## Three-year Rolling Projection of Net Revenue and Operating Costs 2006/07

Planning	Net Revenue Statement for the period ended			
### Rades   Year Eades   Jul-08   Jul-09   Jul-10		Planning	Planning	Planning
Net Operating Profit/(Loss) before tax per Operating Accounts   363,723   487,271   620,476	HK\$'000	•	~	_
Add :    Depreciation   220,878   227,523   238,851     Notional adjustment for lost revenue   25,717   24,232   22,493     Actual Interest Expense payable by the Franchisee   32,5717   24,232   22,493     Actual Interest Expense payable by the Franchisee   32,5717   24,232   22,493     Actual Interest Expense payable by the Franchisee   33,389   55,142   19,942     Interest Payable   83,389   55,142   19,942     Hedging cost/beausefit   (10,568)   (1,452)   - (1,452)		Jul-08	Jul-09	
Depreciation	Net Operating Profit/(Loss) before tax per Operating Accounts	363,723	487,271	620,476
Depreciation		<del></del>		
Notional adjustment for lost revenue  Disallowed interest Actual Interest Expense payable by the Franchisee in accordance with the Pacilities Agreement date 16th August 2002 and already deducted from the Operating Account  Bank interest payable Hedging costbreneft Hedging costbreneft Agency fee Agency fee Amortization of froat-end fee and others  Others  sub-total  Less:  Disallowed income Asset Replacement  Case Replaceme	Add:	,		
Disallowed incerest         25,717         24,232         22,493           Actual Interest Expense payable by the Franchisee in accordance with the Facilities Agreement date 16th August 2002 and already deducted from the Operating Account         83,389         55,142         19,942           - Bank interest payable         83,389         55,142         19,942           - Hedging contribuentif         (10,568)         (1,482)         -           - Commitment fee         671         746         918           - Agency fee         250         250         250           - Other financial expenses         250         250         250           - Amortization of front-end fee and others         4,804         3,541         1,292           Others         325,141         309,952         283,746           Sub-total         325,141         309,952         283,746           Sub-total         688,864         797,223         904,222           Less:         Disallowed income           Asset Replacement         (2,861)         (3,202)         (1,341)           Interest Expenses after refinancing         (9,038)		220,878	227,523	238,851
Actual Interest Expense payable by the Franchisee in accordance with the Facilities Agreement date 16th August 2002 and already deducted from the Operating Account - Bank interest payable 83,389 55,142 19,942 Hedging cost/benefit (10,568) (1,482) - Commitment fee 671 746 918 - Agency fee 250 250 250 250 250 250 250 250 250 250		•	-	-
in accordance with the Pacilities Agreement date 16th August 2002 and already deducted from the Operating Account  - Bank interest payable - Bed interest payable - Hedging cost/benefit - Commitment fee - Agency fee - Agency fee - Agency fee - Anortization of front-end fee and others - Anortization of front-end fee and others - Anortization of front-end fee and others - August and a state of the state of t		25,717	24,232	22,493
16th August 2002 and already deducted from the Operating Account         - Bank interest payable       83,389       55,142       19,942         - Hedging cost/benefit       (10,568)       (1,482)       -         - Commitment fee       671       746       918         - Agency fee       250       250       250         - Other financial expenses       -       -       -         - Amortization of front-end fee and others       4,804       3,541       1,292         Others       325,141       309,952       283,746         Sub-total       688,864       797,223       904,222         Less:       Disallowed income       (323)       (370)       (420)         Asser Replacement       (2,861)       (3,202)       (1,341)         Interest Expenses after refinancing       (9,038)       -       -         Others       -       -       -       -         sub-total       (12,222)       (3,572)       (1,761)         Sub-total       676,642       793,651       902,461         Other Adjustments       -       -       -         Adjusted Net Revenue       1,623,000       1,876,000       2,080,000         Upper Net Revenue </td <td></td> <td></td> <td></td> <td></td>				
Operating Account				
Bank interest payable				
- Hedging cost/benefit (10,568) (1,482) - 1		. )	55 140	10.040
- Commitment fee 671 746 918 - Agency fee 250 250 250 - Other financial expenses 4,804 3,541 1,292 Others 4,804 3,541 1,292 Others 325,141 309,952 283,746 Sub-total 325,141 309,952 283,746 Sub-total 688,864 797,223 904,222 Less:  Disallowed income (323) (370) (420) Asset Replacement (2,861) (3,202) (1,341) Interest Expenses after refinancing (9,038) Others 310-total (12,222) (3,572) (1,761) Sub-total 676,642 793,651 902,461 Other Adjustments		·		
- Ageucy fee 250 250 250 250 250 - Other financial expenses - Amortization of front-end fee and others 4,804 3,541 1,292 Others		· · · · · · · · · · · · · · · · · · ·		
- Other financial expenses - Amortization of front-end fee and others Others 4,804 3,541 1,292 Others sub-total 325,141 309,952 283,746 Sub-total 688,864 797,223 904,222 Less:  Disallowed income (323) (370) (420) Asset Replacement (2,861) (3,202) (1,341) Interest Expenses after refinancing (9,038)				
Amortization of front-end fee and others Others   4,804   3,541   1,292		250		250
Others		- 4 804		1 202
sub-total         325,141         309,952         283,746           Sub-total         688,864         797,223         904,222           Less:         Usallowed income         (323)         (370)         (420)           Asset Replacement         (2,861)         (3,202)         (1,341)           Interest Expenses after refinancing         (9,038)         -         -           Others         -         -         -         -           sub-total         (12,222)         (3,572)         (1,761)           Sub-total         676,642         793,651         902,461           Other Adjustments         -         -         -           Adjusted Net Revenue for year         676,642         793,651         902,461           Minimum Net Revenue         1,623,000         1,876,000         2,028,000           Upper Net Revenue         2,061,000         2,369,000         2,562,000			-	-
Sub-total         555,141         307,922         283,148           Less:         688,864         797,223         904,222           Less:         Disallowed income         (323)         (370)         (420)           Asset Replacement         (2,861)         (3,202)         (1,341)           Interest Expenses after refinancing         (9,038)         -         -           Others         -         -         -         -           sub-total         (12,222)         (3,572)         (1,761)           Sub-total         676,642         793,651         902,461           Other Adjustments         -         -         -           Adjusted Net Revenue for year         676,642         793,651         902,461           Minimum Net Revenue         1,623,000         1,876,000         2,028,000           Upper Net Revenue         2,061,000         2,369,000         2,562,000		<del></del>		
Less:  Disallowed income (323) (370) (420) Asset Replacement (2,861) (3,202) (1,341) Interest Expenses after refinancing (9,038) Others (12,222) (3,572) (1,761)  Sub-total (12,222) (3,572) (1,761)  Sub-total (76,642) 793,651 902,461  Other Adjustments  Adjusted Net Revenue for year (676,642) 793,651 902,461  Minimum Net Revenue (1,623,000) 1,876,000 2,028,000 Upper Net Revenue (2,061,000) 2,369,000 2,562,000	sub-total	325,141	309,952	283,746
Less:  Disallowed income (323) (370) (420) Asset Replacement (2,861) (3,202) (1,341) Interest Expenses after refinancing (9,038) Others (12,222) (3,572) (1,761)  Sub-total (12,222) (3,572) (1,761)  Sub-total (76,642) 793,651 902,461  Other Adjustments  Adjusted Net Revenue for year (676,642) 793,651 902,461  Minimum Net Revenue (1,623,000) 1,876,000 2,028,000 Upper Net Revenue (2,061,000) 2,369,000 2,562,000				
Disallowed income       (323)       (370)       (420)         Asset Replacement       (2,861)       (3,202)       (1,341)         Interest Expenses after refinancing       (9,038)       -       -         Sub-total       (12,222)       (3,572)       (1,761)         Sub-total       676,642       793,651       902,461         Other Adjustments       -       -       -         Adjusted Net Revenue for year       676,642       793,651       902,461         Minimum Net Revenue       1,623,000       1,876,000       2,028,000         Upper Net Revenue       2,061,000       2,369,000       2,562,000	Sub-total	688,864	797,223	904,222
Asset Replacement (2,861) (3,202) (1,341) Interest Expenses after refinancing (9,038)	Less			
Asset Replacement (2,861) (3,202) (1,341) Interest Expenses after refinancing (9,038)		•		
Interest Expenses after refinancing Others  Sub-total  Other Adjustments  Adjusted Net Revenue for year  Minimum Net Revenue  Upper Net Revenue  (9,038)  (12,222) (3,572) (1,761)  (1,761)  (12,222) (3,572) (1,761)  (1,7		(323)	(370)	(420)
Others       (12,222)       (3,572)       (1,761)         Sub-total       676,642       793,651       902,461         Other Adjustments		(2,861)	(3,202)	(1,341)
sub-total       (12,222)       (3,572)       (1,761)         Sub-total       676,642       793,651       902,461         Other Adjustments	•	(9,038)	-	-
Sub-total 676,642 793,651 902,461  Other Adjustments	Others	<del></del>	<del></del>	-
Sub-total       676,642       793,651       902,461         Other Adjustments       -       -       -         Adjusted Net Revenue for year       676,642       793,651       902,461         Minimum Net Revenue       1,623,000       1,876,000       2,028,000         Upper Net Revenue       2,061,000       2,369,000       2,562,000	sub-total	(12,222)	(3,572)	(1,761)
Other Adjustments  Adjusted Net Revenue for year  Adjusted Net Revenue  676,642  793,651  902,461  Minimum Net Revenue  1,623,000  1,876,000  2,028,000  Upper Net Revenue  2,061,000  2,369,000  2,562,000	Cal and			
Adjusted Net Revenue for year 676,642 793,651 902,461  Minimum Net Revenue 1,623,000 1,876,000 2,028,000  Upper Net Revenue 2,061,000 2,369,000 2,562,000	Sw-wa	676,642	793,651	902,461
Minimum Net Revenue 1,623,000 1,876,000 2,028,000 Upper Net Revenue 2,061,000 2,369,000 2,562,000	Other Adjustments		<del></del> -	
Upper Net Revenue 2,061,000 2,369,000 2,562,000	Adjusted Net Revenue for year	676,642	793,651	902,461
Upper Net Revenue 2,061,000 2,369,000 2,562,000	Minimum Net Revenue	1.623.000	1.876 000	2 028 000
aleaviage sisteriage	Upper Net Revenue			

1	Net Revenue Statement for the period ended Budget 2006/07 HK\$'000		Planning Year Ended Jul-08	Planning Year Ended Jul-09	Planning Year Ended Jul-10
	interest Expenses after refinancing Pursuant to Clause 12F(a) and (d) of the Project Agreement)				
	Actual bank interest payable already deducted from the Operating Account	a	83,389	55,142	19,942
	Actual hedging cost/benefit already deducted from the Operating Account	b	(10,568)	(1,482)	
		c=a+b	72,821	53,660	19,942
	Notional weighted average loan outstanding under 1993 loan facility	ď	143,611	_	
	Actual weighted average loan outstanding under 2002 loan facility	e	1,441,267	955,700	345,611
	Bank interest payable and hedging cost/benefit adjusted by the notional				
	weighted average loan outstanding under 1993 loan facility	f=c*(d/e)	7,256	_	
		()	7,230	-	-
	Actual commitment fee already deducted from the Operating Account	g	<b>67</b> 1	746	918
	Actual agency fee already deducted from the Operating Account Actual other financial expense already deducted from the Operating Account	h i	250	250	250
	Amortization of actual front-end fee and other costs of refinancing capitalized	i	-	•	-
ì	already deducted from the Operating Account	•	4,804	3,541	1,292
		k=sum of (f to j)	12,981	4,537	2,460
	Actual bank interest payable already deducted from the Operating Account	a	83,389	55,142	19,942
	Notional weighted average loan outstanding under 1993 loan facility	d	143,611	•	
	Actual weighted average loan outstanding under 2002 loan facility	e	1,441,267	955,700	345,611
	Actual weighted average HIBOR plus margin payable under 1993 loan facility				
	Actual weighted average interest rate (i.e. HIBOR plus interest margin)	1	6.50%	6.50%	0.06500071
	payable under 2002 loan facility	m	5.77%	5.77%	5.77%
			0.77%	0.77%	0.77%
	Notional bank interest payable for 1993 loan facility	n=a*(d/e)*(1/m)	9,360	•	-
	Actual hedging cost/benefit already deducted from the Operating Account	ъ	(10,568)	(1,482)	-
	Notional weighted average loan outstanding under 1993 loan facility	d	143,611	_	_
	Actual weighted average loan outstanding under 2002 loan facility	e	1,441,267	955,700	345,611
:	Notional hedging cost/benefit for 1993 loan facility	o=b*(d/e)	(1,053)	-	
	Commitment fee as per 1993 loan facility	p	•	_	_
	Financial fee as per 1993 loan facility	q	651	-	-
	Security fee as per 1993 loan facility	r	80	<del>-</del> -	<del>-</del>
		s=n+o+p+q+r	9,038	· · · · · · · · · · · · · · · · · · ·	<del>-</del>
In	terest Expense after refinancing for the purpose				
	of Net Revenue determination	the lower of k or s	9,038		
			-		

## Operating Accounts for the period ended

HK\$'000	· .	Planning Year Ended Jul-08	Planning Year Ended Jul-09	Planning Year Ended Jul-10
Income	,			
Tolls Advertising Insurance claims Others		811,464 5,120	929,340 5,219	1,045,235 5,230
Total Income		20,555	20,818	21,111
Operating Expenditure		837,139	955,377	1,071,576
Staff Cost - Direct				
	FIG. Com			
Salaries	- Traffic	23,294	24,107	24,949
On costs	- Engineering - Traffic	15,218	15,744	16,301
0A <b>000</b> B	- Engineering	1,895 1,182	1,971 1,232	2,043
Staff Cost - Indirect		-	1,232	1,282
		-	-	**
Salaries On costs	- Administration	14,148	14,649	15,162
Total Staff Costs	- Administration	977	1,043	1,105
Total Staff Costs		56,714	58,746	60,842
Maintenance Costs				
Tunnel	- Routine	7,576	8,066	8,586
	- Major	3,488	3,756	4,052
Buildings etc	- Routine	769	825	888
Vehicles	- Major	841	912	988
Total Maintenance Costs		2,089	2,257	2,497
Total Maintenance Costs	•	14,763	15,816	17,011
Rates		34,844	40,304	45,686
Utility Expenses		7,658	7,943	8,217
Insurance (including mine	or deductibles)	20,243	20,944	21,681
Professional fees Others		6,054	6,254	6,459
Depreciation		8,322	8,517	7,878
Doprociation		220,878	227,523	238,851
		297,999	311,485	328,772
Total expenditure		369,476	386,047	406,625
Operating Profit/(Loss)		467,663	569,330	664,951
Interest Expenses	,			
- Project Finance		88,791	59,309	21,982
- Hedging Costs/(Ber		(10,568)	(1,482)	-
- Others (Shareholde	rs Loan Interest)	25,717	24,232	22,493
Not Operating Des 54/7		103,940	82,059	44,475
Net Operating Profit/(Loss) be as Per Profit & Loss Account	HOPE TAX	363,723	487,271	620,476

## **Annual Budget of Operating Costs and Net Revenue 2006/07**

Otime A seconds for the sect	قمانس قم	
Operating Accounts for the peri	oa enaea	
EK\$000		Budget
EK\$ 000		Year Ended
		JEL-U/
Income	•	
Tolis		746,385
Advertising		4,860
Insurance claims		- 1
Others		20,319
Total Income		771,564
Operating Expenditure		
Staff Cost - Direct		
Salaries	- Traffic	22,507
	- Engineering	14,709
On costs	- Traffic	1,833
•	- Engineering	1,145
Staff Cost - Indirect		
Salaries	- Administration	13,666
On costs	- Administration	944
Total Staff Costs		54,804
Maintenance Costs		
Tunnel	- Routiue	7,191
	- Major	3,238
Buildings etc	- Routine	723
	- Major	773
Vehicles		1,921
Total Maintenance Costs		13,846
Rates		29,811
Utility Expenses		7,402
Insurance (including mino	r deductibles)	19,569
Professional fees		5,858
Others		8,155
Depreciation		200,008
•		270,803
Total expenditure		339,453
Operating Profit/(Loss)		432,111
Interest Expenses		
- Project Finance		113,455
- Hedging Costs/(Ber		(13,978)
- Others (Shareholde	rs Loan Interest)	27,082
		126,559
Net Operating Profit/(Loss) be	fore tax	
as Per Profit & Loss Account		305,552

Net Revenue Statement for the period ended	<u> </u>
Budget 2006/07	1
HK\$000	Budget
	Year Ended
	Jui-07
Net Operating Profit/(Loss) before tax per Operating Accounts	305,552
Add:	
Depreciation .	
Notional adjustment for lost revenue	200,008
Disallowed interest	
Actual Interest Expense payable by the Franchisee	27,082
in accordance with the Facilities Agreement date	1
16th August 2002 and already deducted from the	1 1
Operating Account	
- Bank interest payable	
- Hedging cost/benefit	106,676
- Commitment fee	(13,978)
- Agency fee	731
- Other financial expenses	250
- Amortization of front-end fee and others	
Others	6,112
, charls	
sub-total	
suo-total	326,881
0.3	
Sub-rotal	632,433
_	
Less:	
Disallowed income	
Asset Replacement	(314)
Interest Expenses after refinancing	(11,016)
Others	(47,364)
sub-total	
340 Mild	(58,694)
Sub-total	
Suo-wa	573,739
Other Adjustments	
Adjusted Net Revenue for year	
	573,739
Minimum Net Revenue	
Upper Net Revenue	1,549,000
Maximum Net Revenue	1,983,000
41-AMARINETEE & LINE TOTAL APPRAISABLE	2,143,000
1	i

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IK2:000		Bud
		Year End Jui-
Marianta Timonomo albarra de la companio		
nterest Expenses after refinancing Pursuant to Clause 12F(a) and (d) of the Project Agreement)		ļ
Actual bank interest payable already deducted from the Operating Account	a	106,67
Actual hedging cost/benefit already deducted from the Operating Account	Ъ	(13,91
	c=a+b	92,69
Notional weighted average loan outstanding under 1993 loan facility	d	902 14
Actual weighted average loan outstanding under 2002 loan facility	e	803,19 1,848,8
·	•	1,070,0
Bank interest payable and hedging cost/benefit adjusted by the notional		
weighted average loan outstanding under 1993 loan facility	f=c*(d/e)	40,27
Actual commitment fee already deducted from the Operating Account	g	73
Actual agency fee already deducted from the Operating Account	h	25
Actual other financial expense already deducted from the Operating Account	i	-
Amortization of actual front-end fee and other costs of refinancing capitalized already deducted from the Operating Account	j	
ancesty occurred from the Operating Account		6,11
	k=sum of (f to j)	47,36
Actual bank interest payable already deducted from the Operating Account	a	106,67
Notional weighted average loan outstanding under 1993 loan facility	ď	803,19
Actual weighted average loan outstanding under 2002 loan facility	ė	1,848,81
Actual weighted average HIBOR plus margin payable		ŀ
under 1993 loan facility	1	6.50
Actual weighted average interest rate (i.e. HIBOR plus interest margin)		6.50
payable under 2002 loan facility	m	5.77
		0.77
Notional bank interest payable for 1993 loan facility	u=a*(d/e)*(l/m)	52,20
Actual hedging cost/benefit already deducted from the Operating Account	·	
	Ъ	(13,97)
Notional weighted average loan outstanding under 1993 loan facility	d	803,194
Actual weighted average loan outstanding under 2002 loan facility	ė	1,848,817
Notional hedging cost/benefit for 1993 loan facility	o=b*(d/e)	(6,073
Commitment fee as per 1993 loan facility		
Financial fee as per 1993 loan facility	p o	1.56
Security fee as per 1993 loan facility	q r	1,562
	s=u+o+p+q+r	47,889
	• -	
erest Expense after refinancing for the purpose of Net Revenue determination		
VI INCLACYCRUE COLORUMATION	the lower of k or s	47,364