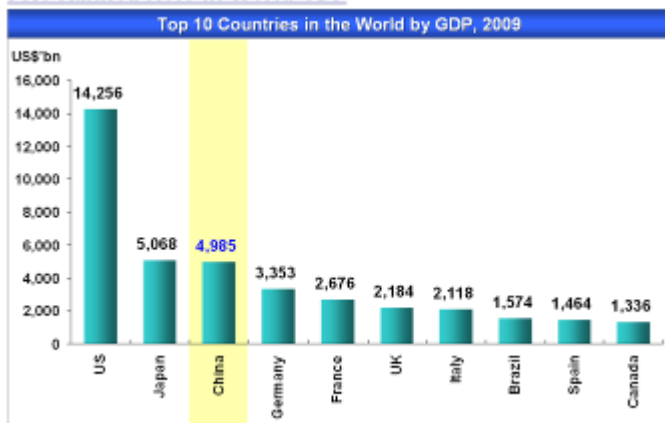


Population and GDP – PRC, Guangdong and PRD

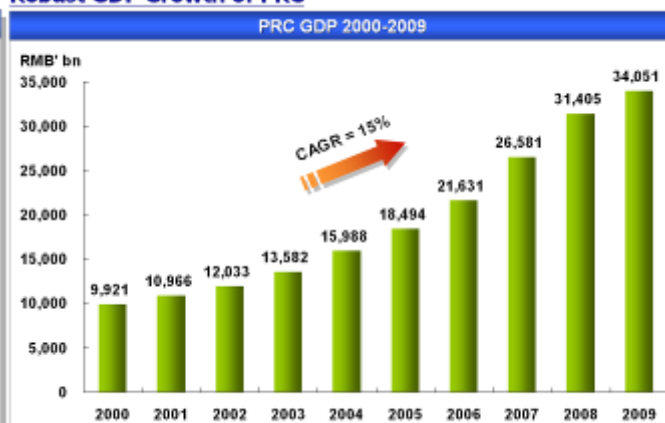
The PRC is the world's most populous country with a population of nearly 1.3 billion in 2009. With the implementation of the open door policy in 1978, the **PRC ranks among the top three largest economies in the world** with a GDP of approximately RMB34 trillion (US\$5 trillion) and per capita GDP of approximately RMB25,200 (US\$3,800) in 2009.

PRC Ranked No.3 in World GDP



Source: International Monetary Fund

Robust GDP Growth of PRC



Source: CEIC

Located in the southernmost part of the country, Guangdong Province is one of the most affluent provinces in the PRC. With a population of 96 million (7% of the PRC's total population), **Guangdong** Province is one of the most densely populated provinces in the PRC. Its **GDP in 2009 was the highest among all the provinces** and accounted for 12% of the national total. The 10-year CAGR from 2000 was 16%.

Guangdong Accounted for 7% of PRC's Population in 2009

	Population ('m)
Guangdong	96.4
PRC	1,335
% of Guangdong to PRC	7.2%

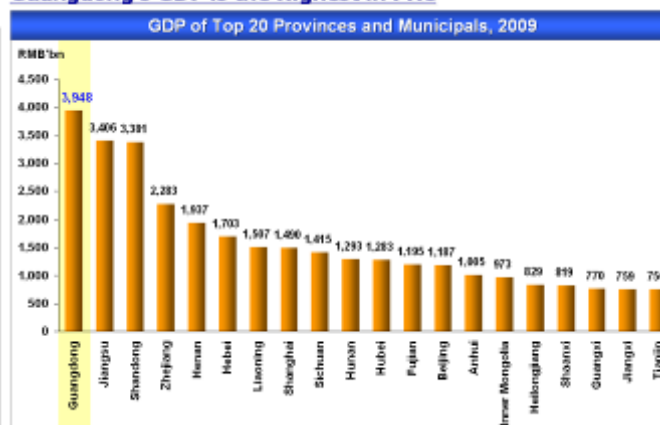
Source: CEIC, Guangdong Statistical Bureau

Guangdong Accounted for 12% of PRC's GDP in 2009



Source: CEIC

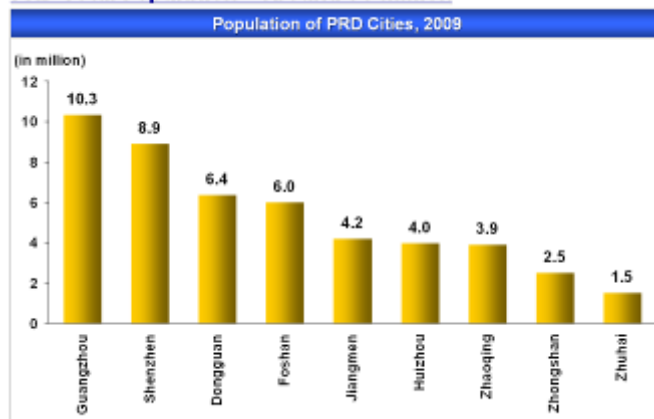
Guangdong's GDP is the Highest in PRC



Source: CEIC

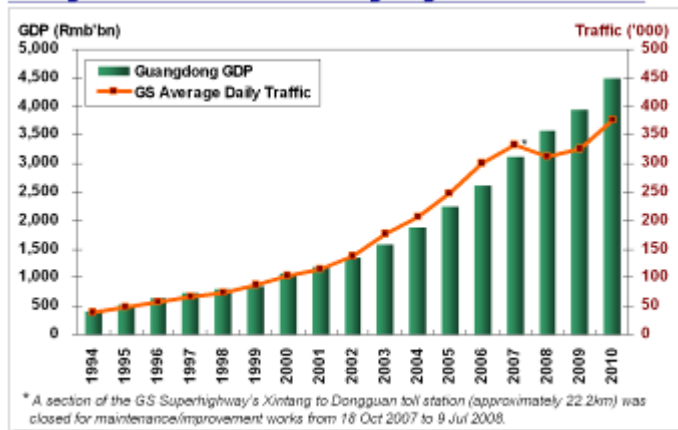
The **Pearl River Delta**, which lies at the mouth of the Pearl River Estuary in the southern part of Guangdong Province, has a population of around 50 million in 2009. The region has rapidly become one of the world's most important centers of industrial output and is **continuing to grow**. In 2009, the Pearl River Delta region accounted for over 80% of Guangdong and around 10% of the PRC's GDP, respectively.

PRD Total Population – Around 50 million



Source: CEIC

Strong Correlation between Guangdong GDP and GS Traffic



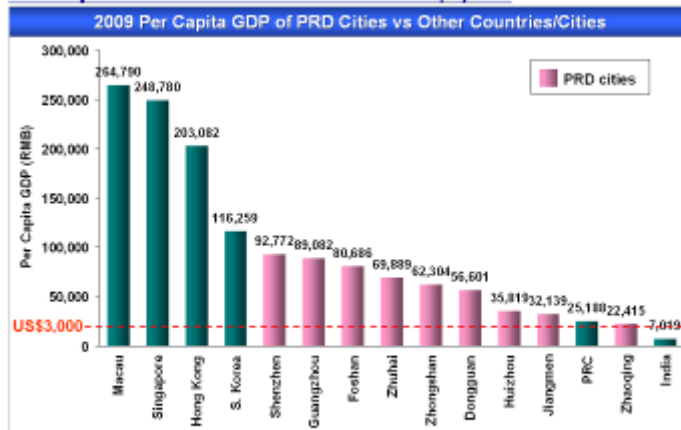
Source: GD Statistical Yearbooks, PDDGP, CEIC and Company data

It is proved that there is a **strong positive correlation between the traffic on GS Superhighway and GDP growth of Guangdong**. Given the sustainable steady growth of the PRC economy, it is believed that Guangdong's GDP growth will continue to play an important role.

Car Growth – Driven by Income Growth

The development of the highway transportation industry depends mainly on the building of highway infrastructure and road usage as driven by car ownership. As the PRC economy flourishes, per capita income has become higher. The **more affluent population can afford to buy more cars**. Economic study shows that as the **per capita GDP reaches US\$3,000, people will start to buy cars**. The per capita GDP for all of the cities in the Pearl River Delta in 2009 exceeded the US\$3,000 mark, which has underpinned the splendid growth in car sales.

Per Capita GDP of PRD Cities above US\$3,000



Source: China, Guangdong Statistics Bureau, HK Census and Statistics Department, Singapore Department of Statistics, The Bank of Korea Economic Statistics System, Macao Statistics and Census Service, World Bank & CEIC

* Based on exchange rate US\$1 = Rmb6.809 (Sep-10)

Besides income growth, PRC's stimulus measures to boost consumption in the automobile industry also helped lift car sales. These include cutting the sales tax on passenger vehicles with smaller engine sizes, subsidies for the purchase of light vehicles and for the use of more energy-efficient and less polluting vehicles.

In 2010, more than 18 millions cars were sold in China. After surpassing both Germany and Japan in becoming no. 2 in the world car sales market in 2006, **China beat US and became no.1 in 2009. Guangdong is currently ranking among the top 3 car sellers in China. The car population in Guangdong is more than 8 million, Guangzhou and Shenzhen each has over 1 million cars, while Dongguan and Foshan each has over 700k cars.** The abundant amount of cars allows plenty of traffic on our roads.

World Car Sales 2009

Ranking	Country	2009 Total Vehicle Sales
1	China	13,644,794
2	U.S.A.	11,772,300
3	Japan	4,609,256
4	Germany	4,049,353
5	Brazil	3,153,995
6	France	2,718,599
7	India	2,715,817
8	Italy	2,357,918
9	U.K.	2,222,542
10	Russia	1,465,917

(in unit)

* Total vehicles incl. passenger & commercial vehicles but excl. motorcycles
Source: CEIC, Thomson Reuters & various car manufacturer associations

China 2009: 13.6m (+8% yoy)

China 1994: 1.6m

China: World's Largest Vehicles Sales Market in 2010

Ranking	Country	2010 Total Vehicle Sales
1	China	18m
2	U.S.A.	12m

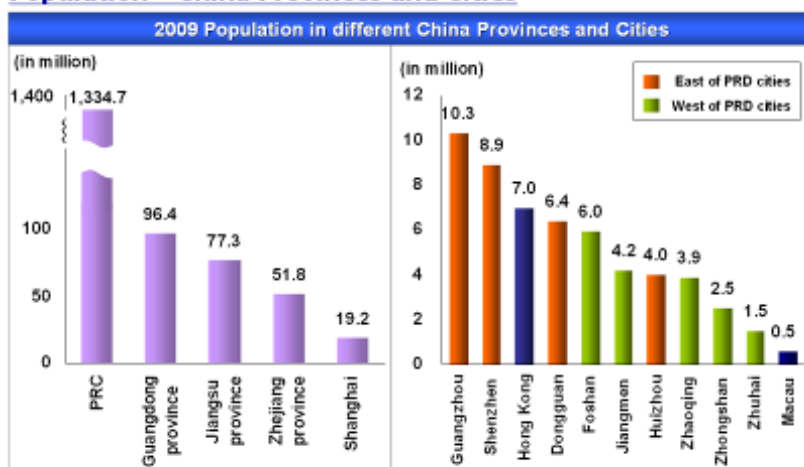
Urbanization Underpins Traffic Growth

Urbanization played an important role in driving the growth of the GS Superhighway in the past years. As the PRD cities become urbanized, population and affluence increased alongside. Given that the GS Superhighway and the Western Delta Route pass through the populous urban areas, we believe urbanization will continue to buttress traffic growth of our expressways.

2013 Western PRD more Prosperous than 1994 Eastern PRD

The economic importance of the cities located on the western bank of the Pearl River Delta region is emerging. Undoubtedly, the **absolute levels of population and GDP of the western PRD is still behind those of the eastern PRD, there are signs that the west side will catch up with the east side.**

Population – China Provinces and Cities



Source: CEIC, Guangdong Statistics Bureaus, HK Census and Statistics Department, Macao Statistics and Census Service & World Bank

Foshan

Foshan for instance, ranked no. 3 in GDP among PRD cities after Guangzhou and Shenzhen ever since 2000, ahead of Dongguan on the east bank. In 2009, *its GDP growth is one of the highest among all PRD cities.*

Shunde

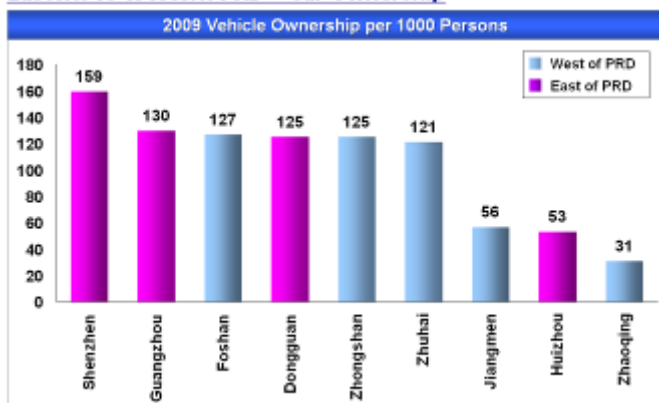
Shunde is one of the richest counties in whole PRC. The *car ownership per household is one of the third highest* among all cities in PRD in 2009, ahead of Dongguan.

Foshan Continues to Record Strong GDP Growth



Source: CEIC

Eastern vs Western PRD – Car Ownership



Source: CEIC, Guangdong Statistical Yearbook

* Divided by Permanent population

Zhongshan and Zhuhai

Zhongshan and Zhuhai continue to enjoy fast economic growth, with GDP recording a CAGR of 17% and 11% from 2000 to 2009 respectively, and *car ownership ranking 5th and 6th* in Guangdong in 2009 respectively.

Zhongshan, Zhuhai – Increasing GDP



* Based on Permanent population

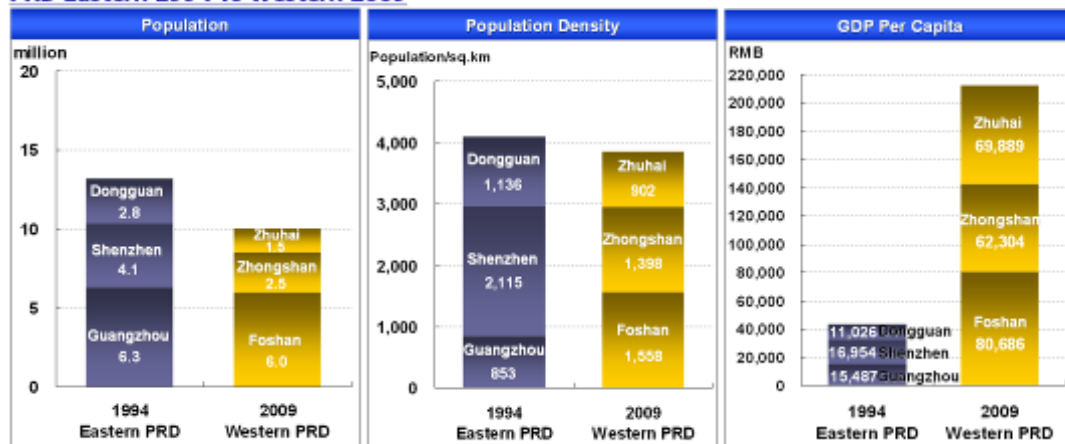
Macau

Needless to say, Macau is now the Asian Las Vegas. The place is blooming with casinos, entertainment facilities and hotels, making it the hottest tourist spot. Because it's so convenient, people from Guangdong are pouring into Macau to enjoy first-class entertainment. In 2008, about 50% of visitors were from China. *If more PRC cities are opened up and the requirements of Individual Visa Scheme are relaxed, Western Delta Route will definitely be benefited.*

With the great support of the Central Government as reflected in the “The Hengqin Overall Development Plan” announced in August 2009 and “The Outline of the Plan for the Reform and Development of the PRD (2008-2020)” promulgated in December 2008, we foresee an *amazing economic development in the west bank of the PRD region in the coming years.*

Looking back to 1994 when GS started operation, the population and GDP per capita in Guangzhou, Dongguan and Shenzhen are similar to, or less than those in Foshan, Zhongshan and Zhuhai today. Against this backdrop, we believe the *economies of the western Pearl River Delta upon completion of all 3 phases of the Western Delta Route in 2013, should be much more prosperous than that of the eastern Pearl River Delta in 1994*, when GS Superhighway started its operation. As such, the success of GS Superhighway should be duplicated in the Western Delta Route.

PRD Eastern 1994 vs Western 2009



Population based on residential population
 Source: Guangdong Statistical Yearbook, Guangzhou Statistical Bureau, Shenzhen Statistical Bureau & Dongguan Statistical Bureau

Cross-border License Relaxation

The *authorities in PRC and HK are actively considering to grant short-term one-off cross-border licenses to HK registered private cars at Shenzhen Bay Port in 2010*. Surprisingly, only 7% of all licensed vehicles in HK have cross-border license, thus this arrangement will surely be *beneficial to GS Superhighway*.

Short Term Quotas for Cross-border Vehicles

Dec 2010	Private Cars	Trucks	Others	Total
Vehicles with cross-boundary license	24,800	15,400	1,000	41,200
As a % of total licensed vehicles	6%	14%	1%	7%
Licensed vehicles in Hong Kong	414,966	109,416	83,414	607,796

Source: Transport Department

Pearl River Delta vs Yangtze River Delta

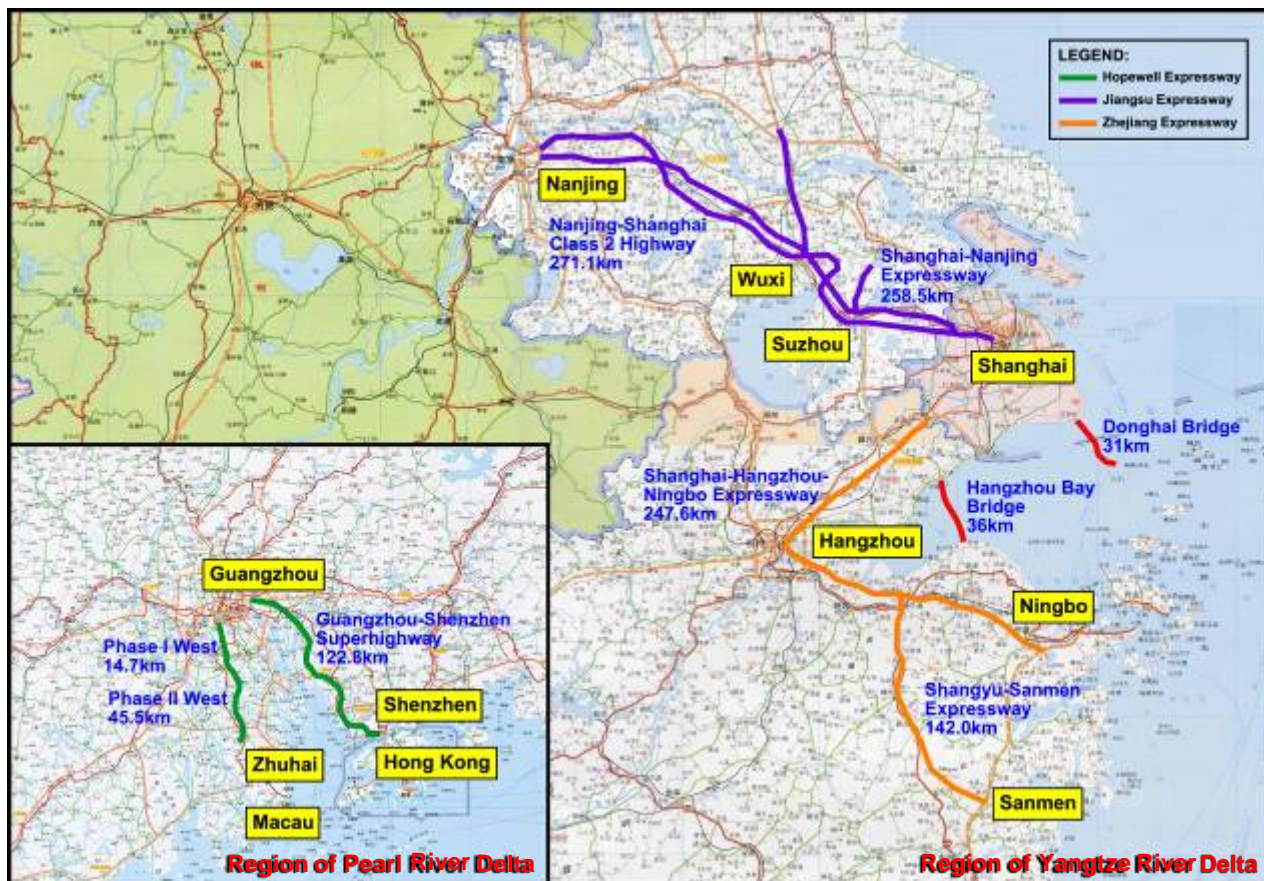
The Pearl River Delta Region has an area of approximately 54,733sq.km, GDP of Rmb3,215 billion and a population of 47.9 million in 2009. When comparing it to the Yangtze River Delta Region, which has an area of approximately 109,890sq.km, GDP of Rmb5,986 billion and a population of 96.0 million in 2009, it is interesting to note that the *Pearl River Delta has a higher concentration of wealth against the Yangtze River Delta Region*.

PRD has Higher Wealth Concentration vs YRD

Comparison between PRD & YRD, 2009			
	PRD	Greater PRD (incl. HK & Macau)	YRD
Area (sq.km)	54,733	55,867	109,890
GDP (RMB'bn)	3,215	4,794	5,986
Population ('m) ^{N1}	47.9	55.4	96.0
GDP/Area (RMB'm/sq.km)	59	86	54
GDP per Capita (RMB)	67,165	86,483	62,371

N1: PRD cities population based on residential population of the cities
 N2: Shunde data is excluded ; it's already included in Foshan data

Source: International Monetary Fund, CEIC, National Statistical Bureau of China and Shunde Statistical Bureau

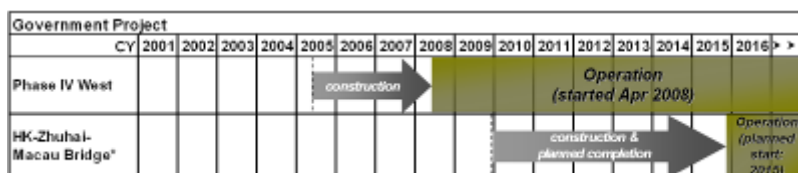
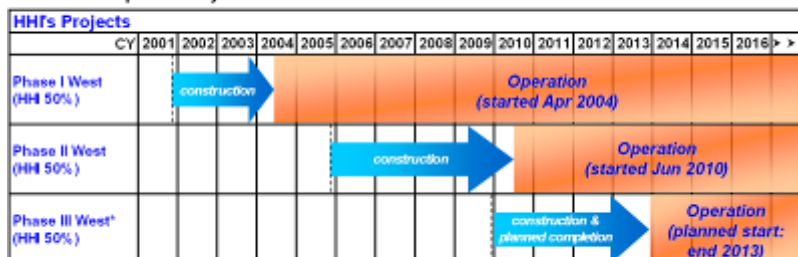


Timeline of Pearl River Delta Projects

With the planned completion of Phase III of the Western Delta Route by end of 2013, as well as the HK-Zhuhai-Macau Bridge in 2015, the transportation network in the Pearl River Delta region will be further enhanced. This will create a **transportation loop and improve the accessibility of the region**, thereby helping to buoy the economic growth in the Pearl River Delta.

Construction Timeline

- When Phase III West is completed, total length of toll expressways invested by HHI will be expanded by about 20% to around 220km



* Present planning, subject to change

Sources: Company, Newspaper