

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  
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Transport and  
Housing Bureau  
Government Secretariat  
Transport Branch  
East Wing, Central Government Offices,  
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來函檔號 YOUR REF.:

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10 September 2012

Ms Joanne Mak  
Clerk to the Panel on Transport  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Ms Mak,

### 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 operating costs from 2013/14 to 2015/16 (Annex A); and
- (b) annual budget of operating costs and net revenue for 2012/13 (Annex B).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Gillian Lam', written over a large, stylized flourish.

(Miss Gillian Lam)  
for Secretary for Transport and Housing

Encl.

**Annex A**  
**(1 of 2)**

Western Harbour Tunnel Company Limited

Operating Accounts for the period ended

HK\$'000		Planning Year Ended Jul-14	Planning Year Ended Jul-15	Planning Year Ended Jul-16
<b>Income</b>				
Tolls		1,548,995	1,675,998	1,799,036
Advertising		9,594	9,594	9,594
Insurance claims		-	-	-
Others		20,975	21,457	21,961
<b>Total Income</b>		<u>1,579,564</u>	<u>1,707,049</u>	<u>1,830,591</u>
<b>Operating Expenditure</b>				
<b>Staff Cost - Direct</b>				
Salaries	- Traffic	24,776	25,649	26,551
	- Engineering	16,805	17,391	18,001
On costs	- Traffic	1,956	2,026	2,103
	- Engineering	1,268	1,307	1,357
<b>Staff Cost - Indirect</b>				
Salaries	- Administration	16,303	16,876	17,471
On costs	- Administration	1,213	1,254	1,297
<b>Total Staff Costs</b>		<u>62,321</u>	<u>64,503</u>	<u>66,780</u>
<b>Maintenance Costs</b>				
Tunnel	- Routine	7,414	8,074	8,803
	- Major	5,400	5,379	5,979
Buildings etc	- Routine	529	566	607
	- Major	1,179	1,049	1,144
Vehicles		2,257	2,437	2,610
<b>Total Maintenance Costs</b>		<u>16,779</u>	<u>17,505</u>	<u>19,143</u>
Rates		62,241	67,489	72,537
Utility Expenses		8,016	8,314	8,616
Insurance (including minor deductibles)		19,194	19,843	20,543
Professional fees		7,565	7,818	8,079
Others		8,636	8,835	9,047
Amortization & Depreciation		309,709	337,209	363,456
		<u>415,361</u>	<u>449,508</u>	<u>482,278</u>
<b>Total expenditure</b>		<u>494,461</u>	<u>531,516</u>	<u>568,201</u>
<b>Operating Profit/(Loss)</b>		1,085,103	1,175,533	1,262,390
<b>Interest Expenses</b>				
	- Project Finance	205	-	-
	- Hedging Costs/(Benefit)	-	-	-
	- Others (Shareholders Loan Interest)	1,551	1,567	1,584
		<u>1,756</u>	<u>1,567</u>	<u>1,584</u>
<b>Net Operating Profit/(Loss) before tax as Per Income Statement</b>		<u>1,083,347</u>	<u>1,173,966</u>	<u>1,260,806</u>



**Annex A**  
**(2 of 2)**

Western Harbour Tunnel Company Limited

**Net Revenue Statement for the period ended**

HK\$'000	Planning Year Ended Jul-14	Planning Year Ended Jul-15	Planning Year Ended Jul-16
Net Operating Profit/(Loss) before tax per Operating Accounts	<u>1,083,347</u>	<u>1,173,966</u>	<u>1,260,806</u>
Add :			
Amortization & depreciation	309,709	337,209	363,456
Notional adjustment for lost revenue	-	-	-
Disallowed interest	1,551	1,567	1,584
Hedging cost/benefit	-	-	-
Bank interest payable (2nd refinancing)	82	-	-
Commitment fee (2nd refinancing)	42	-	-
Agency fee (2nd refinancing)	81	-	-
Amortization of front-end fee and others (2nd refinancing)	-	-	-
Fair value change of financial instrument	-	-	-
Others	-	-	-
Sub-total	<u>1,394,812</u>	<u>1,512,742</u>	<u>1,625,846</u>
Less :			
Disallowed income	-	-	-
Asset Replacement	(4,179)	(5,318)	(2,312)
Others	-	-	-
Sub-total	<u>1,390,633</u>	<u>1,507,424</u>	<u>1,623,534</u>
Other Adjustments	-	-	-
Net Revenue for the year	<u>1,390,633</u>	<u>1,507,424</u>	<u>1,623,534</u>
Minimum Net Revenue	2,573,000	2,733,000	2,891,000
Upper Net Revenue	3,267,000	3,474,000	3,682,000
Maximum Net Revenue	3,524,000	3,749,000	3,974,000
Shortfall from Minimum Net Revenue	1,182,367	1,225,576	1,267,466



**Annex B**  
**(1 of 2)**

Western Harbour Tunnel Company Limited

Operating Accounts for the period ended

HKS'000

Income

	Budget Year Ended Jul-13
Tolls	1,340,525
Advertising	13,122
Insurance claims	-
Others	20,498
<b>Total Income</b>	<b>1,374,145</b>

Operating Expenditure

Staff Cost - Direct

Salaries	- Traffic	23,939
	- Engineering	16,241
On costs	- Traffic	1,893
	- Engineering	1,226

Staff Cost - Indirect

Salaries	- Administration	15,756
On costs	- Administration	1,165

**Total Staff Costs** 60,220

Maintenance Costs

Tunnel	- Routine	5,677
	- Major	5,270
Buildings etc	- Routine	501
	- Major	1,049
Vehicles		2,120

**Total Maintenance Costs** 14,617

Rates	50,186
Utility Expenses	7,497
Insurance (including minor deductibles)	16,772
Professional fees	7,335
Others	8,532
Amortization & Depreciation	291,413
	<b>381,735</b>

**Total expenditure** 456,572

**Operating Profit/(Loss)** 917,573

Interest Expenses

- Project Finance	7,016
- Hedging Costs/(Benefit)	1,513
- Others (Shareholders Loan Interest)	1,532

**10,061**

**Net Operating Profit/(Loss) before tax**  
**as Per Income Statement**

**907,512**



**Annex B**  
**(2 of 2)**

Western Harbour Tunnel Company Limited

Net Revenue Statement for the period ended

HK\$'000

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

Add :

Amortization & depreciation	291,413
Notional adjustment for lost revenue	-
Disallowed interest	1,532
Hedging cost/benefit	1,513
Bank interest payable (2nd refinancing)	5,843
Commitment fee (2nd refinancing)	657
Agency fee (2nd refinancing)	150
Amortization of front-end fee and others (2nd refinancing)	366
Fair value change of financial instrument	-
Others	-

Sub-total 1,208,986

Less :

Disallowed income	-
Asset Replacement	(17,777)
Others	-

Sub-total 1,191,209

Other Adjustments

Net Revenue for the year 1,191,209

Minimum Net Revenue	2,212,000
Upper Net Revenue	2,815,000
Maximum Net Revenue	3,038,000

Shortfall from Minimum Net Revenue 1,020,791

