



Hopewell Holdings Limited

Unaudited Interim Results

six months ended 31.12.2003

26 February 2004

Key Highlights

- ◆ **Sustained Financial Strength** 財務狀況持續穩定
 - **Net Profit for 6 months increased by 256% to HK\$626M**
六個月純利為 港幣 六億二千六百萬元 (256%↑)
 - **Major contribution from China Infrastructure & IPO Gain**
主要來自中國基建及上市收益
 - **Improved Interest Coverage (EBIT/Interest) from 2.7x to 4.8x**
利息覆蓋率 (利息稅項前盈利/利息) 由 2.7x 增加至 4.8x
 - **Low Debt Level: Net Debt decreased to HK\$0.3b (87% ↓)**
淨負債降至港幣 三億元 (87% ↓)
- ◆ **Net Debt vs Equity: 2%** 淨債務對比股東權益: 2%
Net Debt vs Capitalization: 2% 淨債務對比總資本: 2%
- ◆ **Continued growth in all Toll Roads (Combined Toll Revenue of GS Superhighway & Ring Road JV 22%↑, EBIT 33%↑)**
公路收入持續增長 (廣深高速公路及環城公路合作公司之總路費收入 22%↑, 除利息及稅項前之溢利 33%↑)
- ◆ **Phase I West expected to be completed ahead of schedule (May 04)**
西線一期將較預期提前竣工 (2004 年 5 月)
- ◆ **Disinvestment of Non core Investment reduced no. of areas to 4 (vs 11 in FY99/00)**
出售非核心業務因而減少投資地域至 4 個 (11 個於 2000 年)

Group Results

HK\$ million	Six months ended	
	<u>31.12.02</u> (restated)	<u>31.12.03</u>
Turnover (Note)	447	340
Profit from operations (before impairment & disposal loss of non-core investment)	117	65*
Share of Result of JV/Asso Co	334	443
Earnings before Interest & Tax	451	508
Exceptional Items	-	365
Finance Costs		
Interest Expenses	(176)	(106)
Other Finance Costs	(57)	(20)
Taxation	(36)	(35)
Minority Interests	(6)	(86)
Net Profit	176	626

Note: Total HHI Toll Revenue of JV for 6 months amount to RMB1,399M (last year: RMB1,144M) and the Group's attributable portion thereof are not included in the Group's Turnover.

Operating EBIT: include Share of JV profit

** Exclude impairment and disposal loss of non-core investment \$49M (Dec-02: Nil)*

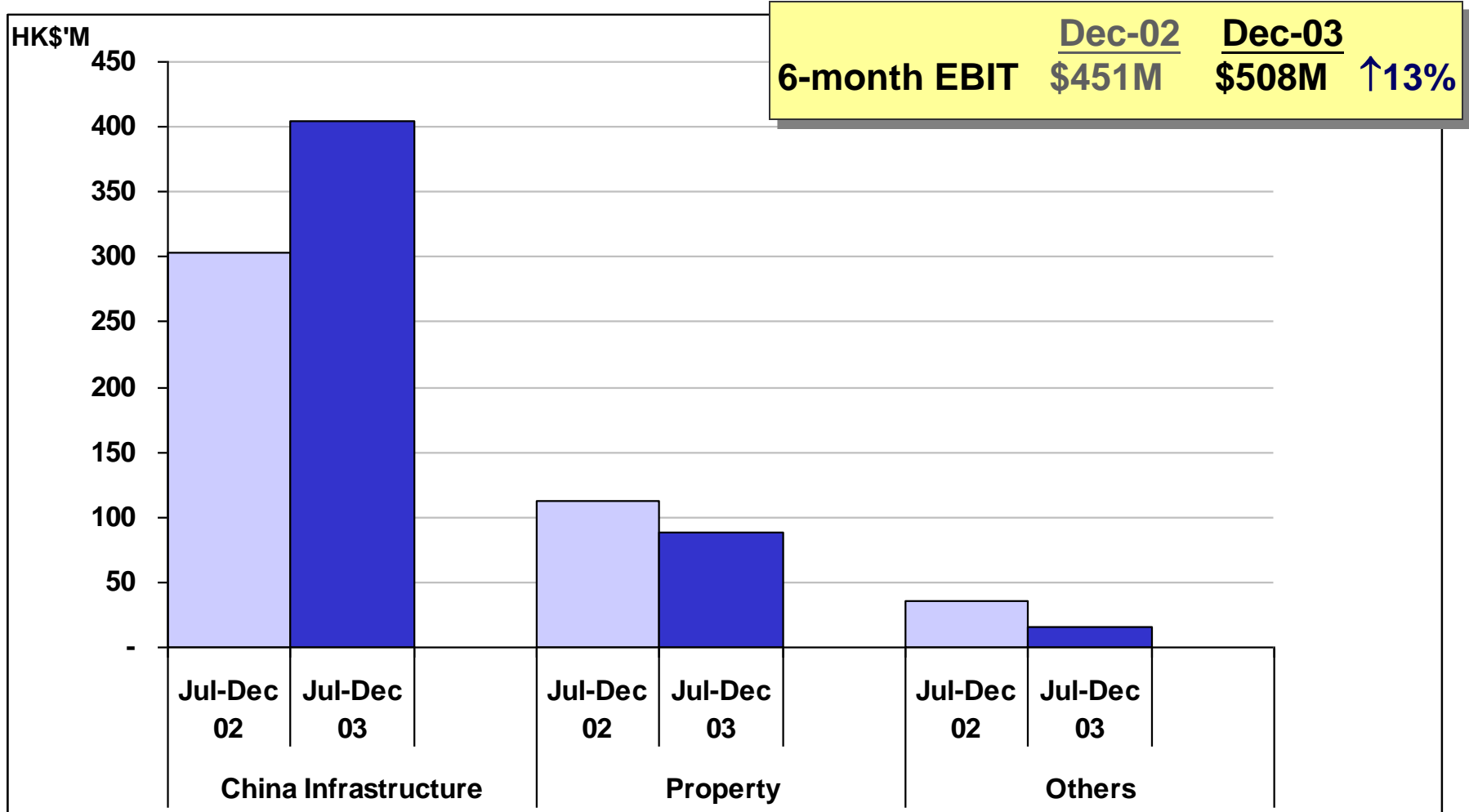
Group Resultant Debt

HK\$ million

	<u>30-Jun-03</u>	<u>31-Dec-03</u>
Net Debt	2,258	301
Interest Bearing Loan to China Ventures	(1,759)	(1,753)
Resultant Debt	<u>499</u>	N/A
Equity	<u>13,653</u>	14,130
Resultant Debt vs Equity	<u>3.6%</u>	N/A

Resultant Debt: 淨債務減除集團於中國項目之計息貸款

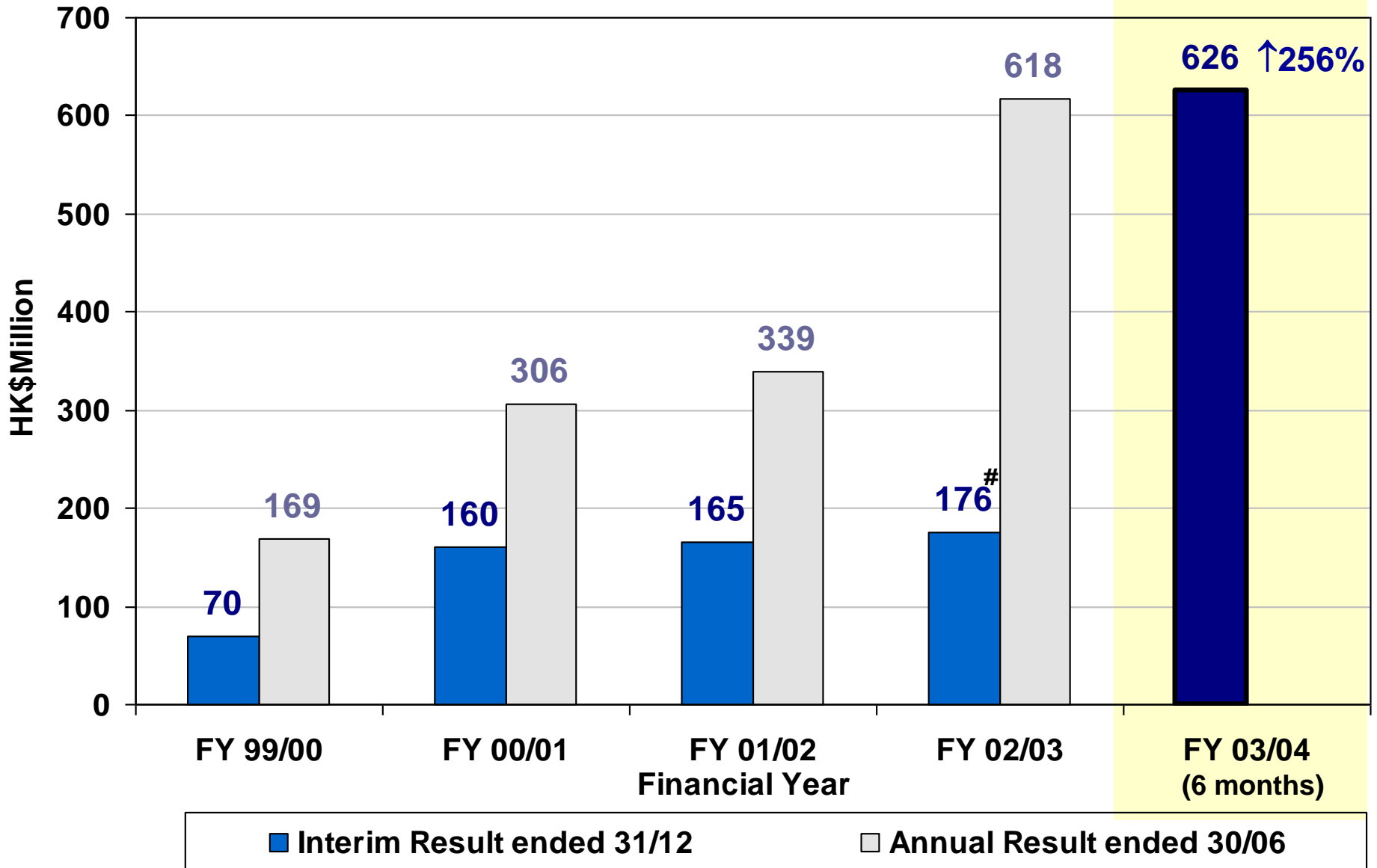
Group Earnings before Interest & Tax



HK\$'M	China Infrastructure	Property	Others	Group EBIT
Jul - Dec 02	304 #	112	35	451
Jul - Dec 03	405 #	88	15	508

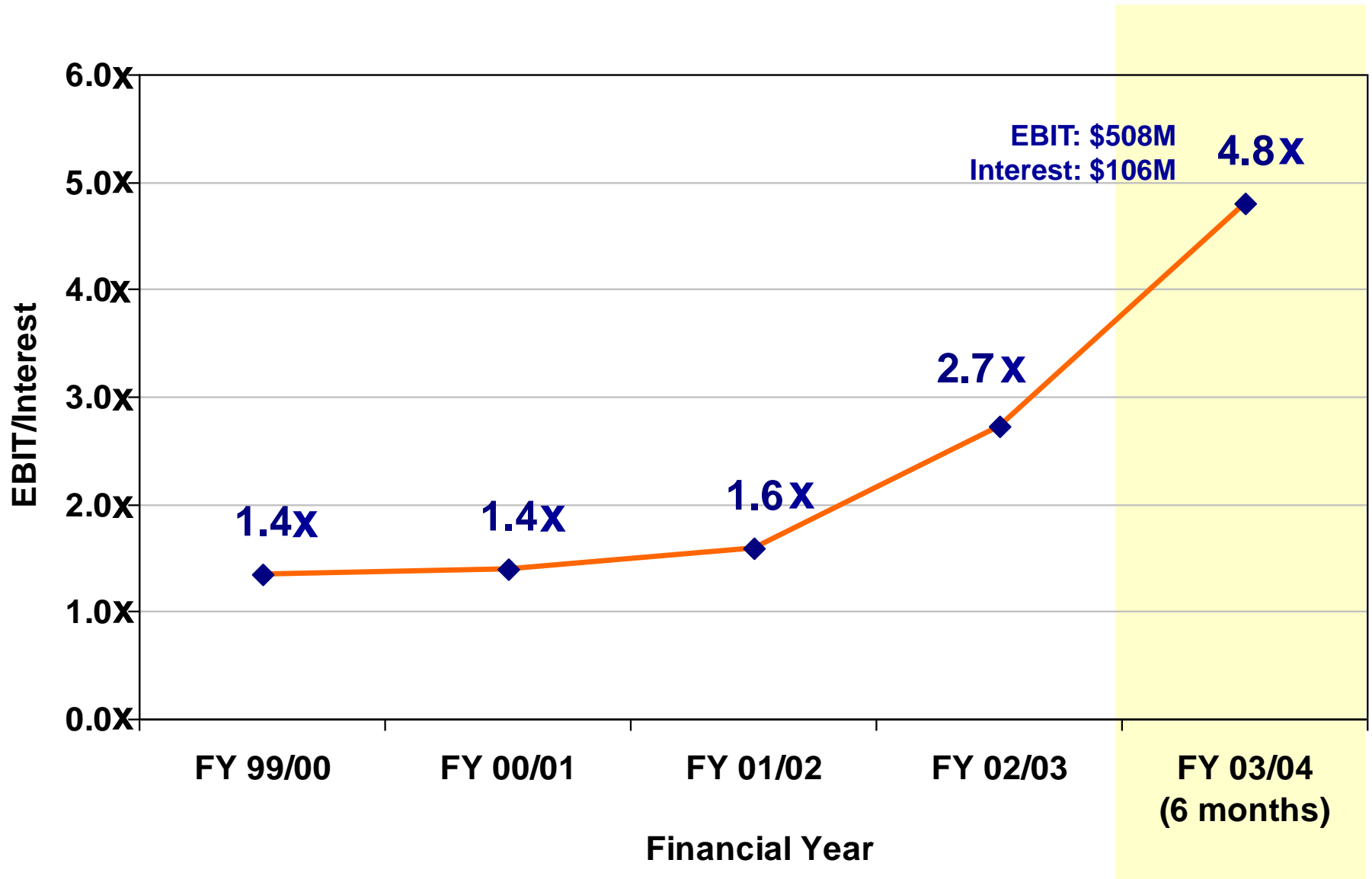
Include Interest Income from China Infrastructure JV for \$23M (Dec-02 \$32M)

Group Net Profit After Tax

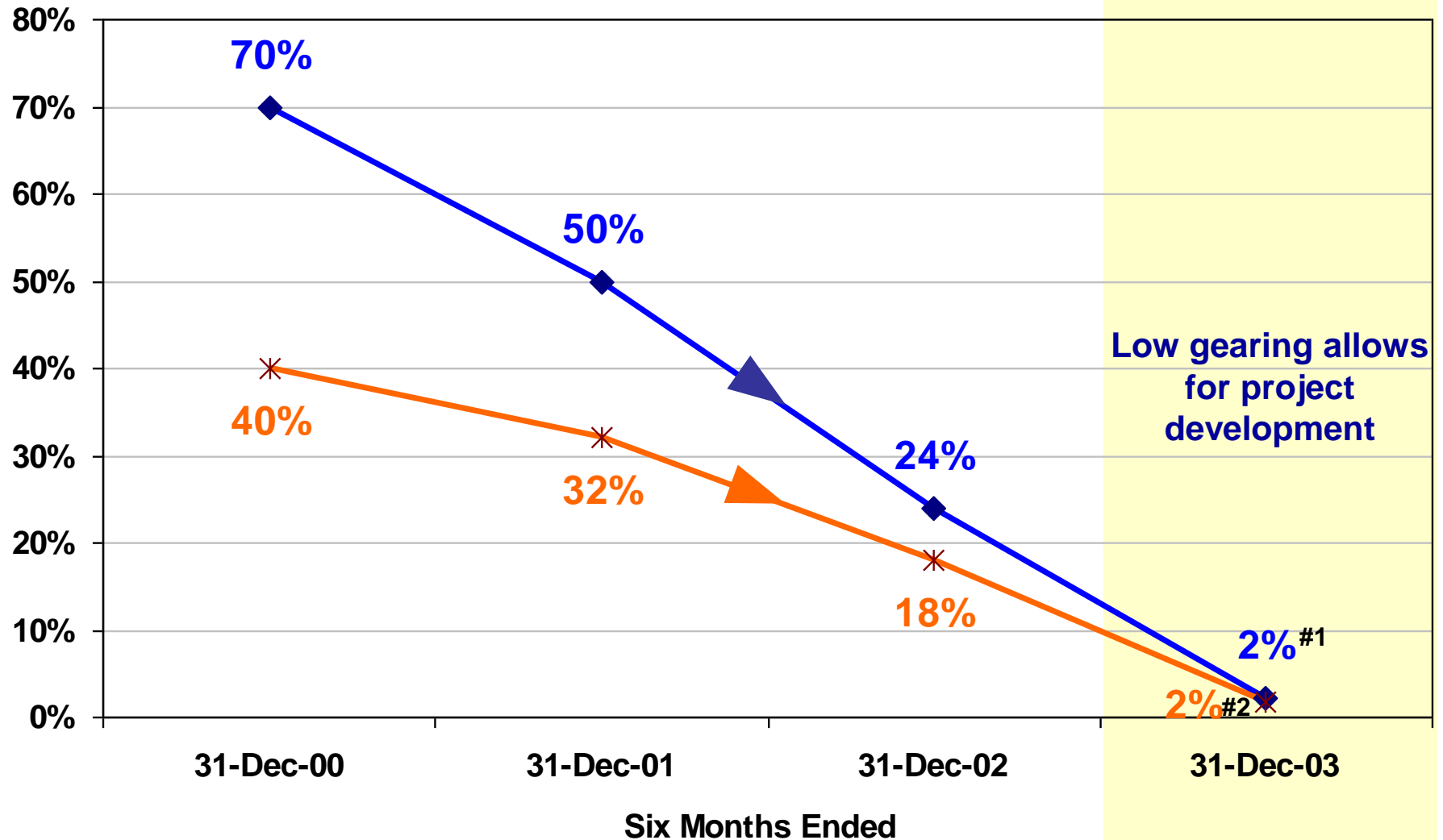


[#] Prior period adjustment: change of SSAP 12 (deferred tax) = \$179M - \$3M = \$176M

Group EBIT vs Interest



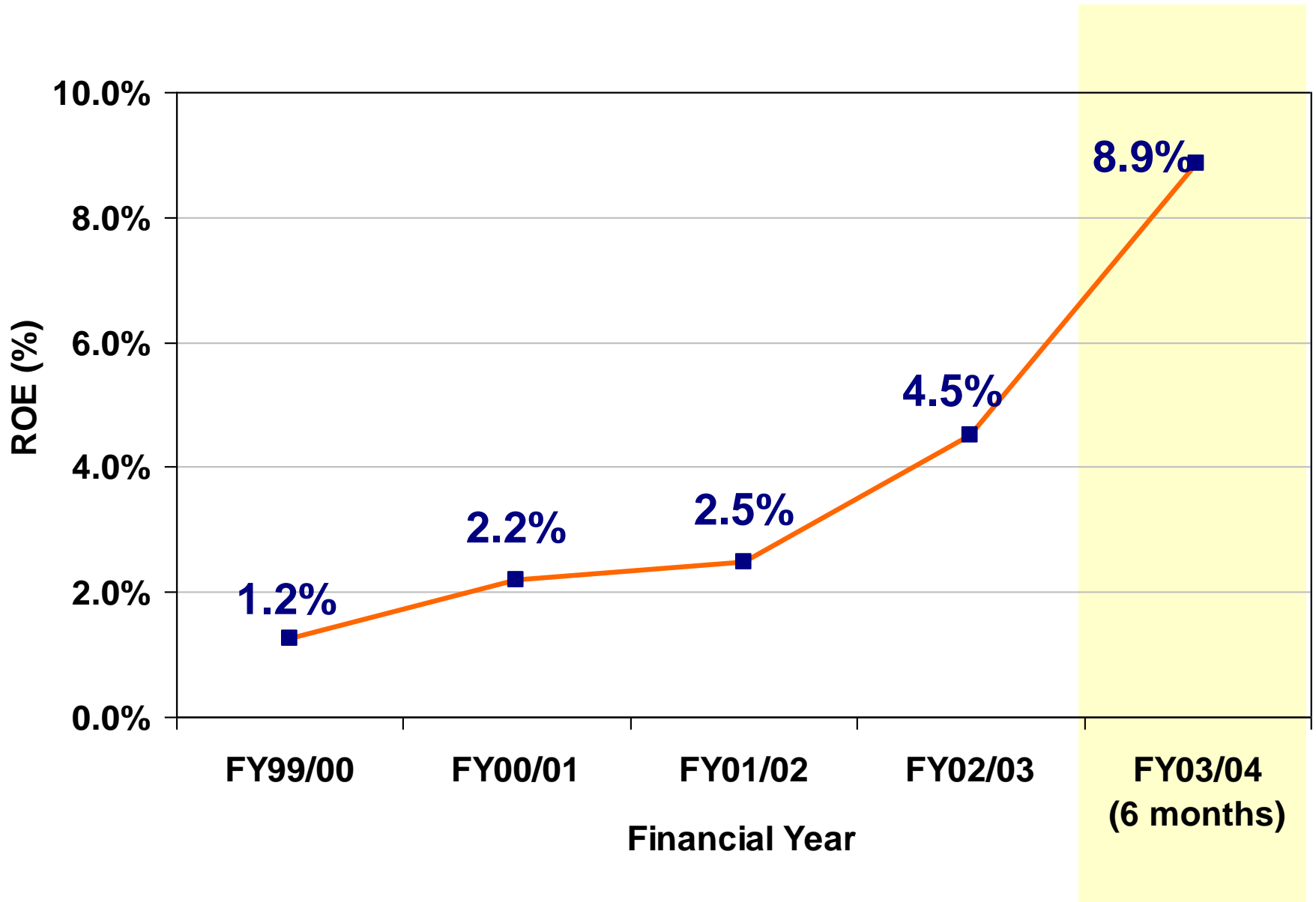
Group Gearing Ratio



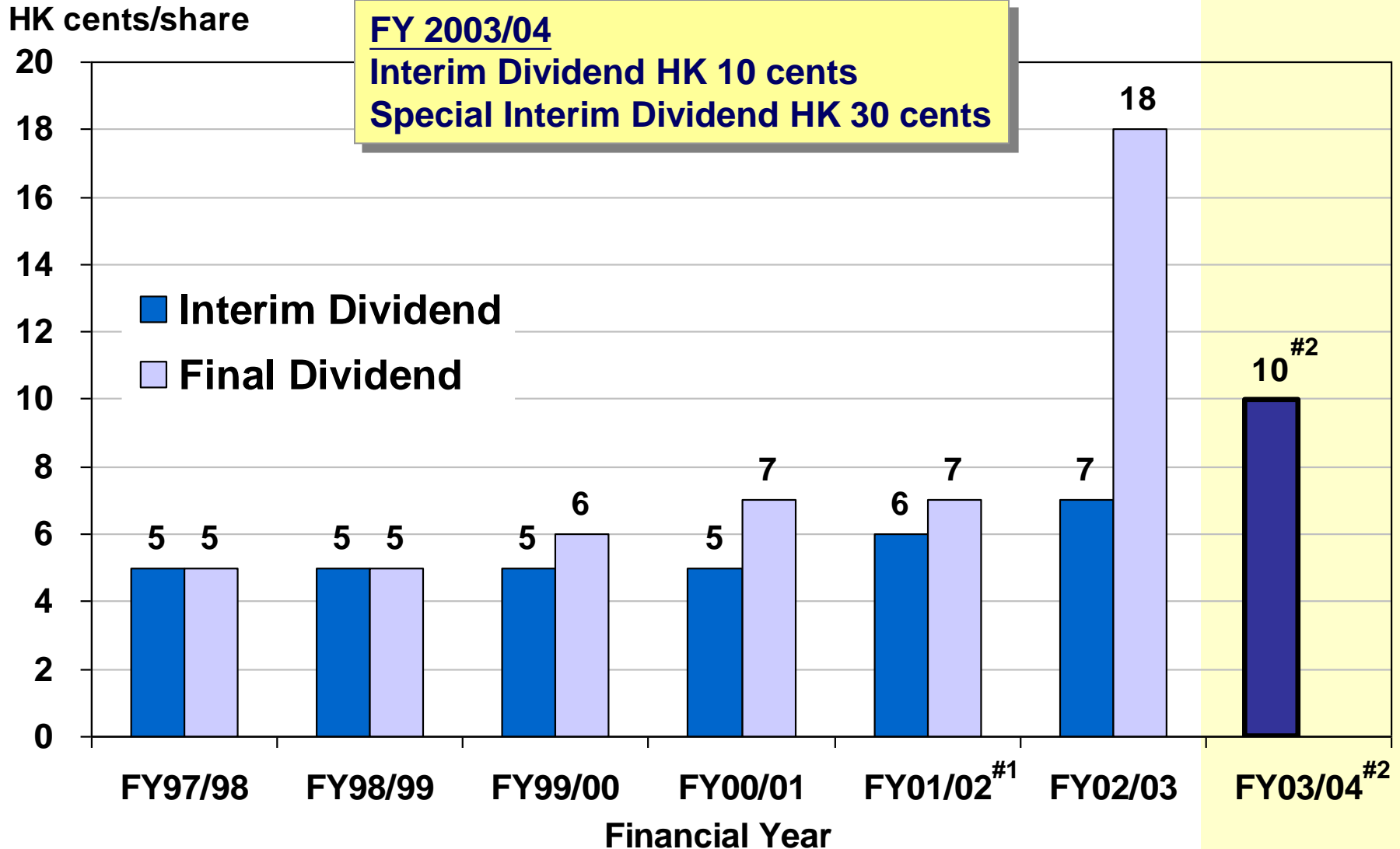
#1 Total Net Debt \$0.3b vs Equity \$14.1b

#2 Total Net Debt \$0.3b vs Total Capital \$17.2b

Group Return On Equity



Group Dividend History



#2: Special Interim Dividend of HK 30 cents/share declared in FY03/04 not shown above

#1: Special Dividend of HK 30 cents/share paid out in FY01/02 not shown above

Group Cash Flow

- **Regular Cash Inflow**
 - ◆ **Rental Cash from Properties**
 - ◆ **Operating Cash from Hotel**

- **Dividend from HHI**

- **TJB Proceeds**

Group Projects in Progress

■ China

- ◆ GZ West Superhighway Phase I (HHI)
- ◆ Huadu

■ Hong Kong / Macau

- ◆ Nova Taipa Phase II
- ◆ Mega Tower Project

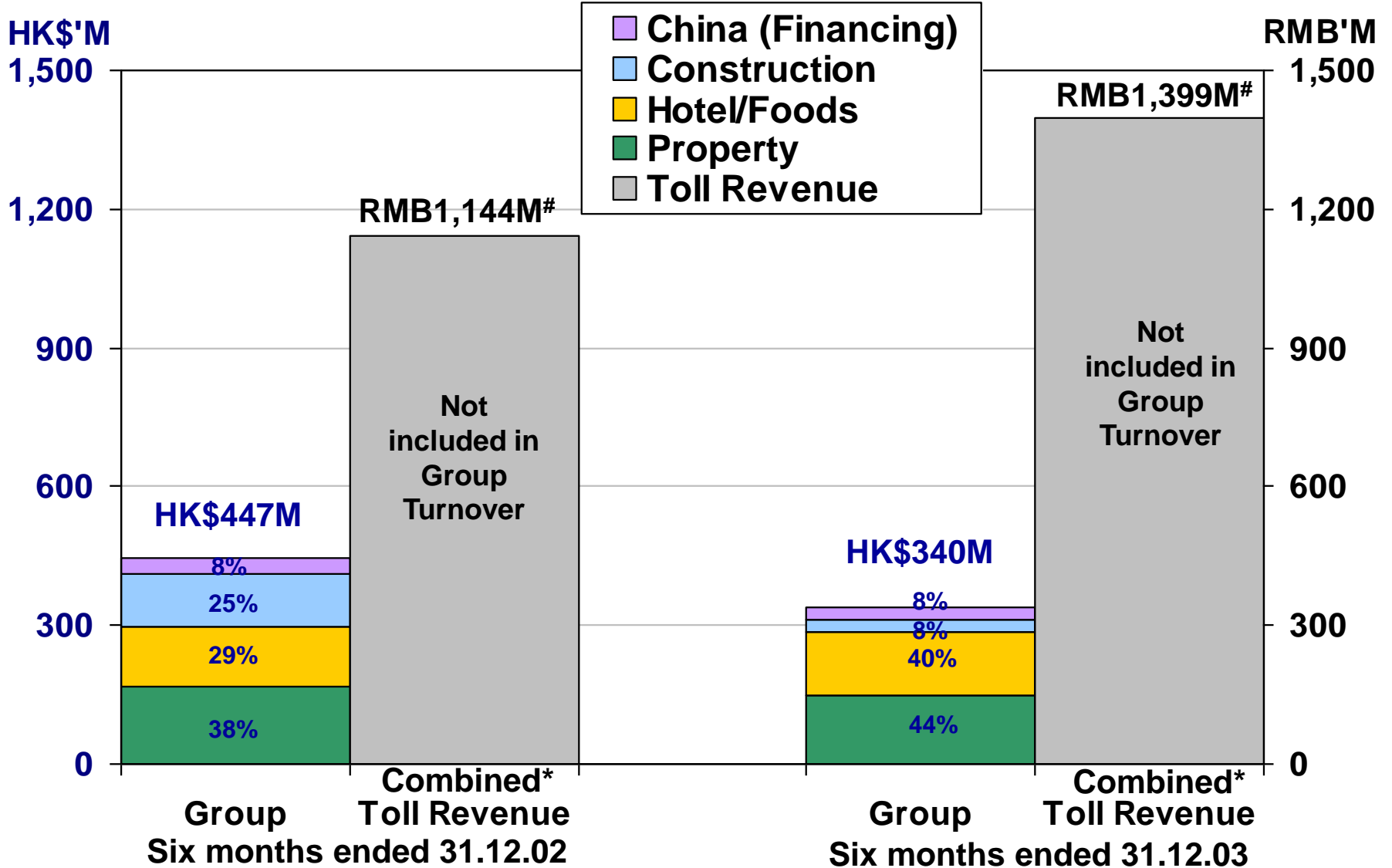
~ Presentation End ~

Supplementary Info

- **Group Results**
- **Property**
- **Hospitality**
- **HHI**



Group Turnover



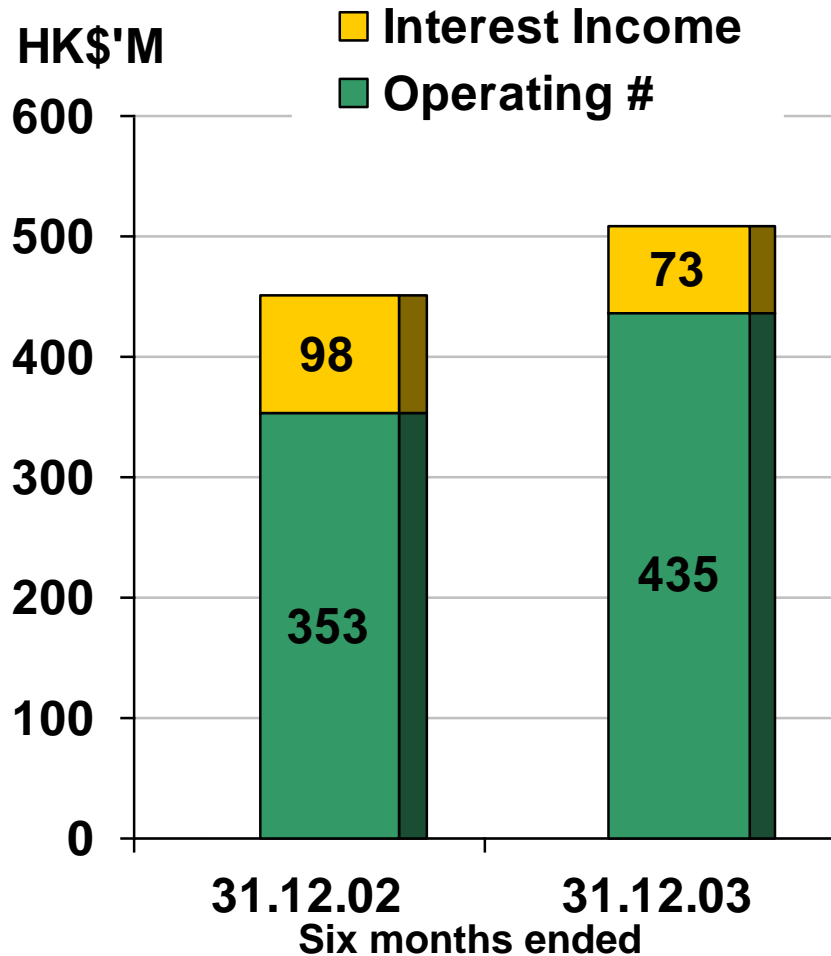
* Combined Toll Revenue = Toll Revenue of GS Superhighway and Ring Road

#JV's total, NOT Group's attributable share

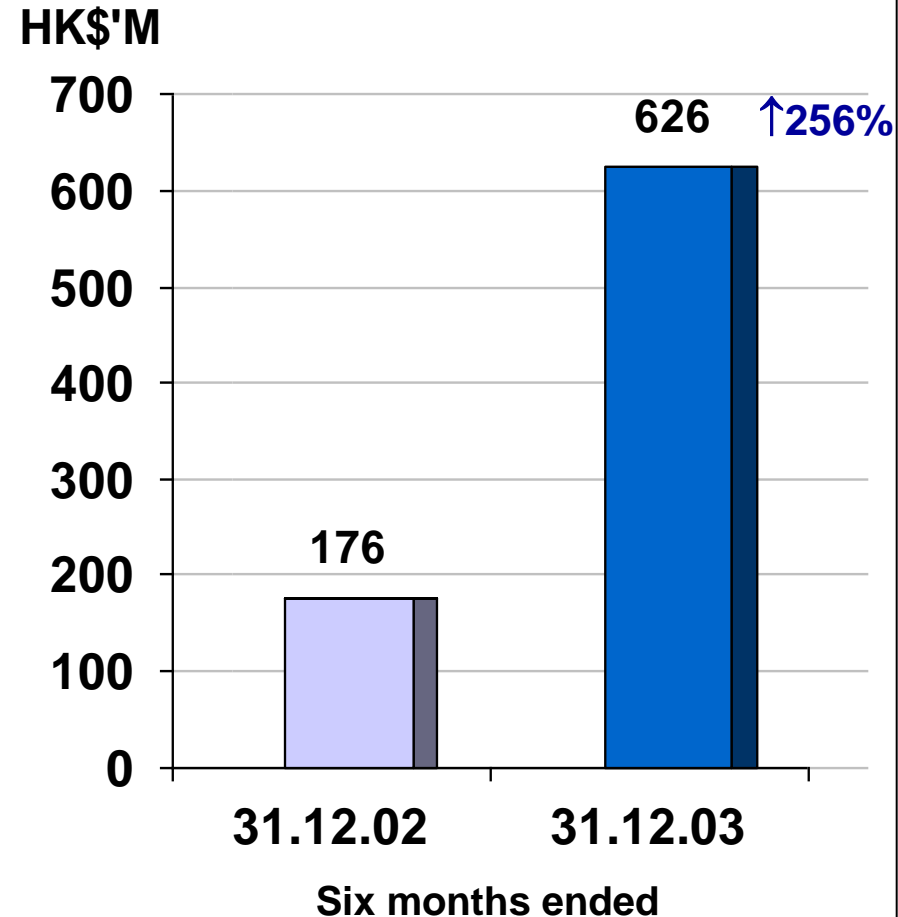
-Financial Income includes Shareholder Loan to JV but Toll Revenue is not included under Equity accounting

Group Net Profit & Earnings before Interest & Tax

Earnings before Interest & Tax*



Group Net Profit



* Recurring Activities
 # Operating: include Share of JV profit

Group Finance Cost & Interest Income

HK\$ million

Six months ended

31.12.02 31.12.03

Finance Cost

Interest

Corporate

Bond

(64) (33)

(112) (73)

(176) (106)

Other Finance Costs

Redemption Premium (Notes 2007)

Amortization of Bond Issue Cost

Loan Arrangement Fee & Bank Charges

(36) -

(17) (3)

(4) (17)

(57) (20)

(233) (126)

Interest Income

China Infrastructure

Others

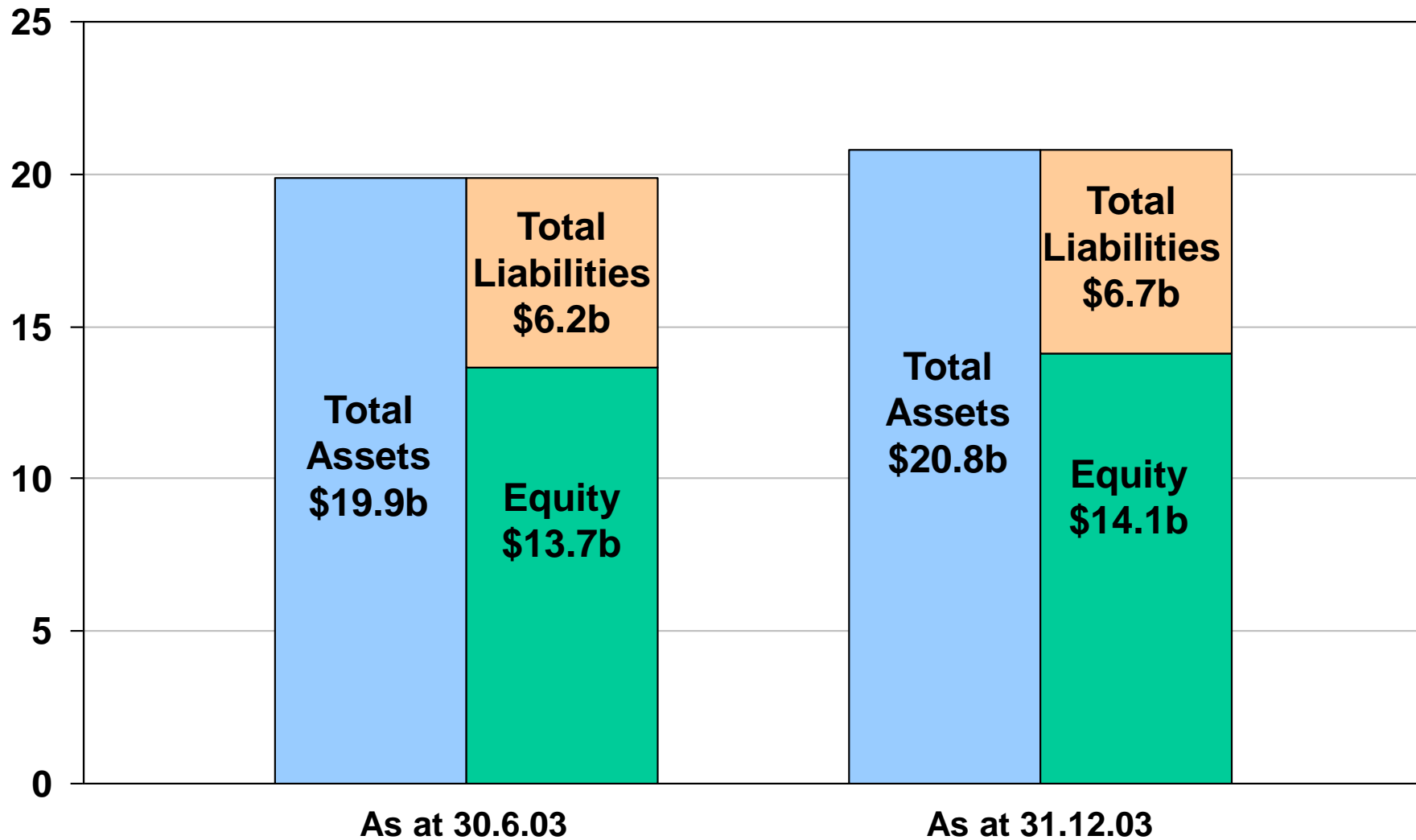
32 23

67 50

98 73

Group Balance Sheet

HK\$'b



Group Liquidity & Gearing

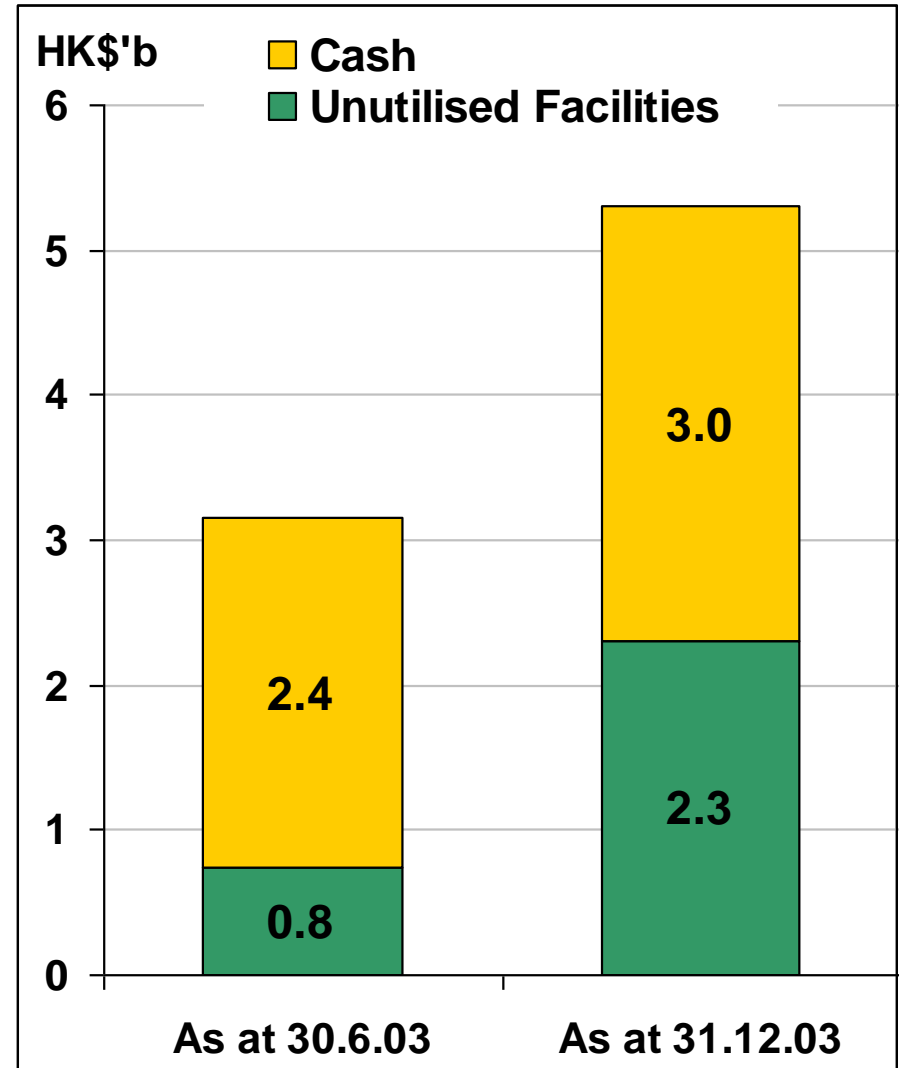
HK\$ million	<u>30.6.03</u>	<u>31.12.03</u>
EQUITY	13,653	14,130
TOTAL NET DEBT	2,258	301
TOTAL CAPITAL	18,079	17,245
Gearing:-		
Net Debt vs Equity	16%	2%
Net Debt vs Total Capital	12%	2%

Group Liquidity

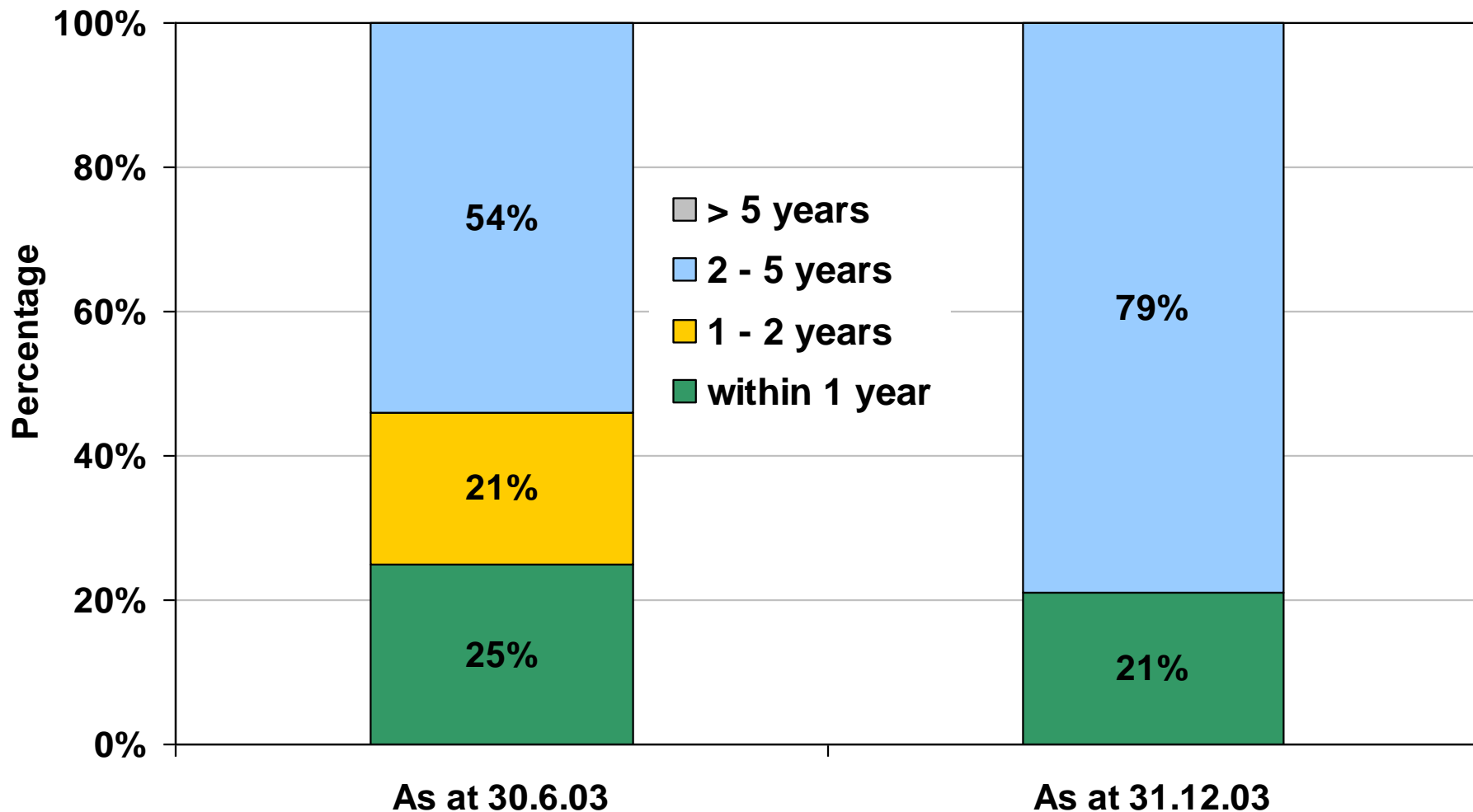
■ Strong Financial Resources

◆ Unutilised Facilities
as at 31.12.03: HK\$2.3b

◆ Cash on Hand
as at 31.12.03: HK\$3.0b
(of which HK\$1.7b reserved
for Bond Defeasance)

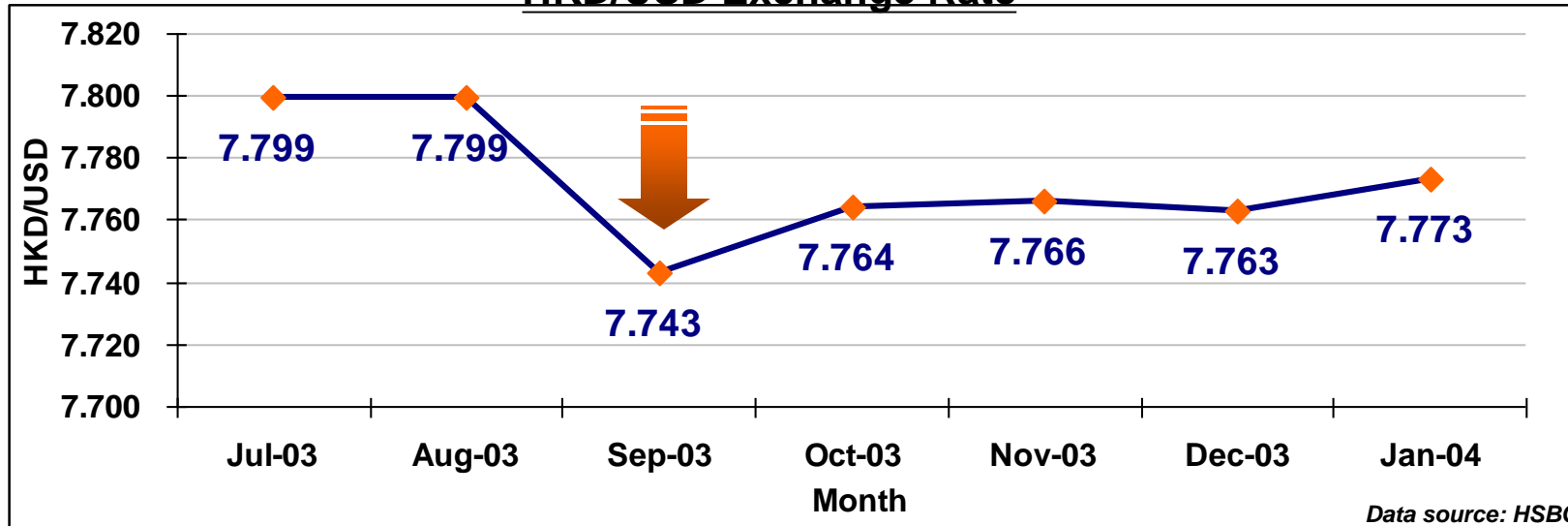


Group Debt Maturity Profile (without Bond)

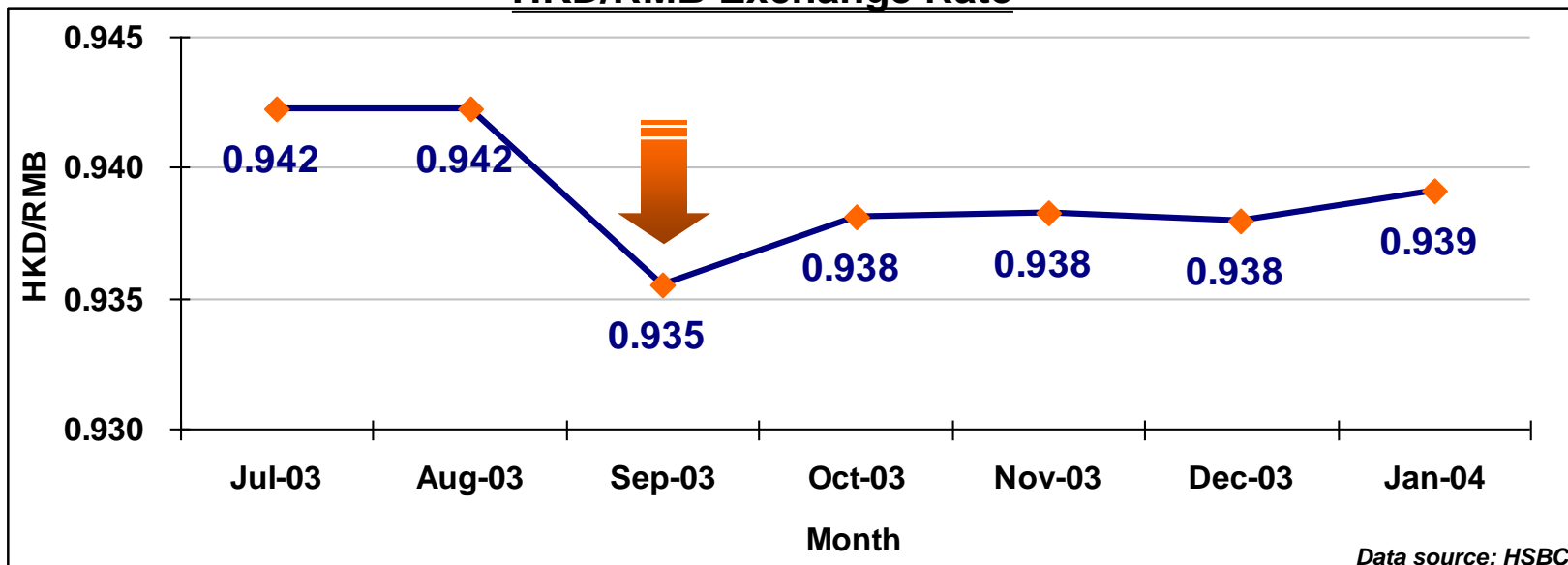


Group Month-end Exchange Rate

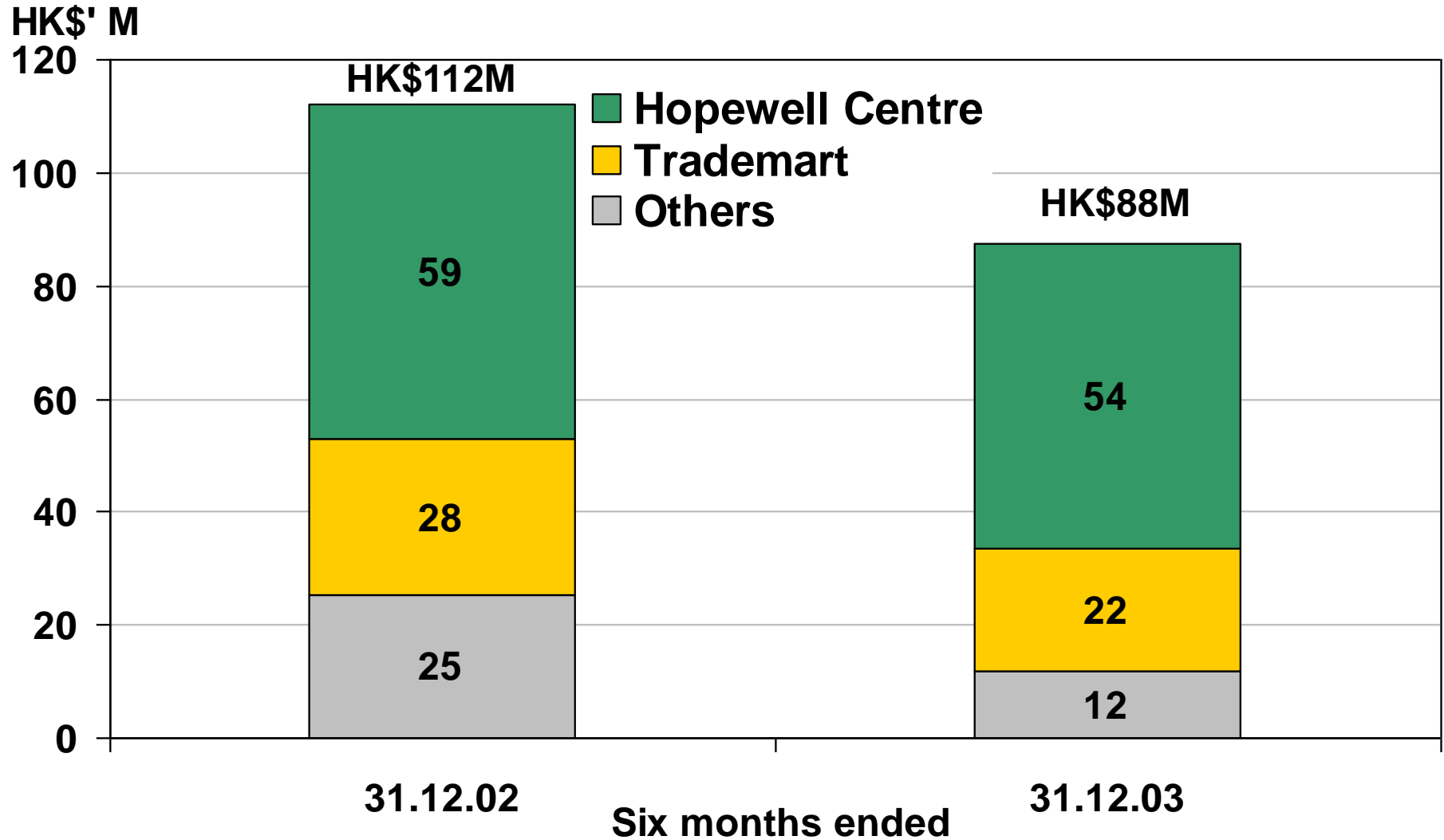
HKD/USD Exchange Rate



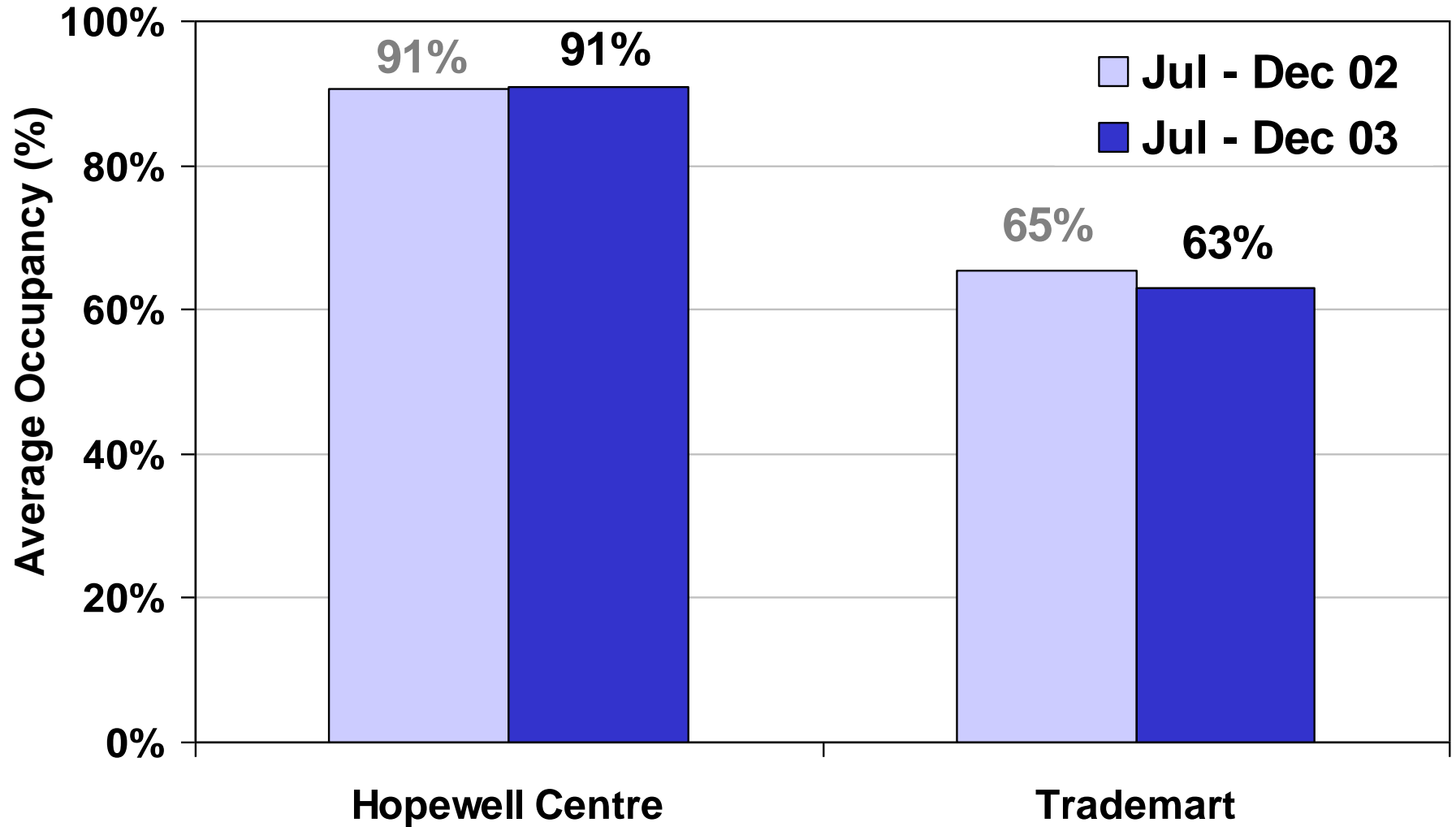
HKD/RMB Exchange Rate



Property Earnings before Interest & Tax

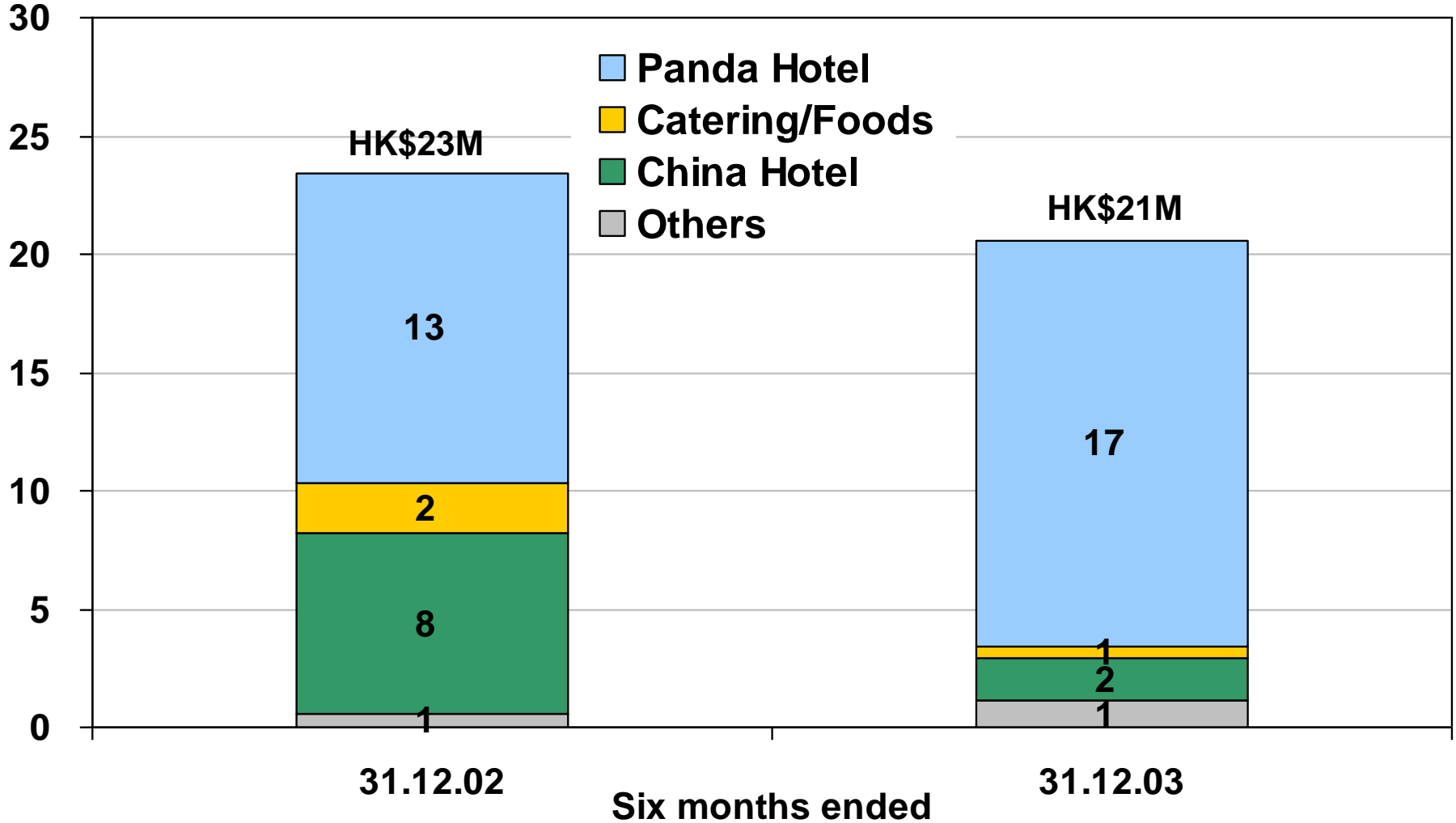


HK Rental Property Average Occupancy



Hospitality Earnings before Interest & Tax

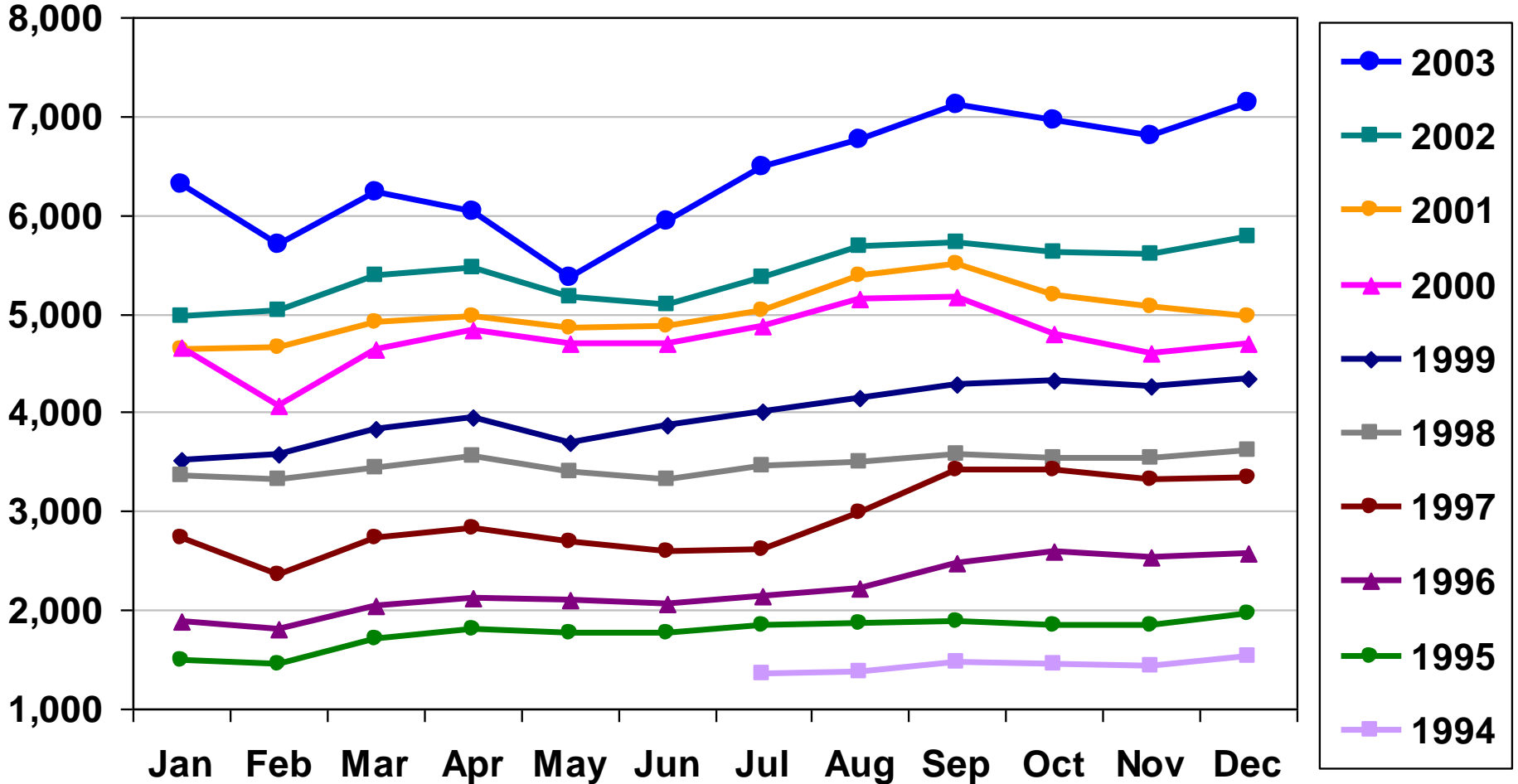
HK\$'M



HHI - GS Superhighway Average Daily Toll Revenue

Jul-Dec 02 Jul-Dec 03
 Avg Daily Toll Rev. RMB5,630k RMB6,880k ↑22%

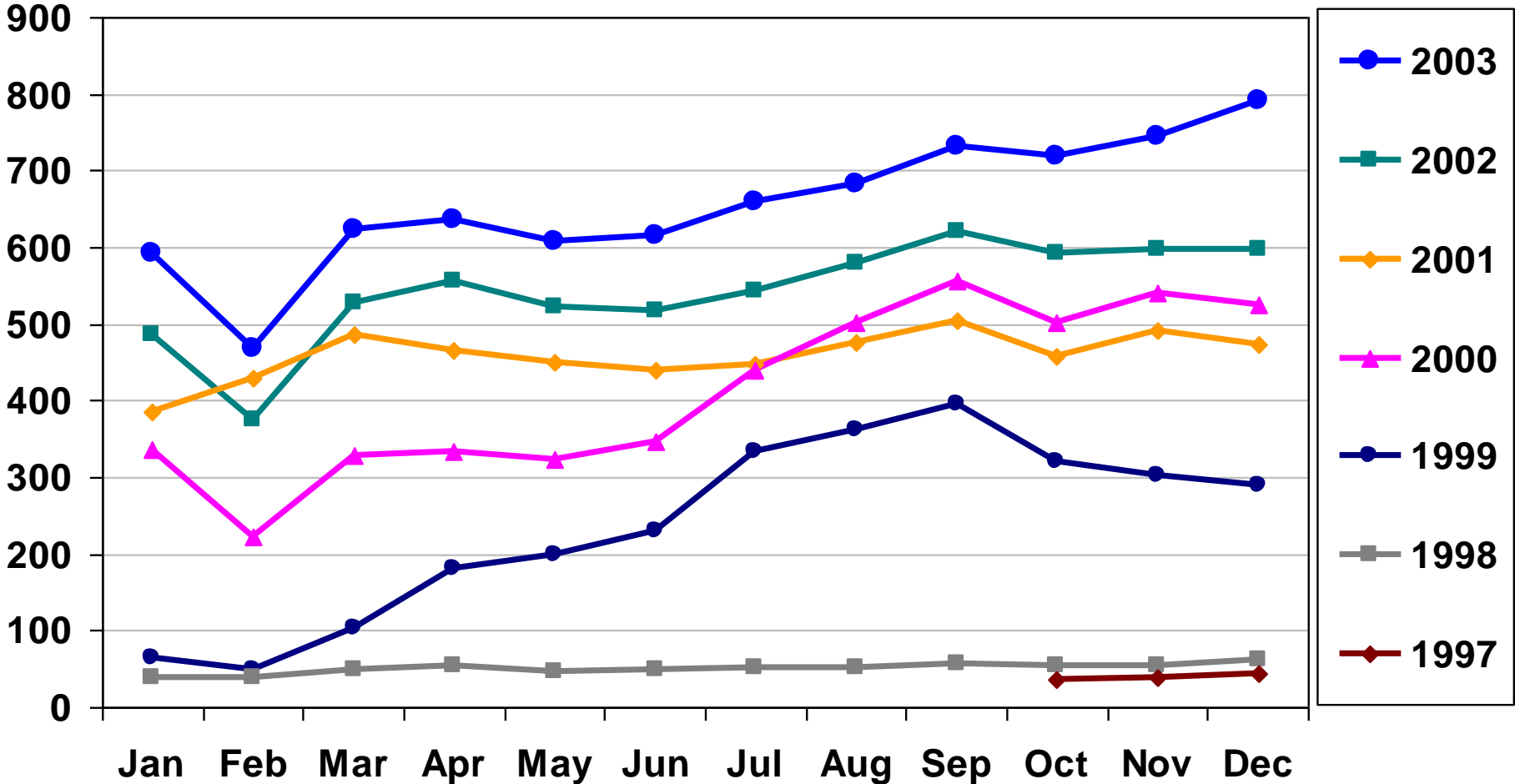
RMB'000



HHI - ESW Ring Road Average Daily Toll Revenue

Jul-Dec 02 Jul-Dec 03
 Avg Daily Toll Rev. RMB588k RMB721k ↑23%

RMB '000



HHI – Consolidated Income Statement

(HK\$ million)	<u>31-Dec-02</u>	<u>31-Dec-03</u>	<u>% Change</u>
Toll Revenue	507	617	22%
Interest Income from S/H's loan	14	9	(36%)
Other Revenue	21	34	62%
Toll Operating Exp	(53)	(50)	(6%)
General & Admin Exp	(31)	(47)	52%
Depreciation & Amortisation Exp	(93)	(113)	22%
Profit from Operations	365	450	23%
Finance Cost	(107)	(76)	(29%)
Profit before Taxation	258	374	45%
Deferred Tax Expenses	(10)	(6)	(40%)
Profit after Taxation	248	368	48%
Minority Interest	(6)	(8)	33%
Net Profit	242	361	49%
Core Earnings ⁽⁴⁾	228	352	54%
Gross Margin ⁽¹⁾	89.5%	91.9%	
Operating Margin ⁽²⁾	67.3%	68.2%	
Net Margin ⁽³⁾	44.6%	54.7%	
EBITDA/Interest	4.3x	7.4x	

Notes: (1) (Toll revenue – Toll operating expenses) / Toll revenue
 (3) Net profit / Total revenue

(2) EBIT / Total revenue
 (4) Net profit excluding interest income from shareholder loans

~ **END** ~