

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

政府總部
環境運輸及工務局
香港花園道美利大廈



Environment, Transport
and Works Bureau
Government Secretariat
Murray Building, Garden Road,
Hong Kong

Tel No. : 2189 2002
Fax No : 2537 3774

本局檔號 Our Ref.

來函檔號 Your Ref.

29 October 2005

Mr Andy Lau
Clerk to Panel on Transport
Legislative Council
3/F, Citibank Tower
3 Garden Road
Central, Hong Kong

Dear Mr Lau,

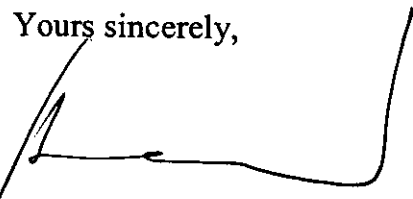
Western Harbour Tunnel Company Limited

Please find attached a copy of the Net Revenue Statement for 2004/05 submitted by the Western Harbour Tunnel Company Limited for Members' reference.

According to section 43 of the Western Harbour Crossing Ordinance, Cap 436, we are required to inform the Company whether or not we are satisfied with the Statement by the end of October each year. We have also undertaken to inform Members of the net revenue figures. I wish to confirm that we have carefully examined the Statement and find that it has been accurately calculated and duly audited. We would therefore inform the Company that we are satisfied with the Statement.

According to section 48 of the Ordinance, the Company is entitled to give effect to a toll increase on 1 January 2006 based on the Net Revenue Statement for 2004/05. However, the Company has not yet advised whether it would exercise this legal entitlement. We will keep Members' informed of the Company's decision in respect of toll increase.

Yours sincerely,



(Ms Annie Choi)


for Secretary for the Environment,
Transport and Works

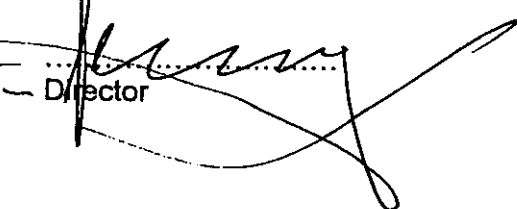
Encl.

WESTERN HARBOUR TUNNEL COMPANY LIMITED

NET REVENUE STATEMENT
FOR THE YEAR ENDED 31ST JULY 2005

	2005 HK\$'000	2004 HK\$'000
Net operating profit for the year	304,836	223,771
Add:		
Depreciation	143,960	146,576
Disallowed interest	29,251	30,238
	<u>478,047</u>	<u>400,585</u>
Less:		
Disallowed income	(107)	(11)
Asset replacements	(998)	(944)
	<u>(1,105)</u>	<u>(955)</u>
	476,942	399,630
Other adjustments	(27)	58
Net revenue for the year	<u>476,915</u>	<u>399,688</u>

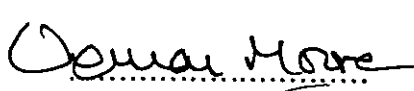

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Director

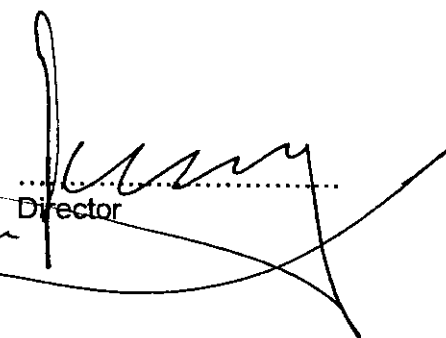

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Director

WESTERN HARBOUR TUNNEL COMPANY LIMITED

**ADJUSTED NET REVENUE STATEMENT
FOR THE YEAR ENDED 31ST JULY 2005**

	2005 HK\$'000	2004 HK\$'000
Net revenue for the year	476,915	399,688
Add:		
Actual Interest Expenses payable by the Franchisee in accordance with the Facilities Agreement dated 16th August 2002 and already deducted from the Operating Account		
Bank interest payable	50,917	41,343
Hedging cost/benefit	58,604	78,391
Commitment fee	840	832
Agency fee	250	250
Amortisation of refinancing costs capitalised	4,093	4,164
	<u>114,704</u>	<u>124,980</u>
Adjusted net revenue before Interest Expenses	591,619	524,668
Less:		
Interest Expenses after refinancing (Appendix)	(100,100)	(124,294)
Adjusted net revenue for the year	<u>491,519</u>	<u>400,374</u>


 Director


 Director

WESTERN HARBOUR TUNNEL COMPANY LIMITED

INTEREST EXPENSE AFTER REFINANCING
FOR THE YEAR ENDED 31ST JULY 2005

	2005 HK\$'000	2004 HK\$'000
Actual bank interest payable already deducted from the Operating Account	50,917	41,343
Actual hedging cost/benefit already deducted from the Operating Account	58,604	78,391
	<u>109,521</u>	<u>119,734</u>
Notional weighted average loan outstanding under 1993 loan facility	2,202,956	2,852,708
Notional weighted average loan outstanding under 1993 loan facility subject to no greater than actual weighted average loan outstanding under 2002 loan facility	2,202,956	2,852,708
Actual weighted average loan outstanding under 2002 loan facility	<u>2,541,918</u>	<u>2,869,146</u>
Bank interest payable and hedging cost/benefit adjusted by the notional weighted average loan outstanding under 1993 loan facility subject to no greater than actual weighted average loan outstanding under 2002 loan facility	94,917	119,048
Actual charges already deducted from the Operating Account		
Commitment fee	840	832
Agency fee	250	250
Other financial expense	-	-
Amortisation of refinancing costs capitalised	4,093	4,164
	<u>100,100</u>	<u>124,294</u>
Actual bank interest payable already deducted from the Operating Account	50,917	41,343
Notional weighted average loan outstanding under 1993 loan facility	2,202,956	2,852,708
Actual weighted average loan outstanding under 2002 loan facility	<u>2,541,918</u>	<u>2,869,146</u>
Actual weighted average HIBOR plus margin payable under 1993 loan facility	2.7309%	2.0710%
Actual weighted average interest rate (i.e. HIBOR plus interest margin) payable under 2002 loan facility	<u>2.0031%</u>	<u>1.4410%</u>
Notional bank interest payable for 1993 loan facility	<u>60,160</u>	<u>59,078</u>
Actual hedging cost/benefit already deducted from the Operating Account	58,604	78,391
Notional weighted average loan outstanding under 1993 loan facility	2,202,956	2,852,708
Actual weighted average loan outstanding under 2002 loan facility	<u>2,541,918</u>	<u>2,869,146</u>
Notional hedging cost/benefit for 1993 loan facility	50,789	77,942
Financial fee under the 1993 loan facility	1,563	1,444
Security fee under the 1993 loan facility	195	195
	<u>52,547</u>	<u>79,581</u>
	<u>112,707</u>	<u>138,659</u>
Interest Expenses after refinancing for the purpose of Net Revenue determination	<u>100,100</u>	<u>124,294</u>