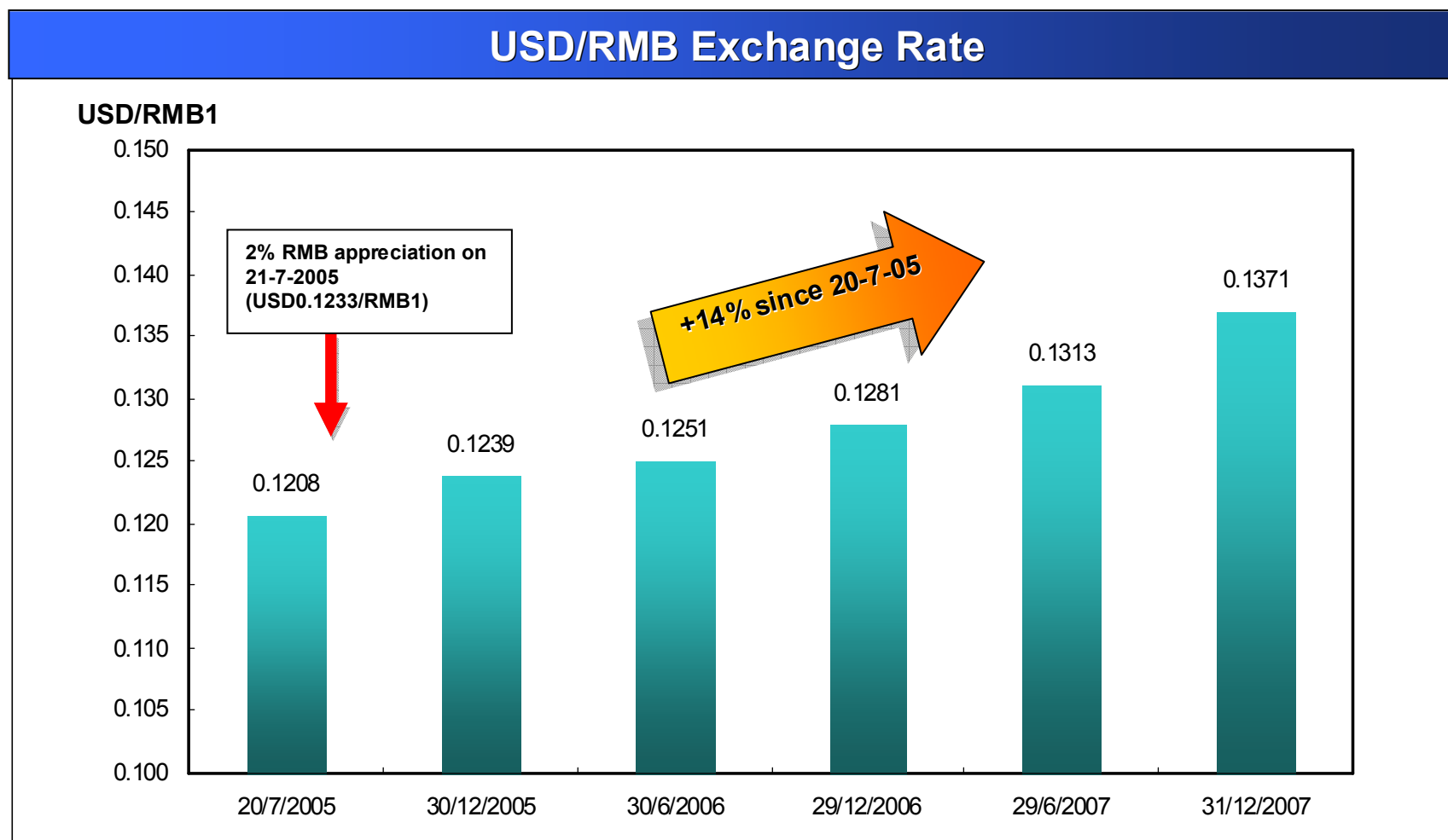


As at 31 Dec 2007

* Proportionate share of JV loans

USD:RMB Exchange Rate Movement

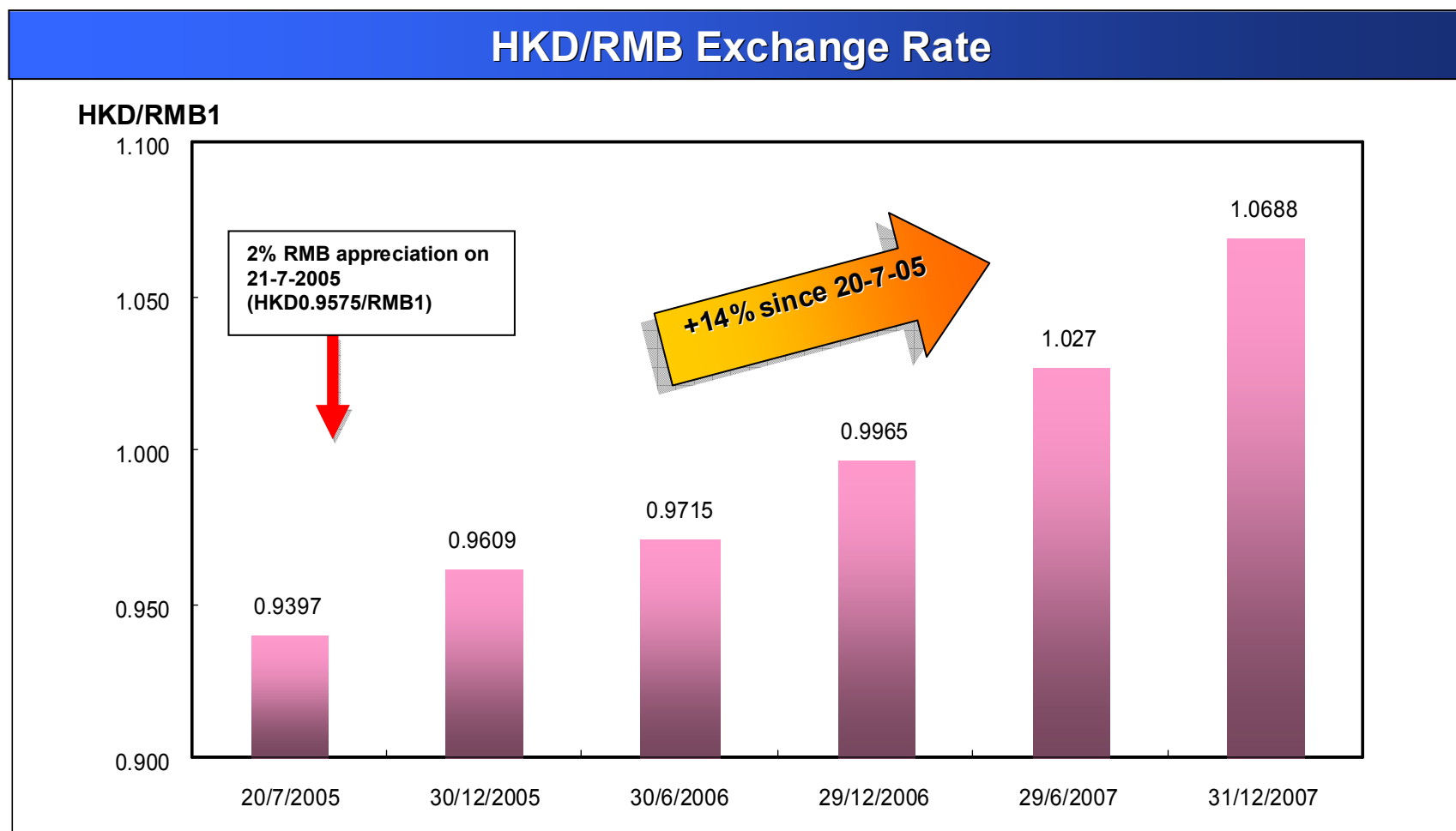
美元兌人民幣的匯率走勢



Source: Bloomberg

HKD:RMB Exchange Rate Movement

港元兌人民幣的匯率走勢



Source: Bloomberg

Strong Net Cash Position 充裕的淨現金狀況

Cash Balance (Reported)*

現金結餘 (報告的)*

HK\$'M 港幣百萬元	HHI
HHI Corp. Level (net cash) 合和公路基建公司層面(淨現金)	6,252
HHI Jointly Controlled Entities 合和公路基建的共同控制個體	129
Total Cash (Reported) 合計現金 (報告的)	6,381

HHI Corp. Level Usable Cash Balance*

合和公路基建公司層面可動用的現金結餘*

HK\$'M 港幣百萬元	HHI
HHI Corp. Level usable cash 合和公路基建公司層面可動用的現金	6,252

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

HHI Corp Level Total cash +
Banking Facilities:
HK\$ 9,852 million

* As of 31-12-2007

Consolidated Balance Sheet Highlights



綜合資產負債表摘要

As at	<u>30.6.07</u>	<u>31.12.07</u>	As at	<u>30.6.07</u>	<u>31.12.07</u>
	HK\$'M	HK\$'M		HK\$'M	HK\$'M
Bank balances and cash ⁽¹⁾	4,348	6,381	Prop. share of JV debt ⁽³⁾	5,818	4,384 ⁽²⁾
HHI	3,904	6,252	JV bank loans	5,210	4,136
JV	444	129	Other debt	608	248
Property & equipment	10,204	8,275	Other payables	667	603
Other assets	2,873	2,055	Total liabilities	6,485	4,987
Total assets	17,425	16,711	Equity attr. to shareholders of Co.	10,895	11,679
			Minority interests	44	45
				30.6.07	31.12.07
Total debt / total assets				33%	26%
Net debt ⁽⁴⁾ / equity attributable to equity holders of the Co.				13%	0%

Notes: (1) Included pledged bank deposits \$127M (31.12.07) and \$393M (30.6.07)

(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 bank balances and cash together with pledged bank balances and deposits

The New PRC Corporate Income Tax

中國的新企業所得稅法

- **Effective from 1.1.2008**
由2008年1月1日起生效
- **5 years transition period**
5年過渡期
- **Income tax rate will increase gradually from the current 18% (enterprise income tax 15% & local income tax 3%) to 25% (total income tax) in 2012**
所得稅稅率將由現在的18%(包括企業所得稅15%及地方所得稅3%)逐漸增至2012年的25%(總企業所得稅)
- **GS & Phase I West, which are currently entitled to corporate income tax holidays, can continue to enjoy the remaining unutilized tax holidays until their respective expiry dates**
廣深及西綫一期現正享受的企業所得稅優惠期限，可按原規定享受至期滿為止

The New PRC Corporate Income Tax (Cont'd)

中國的新企業所得稅法 (續)

Income Tax Rate 所得稅稅率

Income tax (所得稅)	PRC (中國)		GS (廣深)		GZWI (西綫 I 期)		
	old	new	old	new	old	new	
CY2007	Enterprise	15%	n/a	7.5%	n/a	0%	n/a
	Local	3%	n/a	0%	n/a	0%	n/a
	Total	18%	n/a	7.5%*	n/a	0%*	n/a
CY2008	Enterprise	15%	-	7.5%	-	7.5%	-
	Local	3%	-	0%	-	0%	-
	Total	18%	18%	7.5%*	9%*	7.5%*	9%*
CY2009	Enterprise	15%	-	7.5%	-	7.5%	-
	Local	3%	-	0%	-	0%	-
	Total	18%	20%	7.5%*	10%*	7.5%*	10%*
CY2010	Enterprise	15%	-	15%	-	7.5%	-
	Local	3%	-	3%	-	0%	-
	Total	18%	22%	18%	22%	7.5%*	11%*
CY2011	Enterprise	15%	-	15%	-	15%	-
	Local	3%	-	3%	-	3%	-
	Total	18%	24%	18%	24%	18%	24%
CY2012 onwards	Enterprise	15%	-	15%	-	15%	-
	Local	3%	-	3%	-	3%	-
	Total	18%	25%	18%	25%	18%	25%

Source: 國務院關於實施企業所得稅過渡優惠的通知, HHI

* enjoying tax holiday

China Ranked 2nd in World Vehicle Sales Market in 2006

2006年中國已成為世界第二大汽車銷售市場

World Motor Vehicle* Sales in Major Countries

Ranking	Country	2006 Total vehicle Sales
1	U.S.A.	17,048,000
2	China	7,216,000
3	Japan	5,739,506
4	Germany	3,772,394
5	U.K.	2,734,360
6	Italy	2,582,553
7	France	2,498,944
8	Spain	1,953,047
9	Russia	1,698,300
10	Canada	1,666,327

China 2007: 8.8m
(+22% yoy)

China 1994:
1.6m

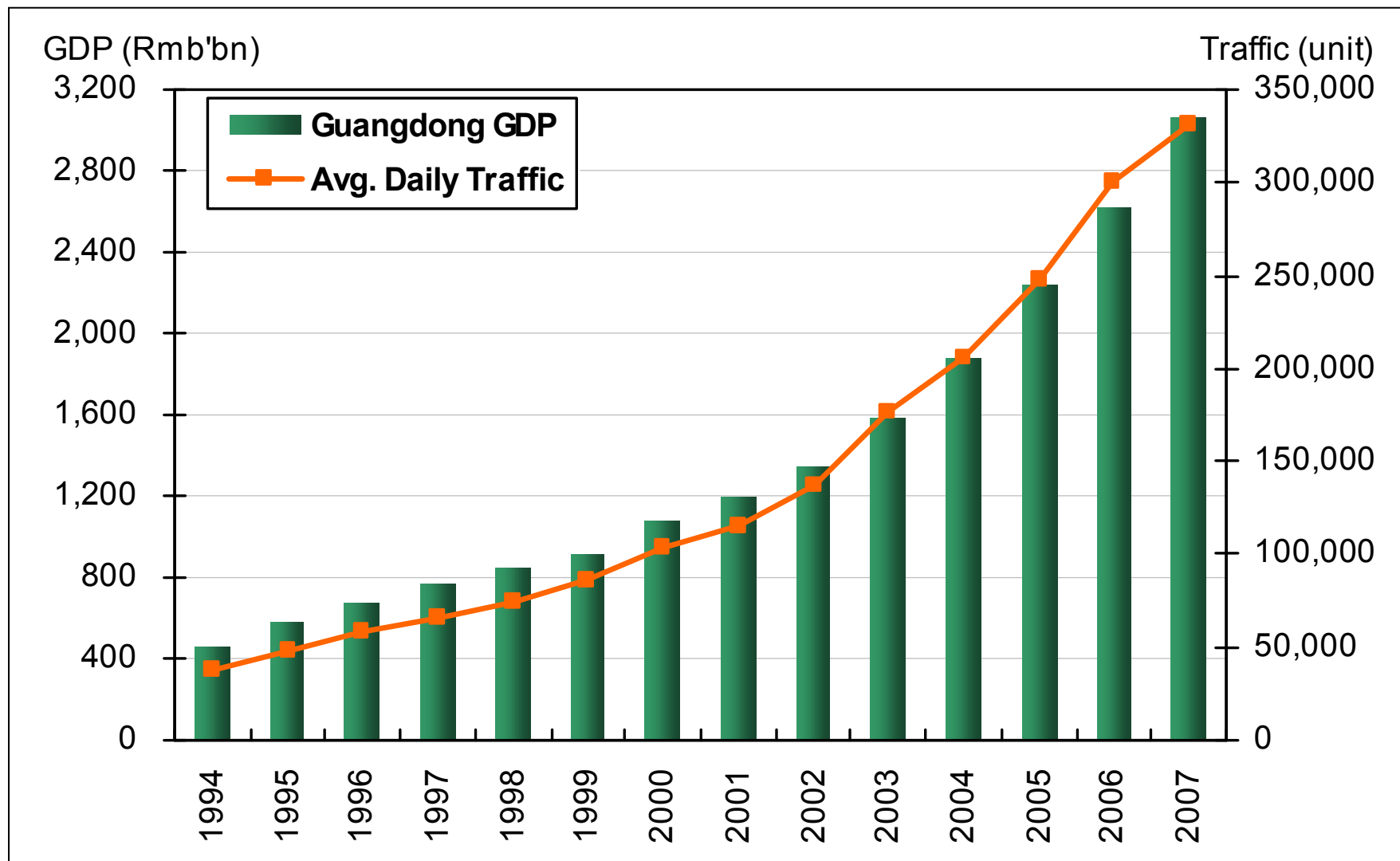
Source: CEIC & various car manufacturer associations

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

(in Unit)

Strong Correlation between Guangdong GDP and GS Traffic

廣東省本地生產總值與廣深的車流量有密切關係



Source: GD Statistical Yearbooks, PGOGP and Company data

GS – Preferred Choice for Highway Users

廣深高速是駕駛者的優先選擇

- The main artery of PRD expressway network
 珠三角高速公路網絡的主要幹道
- Connecting Guangzhou, Dongguan, Shenzhen & HK
 連接廣州、東莞、深圳及香港
- Diverted vehicles returned to GS after by-passing the closed Xintang to Dongguan section* during its maintenance works
 (average daily toll revenue ↓ 17%, traffic only ↓ 3% yoy during the period)
 新塘至東莞段維修期間，分流車輛繞過該段封閉部份後回流至廣深高速
 (期間，比對上年同期，日均路費收入下跌17%，車流量則只下跌3%)



* South bound lanes were closed for maintenance / improvement works from 18 Oct 2007 to 10 Jan 2008

Active Traffic Management

積極的交通管理

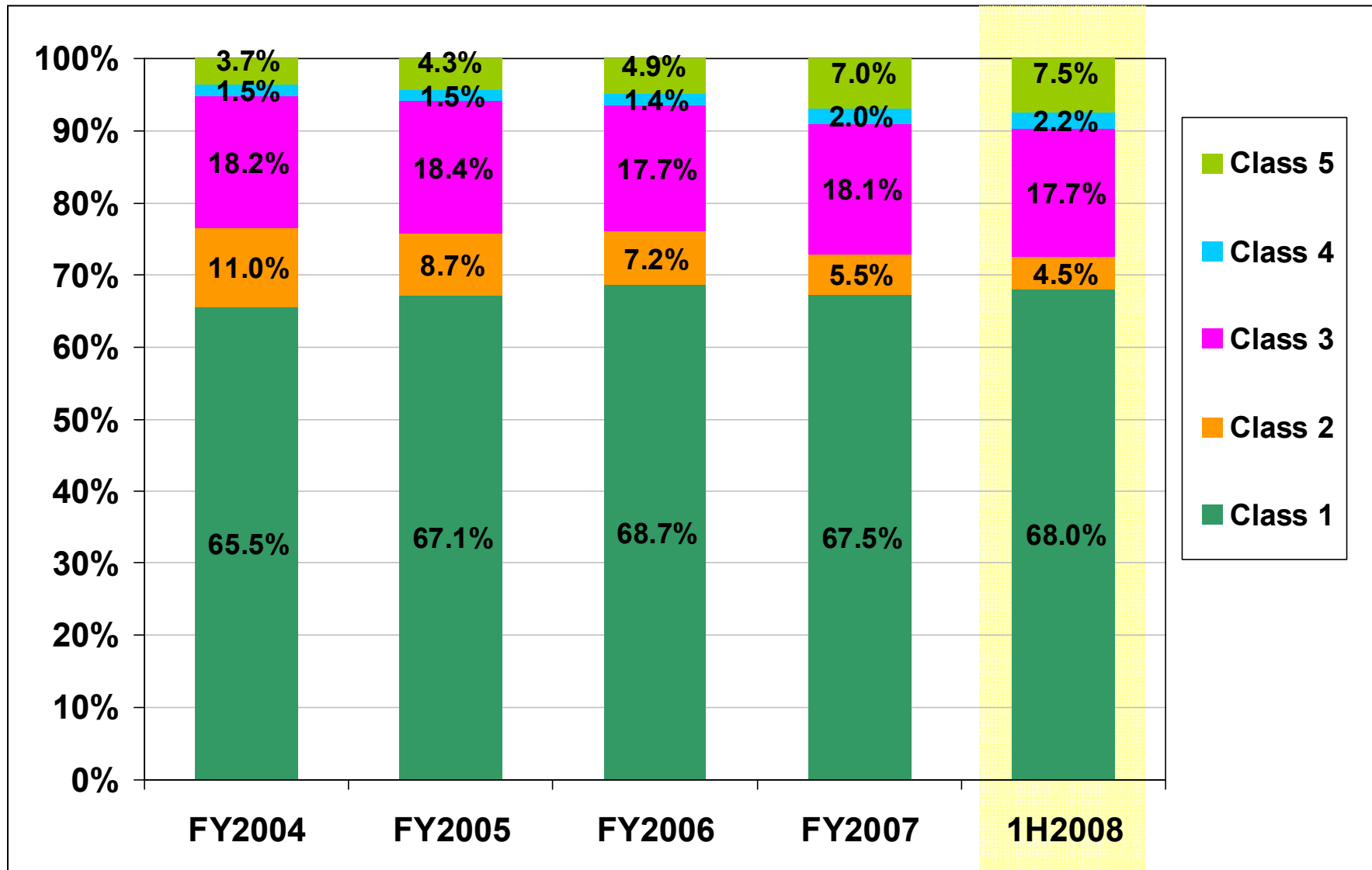
- Deployed resources to strengthen the patrol and rescue services
投入資源以增加路政巡邏及拯救服務
- Enhance safety facilities
增加安全措施
- Improve emergency handling efficiency
提高交通意外處理的效率
- ↓ no. of fatal in accidents in 2007
2007年意外的死亡人數減少

~ **Presentation End** ~

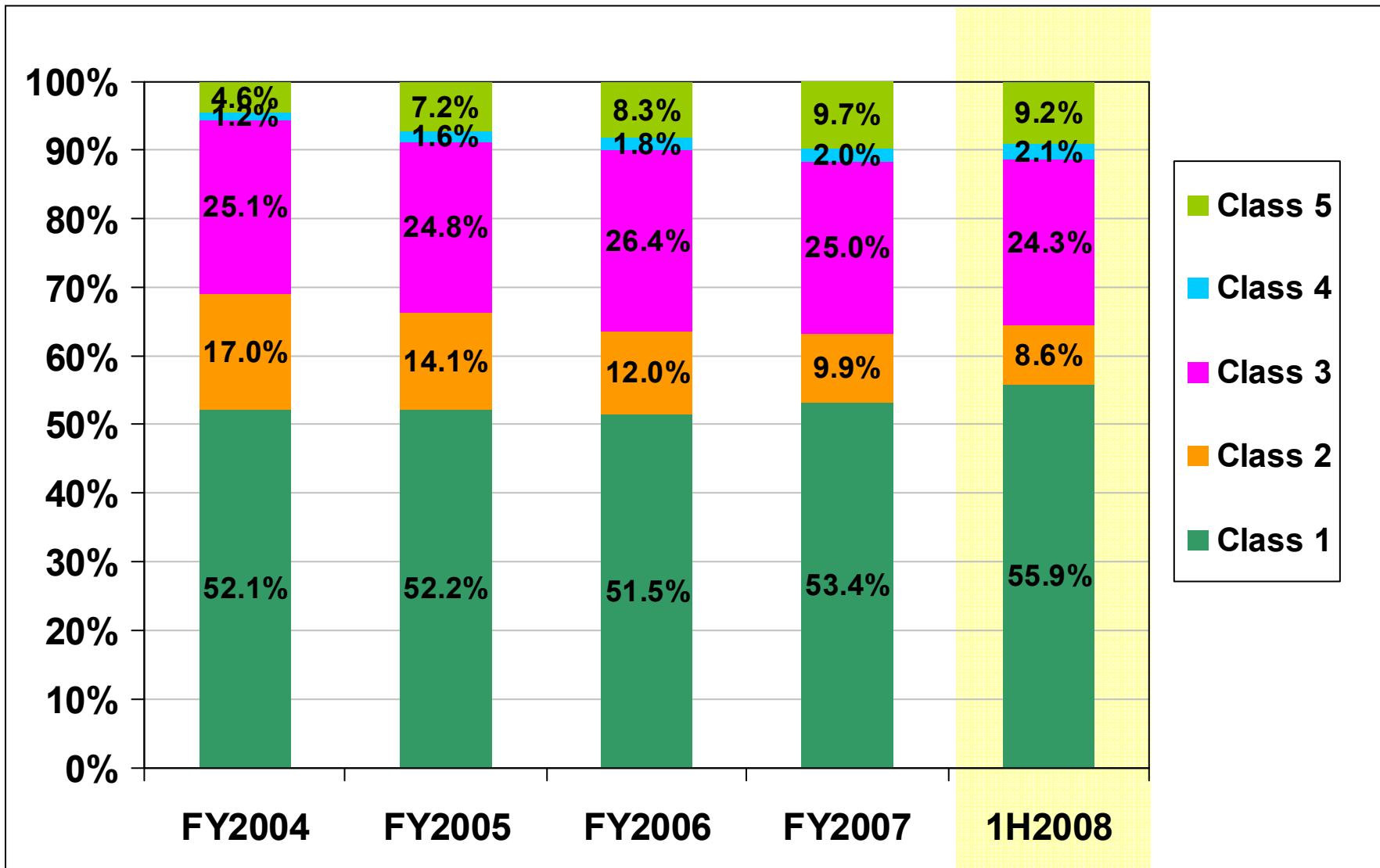
Supplementary Info (Analyst Meeting)

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

GS Superhighway – Traffic by Class of Vehicles

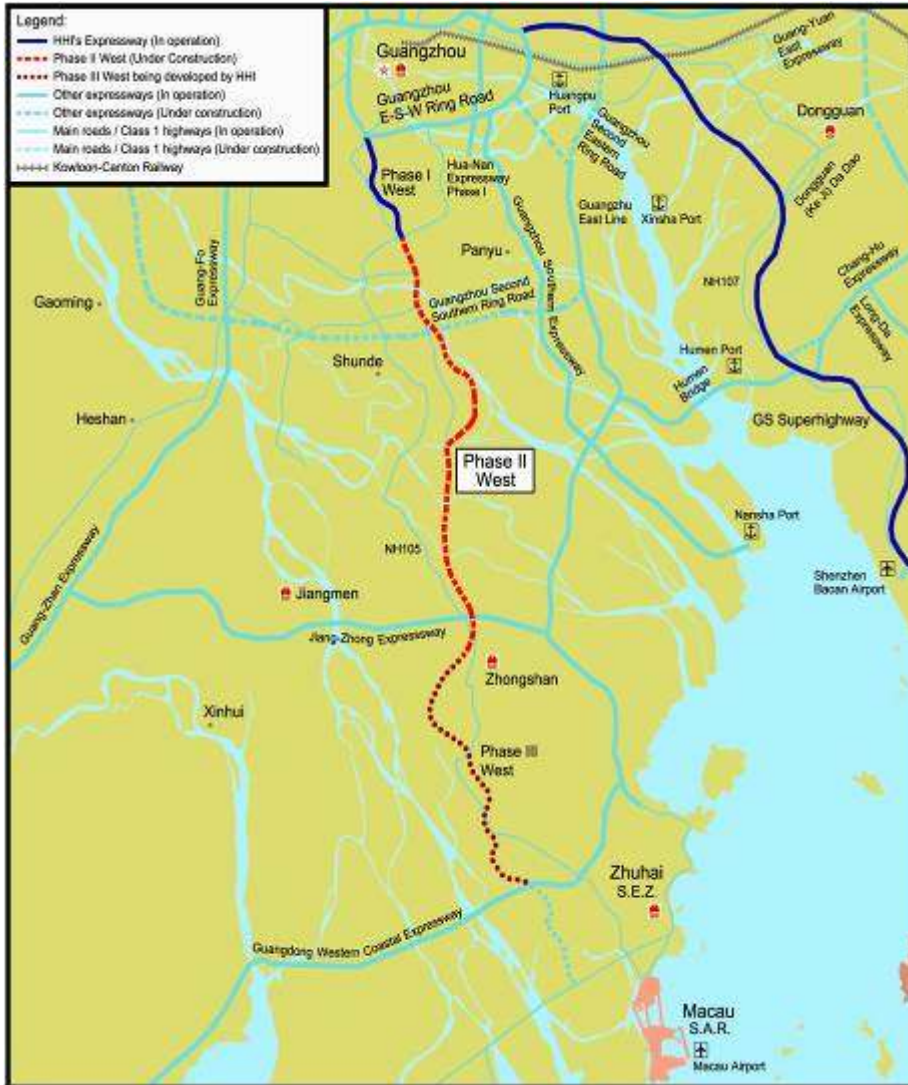


Phase I West – Traffic by Class of Vehicles



Future Projects

Phase II West

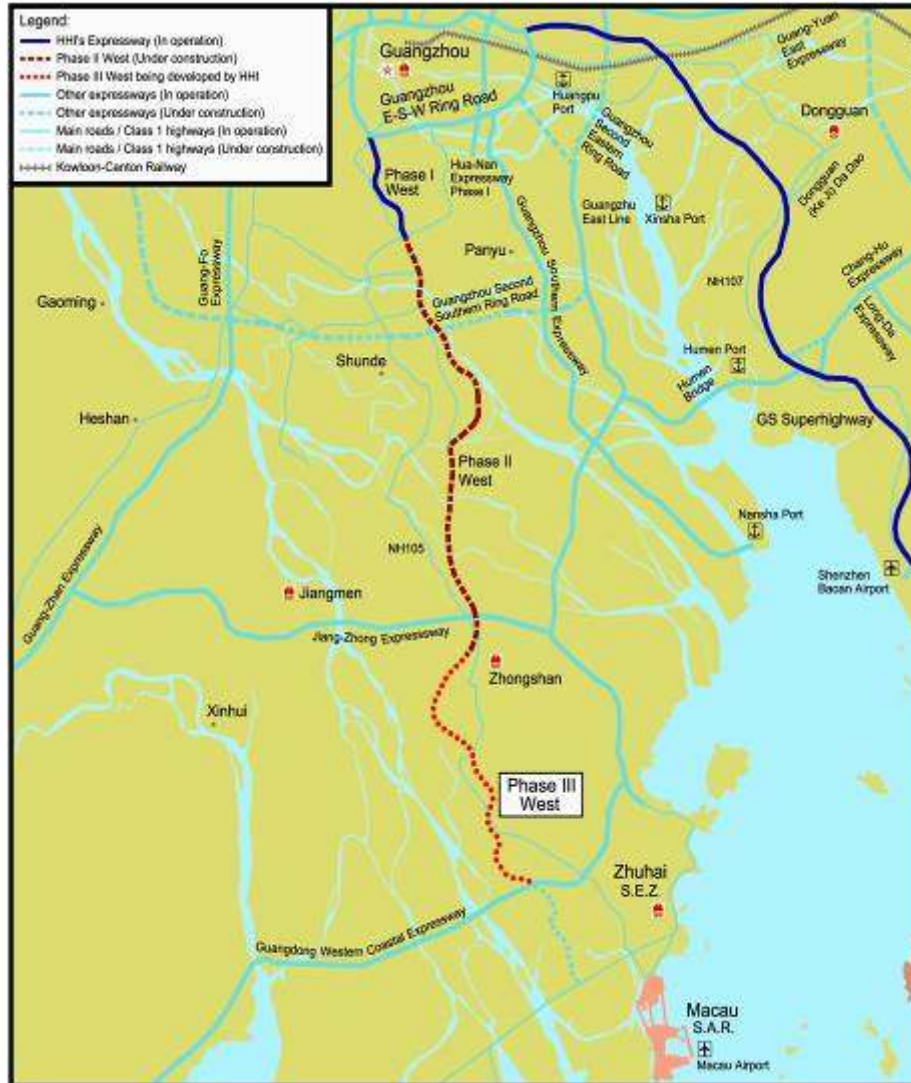


Project Description	
Route:	Shunde - Zhongshan
Length:	approx. 46km
JV Partners:	Same as GS Superhighway
Planned Investment *	Approx. Rmb 4.9 billion (35% equity, HHI & PRC partner each to contribute Rmb857.5 million)
Construction:	Started in Dec 2005
Currently Planned Completion:	End of 2009

* Present planning, subject to change; excluding finance cost

Future Projects

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

ESW Ring Road Disposal

Disposal of 45% stake in ESW Ring Road	
Purchaser:	Guangzhou City Tongda Highway Co. Ltd (JV Partner)
Consideration:	Rmb1,712.55 million
Completion:	Sep 2007 (Completed)
Status: [*]	Consideration of Rmb1,712.55 million has been received Disposal gain \$974 million (before tax) booked in 1H08

** As of 31.12.07*

~ **End** ~