

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.:

電話 Tel. No.: 2189 2182  
傳真 Fax No.: 3904 1774

16 July 2008

Miss Sarah Yuen  
for Clerk to the Panel on Transport  
Legislative Council Secretariat  
3/F, Citibank Tower  
3 Garden Road  
Hong Kong

Dear Miss Yuen,

**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 2009/10 to 2011/12 (Annex A); and
- (b) annual budget of operating costs and net revenue for 2008/09 (Annex B).

Yours sincerely,

A handwritten signature in black ink, appearing to be "Rosanna Law", written over a vertical line.

(Rosanna Law)  
for Secretary for Transport and Housing

Encl.

**Three-year Rolling Projection of Net Revenue and Operating Costs 2008/09**

**Net Revenue Statement for the period ended**

**Budget 2008/09**

**HKS'000**

	Planning Year Ended Jul-10	Planning Year Ended Jul-11	Planning Year Ended Jul-12
Net Operating Profit/(Loss) before tax per Operating Accounts	<u>638,128</u>	<u>715,566</u>	<u>806,785</u>
<b>Add :</b>			
Amortization & depreciation	238,707	258,244	282,654
Notional adjustment for lost revenue	-	-	-
Disallowed interest	8,856	8,946	9,066
Actual Interest Expense payable by the Franchisee in accordance with the Facilities Agreement date 28th February 2007 and already deducted from the Operating Account			
- Hedging cost/(benefit)	4,387	823	-
- Bank interest payable (2nd refinancing)	74,156	55,181	34,470
- Commitment fee (2nd refinancing)	721	766	833
- Agency fee (2nd refinancing)	156	156	156
- Amortization of front-end fee and others (2nd refinancing)	3,139	2,238	1,378
Others	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	<u>968,250</u>	<u>1,041,920</u>	<u>1,135,342</u>
<b>Less :</b>			
Disallowed income	(50)	(53)	(59)
Asset Replacement	(4,845)	(5,518)	(2,366)
Others	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	963,355	1,036,349	1,132,917
Other Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Net Revenue for year	<u>963,355</u>	<u>1,036,349</u>	<u>1,132,917</u>
Minimum Estimated Net Revenue	2,028,000	1,892,000	1,821,000
Upper Estimated Net Revenue	2,562,000	2,405,000	2,326,000
Maximum Estimated Net Revenue	2,760,000	2,594,000	2,513,000
Shortfall from Minimum Estimated Net Revenue	<b>1,064,645</b>	<b>855,651</b>	<b>688,083</b>

**Operating Accounts for the period ended**

HK\$'000		Planning Year Ended Jul-10	Planning Year Ended Jul-11	Planning Year Ended Jul-12
<b>Income</b>				
Tolls		1,106,343	1,188,305	1,290,576
Advertising		7,464	7,762	8,072
Insurance claims		-	-	-
Others		24,206	24,855	25,775
<b>Total Income</b>		<u>1,138,013</u>	<u>1,220,922</u>	<u>1,324,423</u>
<b>Operating Expenditure</b>				
<b>Staff Cost - Direct</b>				
Salaries	- Traffic	24,607	25,593	26,610
	- Engineering	16,030	16,666	17,343
On costs	- Traffic	1,987	2,084	2,171
	- Engineering	1,227	1,262	1,318
<b>Staff Cost - Indirect</b>				
Salaries	- Administration	15,185	15,792	16,420
On costs	- Administration	1,043	1,137	1,198
<b>Total Staff Costs</b>		<u>60,079</u>	<u>62,534</u>	<u>65,060</u>
<b>Maintenance Costs</b>				
Tunnel	- Routine	7,162	7,669	8,269
	- Major	7,736	8,179	8,484
Buildings etc	- Routine	361	389	426
	- Major	1,090	1,354	1,296
Vehicles		2,255	2,455	2,661
<b>Total Maintenance Costs</b>		<u>18,604</u>	<u>20,046</u>	<u>21,136</u>
Rates		48,754	52,474	57,166
Utility Expenses		7,692	8,101	8,523
Insurance (including minor deductibles)		19,906	20,684	21,508
Professional fees		6,439	6,666	6,939
Others		8,339	8,550	8,808
Amortization & Depreciation		238,707	258,244	282,654
		<u>329,837</u>	<u>354,719</u>	<u>385,598</u>
<b>Total expenditure</b>		<u>408,520</u>	<u>437,299</u>	<u>471,794</u>
<b>Operating Profit/(Loss)</b>		729,493	783,623	852,629
<b>Interest Expenses</b>				
	- Project Finance	78,122	58,288	36,778
	- Hedging Costs/(Benefit)	4,387	823	-
	- Others (Shareholders Loan Interest)	8,856	8,946	9,066
		<u>91,365</u>	<u>68,057</u>	<u>45,844</u>
<b>Net Operating Profit/(Loss) before tax as Per Profit &amp; Loss Account</b>		<u>638,128</u>	<u>715,566</u>	<u>806,785</u>

**Annual Budget of Operating Costs and Net Revenue 2008/09**

Operating Accounts for the period ended	Budget Year Ended Jul-09
HK\$'000	
<b>Income</b>	
Tolls	981,815
Advertising	6,880
Insurance claims	-
Others	23,527
<b>Total Income</b>	<b>1,012,222</b>
<b>Operating Expenditure</b>	
<b>Staff Cost - Direct</b>	
Salaries	23,655
- Traffic	15,425
- Engineering	8,230
On costs	1,905
- Traffic	1,187
- Engineering	718
<b>Staff Cost - Indirect</b>	
Salaries	14,600
On costs	972
<b>Total Staff Costs</b>	<b>57,744</b>
<b>Maintenance Costs</b>	
Tunnel	6,812
- Routine	4,283
- Major	2,529
Buildings etc	344
- Routine	1,286
- Major	2,059
<b>Total Maintenance Costs</b>	<b>14,784</b>
Rates	37,724
Utility Expenses	7,284
Insurance (including minor deductibles)	18,437
Professional fees	6,215
Others	8,152
Amortization & Depreciation	225,080
	<b>302,892</b>
<b>Total expenditure</b>	<b>375,420</b>
<b>Operating Profit/(Loss)</b>	<b>636,802</b>
<b>Interest Expenses</b>	
- Project Finance	96,488
- Hedging Costs/(Benefit)	6,259
- Others (Shareholders Loan Interest)	8,982
	<b>111,729</b>
<b>Net Operating Profit/(Loss) before tax</b>	<b>525,073</b>
<b>as Per Profit &amp; Loss Account</b>	<b>525,073</b>

**Net Revenue Statement for the period ended**  
**Budget 2008/09**  
**HK\$'000**

	Budget Year Ended Jul-09
Net Operating Profit/(Loss) before tax per Operating Accounts	<u>525,073</u>
Add :	
Amortization & depreciation	225,080
Notional adjustment for lost revenue	-
Disallowed interest	8,982
Actual Interest Expense payable by the Franchisee in accordance with the Facilities Agreement date 28th February 2007 and already deducted from the Operating Account	
- Hedging cost/(benefit)	6,259
- Bank interest payable (2nd refinancing)	91,844
- Commitment fee (2nd refinancing)	611
- Agency fee (2nd refinancing)	156
- Amortization of front-end fee and others (2nd refinancing)	3,920
Others	-
Sub-total	<u>861,925</u>
Less :	
Disallowed income	(43)
Asset Replacement	(13,500)
Others	-
Sub-total	<u>848,382</u>
Other Adjustments	-
Adjusted Net Revenue for year	<u>848,382</u>
Minimum Estimated Net Revenue	1,876,000
Upper Estimated Net Revenue	2,369,000
Maximum Estimated Net Revenue	2,551,000
Shortfall from Minimum Estimated Net Revenue	<u>1,027,618</u>