

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

Unaudited Interim Results six months ended 31 December 2005

截至2005年12月31日六個月業績 (未經審核)

27 February 2006

Group Message

集團信息

● **Strong, solid financial health**

財務穩健

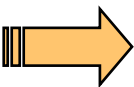
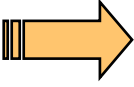
● **Poised to grow with the Pearl River Delta**

緊貼珠江三角洲的發展

● **Quality future projects will enhance shareholder value**

計劃中的優質項目將提高股東價值

Financial Highlights 業績摘要

| HK\$'M | 6 months ended | | % Change |
|---|----------------|----------|----------|
| | 31.12.04 | 31.12.05 | |
| Net toll revenue 淨路費收入 | 741 | 860 | +16% |
|  Net profit attr. to equity holders of the Co. 公司股東應佔淨溢利 | 430 | 564 | +31% |
|  EPS (HK cents) 每股溢利 (港仙) | 14.9 | 19.5 | +31% |
| DPS (HK cents) 每股股息 (港仙) | 10.25 | 11.5 | +12% |

- **Total average daily traffic rose 22% to 366K**
平均每日車流量增長22%至36.6萬架次
- **HHI's net cash on hand HK\$2.5 billion**
合和公路基建有港幣25億元手頭淨現金
- **Interest coverage improved to 6.9x from 6.6x (31.12.04)**
利息覆蓋比率從6.6倍 (2004年12月31日) 改善至6.9倍

Operation Highlights 營運摘要

- Aggregate average daily toll revenue for Jul-Dec 2005 of the Group's 3 toll expressways exceeded RMB10M

集團旗下3條收費高速公路於2005年7-12月期間合計日均路費收入超過人民幣1,000萬元

| | GS 廣深高速 | | | RR 東南西環高速 | | | Ph I West 廣珠西綫I期 | | | Total 總和 | | |
|---|------------|-------|-----------|--------------|-------|-----------|---------------------|------|-----------|-------------|--------|-----------|
| | 1H05 | 1H06 | % chng | 1H05 | 1H06 | % chng | 1H05 | 1H06 | % chng | 1H05 | 1H06 | % chng |
| Avg. Daily Traffic ('000) 平均每日車流 ('000) | 223 | 260 | +17% | 62 | 84 | +36% | 16 | 22 | +38% | 301 | 366 | +22% |
| Avg. Daily Revenue (RMB'000) 平均每日路費收入 (人民幣千元) | 7,924 | 8,668 | +9% | 960 | 1,160 | +21% | 244 | 327 | +34% | 9,128 | 10,155 | +11% |

Group Results 集團業績

HK\$'M 港幣(百萬元)

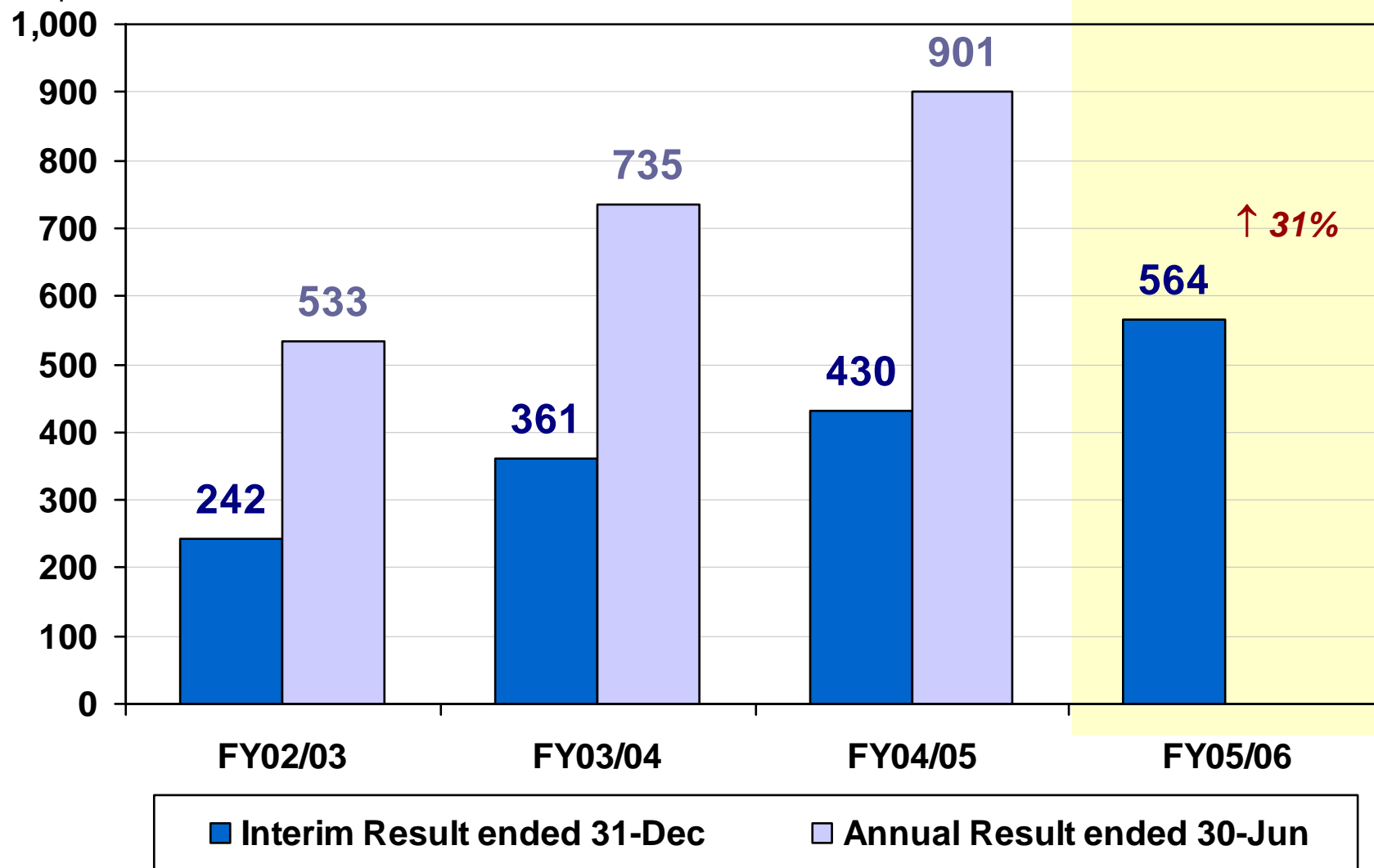
| | 6 months ended | | |
|---|----------------|--------------|------------|
| | 31.12.04 | 31.12.05 | % Change |
| Net toll revenue 淨路費收入 | 741 | 860 | 16% |
| Exchange gain 匯兌盈利 | - | 97 | |
| Other revenue 其他收入 | 68 | 88 | |
| Total Revenue 總收入 | 809 | 1,044 | 29% |
| Opex 營運費用 | (119) | (122) | |
| Depn & amortn exp 折舊及攤銷費用 | (130) | (153) | |
| EBIT 除利息及稅項前溢利 | 561 | 769 | 37% |
| Finance costs 財務成本 | (104) | (134) | |
| Tax expenses 稅項開支 | (17) | (61) | |
| Net Profit 淨溢利 | 439 | 574 | |
| Attributable to: | | | |
| Minority Interests 少數股東應佔淨溢利 | 9 | 11 | |
| Equity holders of the Co. 公司股東應佔淨溢利 | 430 | 564 | 31% |
| | 439 | 574 | |
| Operating margin (excl. exchange gain) ⁽¹⁾ 經營邊際利潤(不包括匯兌盈利) ⁽¹⁾ | 93% | 96% | |
| EBITDA/Interest (x) 利息覆蓋率 (倍) | 6.6 | 6.9 | |

Note: (1) EBITDA (excl exchange gain)/ net toll revenue 除利息、稅項、折舊、攤銷及匯兌盈利前溢利 / 淨路費收入

Net Profit Attributable to Equity Holders of the Co.

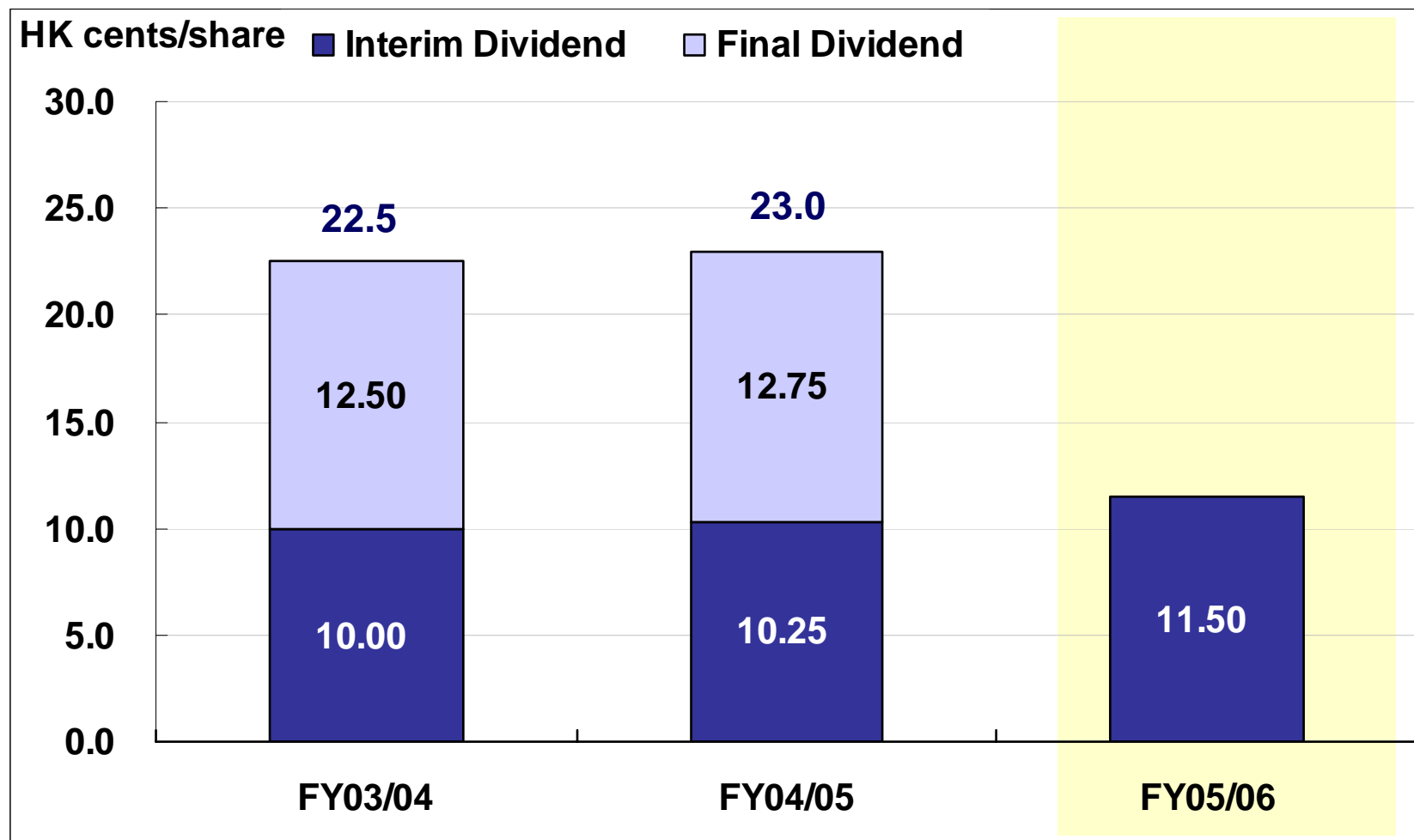
公司股東應佔淨溢利

HK\$Million



Group Dividend History 集團股息之歷史

■ Target 75% dividend payout ratio 目標派息率 75%



Major New Projects 主要新項目

| Projects 項目 | Description 敘述 | Estimated Total Inv. 估計總投資 |
|--|--|---|
| Phase II West 廣珠西綫II期 (HHI: 50%) | Shunde – Zhongshan expressway of approx. 46km 順德至中山約46公里的高速公路 | Rmb4.9b (Equity/Debt: 35%/65%) 人民幣49億元 (股本 / 債務: 35%/65%) |
| Phase III West 廣珠西綫III期 (HHI: 50%) | Zhongshan – Zhuhai expressway, routing not confirmed yet 中山至珠海高速公路, 路線尚未確定 | Estimated Rmb3.6b (Equity/Debt: 35%/65%) 約人民幣36億元(股本/債務: 35%/65%) |
| GS Expansion 廣深高速擴闊 (HHI: 50%) | Expands from current dual 3 to dual 5 由現時雙向3車道擴闊至雙向5車道 | Approx. Rmb7b (Equity/Debt: 0%/100%) 約人民幣70億元(股本/債務: 0%/100%) |

Targeted Projects 目標項目

| Projects 項目 | Description 敘述 | Estimated Total Inv. 估計總投資 |
|--|---|--|
| HK-Zhuhai-Macau Bridge 港珠澳大橋 (HHI: estimated 50%) | Proposed 29km bridge linking Hong Kong, Zhuhai & Macau 倡議的29公里大橋連接香港, 珠海及澳門 | Depends on scope of project 取決於項目的範圍 |

Major Projects Plan 主要項目計劃



| Major Projects 主要項目 | Total investment 總投資 Rmb'm | Interest 權益 % | Equity required 股本投入 % | HHI's Estimated Equity Required HHI之股本投入估計 HK\$'M* | HHI's Estimated Equity Required (HK\$'M) HHI之股本投入估計(港幣百萬元) | | | |
|----------------------------|----------------------------------|---------------------|---------------------------------|---|--|------------|------------|------------|
| | | | | | FY06 | FY07 | FY08 | FY09 |
| Phase II West 廣珠西綫II期 | 4,900 | 50% | 35% | 824 | | | | |
| Phase III West 廣珠西綫III期 | 3,600 | 50% | 35% | 605 | | | | |
| GS expansion 廣深高速擴闊 | 7,000 | 50%# | 0% | - | | | | |
| Total 總和 | 15,500 | | | 1,429 | 247 | 511 | 489 | 182 |

* Based on exchange rate of Rmb1 = HK\$0.961

HHI's interest in GS: 50% first 10 yrs, 48% next 10 yrs, 45% final 10 yrs

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

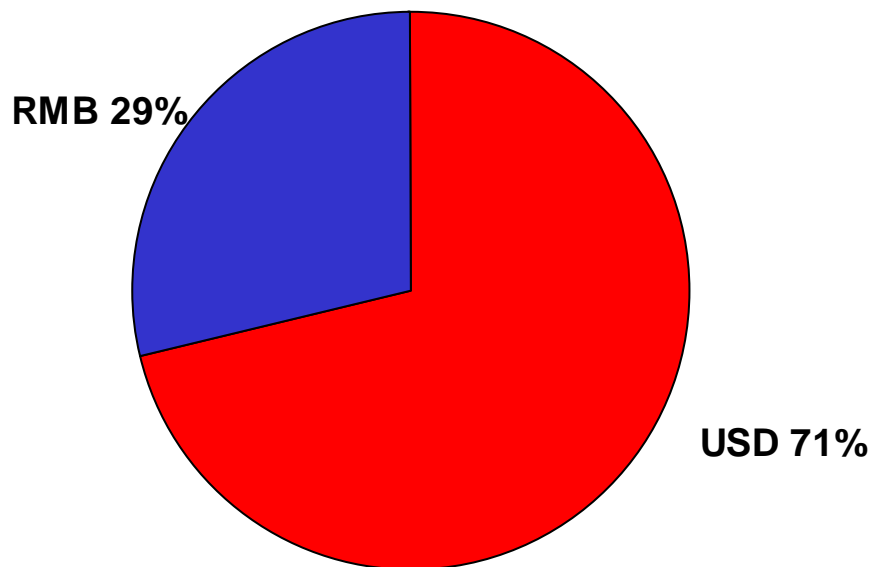
- 1. net cash \$2.5 billion on hand** 手頭淨現金港幣25億元
- 2. operating cash inflow of over HK\$1 billion per year** 每年逾港幣10億元營運現金流入
- Annual net cash reserve of approx. HK\$300m in the past 2 years on average
 過去2年資金淨流入累積平均每年約港幣3億元
- 3. HK\$3.6 billion 5-year syndicated bank loan facility - no need to draw for above projects**
 沒有需要為以上項目而動用港幣36億元5年期銀團貸款

Positive Impact from Renminbi Appreciation

人民幣升值帶來正面的影響

- **71% of total loans are in non-RMB**
 總借貸的71%為非人民幣
- **Revenue in RMB but majority of loans in non-RMB**
 收入為人民幣但借貸主要為非人民幣

Breakdown of Total Loans By Currency



As at 31 Dec 2005

~ Presentation End ~

Supplementary Info (Analyst Meeting)

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

Consolidated Balance Sheet Highlights

| | <u>30.6.05</u> HK\$'M | <u>31.12.05</u> HK\$'M | | <u>30.6.05</u> HK\$'M | <u>31.12.05</u> HK\$'M |
|---------------------------------------|--------------------------|---------------------------|--|--------------------------|---------------------------|
| Bank balances and cash ⁽¹⁾ | 2,059 | 2,959 | Prop. Share of JV debt ⁽³⁾ | 5,399 | 5,354 ⁽²⁾ |
| Bond investments | 738 | 0 | JV Bank loans | 4,701 | 4,642 |
| Property & equipment | 9,489 | 9,545 | Other debt | 697 | 712 |
| Other assets | 3,108 | 3,141 | Other payables | 428 | 469 |
| Total assets | 15,394 | 15,645 | Total liabilities | 5,826 | 5,823 |
| | | | Equity attr. to shareholders of Co. | 9,535 | 9,785 |
| | | | Minority interests | 33 | 37 |

| | 30.6.05 | 31.12.05 |
|---|----------------|-----------------|
| Total debt / total assets | 35% | 34% |
| Net debt ⁽⁴⁾ / equity attributable to shareholders of Co. | 35% | 24% |
| Net debt ⁽⁴⁾ less bond inv. / equity attributable to shareholders of Co. | 27% | 24% |

Notes: (1) Included pledged bank deposits \$473M (31.12.05) and \$334M (30.6.05)

(2) Majority of the debt has long maturity of over 5 years

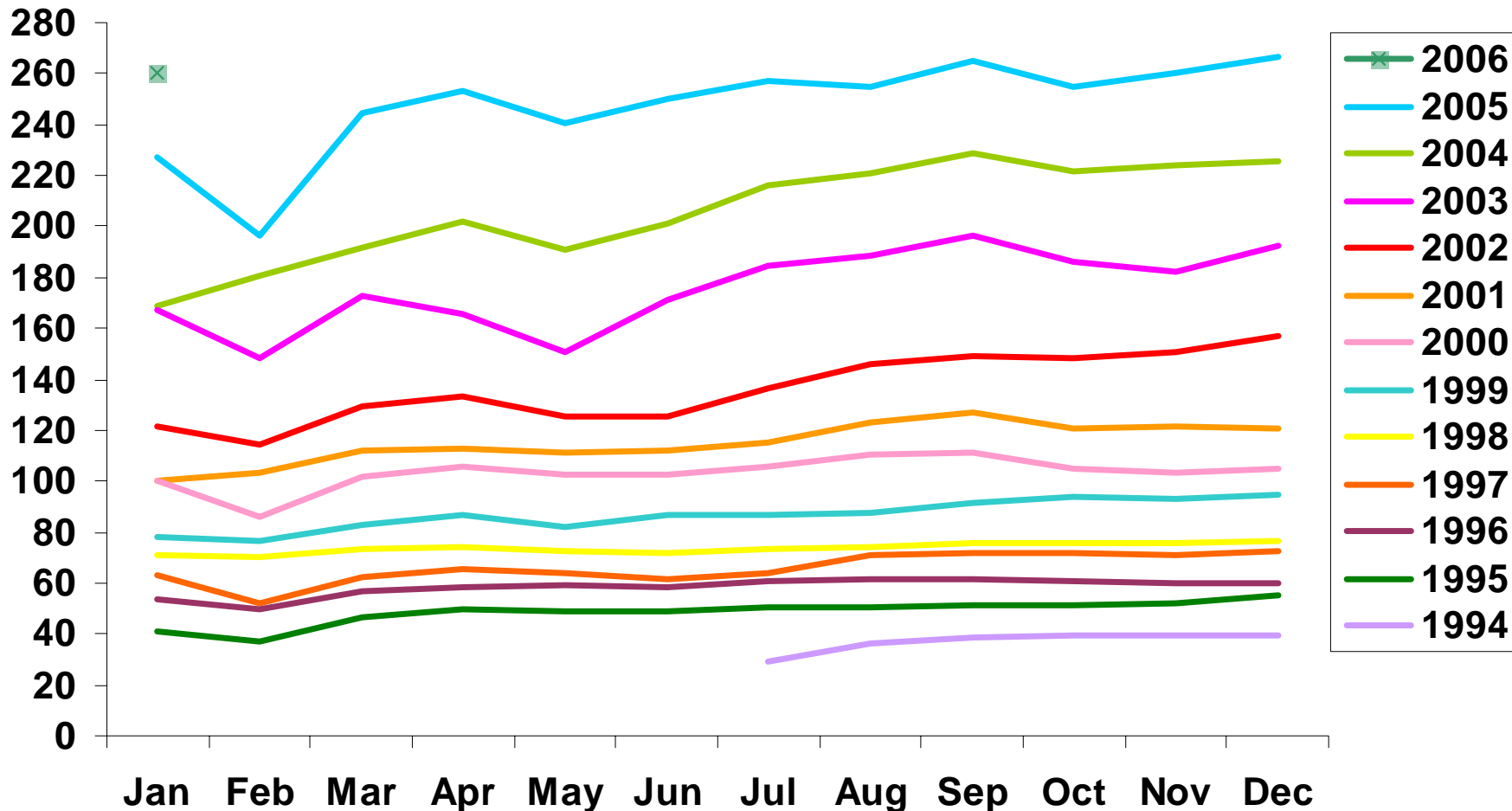
(3) HHI's proportionate share of joint venture's debts

(4) Net debt refers to total debt less pledged bank deposits, bank balances and cash

GS Superhighway – Avg. Daily Traffic

| | | | |
|---------------------------|-------------|-------------|--------------|
| | 1H05 | 1H06 | |
| Avg. Daily Traffic | 223K | 260K | ↑ 17% |

No. of Vehicle
(‘000)

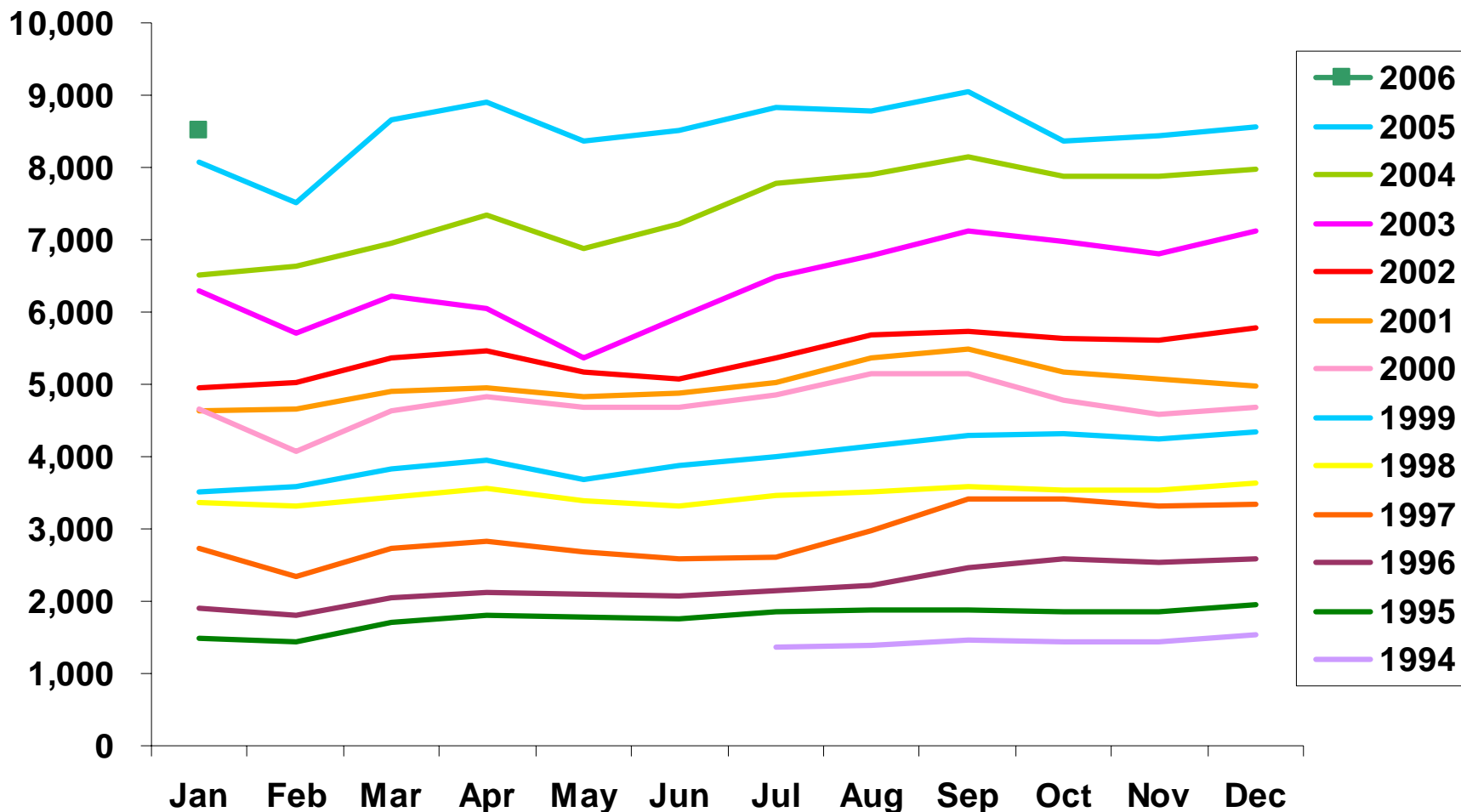


* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

GS Superhighway – Avg. Daily Toll Revenue

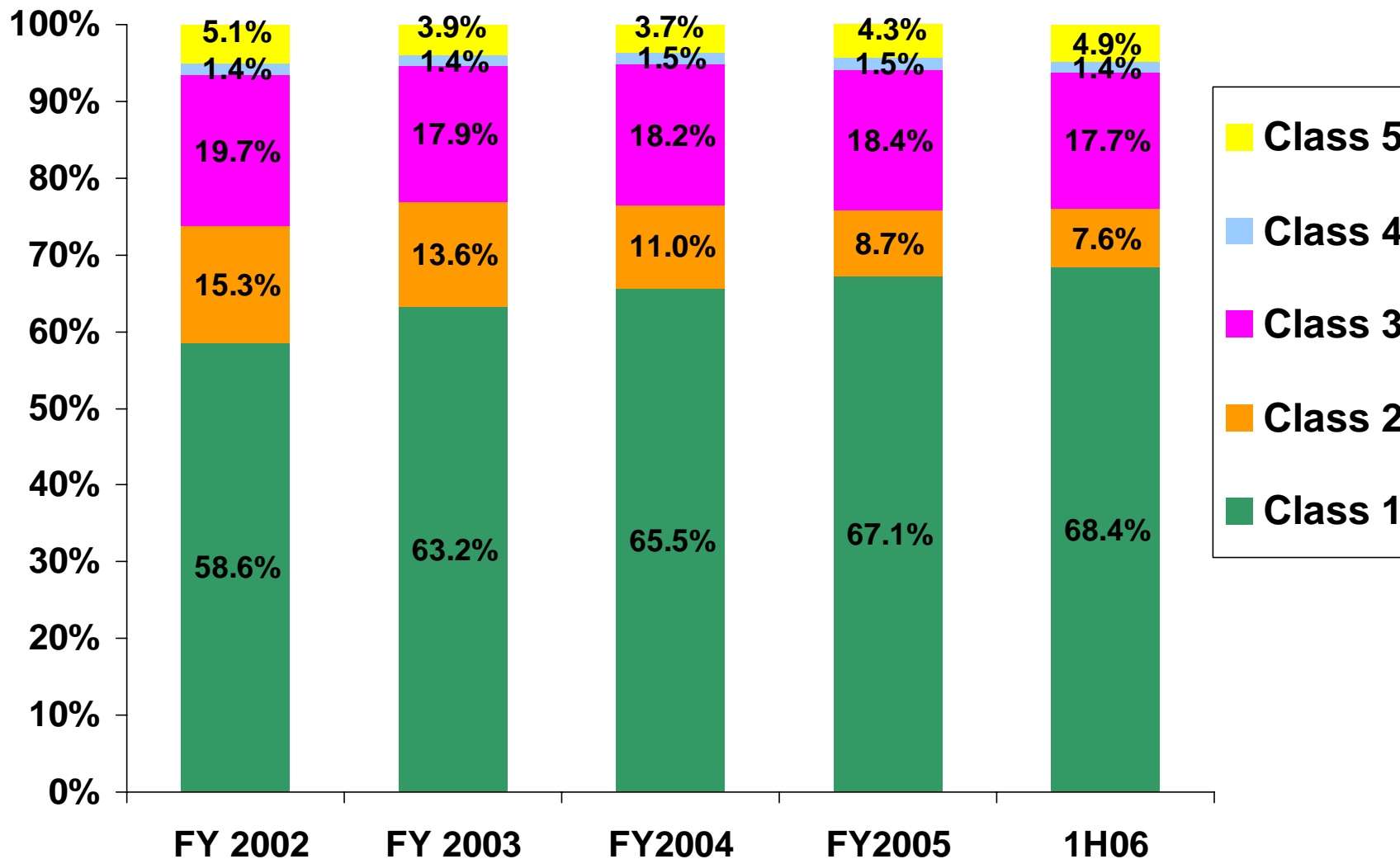
RMB '000

| | | | |
|--------------------|-------------|-------------|-----|
| | <u>1H05</u> | <u>1H06</u> | |
| Avg Daily Toll Rev | 7,924K | 8,668K | ↑9% |

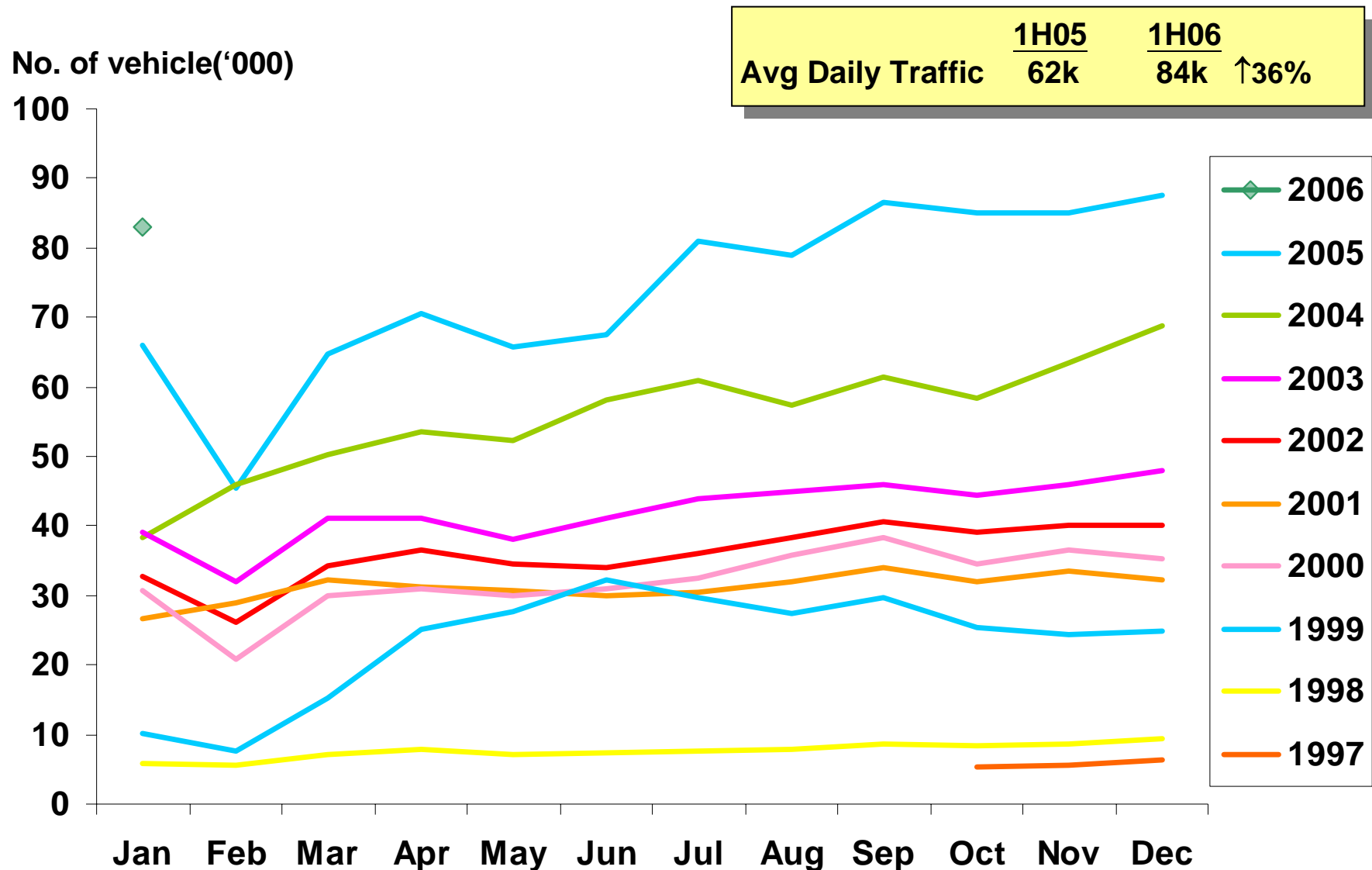


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GS Superhighway – Traffic by Class

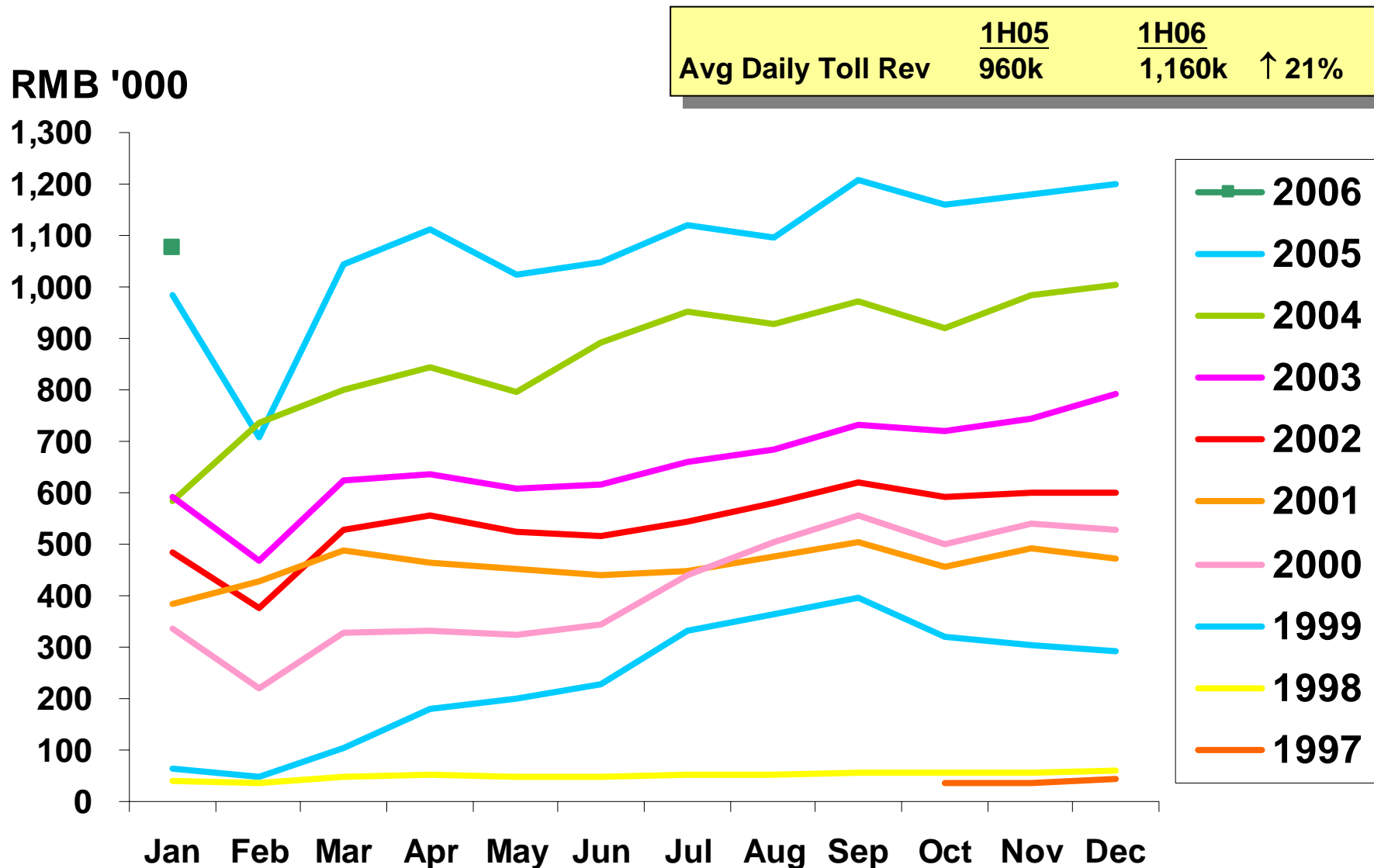


ESW Ring Road – Avg. Daily Traffic



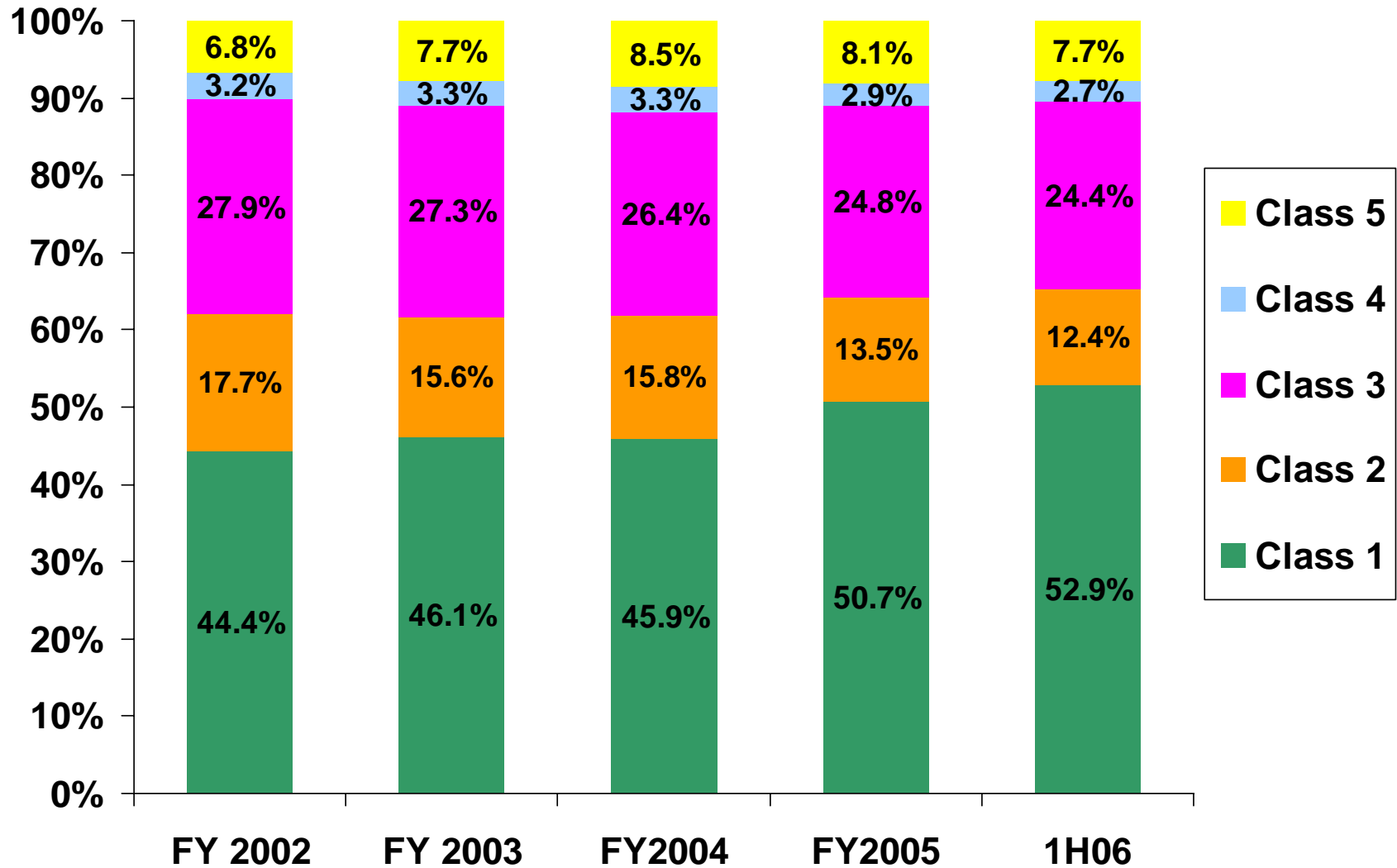
* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

ESW Ring Road – Avg. Daily Toll Revenue



* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

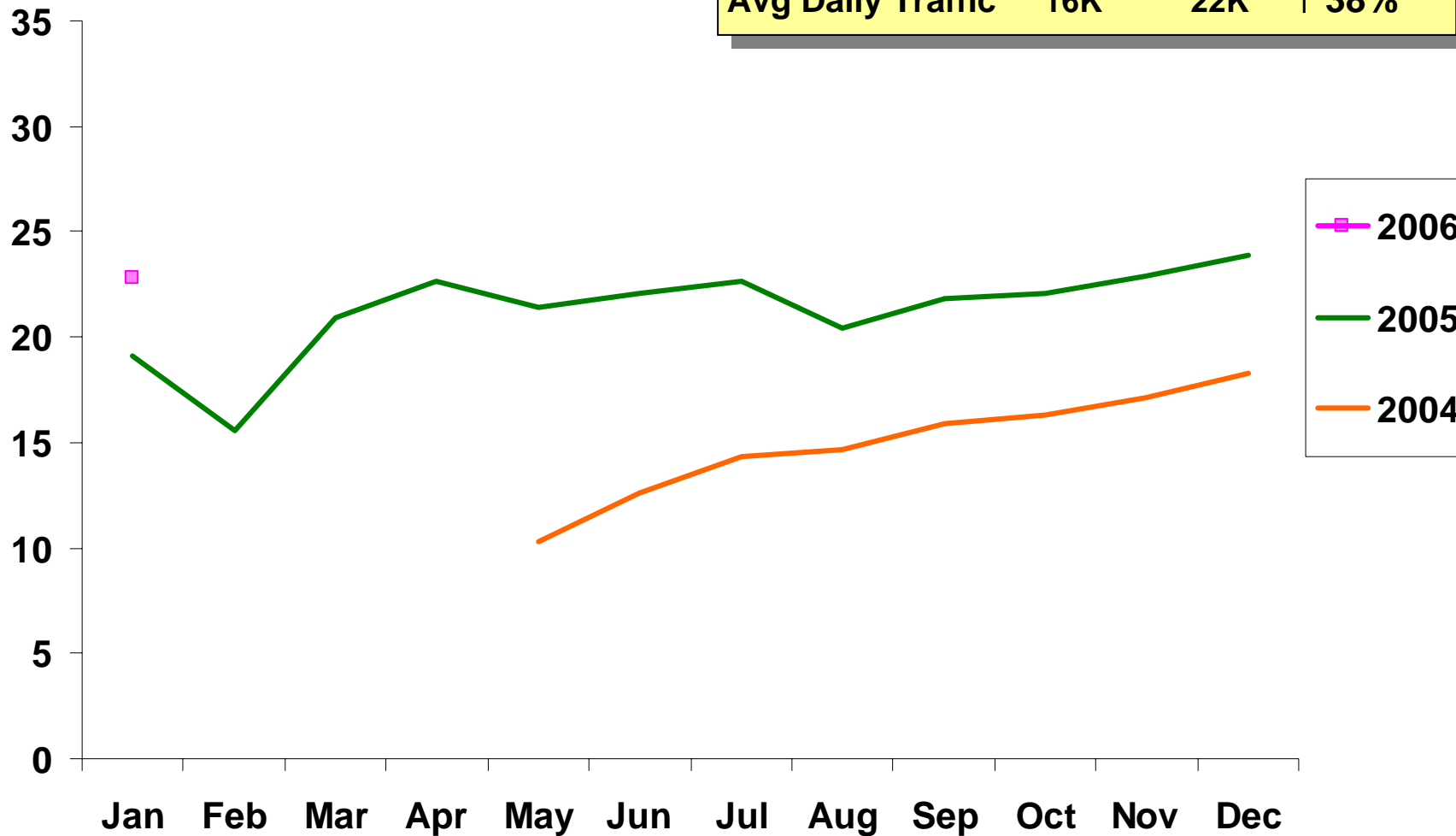
ESW Ring Road – Traffic by Class



Phase I West – Avg. Daily Traffic

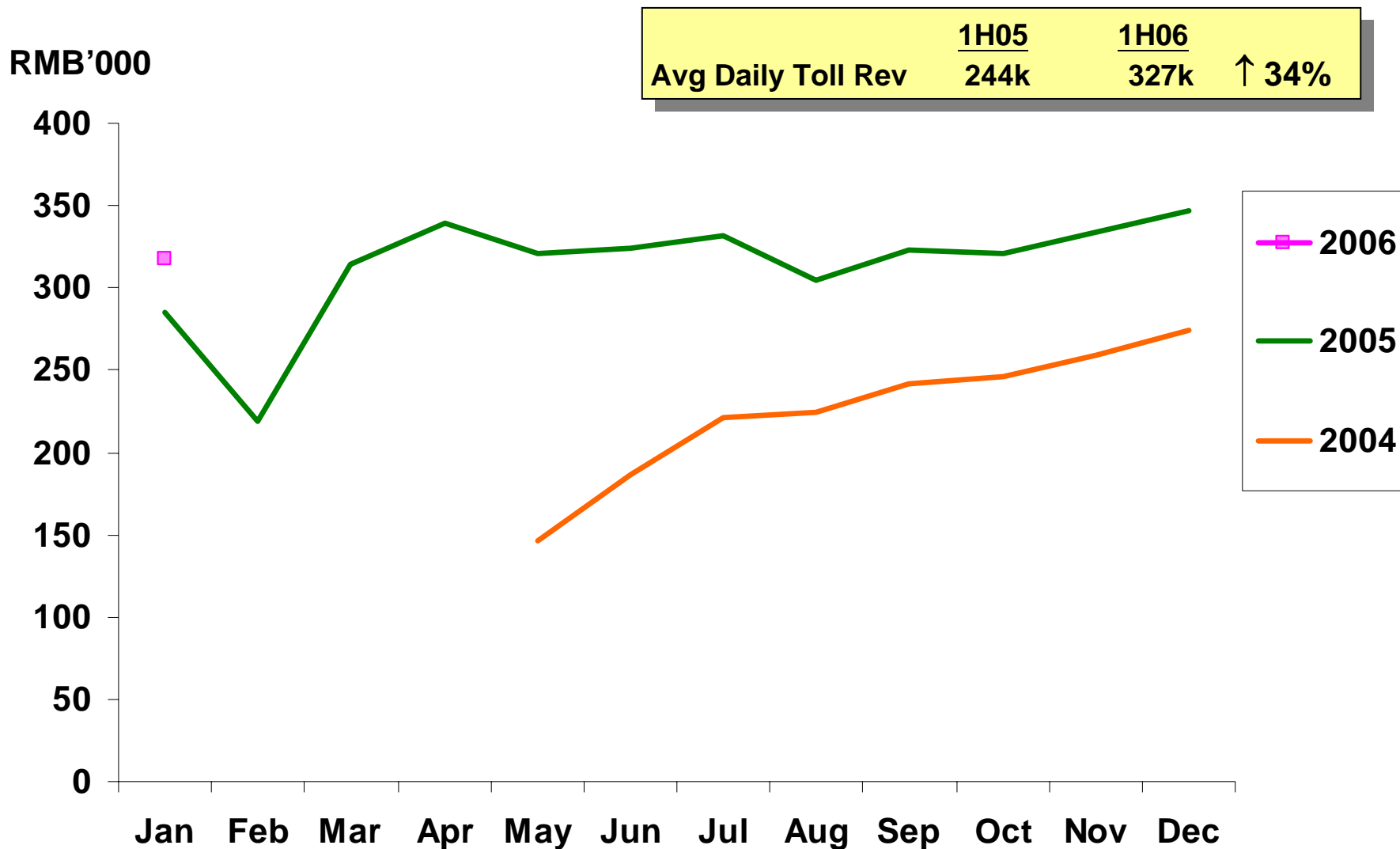
No. of vehicle('000)

| | | | |
|-------------------|-------------|-------------|-------|
| | <u>1H05</u> | <u>1H06</u> | |
| Avg Daily Traffic | 16K | 22K | ↑ 38% |



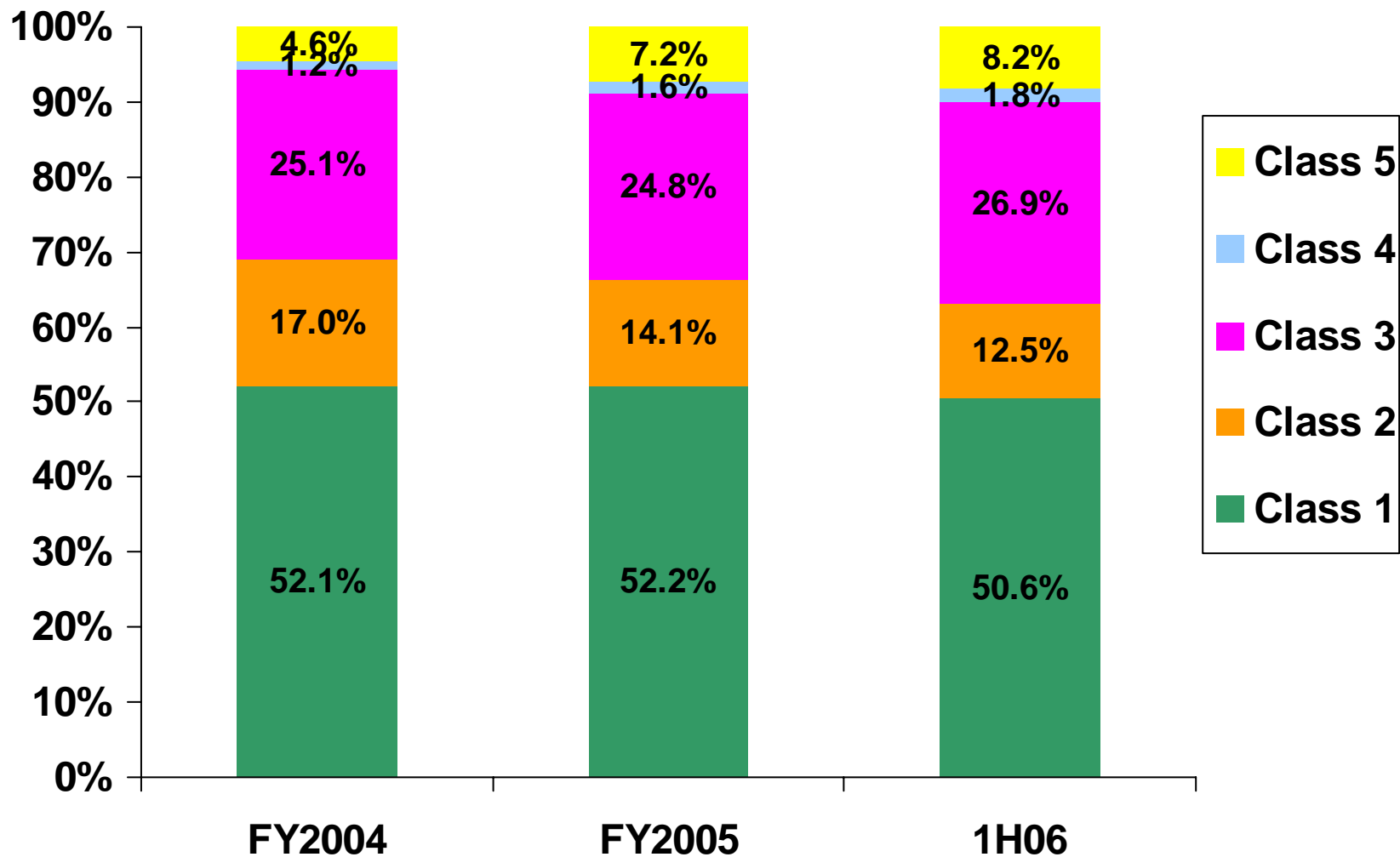
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Phase I West – Avg. Daily Toll Revenue



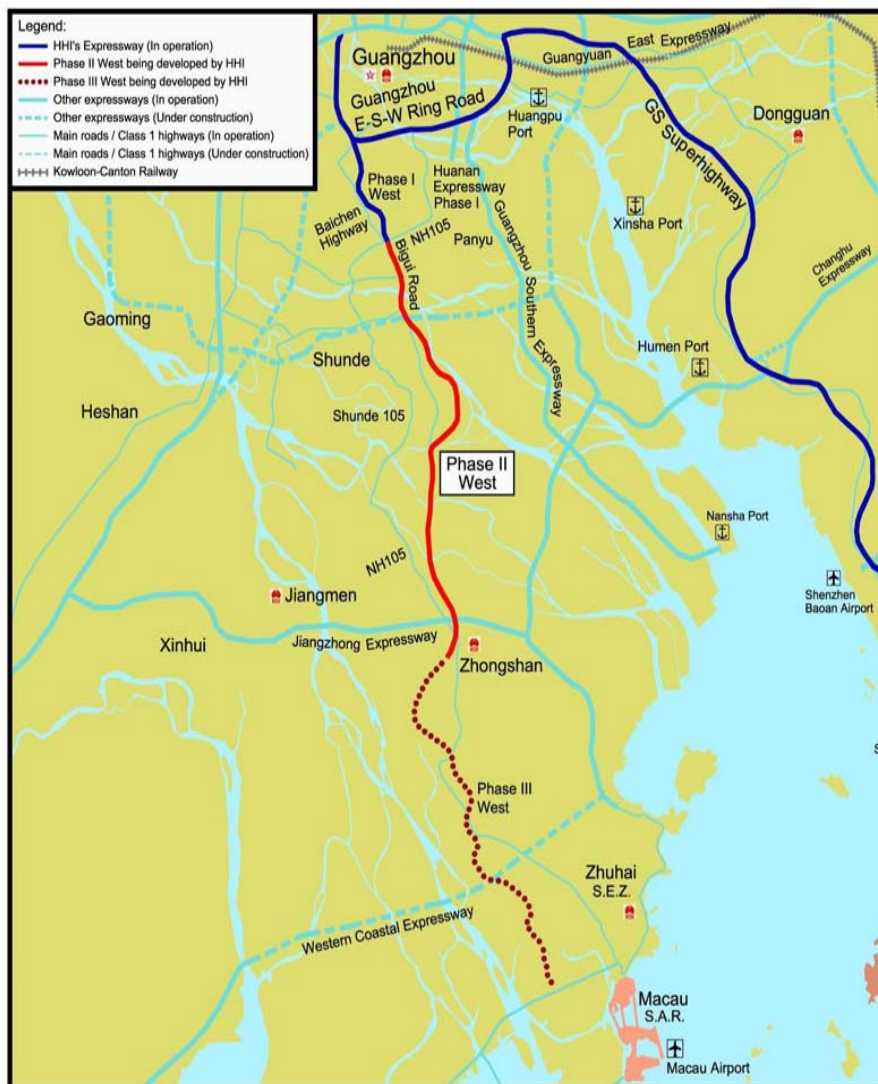
* Chinese New Year in 2006 started on 29 Jan 2006 (2005: started on 9 Feb 2005)

Phase I West – Traffic by Class



Future Projects

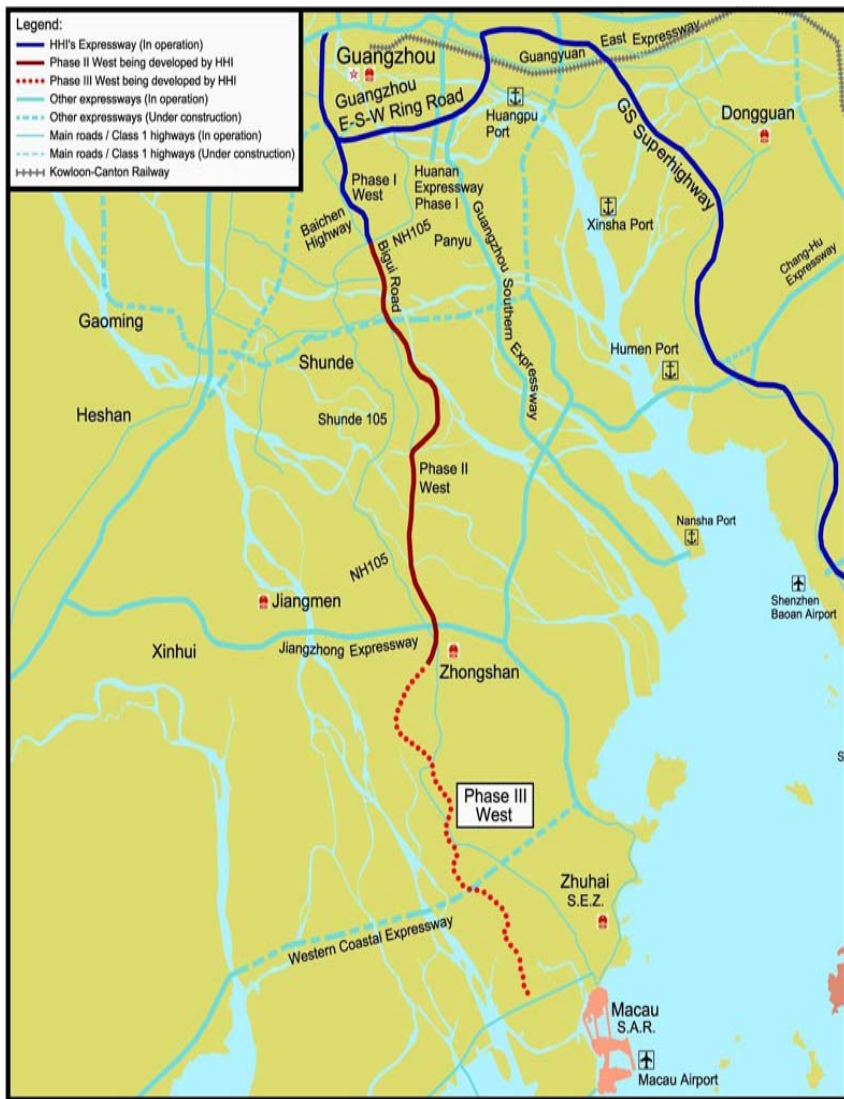
Phase II West



| Project Description | |
|--------------------------|---|
| Route: | Shunde - Zhongshan |
| Length: | approx. 46 km |
| JV Partner: | Same as GS Superhighway |
| Total investment: | Rmb4.9 billion (35% equity, HHI & PRC partner each to contribute RMB857.5 million) |
| Construction: | Started in Dec 2005 |
| Completion time: | Approx. 3 years |

Future Projects

Phase III West (subject to govt. approval)



| Project Description | |
|--|---|
| Route: | Zhongshan - Zhuhai |
| Length: | Routing not confirmed yet |
| JV Partner: | Same as GS Superhighway |
| Total investment: | Rmb3.6 billion (35% equity, HHI & PRC partner each to contribute RMB630 million) |
| * All subject to govt. approval | |

Future Projects

GS Expansion

- Currently under study

| Project Description | |
|--|-----------------------------------|
| Total estimated investment: | Approx. Rmb 7 billion |
| Length: | 99.35 km |
| Estimated Cost/km: | Rmb70 million |
| No. of lanes: | Dual 3 expands to Dual 5 |
| Financing: | 100% debt |
| Construction time: | 3 years |
| Max traffic capacity: (Av. Daily traffic) | Expands from current 400K to 600K |

~ **End** ~