

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

政府總部
運輸及房屋局
運輸科
香港花園道美利大廈



Transport and
Housing Bureau
Government Secretariat
Transport Branch
Murray Building, Garden Road,
Hong Kong.

本局檔號 OUR REF.:
來函檔號 YOUR REF.:

THB/CR 1/4651/99

電話 Tel. No.: 2189 2182
傳真 Fax No.: 2104 7274

16 July 2007

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

Dear Andy,

Western Harbour Crossing

Please find attached the following financial information in regard to the Western Harbour Crossing :-

- (a) three-year rolling projection of net revenue and operation costs from 2008/09 to 2010/11 (Annex A); and
- (b) annual budget of operating costs and net revenue for 2007/08 (Annex B).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Rosanna Law', written in a cursive style.

(Rosanna Law)

for Secretary for Transport and Housing

Encl.

Three-year Rolling Projection of Net Revenue and Operating Costs 2007/08

Net Revenue Statement for the period ended

Budget 2007/08 HK\$'000	Planning Year Ended Jul-09	Planning Year Ended Jul-10	Planning Year Ended Jul-11
Net Operating Profit/(Loss) before tax per Operating Accounts	<u>429,450</u>	<u>552,518</u>	<u>633,431</u>
Add :			
Depreciation	<u>226,363</u>	<u>238,128</u>	<u>257,218</u>
Notional adjustment for lost revenue	<u>-</u>	<u>-</u>	<u>-</u>
Disallowed interest	<u>9,835</u>	<u>7,436</u>	<u>4,118</u>
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	-	-	-
- Bank interest payable (2nd refinancing)	132,633	106,907	80,314
- Hedging cost/benefit	(3,477)	(1,328)	-
- Commitment fee	-	-	-
- Commitment fee (2nd refinancing)	463	606	662
- Agency fee	-	-	-
- Agency fee (2nd refinancing)	156	156	156
- Other financial expenses	-	-	-
- Amortization of front-end fee and others	-	-	-
- Amortization of front-end fee and others (2nd refinancing)	3,945	3,224	2,452
Others	<u>-</u>	<u>-</u>	<u>-</u>
sub-total	<u>369,918</u>	<u>355,129</u>	<u>344,920</u>
Sub-total	<u>799,368</u>	<u>907,647</u>	<u>978,351</u>
Less :			
Disallowed income	(428)	(487)	(525)
Asset Replacement	(2,523)	(4,537)	(1,288)
Interest Expenses after 2nd refinancing	-	-	-
Others	<u>-</u>	<u>-</u>	<u>-</u>
sub-total	<u>(2,951)</u>	<u>(5,024)</u>	<u>(1,813)</u>
Sub-total	<u>796,417</u>	<u>902,623</u>	<u>976,538</u>
Other Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Net Revenue for year	<u>796,417</u>	<u>902,623</u>	<u>976,538</u>
Minimum Net Revenue	1,876,000	2,028,000	1,892,000
Upper Net Revenue	2,369,000	2,562,000	2,405,000
Maximum Net Revenue	2,551,000	2,760,000	2,594,000

Operating Accounts for the period ended

HKS'000		Planning Year Ended Jul-09	Planning Year Ended Jul-10	Planning Year Ended Jul-11
Income				
Tolls		926,213	1,043,419	1,121,300
Advertising		4,540	4,416	4,416
Insurance claims		-	-	-
Others		<u>22,269</u>	<u>22,499</u>	<u>22,691</u>
Total Income		<u>953,022</u>	<u>1,070,334</u>	<u>1,148,407</u>
Operating Expenditure				
Staff Cost - Direct				
Salaries	- Traffic	24,151	24,993	25,866
	- Engineering	15,633	16,178	16,752
On costs	- Traffic	1,949	2,036	2,125
	- Engineering	1,205	1,237	1,275
Staff Cost - Indirect				
Salaries	- Directors	-	-	-
Salaries	- Administration	14,634	15,141	15,672
	- Others	-	-	-
Directors Fees		-	-	-
On costs	- Directors	-	-	-
On costs	- Administration	<u>989</u>	<u>1,062</u>	<u>1,161</u>
	- Others	-	-	-
Total Staff Costs		<u>58,561</u>	<u>60,647</u>	<u>62,851</u>
Maintenance Costs				
Tunnel	- Routine	6,855	7,307	7,766
	- Major	4,286	3,921	3,189
Buildings etc	- Routine	507	540	583
	- Major	543	353	689
Vehicles		<u>2,118</u>	<u>2,406</u>	<u>2,574</u>
Total Maintenance Costs		<u>14,309</u>	<u>14,527</u>	<u>14,801</u>
Rates		40,286	45,736	49,310
Utility Expenses		7,654	7,937	8,222
Insurance (including minor deductibles)		18,881	19,538	20,223
Professional fees		6,152	6,354	6,547
Others		8,239	8,435	8,627
Depreciation		<u>226,363</u>	<u>238,128</u>	<u>257,218</u>
		<u>307,575</u>	<u>326,128</u>	<u>350,147</u>
Total expenditure		<u>380,445</u>	<u>401,302</u>	<u>427,799</u>
Operating Profit/(Loss)		572,577	669,032	720,608
Interest Expenses				
	- Project Finance	136,769	110,406	83,059
	- Hedging Costs/(Benefit)	(3,477)	(1,328)	-
	- Others (Shareholders Loan Interest)	<u>9,835</u>	<u>7,436</u>	<u>4,118</u>
		<u>143,127</u>	<u>116,514</u>	<u>87,177</u>
Net Operating Profit/(Loss) before tax as Per Profit & Loss Account		<u>429,450</u>	<u>552,518</u>	<u>633,431</u>

Annual Budget of Operating Costs and Net Revenue 2007/08

(page 1 of 2)

Operating Accounts for the period ended		Budget
HK\$'000		Year Ended Jul-08
Income		
Tolls		806,687
Advertising		5,120
Insurance claims		-
Others		22,113
Total Income		833,920
Operating Expenditure		
Staff Cost - Direct		
Salaries	- Traffic	23,333
	- Engineering	15,112
On costs	- Traffic	1,887
	- Engineering	1,163
		-
Staff Cost - Indirect		
Salaries	- Directors	-
Salaries	- Administration	14,142
	- Others	-
Directors Fees		-
On costs	- Directors	-
On costs	- Administration	956
	- Others	-
Total Staff Costs		56,593
Maintenance Costs		
Tunnel	- Routine	6,472
	- Major	3,377
Buildings etc	- Routine	478
	- Major	622
Vehicles		1,917
Total Maintenance Costs		12,866
Rates		32,073
Utility Expenses		7,389
Insurance (including minor deductibles)		18,247
Professional fees		5,972
Others		8,062
Depreciation		218,159
		289,902
Total expenditure		359,361
Operating Profit/(Loss)		474,559
Interest Expenses		
	- Project Finance	160,171
	- Hedging Costs/(Benefit)	(12,755)
	- Others (Shareholders Loan Interest)	11,167
		158,583
Net Operating Profit/(Loss) before tax		315,976
as Per Profit & Loss Account		315,976

Net Revenue Statement for the period ended
Budget 2007/08
HK\$'000

Net Operating Profit/(Loss) before tax per Operating Accounts

Add :

Depreciation

Notional adjustment for lost revenue

Disallowed interest

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

- Bank interest payable (2nd refinancing)

- Hedging cost/benefit

- Commitment fee

- Commitment fee (2nd refinancing)

- Agency fee

- Agency fee (2nd refinancing)

- Other financial expenses

- Amortization of front-end fee and others

- Amortization of front-end fee and others (2nd refinancing)

Others

sub-total

Sub-total

Less :

Disallowed income

Asset Replacement

Interest Expenses after 1st refinancing upto 27/2/2007

Others

sub-total

Sub-total

Other Adjustments

Adjusted Net Revenue for year

Minimum Net Revenue

Upper Net Revenue

Maximum Net Revenue

Budget Year Ended Jul-08
315,976
218,159
-
11,167
-
155,600
(12,755)
-
414
-
156
-
-
4,362
-
147,777
377,103
693,079
(361)
(11,796)
-
-
(12,157)
680,922
-
680,922
1,623,000
2,061,000
2,223,000