

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

Annual Results FY2007/08

2007/08 財政年度全年業績



10 September 2008




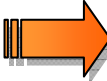
Group Messages 集團信息

- **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

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Financial Highlights 財務摘要

	Year ended		% change
	30.06.07	30.06.08	
Net toll revenue (HK\$'M) 淨路費收入 (港幣百萬元)	2,026	1,717	-15%
 Profit attributable to equity holders of the Co. (HK\$'M) 公司股權持有人應佔溢利 (港幣百萬元)	1,349	1,997	+48%
 EPS (HK cents) 每股溢利 (港仙)	45.45	67.25	+48%
DPS (HK cents) 股息 (港仙)	Interim 中期: 15	Interim 中期: 17	
	Special Interim: 0 <small>特別中期</small>	Special Interim: 7 <small>特別中期</small>	
	Final 末期: 20	Final 末期: 13	
	Special Final: 0 <small>特別末期</small>	Special Final: 28 <small>特別末期</small>	
	Total 合計: 35	Total 合計: 65	

Financial Highlights (cont'd) 財務摘要 (續)

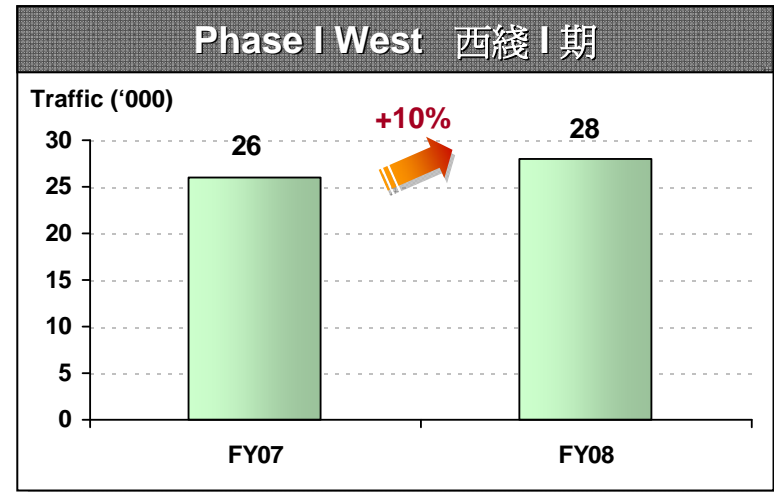
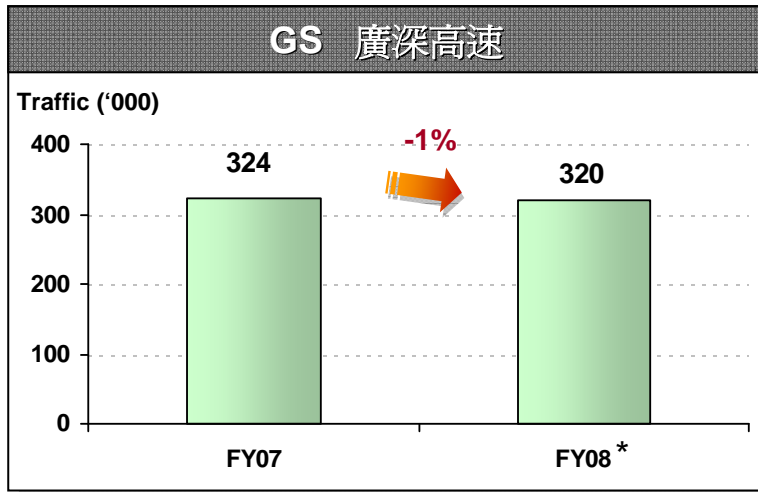
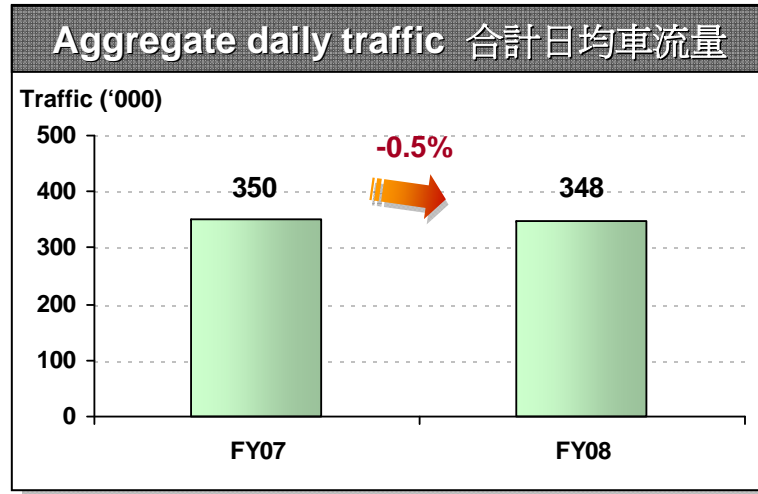
- **Aggregate average daily traffic: 348k**
 合計日均車流量為 34.8萬架次
- **HHI's net cash on hand approx. HK\$6.0 billion (excluding JV Entity)**
 合和公路基建持有手頭淨現金約港幣 60億元 (不包括合營企業)
- **Disposal of 45% stake of ESW Ring Road completed in Sep 2007**
 於2007年9月完成出售東南西環高速公路45%的權益

 - ◆ **Consideration of approx. Rmb1,713 million**
 代價約17.13億元人民幣
 - ◆ **Disposal gain HK\$974 million (before tax) booked**
 港幣9.74億元(除稅前)的出售盈利已入賬
- **Phase II & III West currently planned construction timetable and total investment announced in Sep 2008**
 已於2008年9月公佈西綫 II期和 III期現計劃的施工時間表和總投資額

Operation Highlights 營運摘要

- Aggregate average daily traffic of the Group's toll expressways ↓ 0.5% to 348k vehicles

集團旗下的收費高速公路合計日均車流量↓0.5%至34.8萬架次

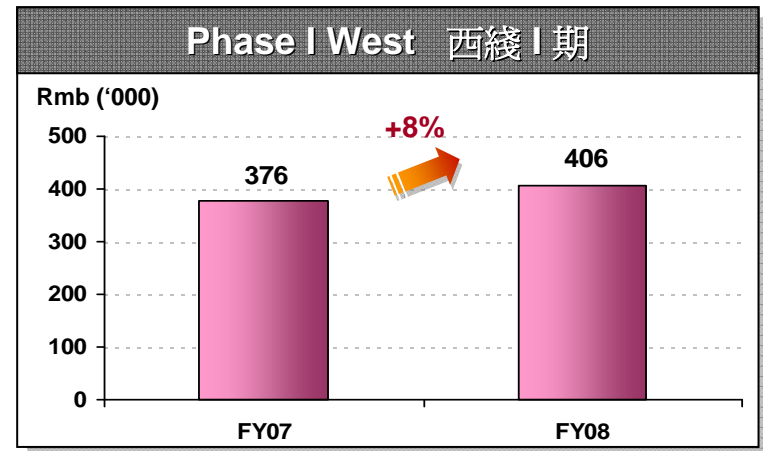
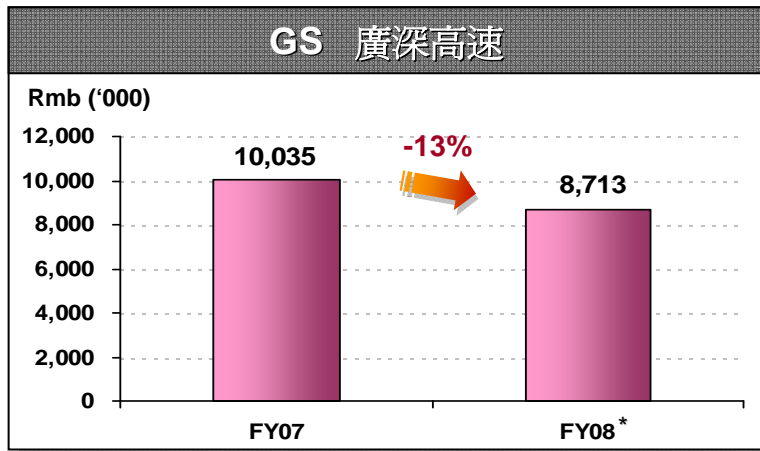
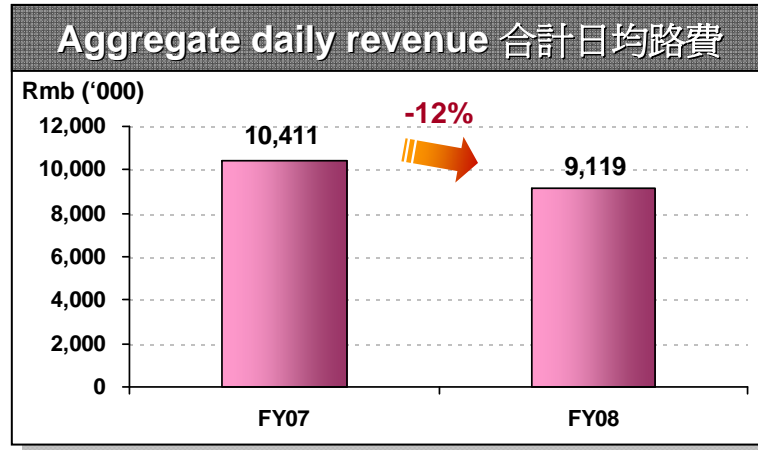


* A section of the GS Superhighway in the South bound lanes of Xintang to Dongguan toll station (approximately 22.2km) was closed for maintenance/improvement works from 18 Oct 2007 to 10 Jan 2008. The north bound lanes of this section were closed for such work from 18 Feb 2008 to 9 Jul 2008.

Operation Highlights 營運摘要

- Aggregate average daily toll of the Group's toll expressways ↓ 12% to Rmb9.12 million

集團旗下的收費高速公路合計日均路費收入 ↓ 12% 至人民幣 912萬元



* 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 18 Oct 2007 to 10 Jan 2008. The north bound lanes of this section were closed for such work from 18 Feb 2008 to 9 Jul 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 the planned temporary closure of Xintang to Dongguan section for maintenance & improvement works (Oct 2007 ~ Jul 2008)

新塘至東莞段綫曾短暫封閉，按計劃進行維修及改善工程(2007年10月至2008年7月)，致日均路費收入下跌

- During such period, average daily toll ↓ 21% or Rmb2.2m and average daily traffic ↓ 7% or 22,000 vehicles

期間的日均路費收入 ↓ 21%或 220萬元人民幣 及 日均車流量 ↓ 7%或 2.2萬架次

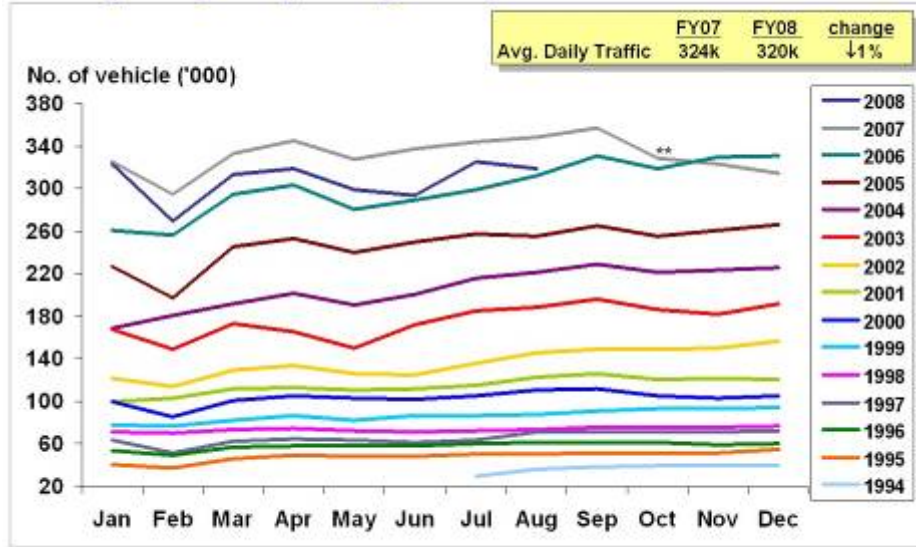
- Subsequent to completion of maintenance and improvement works on 9 Jul 2008

於2008年7月9日維修及改善工程完工後

- GS average daily traffic & toll revenue gradually rebounded to the level comparable to that in last year

廣深高速公路的日均車流量及路費收入已逐漸回升至接近去年同期的水平

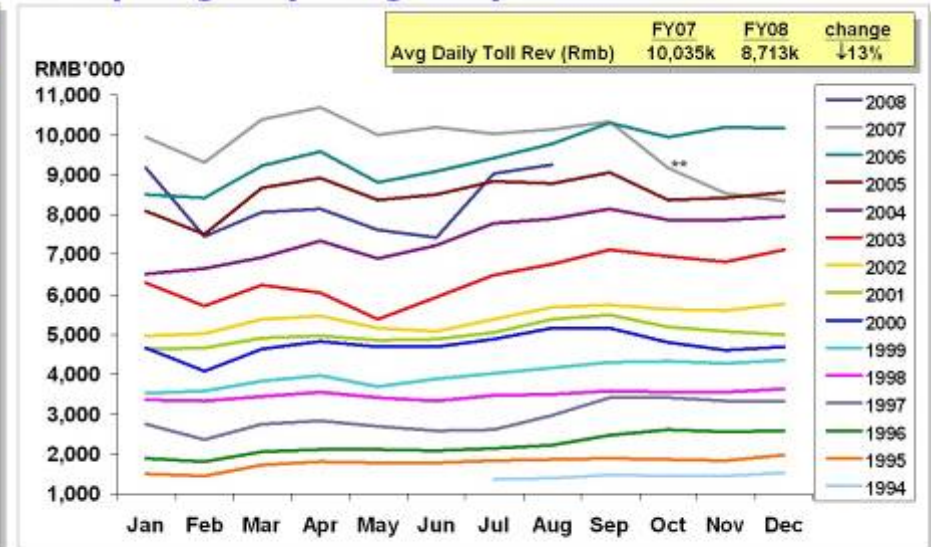
GS Superhighway – Avg. Daily Traffic



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

** The South and North bound lanes of Xintang to Dongguan toll station (approximately 22.2km) of the GS Superhighway were closed for maintenance/improvement works from 18 Oct 2007 to 10 Jan 2008 and 18 Feb 2008 to 9 Jul 2008 respectively.

GS Superhighway – Avg. Daily Toll Revenue



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

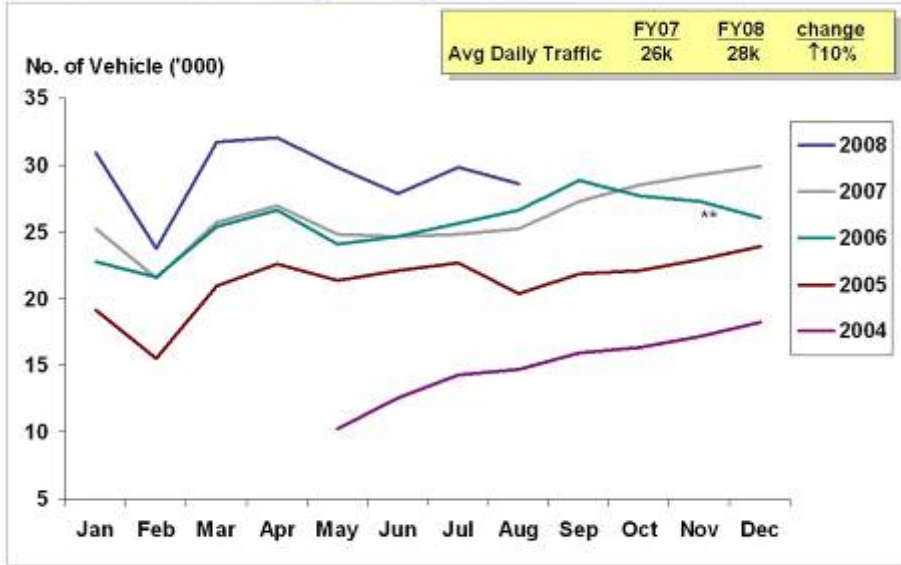
** The South and North bound lanes of Xintang to Dongguan toll station (approximately 22.2km) of the GS Superhighway were closed for maintenance/improvement works from 18 Oct 2007 to 10 Jan 2008 and 18 Feb 2008 to 9 Jul 2008 respectively.

Phase I West – Growth Momentum has Resumed

西綫 I 期 - 已恢復增長動力

- **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 I 期之車流及路費已恢復增長動力

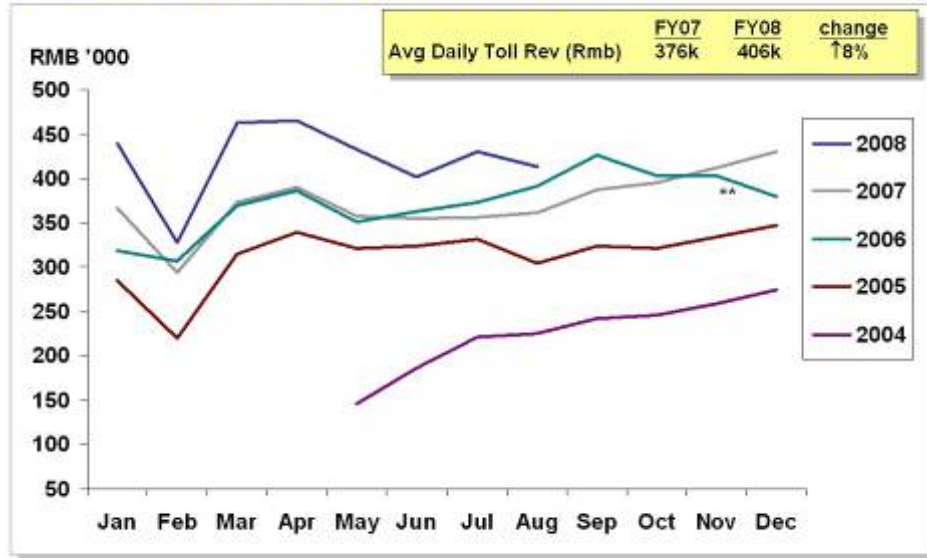
Phase I West – Avg. Daily Traffic



* 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

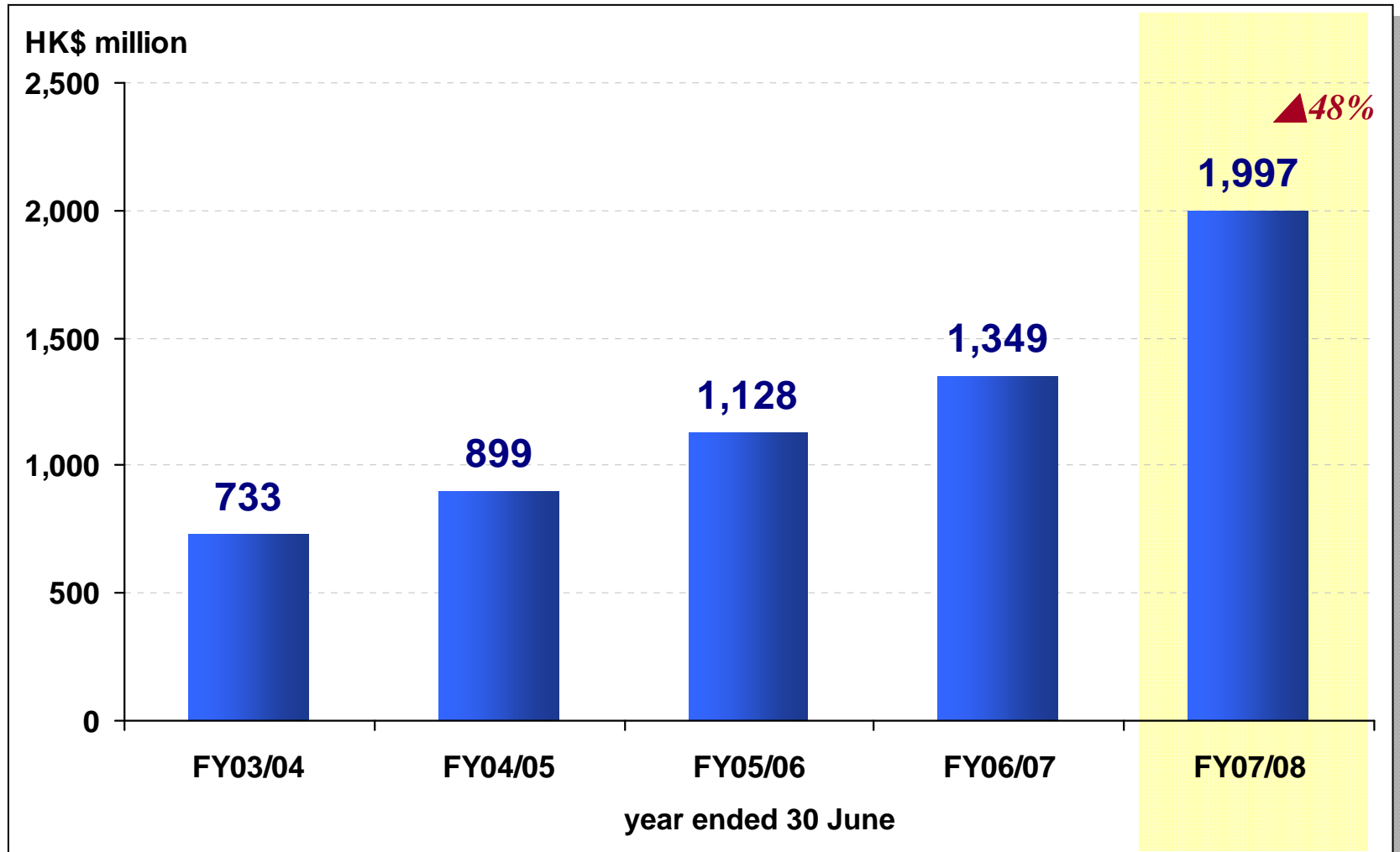
HK\$'M 港幣(百萬元)	Year ended		
	30.06.07	30.06.08	% Change
Net toll revenue 淨路費收入	2,026	1,717	-15%
Exchange gain 匯兌盈利	236	439	
Other revenue 其他收入	348	236	
Total Revenue 總收入	2,610	2,392	-8%
Toll opex 收費公路營運費用	(135)	(163)	
Depn & amortn exp 折舊及攤銷費用	(381)	(355)	
General & admin exp 一般行政費用	(106)	(134)	
Gain 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	1,988	2,714	37%
Finance costs 財務成本	(460)	(252)	
Tax expenses 稅項開支	(155)	(446)	
Profit for the period 本期溢利	1,374	2,016	
Attributable to 撥歸:			
Minority interests 少數股東權益	25	19	
Equity holders of the Co. 公司股權持有人	1,349	1,997	48%
	1,374	2,016	

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.

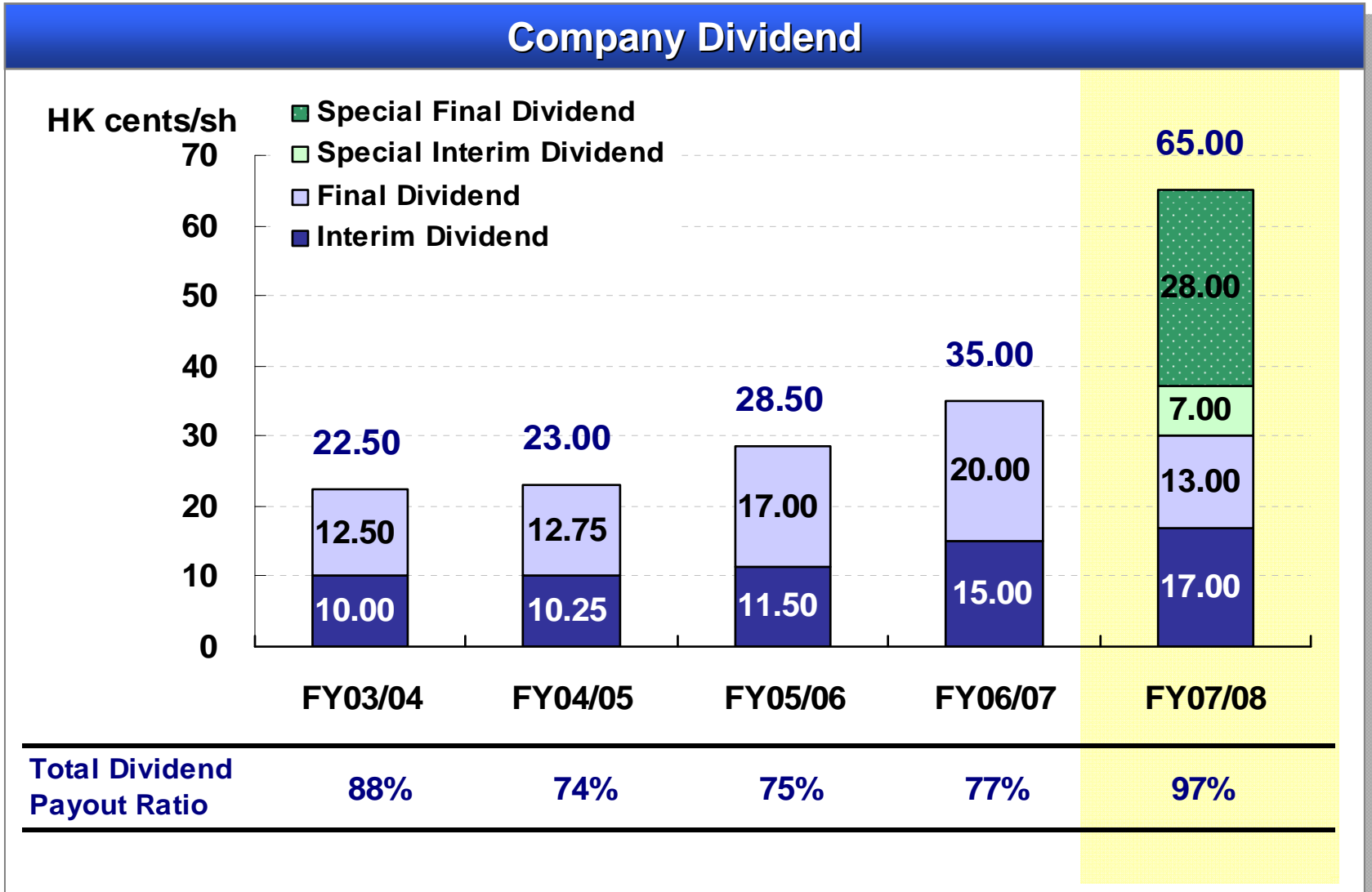
公司股權持有人應佔溢利

● **5th Anniversary since listing** 上市5週年誌慶



Company Dividend History 公司股息

■ Target 75% dividend payout ratio 目標派息比率 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* Construction Start / Completion Date 現計劃工程開始/完工日期
Phase II West 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. Rmb7.2b (Equity/Debt: 35%/65%) 約人民幣 72億元 (股本 / 債務: 35%/65%)	Completion: FY2010 完工：2010財政年度
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: 2010 工程開始：2010年 Completion: Approx. 3~4 years 完工：約 3~4年
GS Expansion 廣深高速擴闊 (HHI: 48%)	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

* Present planning, subject to change
現時的計劃，或按情況改變

Major Projects Plan 主要項目計劃

Projects	Planned Investment [^] Rmb'm	Interest %	Equity required %	HHL's Planned Equity Portion [^] Rmb'm	HHL's Equity Portion Outstanding [^] Rmb'm	HHL's Planned Equity Injection [^] Rmb'm		
						FY09	FY10	FY11
Phase II West 西綫II期	7,200 ^{^^}	50%	35%	1,260	499			
Phase III West 西綫III期	5,600 ^{^^}	50%	35%	980	980			
GS expansion 廣深高速擴闊	7,000	48% [#]	0%	-	-			
Total 合計	19,800			2,240	1,479	96	746	637

[^] Present planning, subject to change

[#] HHL'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

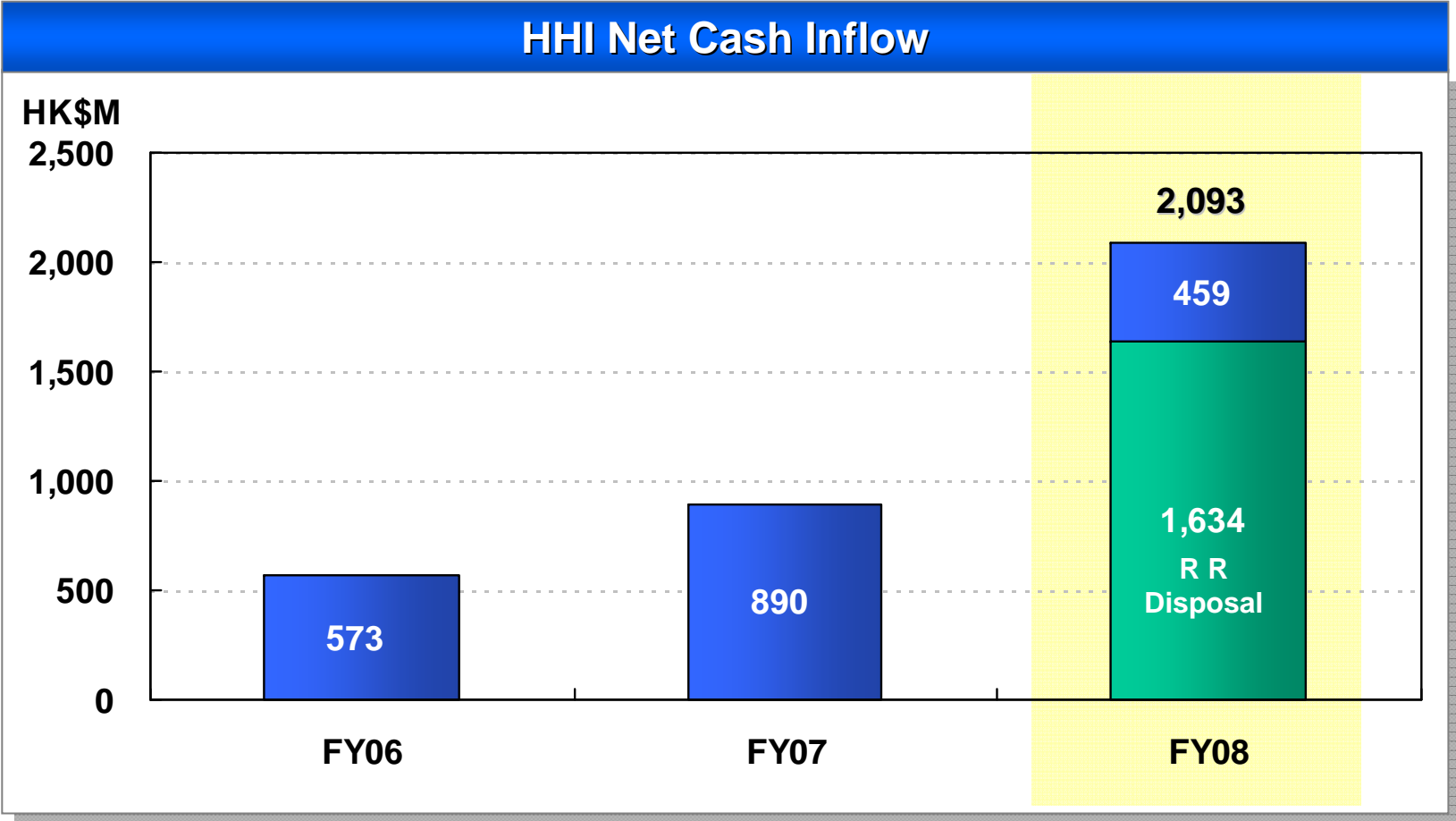
^{^^} Subject to approval by HHL & HHL's independent shareholders & by PRC Government

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

- 1) net cash of approx. \$6.0 billion on hand (approx. \$2 per share) as of 30 Jun 08 (excluding JV Entity)**
截至2008年6月30日手頭淨現金約港幣 60億元(約每股港幣 2元)(不包括合營企業)
- 2) Annual net cash inflow of approx. HK\$1,185m in the past 3 years on average**
過去3年現金淨流入平均每年約港幣 11.85億元
- 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

HHI Net Cash Inflow 合和公路基建淨現金流入

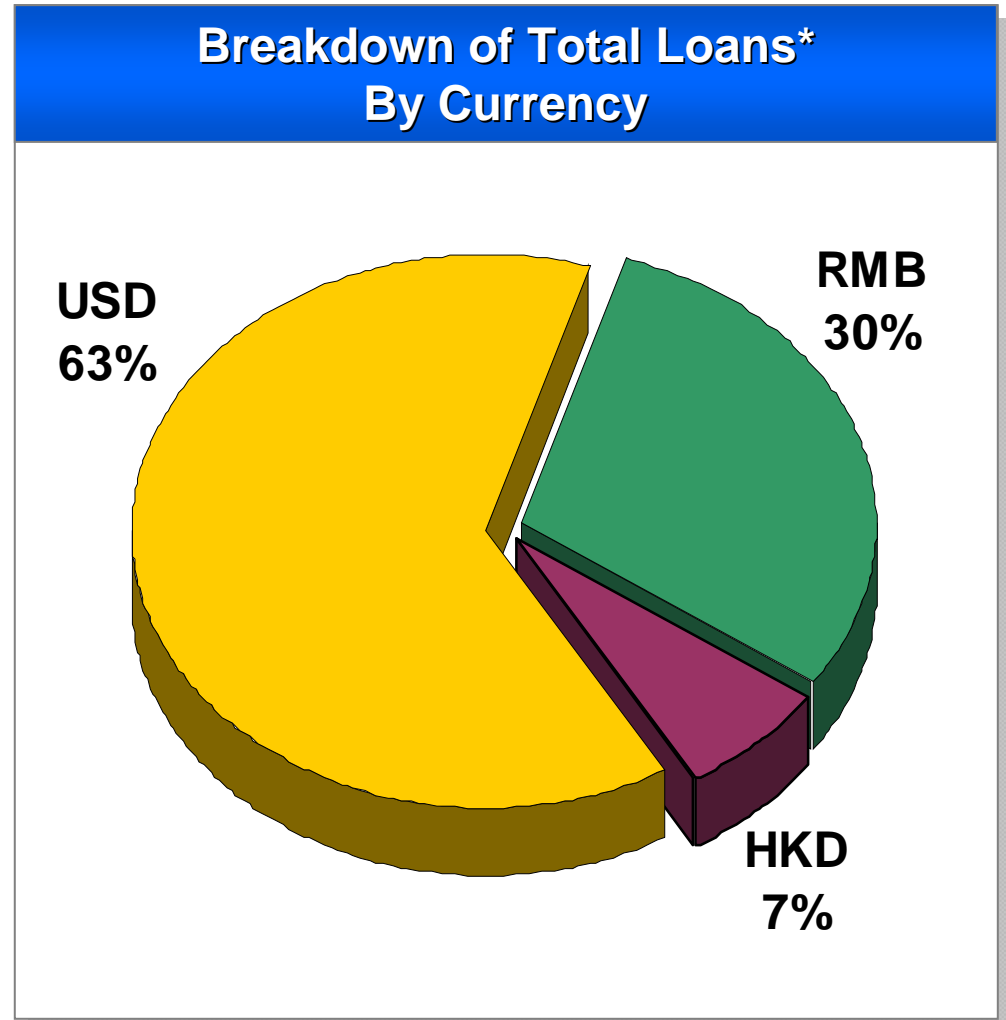
- Annual net cash inflow of approx. HK\$1,185m in past 3 years on average (after payment of dividend to HHI shareholders & HHI opex)
過去3年現金淨流入平均每年約港幣11.85億元 (扣除支付予合和公路基建股東的股息及合和公路基建營運費用後)



Positive Impact from Renminbi Appreciation

人民幣升值帶來正面影響

- **USD loans: 63%**
美元貸款：63%
- **HKD loans: 7%**
港幣貸款：7%
- **RMB loans: 30%**
人民幣貸款：30%
- **Exchange gain**
HK\$439m for FY08
2008財政年度匯兌盈利為港幣4.39億元

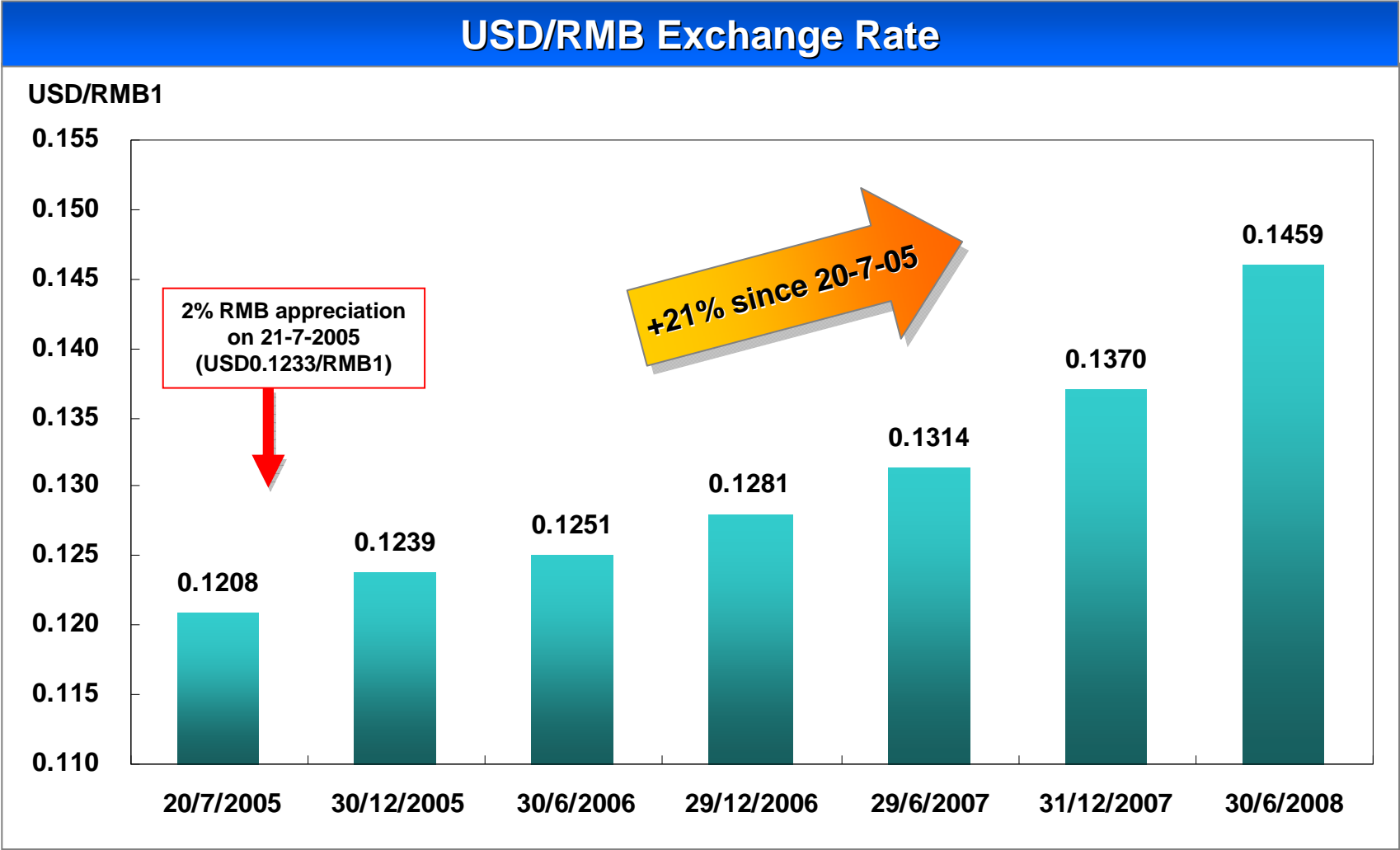


As at 30 Jun 2008

* Proportionate share of JV loans

USD:RMB Exchange Rate Movement

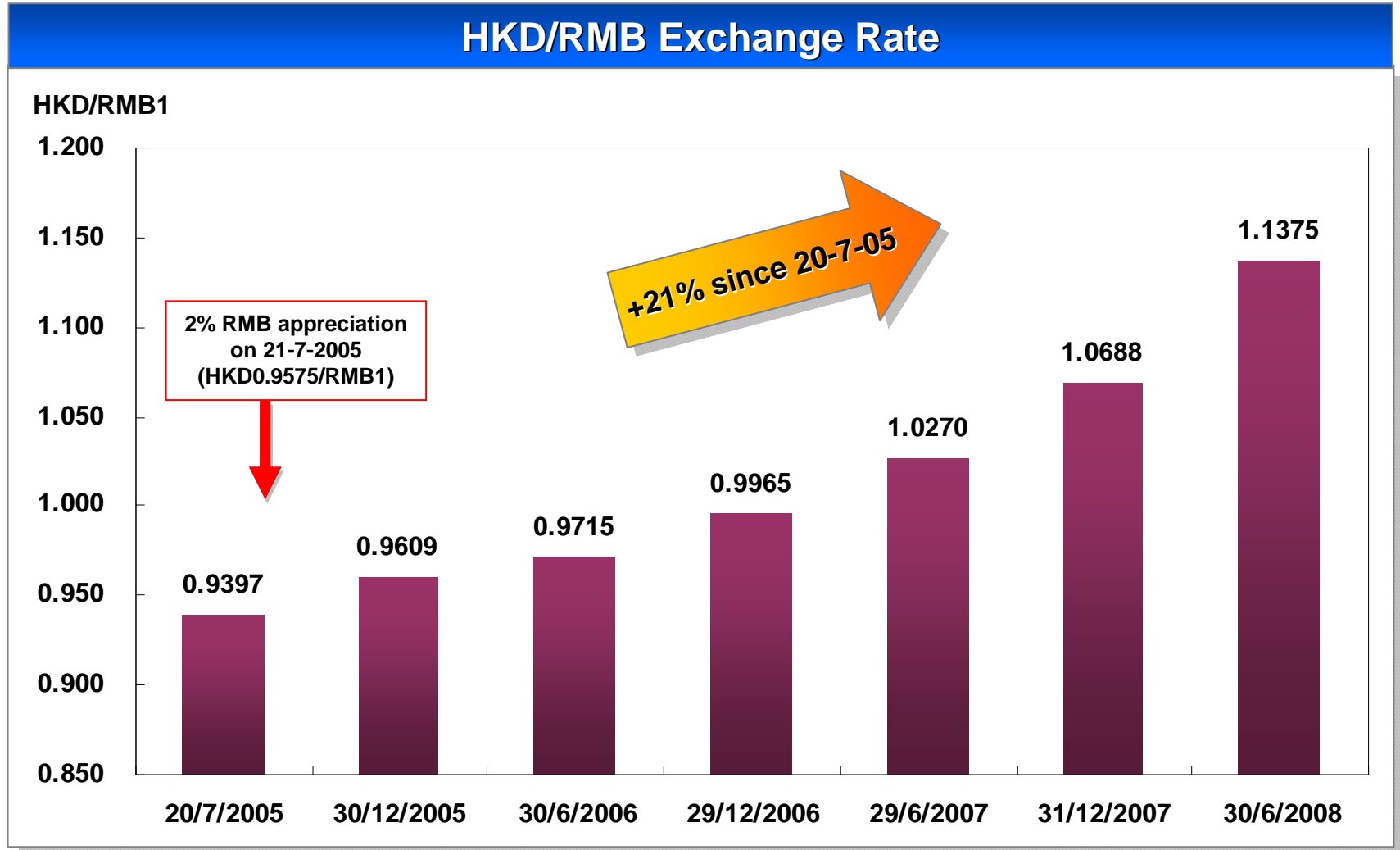
美元兌人民幣的匯率走勢



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)	5,997
HHI Jointly Controlled Entities 合和公路基建的共同控制個體	240
Total Cash (Reported) 合計現金 (報告的)	6,237

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	5,997

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\$9,597 million**

* As of 30.06.2008

Consolidated Balance Sheet Highlights

綜合資產負債表摘要

As at	30.06.07	30.06.08	As at	30.06.07	30.06.08
	HK\$'M	HK\$'M		HK\$'M	HK\$'M
Bank balances and cash ⁽¹⁾	4,348	6,237	Prop. share of JV debt ⁽²⁾	5,818	5,071
HHI	3,904	5,997	HHI corp debt	0	0
JV	444	240	JV bank loans	5,215	4,711
			JV other debt	603	360
Property & equipment	10,204	9,395	Other payables	667	770
			Total liabilities	6,485	5,841
Other assets	2,873	1,946	Equity attr. to shareholders of Co.	10,895	11,686
Total assets	17,425	17,578	Minority interests	45	51
				30.06.07	30.06.08
Total debt / total assets				33%	29%
Net debt ⁽³⁾ / equity attributable to equity holders of the Co.				13%	0%

Notes: (1) Included pledged bank deposits \$235M (30.6.08) and \$393M (30.6.07)

(2) HHI's proportionate share of joint venture's debts. Majority of the debt has long maturity of over 5 years

(3) Net debt refers to total debt less bank balances and cash together with pledged bank balances and deposits

Safe and Steady Treasury Policy

穩健的庫務政策

- **Prudent and conservative approach on treasury policies**

採取審慎及保守的庫務政策

- **Cash on hand: mainly bank deposits**

手頭現金：主要為銀行存款

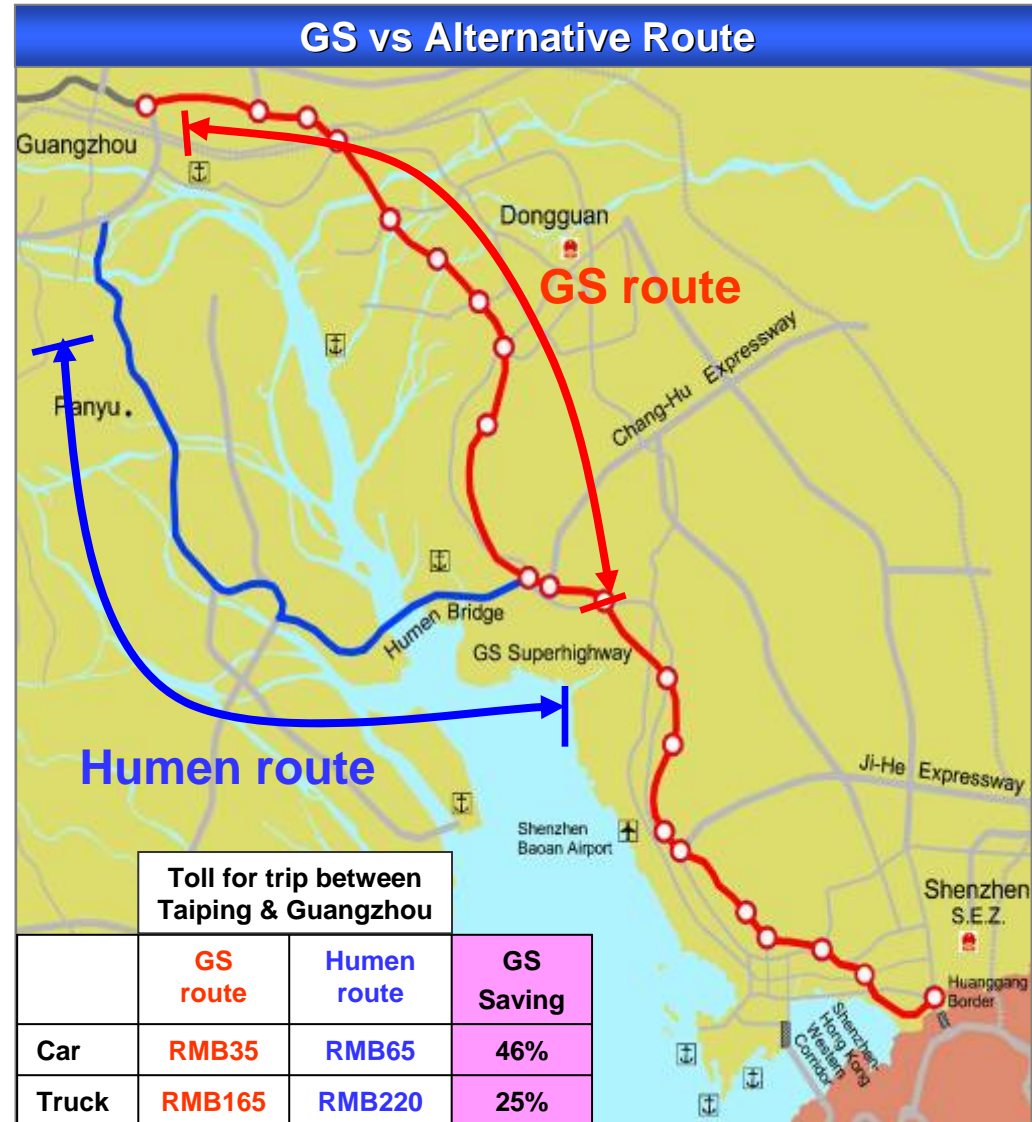
GS – Preferred Choice for Highway Users

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**
 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

Impact during the period of maintenance works: 維修期間的影響

	Change yoy
Avg. daily traffic 日均車流量	↓ 7%
Avg. daily toll 日均路費收入	↓ 21%



* South bound lanes were closed for maintenance / improvement works from 18 Oct 2007 to 10 Jan 2008
 North bound lanes were closed for maintenance / improvement works from 18 Feb 2008 to 9 Jul 2008

Active Traffic Management

積極的交通管理

- **Deployed resources to upgrade safety and service facilities**

投入資源致力優化交通安全及服務設施

- **Strengthen traffic monitoring and control**

加強全線交通監控功能

- **Improve emergency handling efficiency**

提高交通意外處理的效率

- ◆ **to minimize congestion and casualties caused by traffic accidents**

減低交通意外造成的交通堵塞及傷亡

- **Organized an event to promote traffic safety**

- ◆ **jointly with Traffic Management Department of Guangdong Provincial Public Security Bureau in Jul 2008**

於2008年7月與廣東省公安廳交通管理局合辦大型的交通安全推廣活動



<Analects of Confucius> 論語



China Ranked 2nd in World Vehicle Sales Market in 2007

2007年中國為世界第二大汽車銷售市場

World Motor Vehicle* Sales in Major Countries

Ranking	Country	2007 Total Vehicle Sales
1	U.S.A.	16,460,000
2	China	8,791,500
3	Japan	5,353,648
4	Germany	3,482,279
5	Russia	2,990,000
6	U.K.	2,799,620
7	Italy	2,774,137
8	France	2,584,035
9	Brazil	2,200,000
10	Spain	1,939,298

(in unit)

China 2007: 8.8m
(+22% yoy)

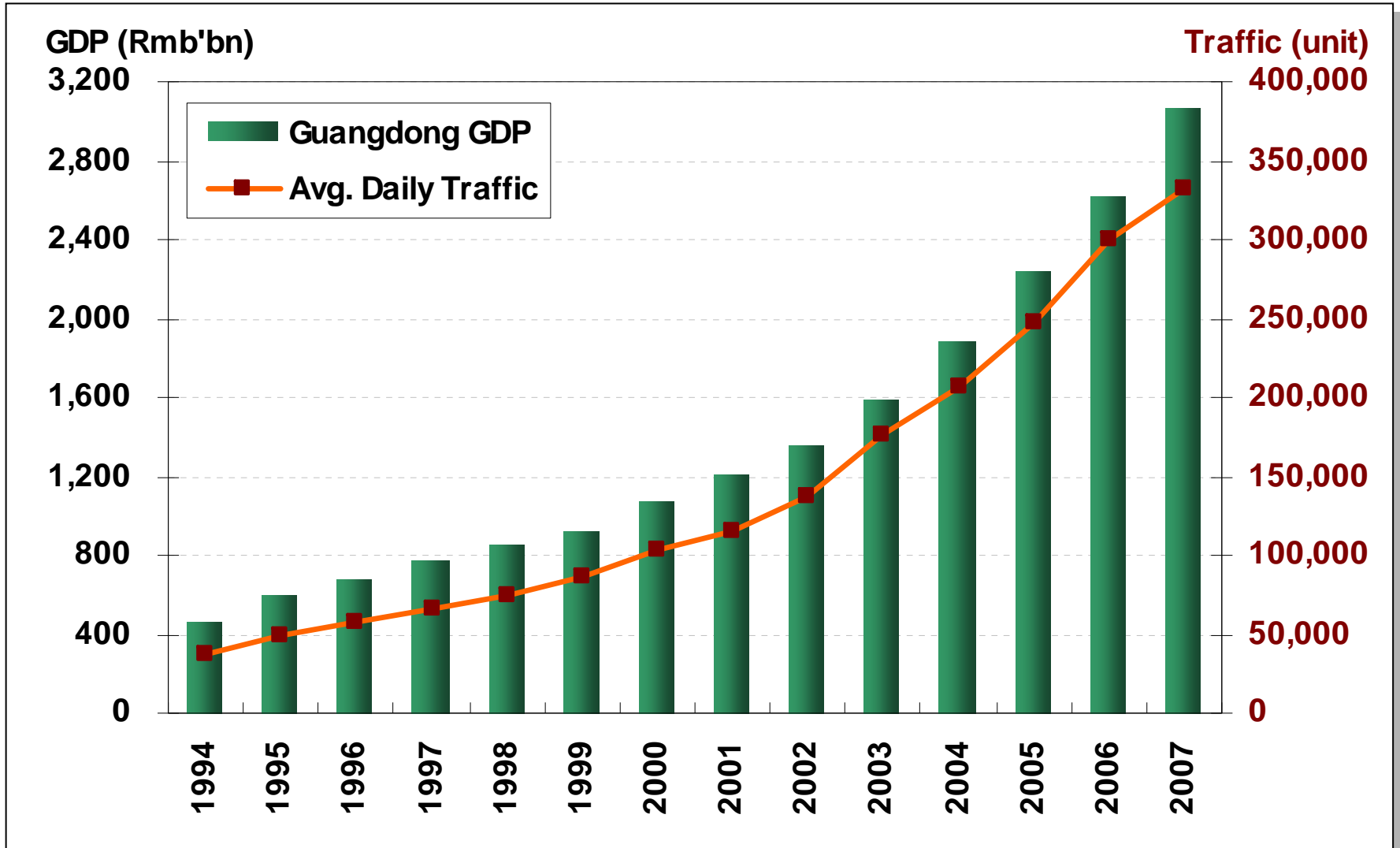
China 1994:
1.6m

Source: CEIC & various car manufacturer associations

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

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

~ Presentation End ~

Supplementary Info (Analyst Meeting)

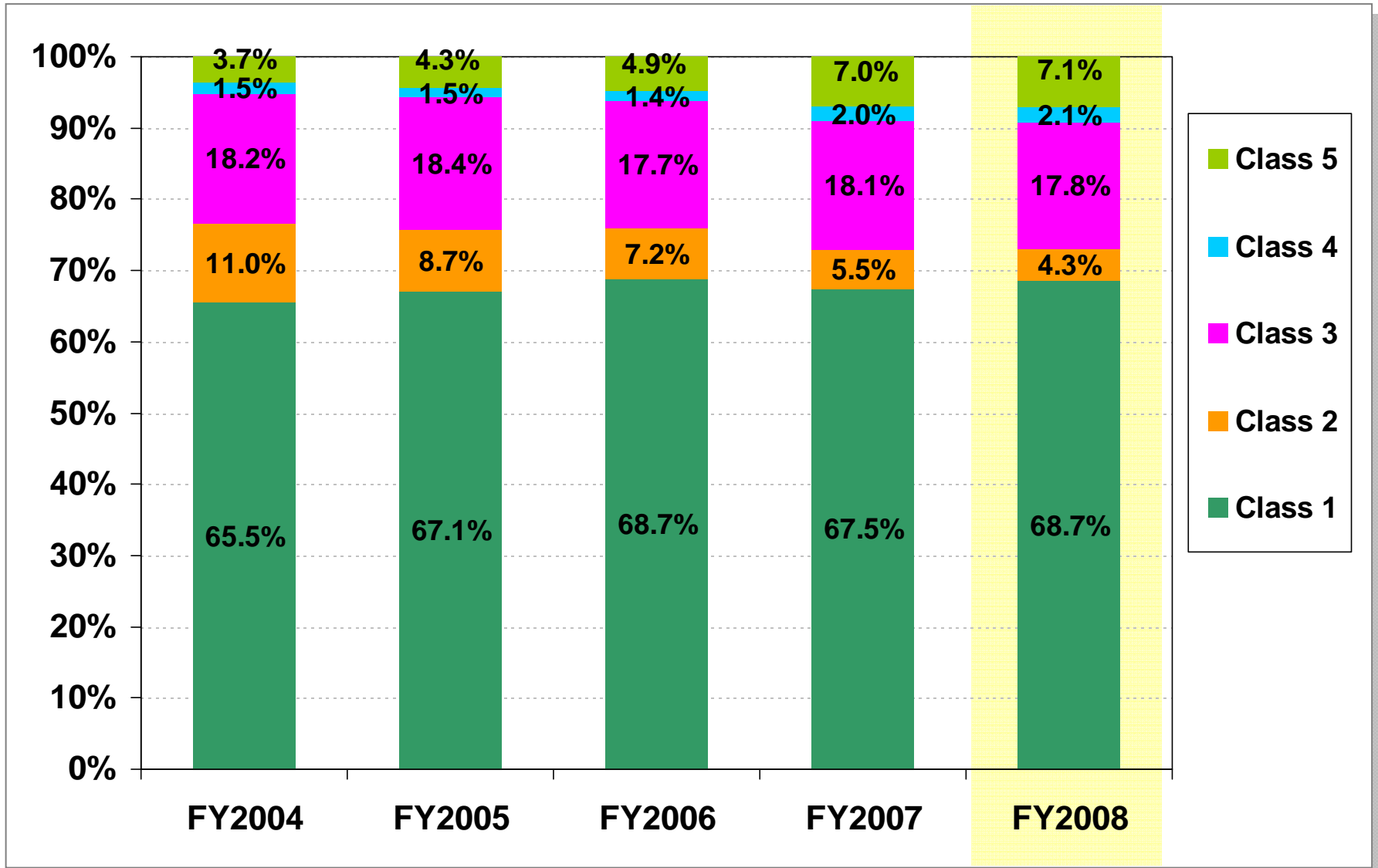
◆ **GS Superhighway**

◆ **Phase I West**

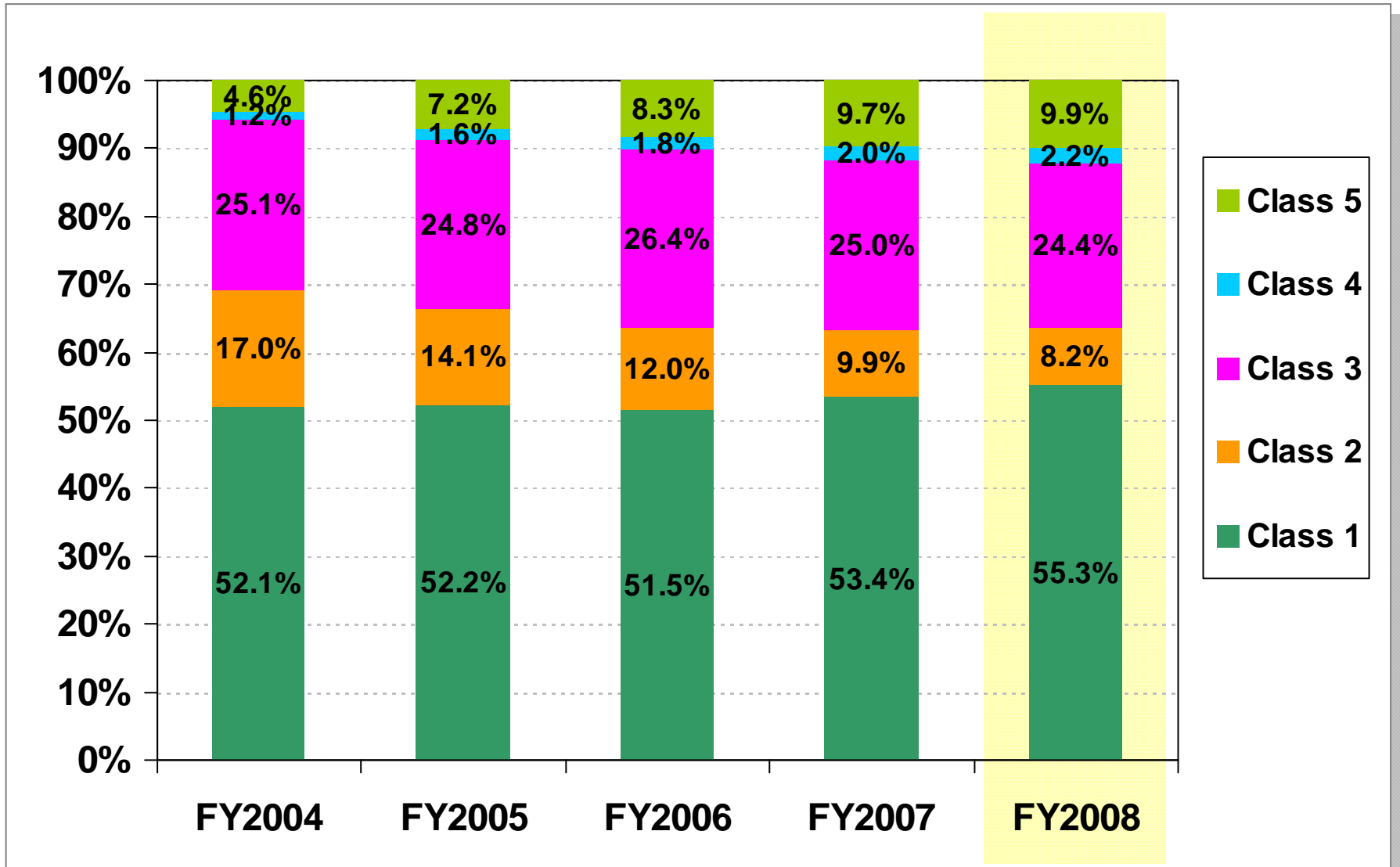
◆ **Future Projects**

◆ **ESW Ring Road Disposal**

GS Superhighway – Traffic by Class of Vehicles

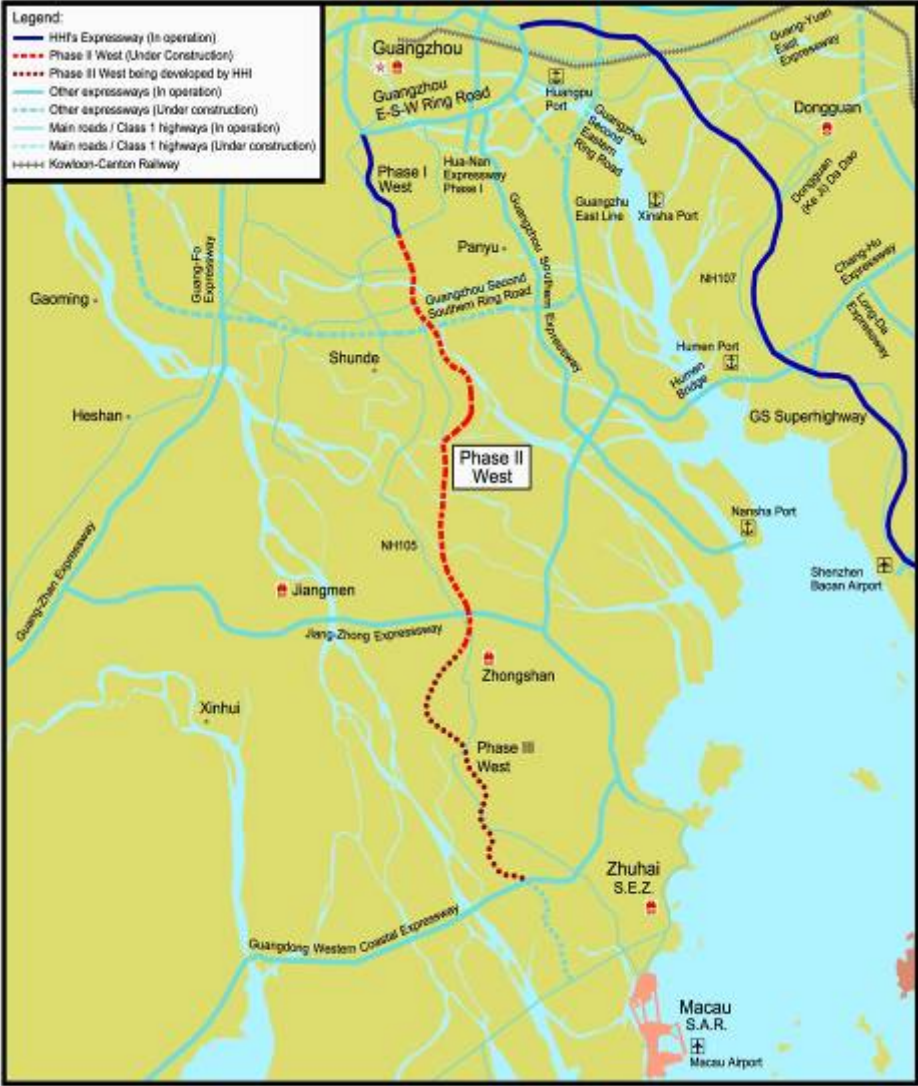


Phase I West – Traffic by Class of Vehicles



Future Projects

Phase II West



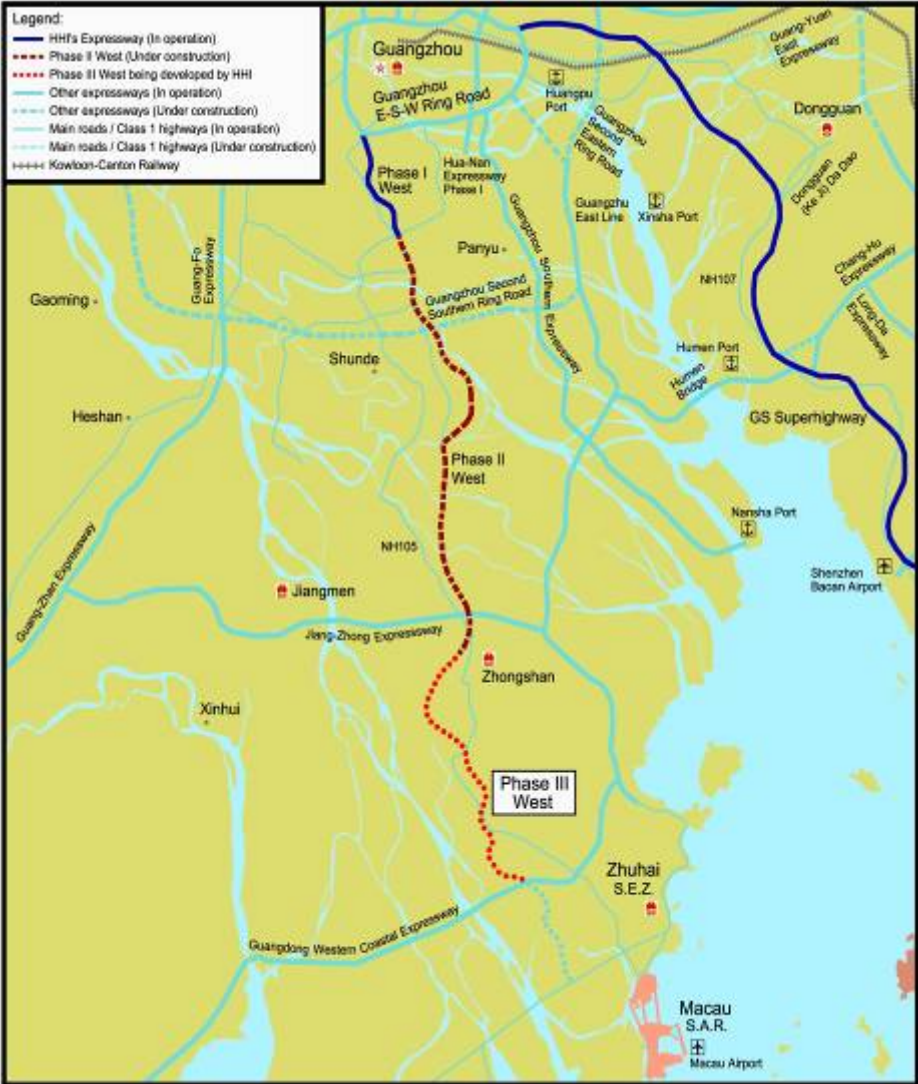
Project Description

Route:	Shunde - Zhongshan
Length:	approx. 46km
JV Partners:	Guangdong Provincial Highway Construction Co Ltd (same as GS Superhighway)
Planned Investment *^	Approx. Rmb 7.2 billion (35% equity, HHI & PRC partner each to contribute Rmb1,260 million)
Progress:	Under construction
Currently Planned Completion:	FY2010

* Present planning, subject to change, incl. finance cost
 ^ Subject to approvals from HHL & HHI shareholders & PRC Gov't

Future Projects

Phase III West (subject to govt. approval)



Project Description	
Route:	Zhongshan - Zhuhai
Length:	approx. 38km
JV Partners:	Guangdong Provincial Highway Construction Co Ltd (same as GS Superhighway)
Planned Investment*^	Approx. Rmb 5.6 billion (35% equity, HHL & PRC partner each to contribute Rmb980 million)
Planned Construction Start*	2010
Planned Completion	Approx. 3~4 years
Note: All subject to govt. approval	

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

^ Subject to approvals from HHL & HHI shareholders & PRC Gov't

~ **End** ~