

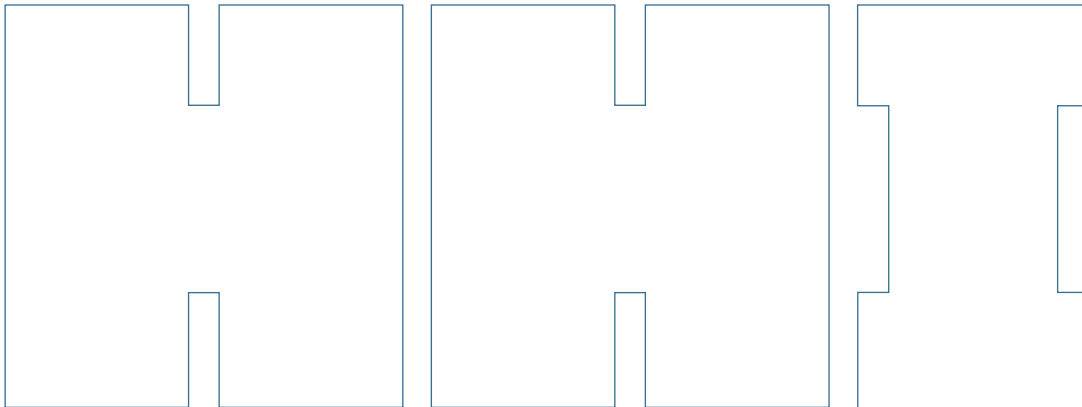


HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

Stock Codes: 737 (HKD counter) & 80737 (RMB counter)



2014/15
Interim Report



Hopewell Highway Infrastructure Limited (“HHI”) (stock codes: 737 (HKD counter) and 80737 (RMB counter)), listed on the Stock Exchange since August 2003, builds and operates strategic expressway infrastructure in Guangdong Province. With the strong support and well established experience of its listed parent, Hopewell Holdings Limited (stock code: 54), HHI focuses on the initiation, promotion, development, investment and operation of toll expressways and bridges, particularly in the thriving Pearl River Delta region.

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Group Results

The Board is pleased to announce that the Group's unaudited interim results for the six months ended 31 December 2014 presented in RMB were as follows:

<i>RMB million</i>	<i>Six months ended 31 December</i>							
	<i>2013</i>				<i>2014</i>			
	<i>Net toll revenue</i>	<i>EBITDA</i>	<i>EBIT</i>	<i>Results</i>	<i>Net toll revenue</i>	<i>EBITDA</i>	<i>EBIT</i>	<i>Results</i>
Project contributions:								
GS Superhighway ^(Note 1)	790	674	472	316	739	603	404	270
Western Delta Route	221	178	111	(31)	249	197	119	(23)
– Phase I West	45	35	26	18	48	36	27	19
– Phase II West	139	114	74	1	152	127	80	8
– Phase III West	37	29	11	(50)	49	34	12	(50)
Net toll revenue/EBITDA/EBIT/ Net profit of projects	1,011	852	583	285	988	800	523	247
Year-on-year change					-2%	-6%	-10%	-13%
Corporate results:								
Bank deposits interest income				23				17
Interest income from loans made by the Group to a JV company				32				32
Other income				1				1
General and administrative expenses				(19)				(18)
Finance costs				(18)				(14)
Income tax expenses				(5)				(5)
Sub-total				14				13
Profit before net exchange gain (after deduction of related income tax)				299				260
Year-on-year change								-13%
Net exchange gain (after deduction of related income tax)				18				6
Profit for the period				317				266
Profit attributable to non-controlling interests				(6)				(5)
Profit attributable to owners of the Company				311				261
Year-on-year change								-16%

Note 1: Excluding exchange differences on US Dollar and HK Dollar loans, and related income tax expenses.



The Group's share of the aggregate net toll revenue of its expressway projects decreased by approximately 2% from RMB1,011 million to RMB988 million during the six months ended 31 December 2014. The decline was mainly attributed to the drop of the GS Superhighway's toll revenue after the full opening of the Coastal Expressway on 28 December 2013 and the temporary traffic diversion due to the closure of Guangzhou Northern Ring Road for maintenance. However, the decline had been partly offset by the continuous growth in the toll revenue of the Western Delta Route. The GS Superhighway's toll revenue declined by 6% year-on-year during the period under review. The GS Superhighway, Phase I West, Phase II West and Phase III West contributed 75% (RMB739 million), 5% (RMB48 million), 15% (RMB152 million) and 5% (RMB49 million) respectively to the Group's share of aggregate net toll revenues.

The Group's share of operating expenses of its expressway projects increased as a result of the increased staff costs of the two PRC JV companies. The decline in GS Superhighway's toll revenue together with the increased staff costs led to a drop in its EBITDA by 11% from RMB674 million to RMB603 million. On the other hand, the increase in operating expenses of the Western Delta Route were fully offset by the rise in its net toll revenue, resulting in a 11% EBITDA growth from RMB178 million to RMB197 million. Phase II West recorded a growth in EBITDA by 11% from RMB114 million to RMB127 million, whereas Phase III West recorded a EBITDA growth of 16% from RMB29 million to RMB34 million. Thus, the aggregate EBITDA of toll expressways (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) decreased by 6%, from RMB852 million to RMB800 million.

The Group's share of depreciation charges for GS Superhighway JV decreased slightly, mainly due to the mild drop in traffic volume whereas that of West Route JV increased as a result of healthy growth in traffic volume. The aggregate EBIT of toll expressways (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) recorded a drop by 10% from RMB583 million to RMB523 million.

The EIT rate applicable for both GS Superhighway and Phase I West is 25% since 2012 and until the expiry of their contractual operation periods. Phase II West's applicable EIT rate from 2013 to 2015 is 12.5%, and it will rise to 25% from 2016 until the expiry of its contractual operation period. Phase III West is exempt from EIT from 2013 to 2015. Its applicable rate from 2016 to 2018 will be 12.5%, and it will rise to 25% from 2019 until the expiry of its contractual operation period.



Group Results (continued)

The traffic and toll revenue of Phase II West have been growing healthily ever since it opened on 25 June 2010 and became profitable since the first half of FY14. Phase II West made a profit of RMB8 million in the first half of FY15 as compared to a profit of RMB1 million for the last corresponding period. Net loss of Phase III West remained at RMB50 million mainly due to RMB5 million one-off expense incurred for finalising project cost. However, the decline in net toll revenue and increased operating expenses (mainly staff costs) of GS Superhighway had led to a 15% year-on-year decrease in its net profit to RMB270 million. Therefore, the aggregate net profit of the four projects (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) fell by 13%, to RMB247 million from RMB285 million during the period under review.

The Company repaid the RMB600 million corporate bonds in May 2014, resulting in a decrease in finance costs from RMB18 million to RMB14 million during the period under review. However, this repayment also reduced the bank deposits of the Company, which lowered the Company's total interest income (including that on bank deposits and shareholder's loan advanced to the JV company) from RMB55 million to RMB49 million. Given the drop in finance costs was offset by the fall in interest income, the net interest income at corporate level slightly decreased from RMB37 million to RMB35 million during the period under review and resulted in a profit of RMB13 million at the corporate level.

The Group's profit before the net exchange gain (after deduction of related income tax) fell by 13%, from RMB299 million to RMB260 million. This was mainly attributable to the decrease in net toll revenue of GS Superhighway. A decline in the net exchange gain on GS Superhighway JV's loans denominated in US Dollars and HK Dollars was recorded as there was only slight appreciation in RMB by 0.5% for the first half of FY15 compared to 3.0% in the same period of last year. Thus, the profit attributable to owners of the Company decreased by 16% from RMB311 million to RMB261 million.

The Company believes HHI's net profit will bottom out in FY15 given (i) GS Superhighway's average daily toll revenue has stabilised at around RMB8.9 million, which is the level in 2013, following the full opening of Coastal Expressway on 28 December 2013; (ii) Western Delta Route maintains healthy growth and is targeted to achieve profit breakeven in the second half of FY15; and (iii) the People's Bank of China's lending rate cut for RMB loan announced on 21 November 2014 will benefit the future performance of the Western Delta Route. This is estimated to reduce the Group's share of interest expenses of its expressway projects by RMB0.5 million and RMB13.2 million in FY15 and FY16 respectively.

Net Profit (HHI's shared portion)

RMB million	First half	Second half	Total	Positive factors
FY14				
Western Delta Route	(31)	(25)	(56)	
<i>Phase I West (opened April 2004)</i>	18	15	33	
<i>Phase II West (opened June 2010)</i>	1	7	8	
<i>Phase III West (opened January 2013)</i>	(50)	(47)	(97)	
FY15				
Western Delta Route	(23)	Target Profit Breakeven		i) Western Delta Route's net toll revenue growth
<i>Phase I West</i>	19			ii) People's Bank of China lending rate cut:
<i>Phase II West</i>	8			↓RMB0.5 million interest expense
<i>Phase III West</i>	(50)			
	(one-off expense RMB5 million for finalising project cost)			
FY16				
				i) Western Delta Route's net toll revenue growth
				ii) People's Bank of China lending rate cut: ↓RMB13.2 million interest expense

Group Results (continued)

The financial position of the Group comprised the assets and liabilities of HHI corporate level and the Group's share of assets and liabilities of its two PRC JV companies, namely GS Superhighway JV and West Route JV.

HHI Corporate Level

	30 June 2014	31 December 2014		30 June 2014	31 December 2014
	RMB million	RMB million		RMB million	RMB million
Bank balances and cash	814	1,175	RMB bank loan	500	500
The Company's shareholder's loan to JV company ^(Note1)	1,000	1,000	HKD bank loans	198	456
Other assets	16	14	Other liabilities	10	20
	1,830	2,189		708	976
Net assets value of HHI Corporate	1,122	1,213			

Share of JV Companies

GS Superhighway JV (HHI's shared portion)

	30 June 2014	31 December 2014		30 June 2014	31 December 2014
	RMB million	RMB million		RMB million	RMB million
Bank balances and cash	133	156	Bank loans		
Concession intangible assets	5,920	5,775	– USD	1,411	1,301
Property and equipment	224	226	– HKD	184	171
Other assets	67	27	Other liabilities	698	717
	6,344	6,184		2,293	2,189
Net assets value of GS Superhighway JV	4,051	3,995			

West Route JV (HHI's shared portion)

	30 June 2014	31 December 2014		30 June 2014	31 December 2014
	RMB million	RMB million		RMB million	RMB million
Bank balances and cash	68	114	Bank loans	3,988	4,017
Concession intangible assets	6,726	6,565	Shareholder's loan from the Company ^(Note1)	500	500
Property and equipment	245	276	Other liabilities	740	641
Other assets	302	293			
	7,341	7,248		5,228	5,158
Net assets value of West Route JV	2,113	2,090			

	30 June 2014	31 December 2014		30 June 2014	31 December 2014
	RMB million	RMB million		RMB million	RMB million
			Total liabilities	8,229	8,323
			Equity attributable to owners of the Company	7,236	7,248
			Non-controlling interests	50	50
Total Assets	15,515	15,621	Total Equity and Liabilities	15,515	15,621
Total net assets	7,286	7,298			

Note 1: The Company's shareholder's loan was made to West Route JV for Phase II West as interim financing due to inability of West Route JV to borrow from PRC banks for Phase II West before the official approval for its increased investment.



Dividend

On 5 January 2015, the Board declared an interim dividend of RMB8.4 cents (equivalent to HK10.6376 cents at the exchange rate of RMB1:HK\$1.26638 as published by The People's Bank of China on 5 January 2015) per share in respect of the financial year ending 30 June 2015 (30 June 2014: RMB9.8 cents per share (equivalent to HK12.4590 cents per share)) to be paid on Tuesday, 17 February 2015 to the shareholders of the Company whose name appeared on the Company's Register of Members at the close of business on Tuesday, 20 January 2015. This represents a payout ratio of 99.1% of the Group's profit attributable to owners of the Company for the 6-month period ended 31 December 2014. The interim dividend will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB1:HK\$1.26638 as published by The People's Bank of China on 5 January 2015 and shareholders have been given the option of electing to receive the interim dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars.

To make the dividend election, shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 6 February 2015. **If no dividend election is made by a shareholder, such shareholder will receive the interim dividend in HK Dollars, unless he/she/it has previously elected to receive dividends in RMB.**



Business Review

During the period under review, the aggregate average daily traffic and aggregate average daily toll revenue on the GS Superhighway and the Western Delta Route rose 1% to 599,000 vehicles and decreased by 2% to RMB11.4 million respectively. The decline in toll revenue was mainly attributed to the drop of the GS Superhighway's toll revenue after the full opening of the Coastal Expressway on 28 December 2013 and the temporary traffic diversion due to the closure of Guangzhou Northern Ring Road for maintenance. The combined toll revenue of the Group's four projects amounted to RMB2,100 million.

The average daily toll revenue of the GS Superhighway fell by 6% year-on-year to RMB8.6 million during the period under review. Its average daily traffic and average daily full-length equivalent traffic fell by 1% and 7% year-on-year to 459,000 vehicles and 90,000 vehicles, respectively. In addition to the impact from the full opening of the Coastal Expressway, the GS Superhighway was also affected by the traffic diversion measures temporarily adopted by the police along the section from Huocun to Guangdan from 10 September 2014 to 24 October 2014 when the westbound of the Guangzhou Northern Ring Road was closed for maintenance. The impact was insignificant and the traffic resumed gradually after the reopening. Nevertheless, the average daily toll revenue of the GS Superhighway has stabilised at around RMB8.9 million, which is the level in 2013.

Benefitting from the growth in Guangdong's car ownership, the average daily traffic and average daily toll revenue of the Western Delta Route continued to grow healthily by 12% and 13% to 140,000 vehicles and RMB2.8 million respectively. Its total toll revenue accounted for 25% of the Group's shared aggregate toll revenue, compared to 22% during the same period in FY14.

Both Phase I West and Phase II West maintained healthy growth, attributable to the synergy created among the three phases. The average daily traffic and average daily toll revenue of Phase I West grew by 10% and 6%, amounted to 53,000 vehicles and RMB532,000 respectively. The average daily traffic and average daily toll revenue of Phase II West were 112,000 vehicles and RMB1,702,000, representing a growth of 14% and 9% respectively.

Phase III West's traffic and toll revenue had been ramping up robustly. Its average daily traffic and average daily toll revenue grew by 32% and 33% to 25,000 vehicles and RMB546,000 respectively.



Financial Year	1H FY14	1H FY15	% Change
<i>GS Superhighway (at JV company level)</i>			
Average Daily Toll Revenue (RMB '000)	9,222	8,631	-6%
Average Daily Traffic (No. of vehicles '000)	465	459	-1%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	96	90	-7%
<i>Western Delta Route (at JV company level)</i>			
Average Daily Toll Revenue (RMB '000)	2,472	2,781	+13%
Average Daily Traffic (No. of vehicles '000)	125 [#]	140[#]	+12%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	31	36	+15%
<i>Phase I West (at JV company level)</i>			
Average Daily Toll Revenue (RMB '000)	500	532	+6%
Average Daily Traffic (No. of vehicles '000)	48	53	+10%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	41	45	+10%
<i>Phase II West (at JV company level)</i>			
Average Daily Toll Revenue (RMB '000)	1,560	1,702	+9%
Average Daily Traffic (No. of vehicles '000)	99	112	+14%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	43	48	+12%
<i>Phase III West (at JV company level)</i>			
Average Daily Toll Revenue (RMB '000)	411	546	+33%
Average Daily Traffic (No. of vehicles '000)	19	25	+32%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	14	19	+35%

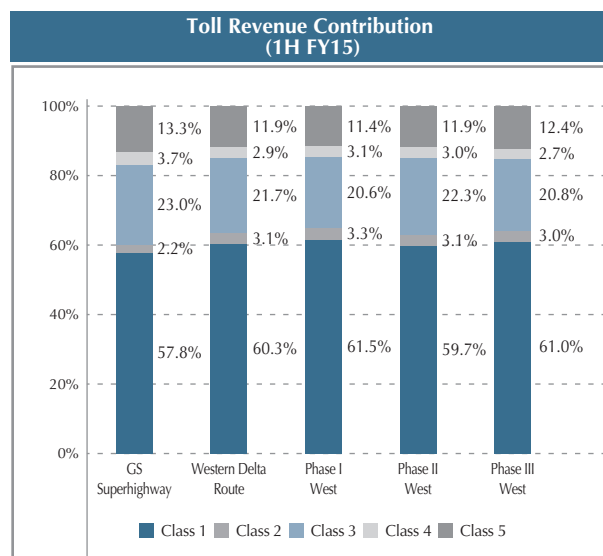
[#] Western Delta Route's traffic figure was smaller than the sum of Phases I, II and III West as each vehicle which travelled across different phases was counted as one vehicle under the traffic of the Western Delta Route.

Economic Environment

The national GDP of China and Guangdong grew at a modest pace of 7.4% and 7.6% respectively in the first three quarters of 2014. As the core economic region of Guangdong Province, the PRD region's economy posted a strong growth. In the first three quarters of 2014, the GDP of three main cities namely Guangzhou, Dongguan and Shenzhen, where the GS Superhighway passes through, recorded a 8.5%, 7.6% and 8.5% growth respectively; while the GDP of Foshan, Zhongshan and Zhuhai, where the Western Delta Route passes through, grew by 8.1%, 7.7% and 10.0% respectively. The growth of the above six cities (except Dongguan) outstripped the average of the province and altogether they contributed over 70% to Guangdong's GDP. The total car ownership of Guangdong grew 13% and reached a new record high of 11.8 million vehicles at the end of 2013, in which 71% was accounted for the aforesaid six cities. The number of vehicles in Guangdong continued to climb as there were around 1.3 million vehicles newly registered during the first eleven months of 2014 according to media reports.

From 2009 to the end of 2013, total length of expressways in Guangdong reached 5,703 kilometres with a compound annual growth rate of 9%. On the other hand, continuous demand for road usage was reflected not only in a compound annual growth of car ownership at 16% but also in a compound annual growth of passenger and freight transport distance by highways, both recorded at 17% during the same period and reached 278 billion passenger-kilometres and 287 billion ton-kilometres in 2013 respectively. The growth in demand for road usage was almost double the growth of expressway length. The prosperous economic development and the rising car ownership as well as the sustained demand for road traffic will continue to support the growth of the Group's expressways.

According to the China Association of Automobile Manufacturers, vehicle sales in the PRC in 2014 was 23.5 million units at an annual growth rate of 7%, mainly driven by the demand in passenger cars. China remained as the world's largest vehicle sales market for the sixth consecutive year. Given that Class 1 small cars contributed over 50% to the toll revenue of our expressway projects, the Company believes that the GS Superhighway and Western Delta Route will continue to benefit from the robust growth of the PRC's passenger car sales.



Growth Potential of the Western Delta Route

The Western Delta Route is a 97.9-km closed expressway with a total of 6 lanes in dual directions which comprises of Phase I West, Phase II West and Phase III West. It is the most direct and convenient expressway artery in the regional expressway network on the western bank of the PRD region, running from north to south through the most prosperous and populous cities namely Guangzhou, Foshan, Zhongshan and Zhuhai. It offers direct and convenient access to the Hengqin State-level Strategic New Zone, and via its connection with the forthcoming HZM Bridge, to Hong Kong. The healthy economic development of the four main cities on the western bank of the PRD region will create greater demand for transportation along the Western Delta Route.

The Western Delta Route is located at the heart and runs along the central axis of the western bank of the PRD region. It is well connected with the existing Guangzhou Ring Road, Guangzhou Southern Second Ring Road, Zhongshan-Jiangmen Expressway, Western Coastal Expressway and will link up with the forthcoming Guangzhou-Gaoming Expressway, Guangzhou-Zhongshan-Jiangmen Expressway, HZM Bridge, Humen Second Bridge and Shenzhen-Zhongshan Corridor (these infrastructures will be completed by 2016, 2016, 2016, 2018 and 2020 respectively, according to the media reports) to form a comprehensive regional expressway network. Moreover, a new Second Hengqin Bridge that directly links up Zhuhai's Hengqin is expected to open to traffic in 2015 and will further facilitate the traffic to and fro Hengqin through the Western Delta Route. It is believed that good connectivity will provide continuous and stable traffic flow to the Western Delta Route.

Business Review (continued)

The HZM Bridge is planned to be opened by the end of 2016. By October 2014, over 50% of the main bridge construction was completed according to the media reports. Upon its completion, cities on the western bank of the PRD region will fall into a 3-hour commuting radius from Hong Kong. The cross border passenger and freight traffic between the western bank of the PRD region and Hong Kong will be stimulated due to more convenient land transport and shorter travelling time. The travelling time between Hong Kong and Zhuhai will be substantially shortened to around 30 minutes via the HZM Bridge in the future instead of spending as long as 4 hours by land or over 1 hour by sea. With reference to the opening of the Hong Kong-Shenzhen Western Corridor in 2007, the number of cross-border licenses for private cars had significantly been increased to utilise the enlarged capacity of the border crossings. It is expected that more private car cross-border licenses will be issued for the new HZM Bridge border crossing shortly after its opening. The HZM Bridge's opening will further foster the region's economic development and integration.

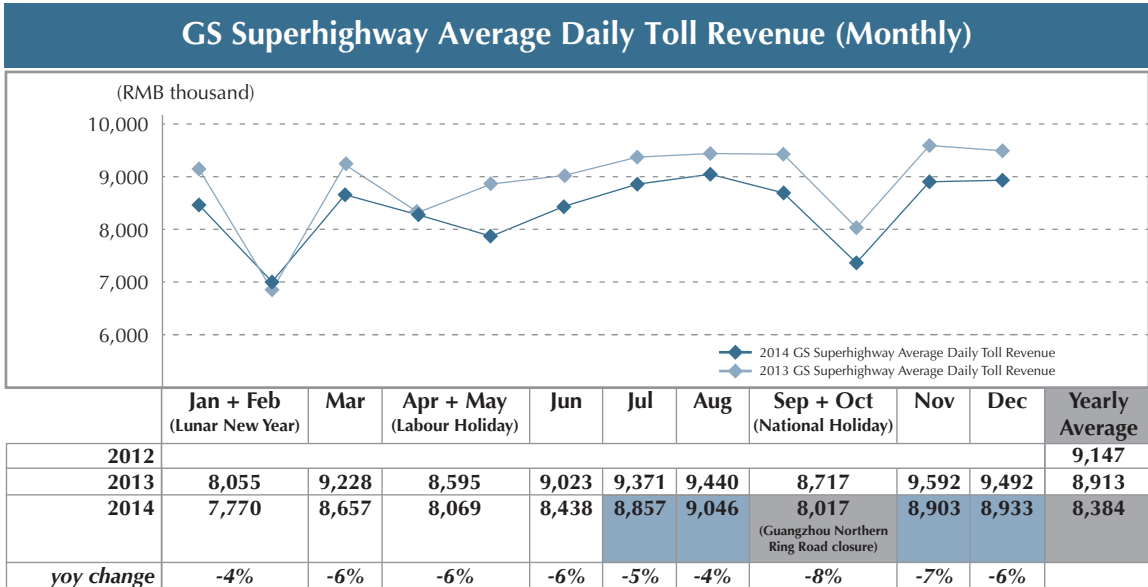




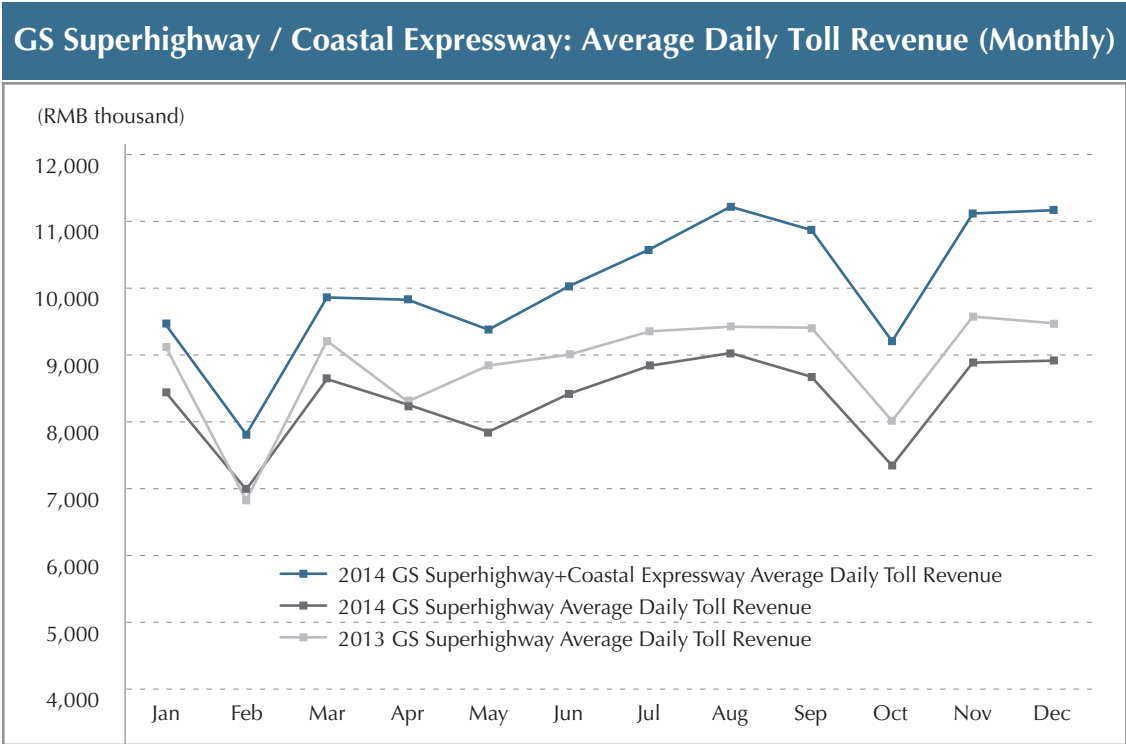
Hengqin in Zhuhai is the third State-level Strategic New Zone after Shanghai’s Pudong District and Tianjin’s Binhai area in China. It is being positioned as a new growth hub focusing on the development of business services, tourism, entertainment and technological research. Numerous key development projects, including commercial landmarks, hotels and tourist attractions, will be completed in the coming few years. According to the media, the GDP of Hengqin New Zone is expected to grow robustly by more than 50% in the first ten months of 2014 with ongoing intensive investments. A new batch of expansion projects of Chimelong International Ocean Tourist Resort, which comprises of Circus Hotel, Penguin Hotel and a 5D cinema with a total investment of RMB5 billion, had been initiated in January 2014 and are expected to commence operation in 2015. After the expansion, the number of guestrooms will be increased to near 5,000. The resort received around 6.5 million visitors in 2014 since its opening, creating a boost to the tourism in Zhuhai. In addition, Zhuhai International Convention and Exhibition Center started trial operation on 30 October 2014. It is expected that more exhibitions will be hosted in Zhuhai in the future that will further give impetus to the traffic of the Western Delta Route. Macau will also increase leisure facilities notably with the expansion and construction of new gaming resorts and hotels starting 2015. Together with Macau Cotai-Hengqin border crossing started 24-hour opening since 18 December 2014 for passengers and passenger cars, the passenger flow between Hengqin and Macau will further increase. The Western Delta Route, being the most direct and the shortest expressway from Guangzhou to Hengqin and Macau, will benefit from the increased demand for passenger and freight transportation brought along by the developments of the region.

Full Opening of a Parallel Road

The 89-km Coastal Expressway was fully opened on 28 December 2013. An 18-km stretch of its Guangzhou-Dongguan section being toll-free since its opening had resumed tolling from 1 August 2014. GS Superhighway’s average daily toll revenue has stabilised at around RMB8.9 million, which is the level in 2013. The Group believes that the diversion impact from the Coastal Expressway on the GS Superhighway has fully been realised.



Based on the average daily toll revenue, the market, comprising the GS Superhighway and the Coastal Expressway, grew around 13% since the full opening of the Coastal Expressway. This had been further supported by the solid demand for toll road usage in Guangdong Province.

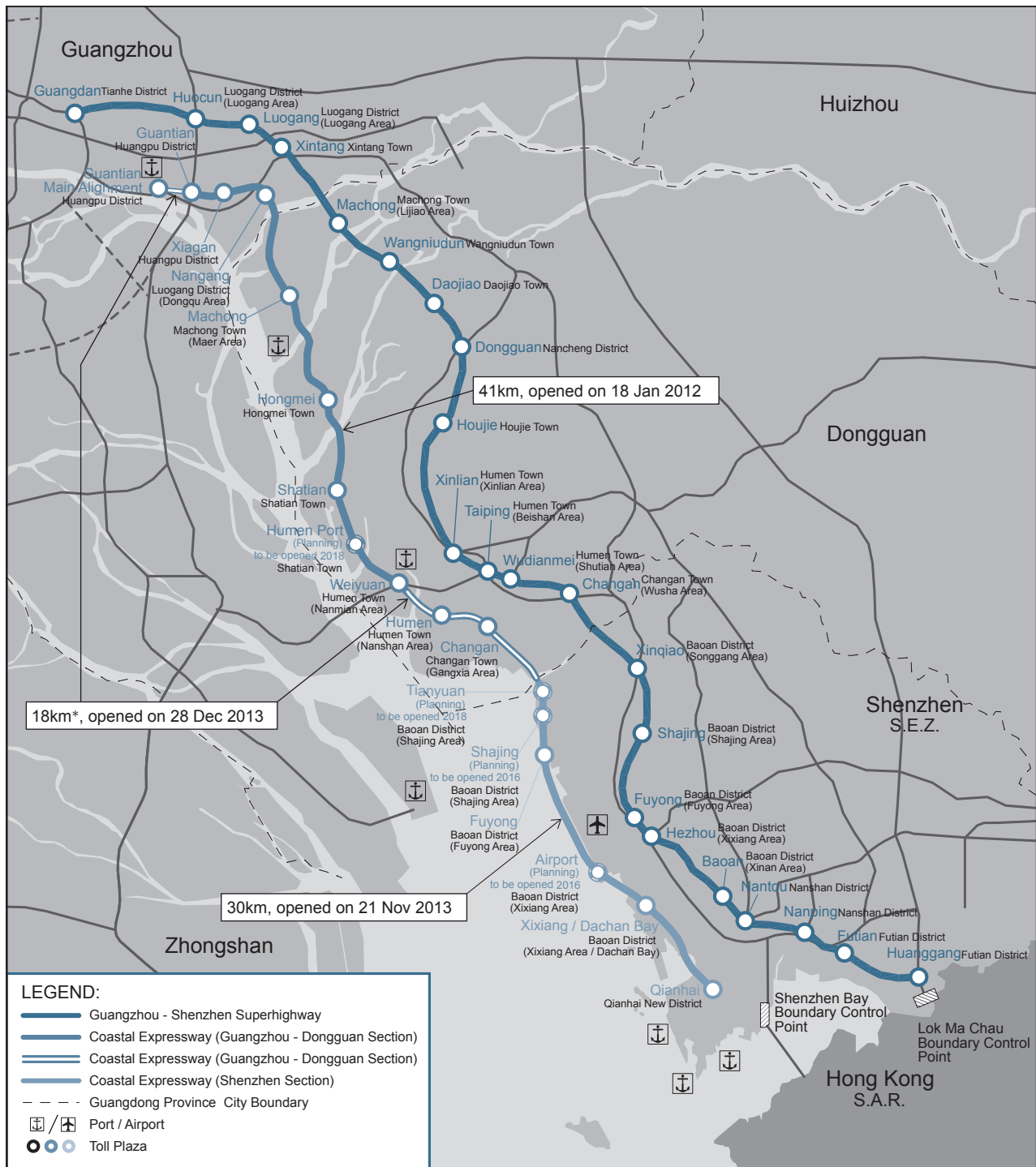


There are two misconceptions concerning the GS Superhighway and the Coastal Expressway. The first is that the travelling distance between Hong Kong and Guangzhou via the GS Superhighway is longer than that via the Coastal Expressway. The second is that the GS Superhighway's tariff is higher than that of the Coastal Expressway. If one includes the connecting roads at both ends of the Coastal Expressway (i.e. the Hong Kong-Shenzhen Western Corridor and the connecting roads to Hong Kong's highway networks and to Guangzhou Ring Road), the total travelling distance from Hong Kong to Guangzhou via the GS Superhighway or the Coastal Expressway differs by about 5%. More specifically, when one compares the entire length of the Coastal Expressway (from its starting point to its ending point) with that of the corresponding section of the GS Superhighway (i.e. the section between Huocun and Nantou), the travelling distances via both routes are also nearly the same. Moreover, the tariff rate for all expressways in Guangdong with 6 or more lanes has been the same since the Tariff Proposal's implementation in June 2012. Thus, there is no difference between the tariff rates of the GS Superhighway and the Coastal Expressway.



In fact, the GS Superhighway remains a more competitive option for road users. Its strategic geographical location offers convenient access to populous downtown areas and major expressways, whereas the Coastal Expressway is designed mainly to connect ports along the eastern shore of the PRD and to serve trucks destined for them. Thus, it attracts different target customers. Moreover, the GS Superhighway is well-equipped with professional patrol and rescue team which provides prompt and efficient service along the entire expressway. Together with Guangdong's continuous economic growth, the Group believes that the GS Superhighway will maintain its leading position as the main traffic artery on the eastern bank of the PRD region.

Business Review (continued)



* Toll free since the full opening of the Coastal Expressway on 28 December 2013 and resumed tolling starting 1 August 2014.



Toll Road Policies

Guangdong Province Toll Integration and Toll-by-weight Scheme

According to the Guangdong Provincial Government's requirements, the province's 4 toll integration sub-districts namely the Eastern, Western, Northern and Central Districts, in which the GS Superhighway and Western Delta Route are located, were integrated into a single and unified toll network on 29 June 2014. After the implementation of Guangdong toll integration, all adjacent expressways in the province are physically connected without toll stations in-between, and every vehicle travelling on expressways in Guangdong only needs to take one entry ticket (with radio frequency identification technology) at an expressway's entrance and pay all the toll charges for its entire trip at any other expressway's exit, without needing to stop when it travels on a series of connecting expressways. The toll revenues collected by all the expressways in Guangdong will be settled via Guangdong Unitoll Collection Incorporated, which is the clearing house that centralises and manages toll data on a daily basis, by means of the toll integration settlement network. The integration measures will boost the efficiency of the province's toll expressways by greatly shortening the time spent on taking entry tickets and paying tolls at various entrance and exit plazas and help to smooth the flow of traffic.

The toll-by-weight scheme was also implemented for trucks on all expressways in the Central District on 29 June 2014, following its implementation in the Northern District in 2009 as well as the Eastern and Western Districts in 2011. The tariff rates for passenger cars and normally loaded commercial trucks will remain unchanged under the toll-by-weight scheme. Preferential arrangements will be made for unloaded and lightly-loaded trucks, for which the tariff rate will be one class lower. On the other hand, an additional toll based on the ratio of overloaded weights will be charged for overloaded trucks. The impact of the toll-by-weight scheme on the toll revenue of the GS Superhighway and Western Delta Route is insignificant. During the period under review, the total traffic of commercial trucks and their toll revenue remained at a stable level for both the GS Superhighway and the Western Delta Route. Nevertheless, this scheme can help reduce the number of overloaded trucks and the damages so caused to the expressways.

National integration on Electronic Toll Collection ("ETC") network

According to the media, the Ministry of Transport directed the expressways in all provinces in the PRC to form a nationwide inter-connecting ETC network by the end of 2015. Upon completion, the electronic payment card issued by different provinces can be commonly used in all ETC toll lanes in every expressway in the PRC.

New vehicle registration policy in Shenzhen

Shenzhen has the highest car ownership figure in Guangdong, with total car ownership reaching 2.6 million vehicles at the end of 2013 and it is estimated to have reached around 3 million vehicles by the end of 2014, according to the media. On 29 December 2014, the Shenzhen Government announced new registration of small- and mini-sized passenger vehicles would be limited to 100,000 units per year. The policy aims to enhance the transportation system of Shenzhen by relieving traffic congestion and improve air quality.

Traffic restriction during peak hours in Shenzhen

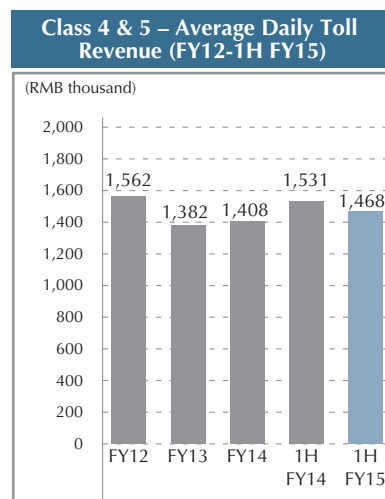
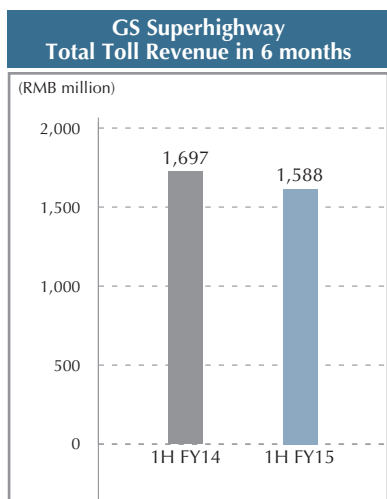
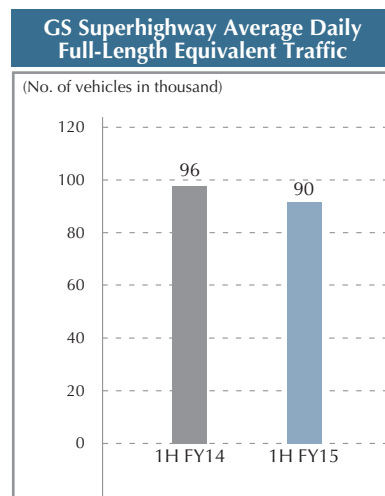
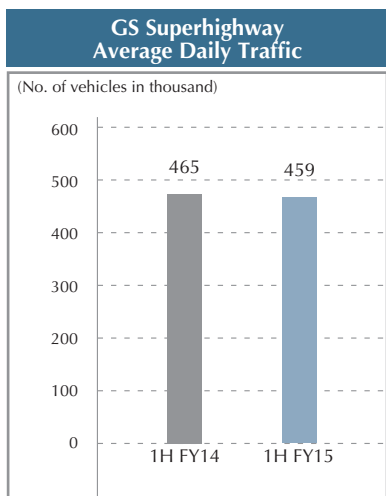
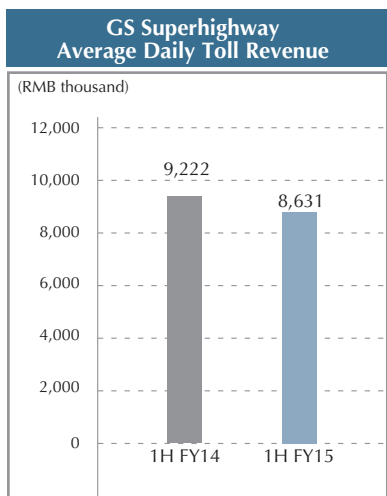
On 29 December 2014, the Traffic Police Bureau of Shenzhen announced a new traffic restriction on non-Shenzhen registered passenger vehicles. These vehicles are prohibited to travel within the four downtown districts of Shenzhen, namely Futian, Luohu, Nanshan and Yantian, during peak hours from 07:00 to 09:00 and from 17:30 to 19:30 since 30 December 2014 for five months, except on routes linking the six border crossings. Hence, vehicles travelling along the GS Superhighway to the Huanggang and Futian border crossings will not be affected under this measure.

Regulation on the Administration of Toll Roads (Amendment Proposal)

On 8 May 2013, the Ministry of Transport proposed amendments to the existing Regulation on the Administration of Toll Roads and invited opinions from the public and relevant industries. Among other matters, the draft amendments included proposed compensation terms for the operators of toll roads suffering from losses of revenue as a result of the Central Government's implementation of the toll-free policy in the form of an extension of their toll collection periods. No further information has been released since then. The Company will closely monitor the latest developments concerning the amendments.

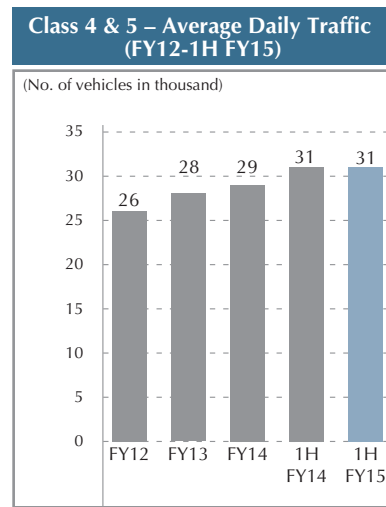
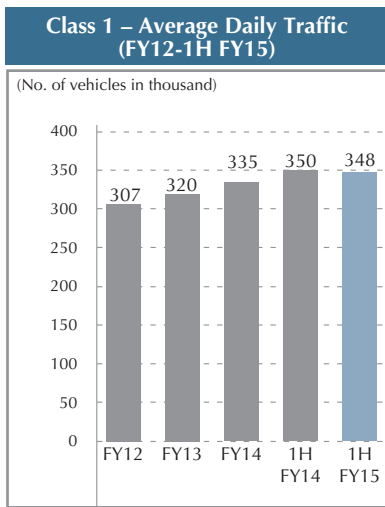
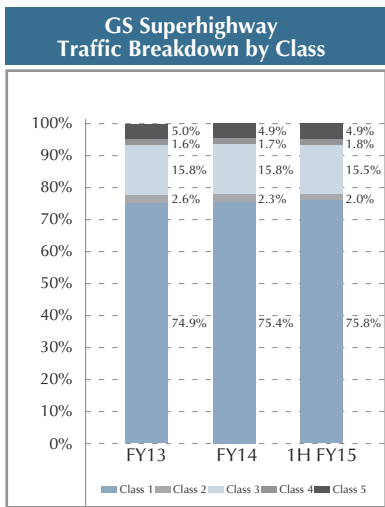
Guangzhou-Shenzhen Superhighway

The GS Superhighway is the main expressway connecting the PRD region's three major cities — Guangzhou, Dongguan, Shenzhen and Hong Kong. During the period under review, its average daily toll revenue decreased by 6% year-on-year to RMB8.6 million, whereas its total toll revenue amounted to RMB1,588 million. Apart from the diversion impact of the full opening of the Coastal Expressway on 28 December 2013, the average daily toll revenue was also affected by traffic diversion measures being adopted by the police temporarily along the section from Huocun to Guangdan from 10 September 2014 to 24 October 2014 when the westbound of Guangzhou Northern Ring Road was closed for maintenance. The impact was insignificant and the traffic on the GS Superhighway resumed gradually after the reopening. Meanwhile, the average daily traffic recorded a mild drop of 1% year-on-year to 459,000 vehicles. The average daily full-length equivalent traffic volume for the GS Superhighway decreased by 7% year-on-year to 90,000 vehicles mainly due to traffic diversion to the Coastal Expressway. This indicates there is still room for traffic to grow on the GS Superhighway.

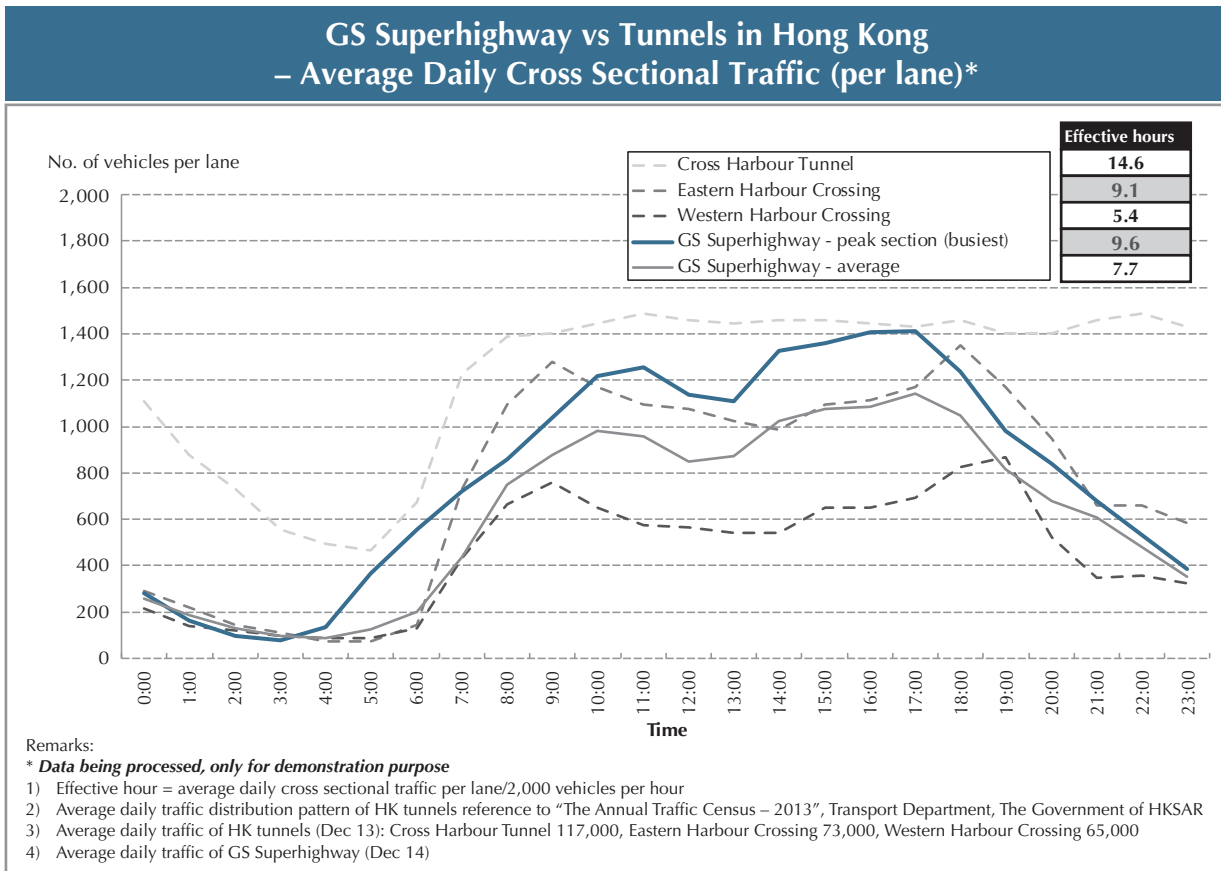


Class 1 small car traffic dropped by 1% year-on-year. It accounted for 75.8% of the GS Superhighway's total traffic volume, compared to 75.3% in the same period in FY14. The average daily toll revenue of Class 1 small car decreased by 5% to RMB5 million, contributing 57.8% to the total toll revenue. The average daily traffic and average daily toll revenue of Classes 4 and 5 dropped 1% and 4% respectively. The average toll revenue per vehicle per km remained unchanged at RMB0.77.

Business Review (continued)



With reference to the chart below, comparing the cross sectional traffic volume (per lane) of the GS Superhighway with that of the Eastern Harbour Crossing in Hong Kong, its busiest section was similar to the Eastern Harbour Crossing while the average of all sections was lower.





As mentioned earlier in the section headed “Full Opening of a Parallel Road”, the Group believes that the diversion impact from the full opening of the Coastal Expressway on GS Superhighway has fully been realised. In fact, the GS Superhighway is comparable in length and charges the same tariff as the Coastal Expressway. However, the two expressways have different target customers, and the GS Superhighway offers a number of competitive advantages, such as convenient access to populous downtown areas and major expressways, well-equipped facilities, efficient patrol and rescue team and high-quality services. Together with the continuous growth of Guangdong’s economy, these factors lead the Group to believe that the GS Superhighway will maintain its leading position as the main traffic artery on the eastern bank of the PRD region.

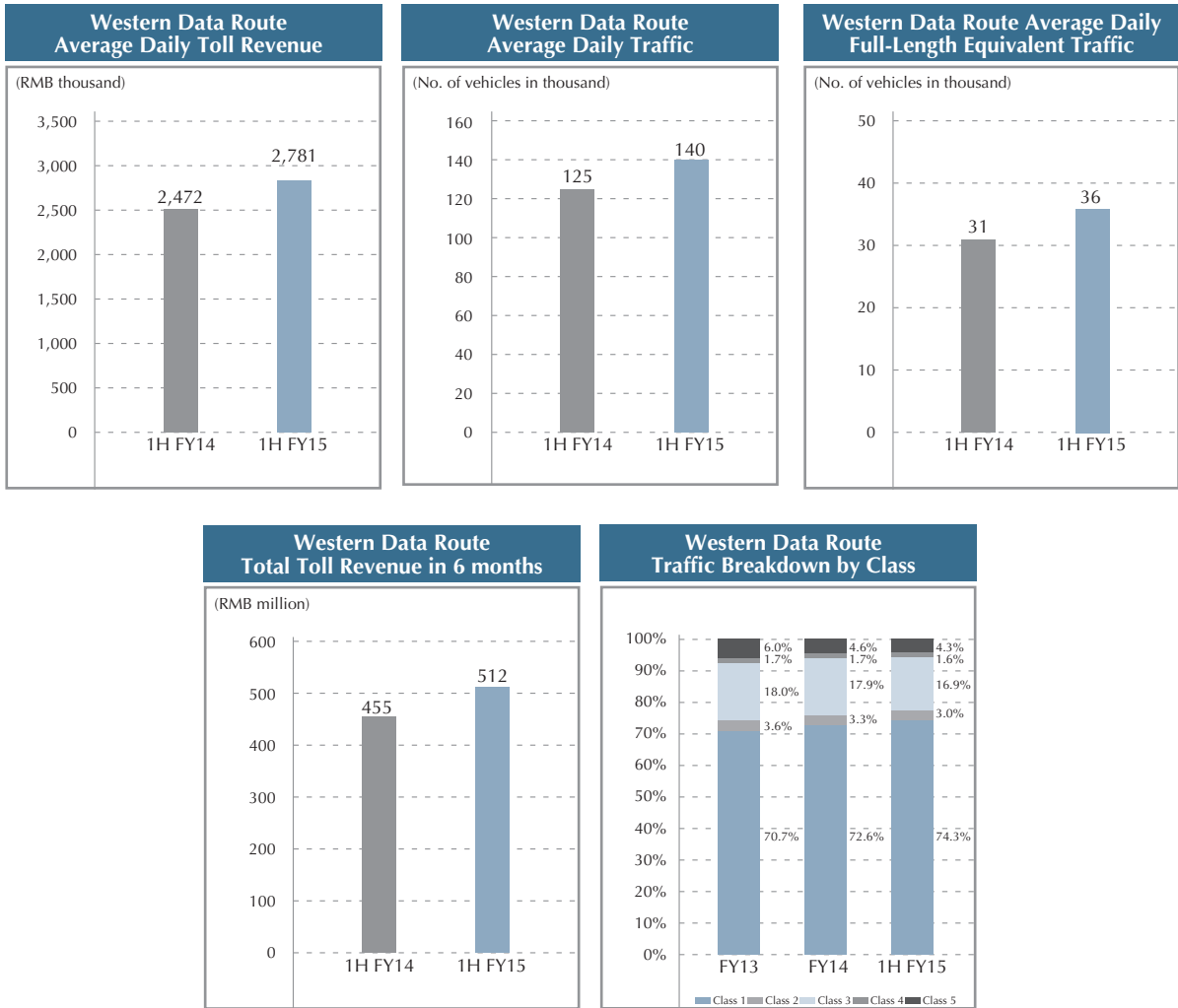
The GS Superhighway JV has been making incessant progress in increasing its operational efficiency and its capability to cope with increasing traffic by installing automated equipment at the toll lanes and entry lanes. Currently, around 60% of all the toll lanes at entrances to the GS Superhighway have ETC or automatic card-issuing machines. Furthermore, energy-saving LED lights were installed at the toll plazas and along its entire main alignment in order to reduce energy consumption and lower operating cost.

Western Delta Route

The Western Delta Route is a 97.9-km closed expressway with a total of 6 lanes in dual directions which comprised of Phase I West, Phase II West and Phase III West. It is the central expressway artery on the western bank of the PRD region connecting four major cities — Guangzhou, Foshan, Zhongshan and Zhuhai. It is well connected with Guangzhou’s expressway network in the north and extends southwards to link with Zhuhai’s expressway network, offering a convenient access to Hengqin and the forthcoming HZM Bridge to Hong Kong.

Business Review (continued)

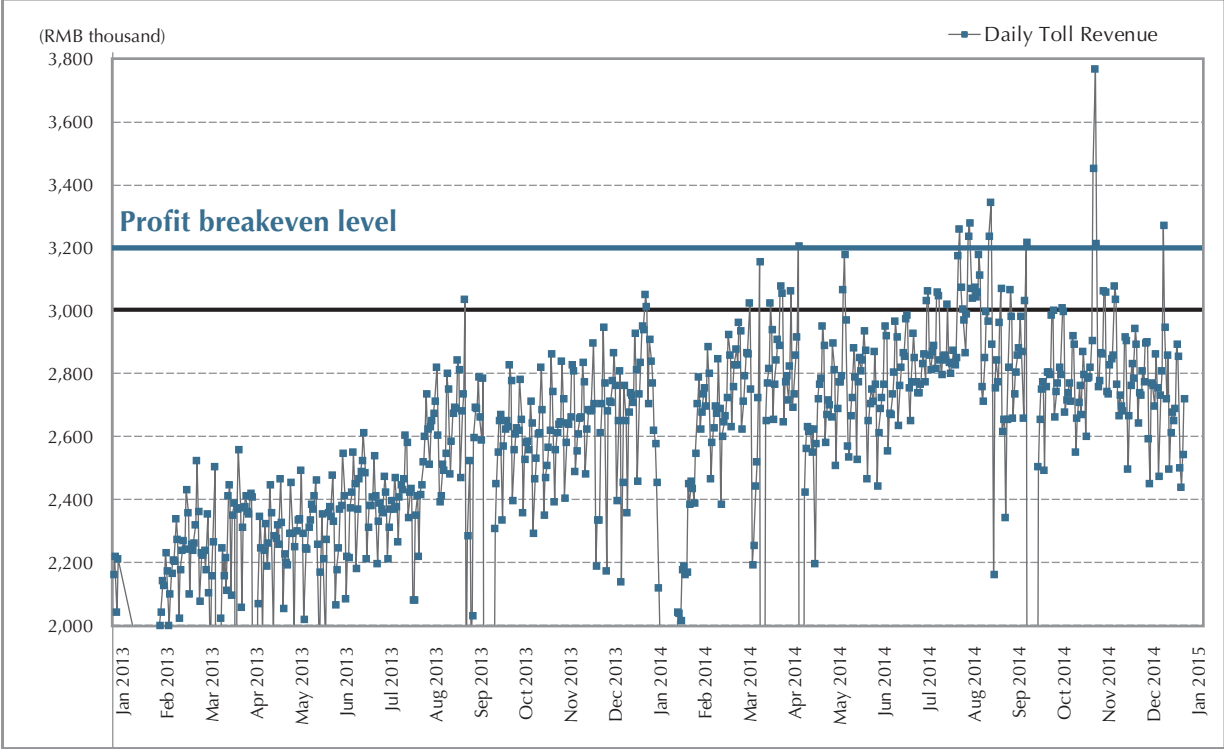
During the period under review, benefiting from the growth in Guangdong’s car ownership, the average daily traffic and average daily toll revenue of the Western Delta Route continued to grow healthily and achieved 12% and 13% year-on-year growth to 140,000 vehicles and RMB2.8 million respectively. Meanwhile, its total toll revenue amounted to RMB512 million. The average daily full-length equivalent traffic for Western Delta Route grew 15% to 36,000 vehicles.



After the opening of Phase III West in the second half of FY13, the Western Delta Route continues to maintain its positive operating cash flow (after taking interest expense payments into account). Its daily toll revenue has exceeded RMB3.2 million for several days in 2014. It is targeted to achieve profit breakeven in the second half of FY15 when its average daily toll revenue reaches RMB3.2 million for a full month.

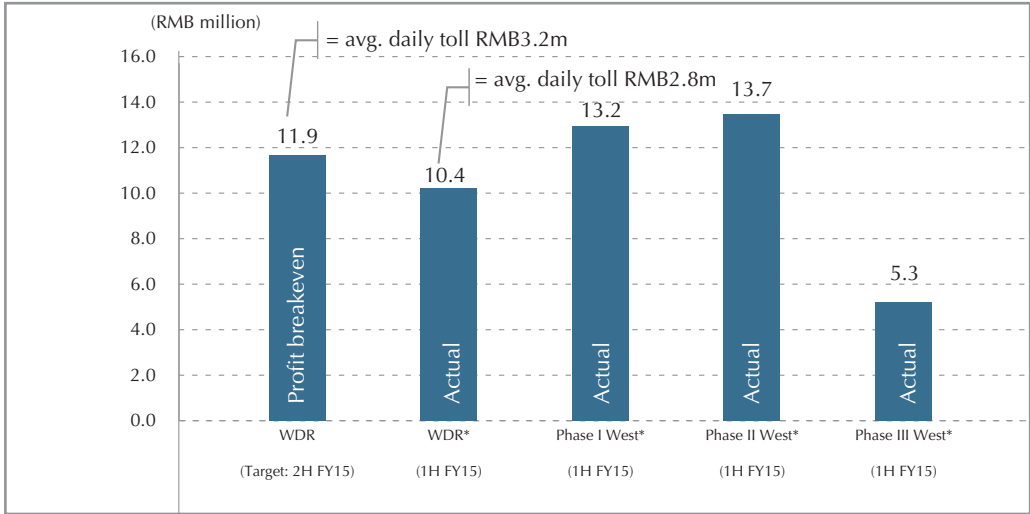


Western Delta Route (Phases I, II and III West): Daily Toll Revenue*



* Data from 25 January 2013 (when Phase III West commenced operation) to 14 January 2015; Holiday Toll-free Policy was implemented during 9-15 February 2013, 4-6 April 2013, 29 April-1 May 2013, 1-7 October 2013, 31 January-6 February 2014, 5-7 April 2014, 1-3 May 2014 and 1-7 October 2014

Annual Toll Revenue per km

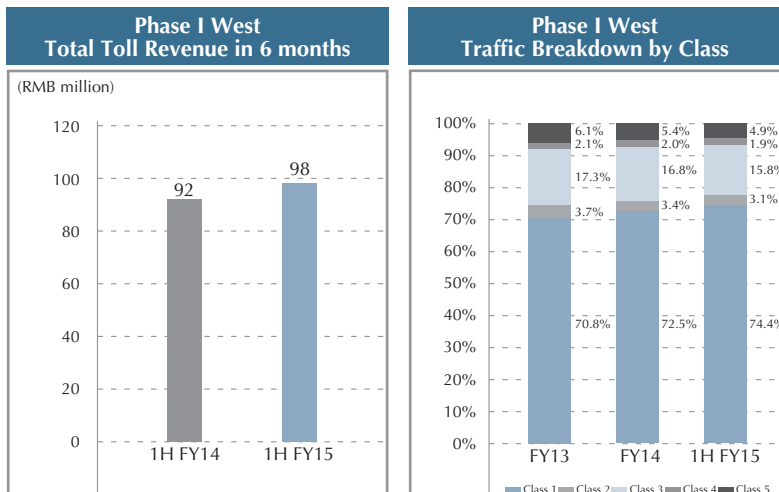
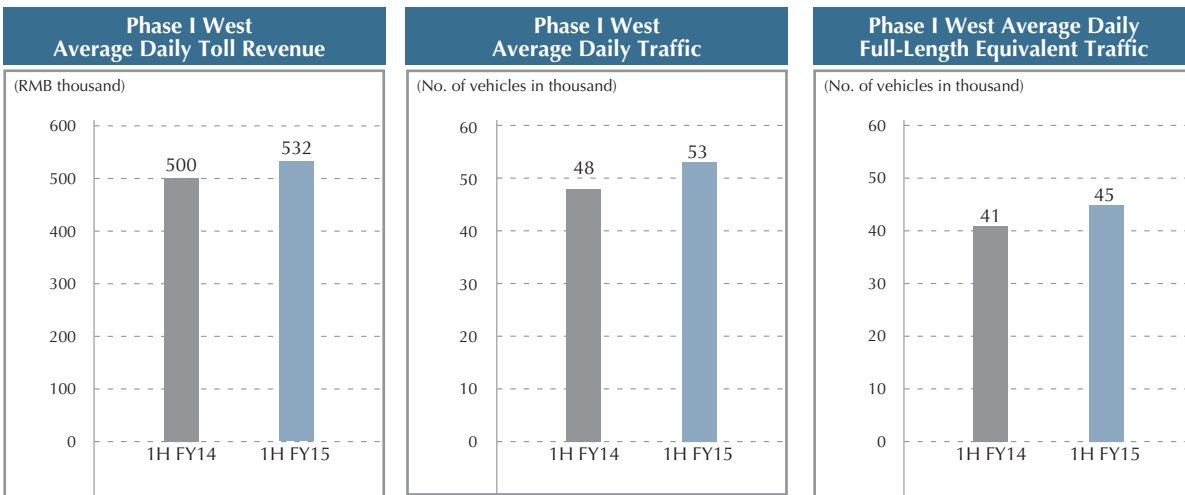


* Annualised figure

Phase I of the Western Delta Route

Phase I West connects with the Guangzhou East-South-West Ring Road to the north, and Phase II West and National Highway 105 at Shunde to the south. As the northern part of the Western Delta Route, Phase I West's synergy with Phase II West and Phase III West as well as the on-going economic growth of Guangzhou and Foshan will continue to drive the growth of its traffic volume and toll revenue.

The traffic volume and toll revenue of Phase I West grew steadily, mainly driven by a strong rise in the number of Class 1 small cars. During the period under review, its average daily traffic increased by 10% year-on-year to 53,000 vehicles, whereas its average daily toll revenue increased by 6% to RMB532,000. Although a temporary closure of the westbound of Guangzhou Northern Ring Road for maintenance from 10 September 2014 to 24 October 2014 affected the traffic entering Nanya station of the Western Delta Route, the impact on its traffic and toll revenue was insignificant. Its total toll revenue amounted to RMB98 million during the period.





The traffic and toll revenue for Class 1 small cars continued to grow, accounted for 74.4% of Phase I West's total traffic volume. The average daily full-length equivalent traffic on Phase I West amounted to 45,000 vehicles, representing a year-on-year growth of 10%.

A new interchange between Shizhou and Bijiang interchanges named Wujiawei interchange has partially opened at the end of December 2014. It is constructed by Guangzhou-Gaoming Expressway and is currently connected with the southbound of Phase I West. The whole interchange is expected to be completed and fully open to traffic in 2015. This new connection will help to bring in traffic from western Foshan to the Western Delta Route.

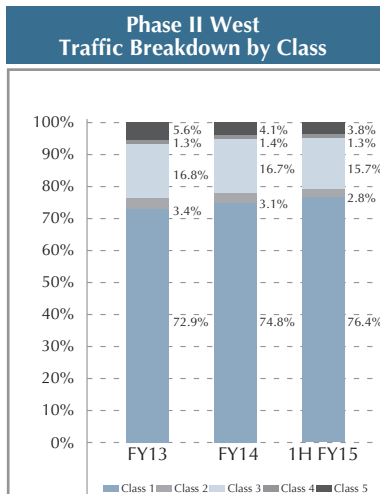
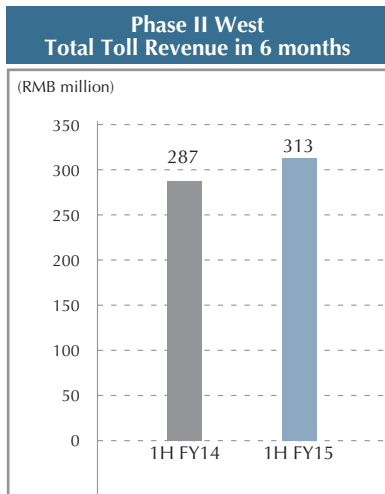
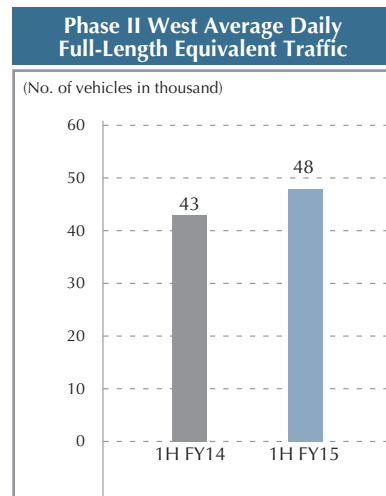
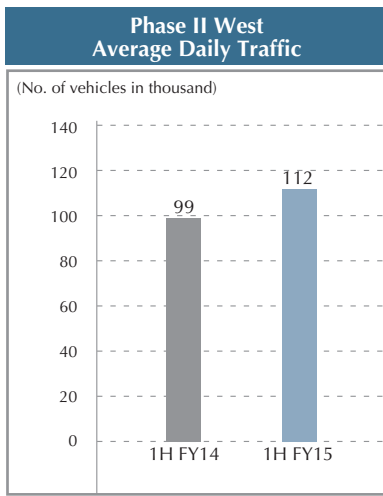
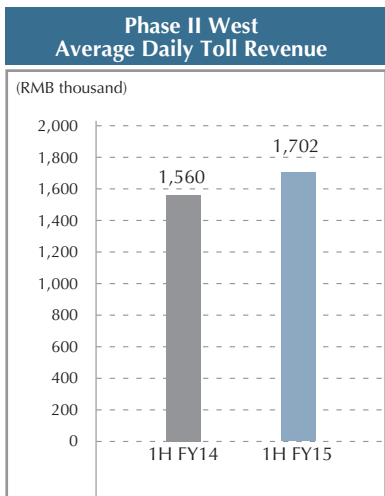
Phase II of the Western Delta Route

Phase II West is connected to Phase I West at Shunde to the north and Phase III West at Zhongshan to the south. It is also interconnected with National Highway 105, Guangzhou Southern Second Ring Road and Jiangmen-Zhongshan Expressway, and it has a direct connection to downtown Zhongshan at its southern end. The healthy economic development of cities alongside continues to boost the growth of Phase II West's traffic volume and toll revenue.

The traffic volume and toll revenue of Phase II West have continued to grow healthily ever since it opened in June 2010. During the period under review, its average daily traffic rose by 14% year-on-year to 112,000 vehicles, whereas its average daily toll revenue grew by 9% to RMB1,702,000. Its total toll revenue for the period amounted to RMB313 million. Class 1 small cars, the main driving force, recorded strong growth and contributed 76.4% to Phase II West's total traffic volume. The average daily full-length equivalent traffic on Phase II West amounted to 48,000 vehicles, representing a year-on-year growth of 12%.

In October 2014, upgrading work of Shunde to Zhongshan section of National Highway 105, which runs parallel to Ronggui interchange to Zhongshanxi interchange of Phase II West, had been completed. The traffic on National Highway 105 becomes smoother.

Business Review (continued)

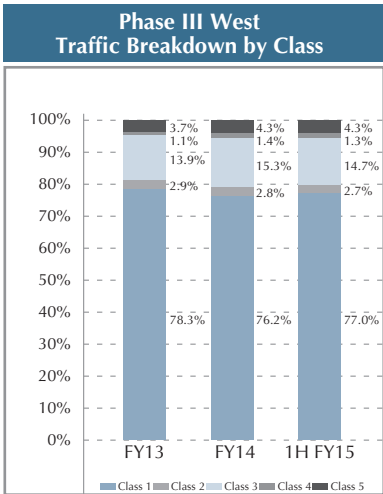
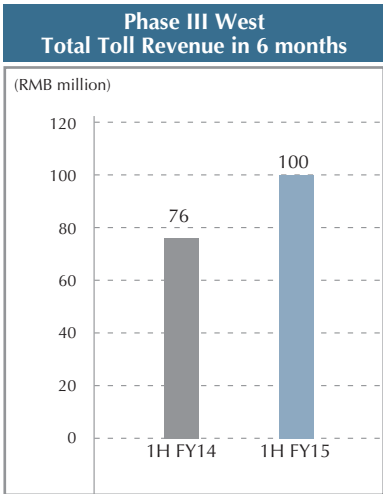
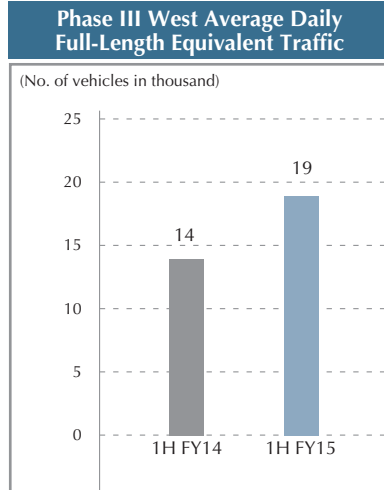
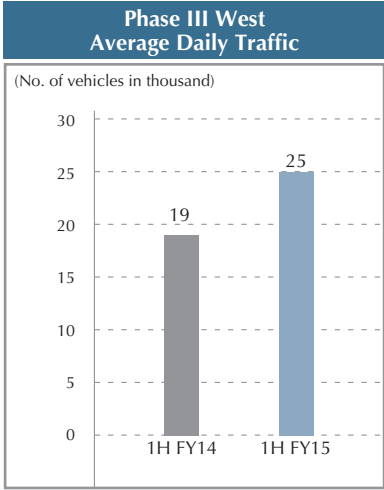
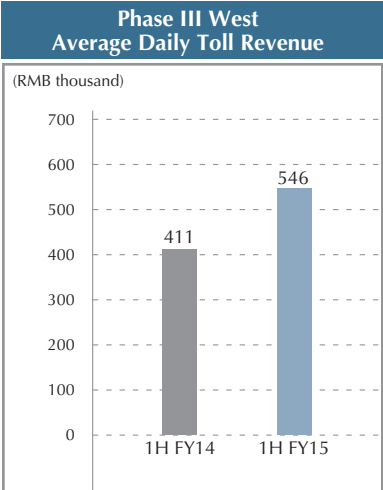


Phase III of the Western Delta Route

Phase III West is connected to Phase II West at Zhongshan to the north. It extends southwards to link with the Zhuhai expressway network, thus providing a direct access to Hengqin (the State-level Strategic New Zone) in Zhuhai, Macau and the HZM Bridge which is currently under construction. It provides the most direct and convenient expressway link between the city centres of Zhongshan and Zhuhai. The completion of the Western Delta Route enhanced connectivity and the synergy between Phase I West, Phase II West and Phase III West. It is expected to stimulate a persistent growth of Phase III West’s traffic volume and toll revenue.

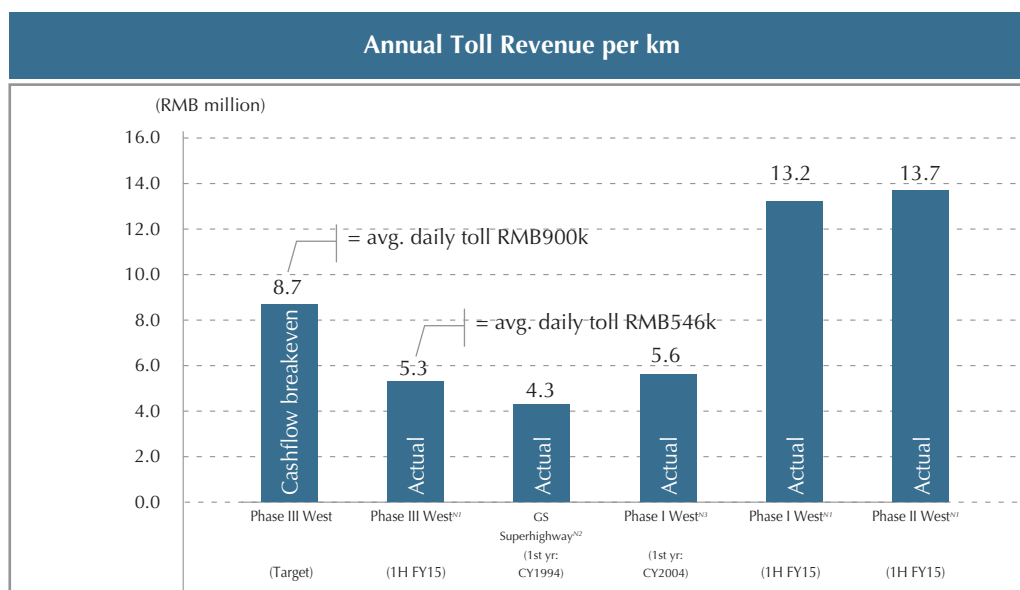


The traffic volume and toll revenue of Phase III West have been ramping up robustly. During the period under review, its average daily traffic and average daily toll revenue amounted to 25,000 vehicles and RMB546,000, rose by 32% and 33% respectively. Its total toll revenue for the period amounted to RMB100 million. The average daily full-length equivalent traffic on Phase III West grew by 35% year-on-year to 19,000 vehicles.



Business Review (continued)

Phase III West’s performance is expected to improve along with its traffic and toll revenue ramp-up. Based on the annual toll revenues and expenses of the GS Superhighway, Phase I West and Phase II West during their first full year of operation and the actual performance of Phase III West, the Group expects that Phase III West’s toll revenue may achieve its operating cash flow breakeven target (after taking interest expense payments into account) in FY16 when its average daily toll revenue reaches RMB900,000 (the equivalent of annual toll revenue of RMB8.7 million per km).



N1: Annualised figure

N2: Annualised figure for CY94 (GS Superhighway started operation on 18 July 1994)

N3: Annualised figure for CY04 (Phase I West started operation on 30 April 2004)



Financial Review

Sound Financial Plan

The total investment of Phase II West is RMB7,080 million and it will be funded mainly by registered capital and banking facilities. Under the new capital regulations, application to increase investment in Phase II West has been delegated to be approved at the provincial level instead of the national level, which has helped to speed up the approval process. Such application is currently in process under the Department of Commerce of Guangdong Province. West Route JV had in January 2015 obtained the approval for the first tranche of additional registered capital of RMB212 million in Phase II West to be injected by the Company and the PRC JV partner on a 50:50 basis, out of the total of RMB636 million. The increase in registered capital is targeted to complete by mid-2015.

Based on the current planning and subject to the approvals of the relevant PRC authorities, a total of approximately RMB636 million of additional registered capital will be injected into West Route JV by the Company and the PRC JV partner on a 50:50 basis in stages. Besides, West Route JV may consider to borrow additional project bank loans of approximately RMB663 million. The total additional registered capital of RMB318 million to be injected by HHI will be provided by capitalising an equivalent amount from the RMB1,000 million shareholder's loan advanced by HHI to West Route JV as interim financing previously. Subsequently, West Route JV may use the funds obtained from the additional registered capital and project bank loans to repay the remaining shareholder's loan of RMB682 million provided by the Company as well as to settle the outstanding project payments of not more than RMB320 million. The above-mentioned new financial plan of Phase II West will help improve HHI's liquidity and West Route JV's financial position. Besides, the Company no longer needs to inject shareholder's loan into Phase II West.

As of 31 December 2014, shareholder's loan of RMB1,000 million advanced by the Company to West Route JV as interim financing for Phase II West remained outstanding.

Phase II West's new financial plan* — in stages

In stages

Before		After		Shareholder's loan repayment to HHI
(JV level)	RMB million	(JV level)	RMB million	
HHI Shareholder's loan	1,000	HHI's new registered capital	318	RMB682 million
Outstanding project payments	320	PRC JV partner's new registered capital	318	
		New project bank loans	663	
		Cash balance	21	
	1,320		1,320	

* Based on the current planning and subject to the approvals of the relevant PRC authorities (Under new capital regulation, application to increase investment in Phase II West has been delegated to be approved at the provincial level instead of the national level)

The majority of the Group's JV companies' bank loans were repayable beyond 5 years and thus the risk of refinancing the bank loans is relatively low. This also enhances the flexibility and sufficiency to support funding arrangement. Moreover, the Group is currently exploring opportunities to lower the overall finance cost of the JV companies.

Liquidity and Financial Resources

The Group's debt balance comprised of the Group's bank loans, and its share of the non-recourse project loans of its JV companies. The total debt to total assets (including share of total assets of JV companies) ratio and gearing ratio (net debt to equity attributable to owners of the Company) as at 31 December 2014 were shown below. The Group's net cash on hand (excluding JV companies), together with the shareholder's loan receivable from West Route JV amounted to RMB1,219 million. The liquidity of the Group is expected to further improve when West Route JV starts to repay the shareholder's loan advanced by the Company in respect of Phase II West.

HHI Corporate Level

As at 31 December 2014

	RMB million		RMB million
Bank balances and cash and shareholder's loan to JV company		Corporate debt	
– Bank balances and cash	1,175	– RMB bank loan	500
– Company's shareholder's loan to JV company ^(Note 1)	1,000	– HKD bank loans	456
	2,175		956

Net cash ^(Note 2): RMB219 million

Net cash and the Company's shareholder's loan to JV company: RMB1,219 million

Share of JV Companies

As at 31 December 2014			
	<i>RMB million</i>		<i>RMB million</i>
Bank balances and cash		Bank loans and	
– Bank balances and cash	270	shareholder's loan ^(Note 3)	
		– GS Superhighway	1,472
		– Western Delta Route	4,517
		<i>Phase I West</i>	298
		<i>Phase II West</i>	2,306
		<i>Phase III West</i>	1,913
	270		5,989
Net debt: RMB5,719 million			

Note 1: The Company's shareholder's loan was made to West Route JV for Phase II West as interim financing due to inability of West Route JV to borrow from PRC banks for Phase II West before the official approval for its increased investment.

Note 2: Net cash is defined as bank balances and cash less corporate debt.

Note 3: Including bank loans and the shareholder's loan to Phase II West shared by the Group.

	<i>30 June</i>	<i>31 December</i>
	<i>2014</i>	<i>2014</i>
	<i>RMB million</i>	<i>RMB million</i>
Total debt		
– Company and subsidiaries	698	956
– Share of JV companies	5,937	5,852
Net debt ^(Note 1)	5,620	5,363
Total assets (including share of JV companies' total assets)	15,013	15,120
Equity attributable to owners of the Company	7,236	7,248
Total debt/total assets ratio	44%	45%
Gearing ratio	78%	74%

Note 1: Net debt is defined as total debt less bank balances and cash, together with pledged bank balances and deposits for share of JV companies.

The major source of the Group's cash inflow during the period under review was dividends received from GS Superhighway JV. On the other hand, its major cash outflow was the payment of dividends to the Company's shareholders. The Group will continue to optimise its balance sheet, improve its cash flow and strengthen its financial position.

The Group enjoys a strong and solid financial position. As at 31 December 2014, the Group's bank balances and cash on hand (excluding JV companies) amounted to RMB1,175 million (30 June 2014: RMB814 million), or RMB0.38 per share (30 June 2014: RMB0.26 per share). After netting off the Group's bank loans totaled RMB956 million, the Group's net cash on hand (excluding JV companies) amounted to RMB219 million (30 June 2014: RMB116 million) or RMB0.07 per share (30 June 2014: RMB0.04 per share). As at 31 December 2014, the net cash on hand of RMB219 million, together with available committed undrawn banking facilities of RMB564 million, the healthy cash flow and stable cash dividends from the Company's toll expressway project — GS Superhighway JV will provide sufficient financial resources for shareholder's loan to be provided by the Company to Phase III West of not more than RMB44 million (as further described below).

Group Financing

The planned total investment for Phase III West decreased from RMB6,150 million to RMB5,980 million, mainly due to the saving of land costs. The project is adequately funded by registered capital, available banking facilities and shareholder's loan. The Group had contributed the full amount of registered capital (a total of RMB980 million) and advanced shareholder's loan totalling RMB530 million to West Route JV as interim financing for Phase III West. Such shareholder's loan had been fully repaid by West Route JV, RMB500 million in FY12 and the remaining balance of RMB30 million in the first half of FY14. As at 31 December 2014, the estimated outstanding project payments for Phase III West amounted to not more than RMB187 million (based on the planned total investment of RMB5,980 million), which will be funded by the available PRC project bank loan, and the shareholder's loan by the Company and the PRC partner on a 50:50 basis.

The Group has well-arranged financial resources for the funding requirements of West Route JV, given that the Company signed a RMB1,600 million bank loan facility agreement in May 2012 (which will mature in May 2015 and of which RMB500 million was outstanding and RMB300 million was undrawn as at 31 December 2014); signed a HK\$300 million or RMB equivalent 240 million bank loan facility agreement in June 2013 (which will mature in June 2016 and of which HK\$270 million or RMB equivalent 216 million was drawn as at 31 December 2014) and also renewed a HK\$300 million or RMB equivalent 240 million bank loan facility agreement in March 2014 (which will mature in February 2016 and the whole amount was undrawn as at 30 June 2014).



<i>31 December 2014 (JV level)</i>	<i>Planned Investment RMB million</i>	<i>Estimated outstanding project payments RMB million</i>	<i>Available Funding</i> ^(Note 2) <i>RMB million</i>	<i>The Group's injection RMB million</i>
Phase III West	5,980 ^(Note 1)	Not more than 187	100 PRC bank loans 87 Shareholder's loan ^(Note 3)	– Not more than 44
Total				Not more than 44

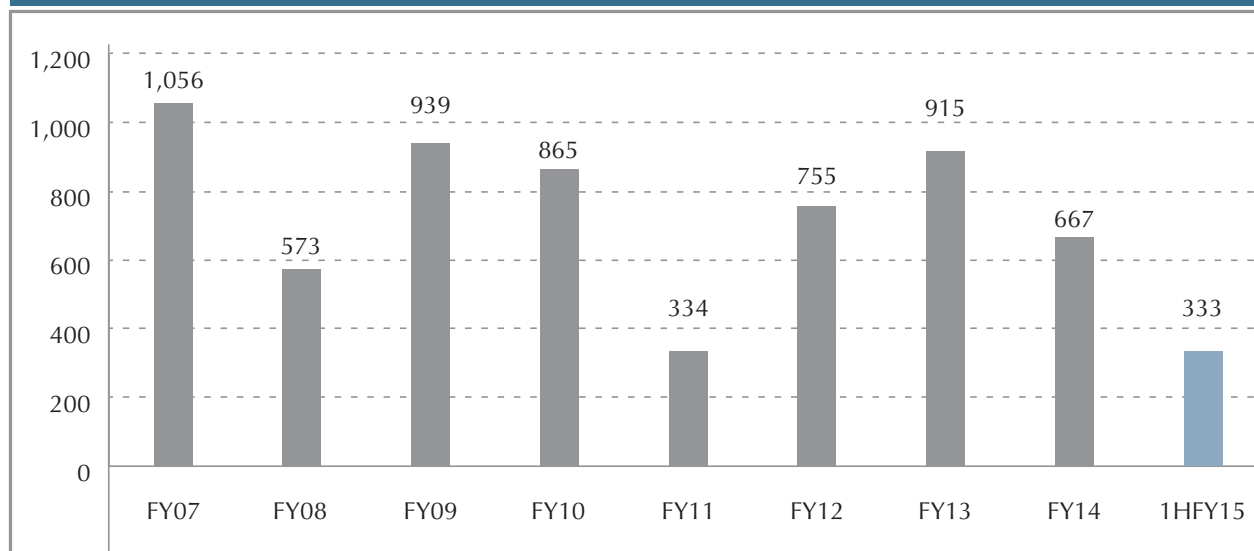
Note 1: Previous estimate was RMB6,150 million

Note 2: Current planning, subject to change

Note 3: Will be funded by the Company and the PRC partner on a 50:50 basis

Further capital expenditure of the Company for the Phase III West will not be more than RMB44 million. This is sufficiently funded by the Group's net cash on hand (excluding JV companies) of RMB219 million and available committed undrawn banking facilities of RMB564 million. Together with the stable cash dividends from the Group's toll expressway — GS Superhighway, they will also provide sufficient financial resources for the Group.

Cash Dividends (Net of Tax) from the GS Superhighway JV (RMB million)



As at 31 December 2014, 79.5% (30 June 2014: 99.9%) of the Group's bank balances and cash (excluding JV companies) on hand were denominated in RMB and 20.5% (30 June 2014: 0.1%) in HK Dollars. The bank balances and cash on hand of the JV companies shared by the Group amounted to RMB270 million (30 June 2014: RMB201 million). The Group received cash dividends from GS Superhighway JV of RMB333 million during the six months ended 31 December 2014. The reductions in the cash dividends during FY11 and FY08 were mainly brought about by the intercompany borrowings provided by GS Superhighway JV to West Route JV in respect of Phase II West and the repatriation of registered capital by GS Superhighway JV to the Company respectively. The cash dividends from GS Superhighway JV were restored to their normal levels in FY12. The cash dividends increased during FY13 as a result of the full repayment of intercompany borrowings by West Route JV in respect of Phase II West to GS Superhighway JV in December 2012, and GS Superhighway JV's distribution of a dividend of RMB351 million to the Company out of these funds. The cash dividends received and receivable from GS Superhighway JV make the Group confident that it has sufficient financial resources for its recurring operational activities, as well as its existing and potential investment activities.

In view of its current operating cash flow and strong financial position, the Board believes that the Group's target payout ratio of around 100% on a full-year basis is sustainable.

Bank and Other Borrowings

As at 31 December 2014, the total bank and other borrowings of the JV companies shared by the Group (including US Dollars bank loans of equivalent to RMB1,301 million, HK Dollars bank loan of equivalent to RMB171 million, RMB bank loans of RMB4,017 million and RMB other borrowing of RMB7 million but excluding shareholder's loan), together with the RMB500 million term loan raised by the Company and the Group's HK Dollars bank loan of equivalent to RMB456 million, amounted to approximately RMB6,452 million (30 June 2014: RMB6,288 million) with the following profile:

- (a) 99.9% (30 June 2014: 99.9%) consisted of bank loans and 0.1% (30 June 2014: 0.1%) of other loans; and
- (b) 20% (30 June 2014: 23%) was denominated in US Dollars; 70% (30 June 2014: 71%) was denominated in RMB and 10% (30 June 2014: 6%) was denominated in HK Dollars.

Debt Maturity Profile

As at 31 December 2014, the maturity profile of the bank and other borrowings of the JV companies shared by the Group (excluding shareholder's loan), RMB term loan raised by the Company, together with the Group's bank loans, were shown below, together with the corresponding figures as at 30 June 2014:

HHI Corporate Level

	30 June 2014		31 December 2014	
	RMB million	%	RMB million	%
Repayable within 1 year ^(Note 1)	500	72%	740	77%
Repayable between 1 and 5 years ^(Note 1)	198	28%	216	23%
	698	100%	956	100%

Share of JV Companies

	30 June 2014		31 December 2014	
	RMB million	%	RMB million	%
Repayable within 1 year	281	5%	297	5%
Repayable between 1 and 5 years	2,102	38%	2,247	41%
Repayable beyond 5 years	3,207	57%	2,952	54%
	5,590	100%	5,496	100%

Note 1: RMB term loan of RMB500 million will become due in May 2015.

As at 31 December 2014, 54% (30 June 2014: 57%) of the bank and other borrowings of the JV companies shared by the Group (excluding shareholder's loan) were repayable beyond 5 years and thus the risk of refinancing the bank and other borrowings is relatively low.

Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates and strictly controls its use of financial instruments. At present, neither the Group nor its JV companies has any financial derivative instruments to hedge their exposure to interest rates or foreign currency exchange rates.

Treasury Policies

The Group continues to adopt prudent and conservative treasury policies in its financial and funding management. Its liquidity and financial resources are reviewed on a regular basis, with a view to minimising its funding costs and enhancing the returns on its financial assets. Most of the Group's cash is placed in deposits denominated in RMB. Holding RMB suits the Group's PRC-based operations, and it can earn higher interest income from RMB deposits than HK Dollar deposits. The percentage of cash the Group held in RMB bank deposits was 79.5% as at 31 December 2014. The Group's overall treasury yield on bank deposits increased to 3.41% during the period under review, compared to 2.99% of the last corresponding period. The Group will continue to strengthen its treasury management and evaluate the options available for improving the yields on its substantial cash-deposit portfolio.

Capital and Other Commitments

During the six months ended 31 December 2014, the Group entered into an amendment agreement with the PRC JV partner of West Route JV to increase the total investment of Phase II West. As at 31 December 2014, the Group had agreed, subject to approval of relevant authorities, to make additional capital contributions of RMB106 million to West Route JV in respect of Phase II West for outstanding project payments. As the Group plans to make additional capital contributions to West Route JV in respect of Phase II West by stages, the Group's commitment to make additional capital contributions of RMB402.5 million to West Route JV in respect of Phase II West as at 30 June 2014 had been replaced by the above-mentioned amendment agreement.

Pledge of Assets

As at 31 December 2014, the Group's JV companies pledged certain assets to banks in order to secure the banking facilities granted to them. The carrying amounts of these assets shared by the Group were as follows:

	<i>30 June 2014 RMB million</i>	<i>31 December 2014 RMB million</i>
Concession intangible assets	5,585	5,351
Property and equipment	224	226
Inventories	1	1
Interest and other receivables	64	21
Bank balances and deposits	198	268
	6,072	5,867

In addition to the above, 100% of the toll collection rights of GS Superhighway, Phase II West and Phase III West, and 53.4% of the toll collection rights of Phase I West were pledged to banks to secure banking facilities granted to their respective JV companies.



Contingent Liabilities

As at 31 December 2014, the Group had no material contingent liabilities.

Material Acquisition or Disposal

The Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the six months ended 31 December 2014.



Corporate Sustainability

This report showcases the latest developments of the Group's corporate sustainability initiatives listed in the previous corporate social responsibility report and our efforts in consumer issues, environmental considerations, community involvement and development as well as workplace practices during the period under review.

Customer — Traffic safety is always our top priority:

The GS Superhighway JV acquired five towing vehicles during the period under review which now owns a total of 42 towing vehicles. With ample resources and facilities, our patrol and rescue team with over 200 well-trained professionals can discover accidents and arrive at the scenes in the shortest possible time to handle accidents efficiently.

The West Route JV carried out a one-hour joint emergency drill with the fire brigade and traffic police of Zhongshan Public Security Bureau and medical staff of Zhongshan Sanxiang Hospital on 6 November 2014 to enhance its capabilities to handle emergencies in tunnels.

Communities — Caring our neighbour:

During the period under review, additional 0.45 km noise barriers were installed ahead of schedule along the Western Delta Route to further mitigate the impact on the residential areas in the proximity.

We believe clear and sufficient road signboards are important to ensure road users can have smooth and convenient access to our expressways. The West Route JV installed additional 68 road signboards in Haizhu and Liwan Districts of Guangzhou downtown. The GS Superhighway JV also added 3 road signboards and improved 10 road signboards' messages. It is planned to install more road signboards along local roads in the proximity from time to time to direct road users to get onto our expressways effectively.

The West Route JV also published over 200,000 travel handbooks with a cover page of Guangdong highway network in December for distribution to road users around Chinese New Year.

The Group actively encourages staff to support and participate in community programmes and voluntary services. We continued to mobilise staff members to support fundraising activities such as "Dress Casual Day 2014", "The Community Chest Green Day 2014" and "Walks for Millions" organised by The Community Chest of Hong Kong. Since 2010, we have been supporting and making donations to the organisations for "Walks for Millions" in helping needy and disadvantaged people in our community.



Our People — Work-life balance:

We are keen on promoting healthy work-life balance among our staff through organising a variety of recreational and training activities. In particular, the West Route JV held various talent contests such as badminton and dancing competitions during the period under review. Besides, a new badminton stadium in Zhongshan South living area is under construction and will be opened to staff in February 2015 to further improve and enhance the variety of community and leisure facilities.

Apart from the activities conducted in the living areas, two 2-day project adventures in Qingyuan were held by the West Route JV from 18 to 19 November and from 25 to 26 November respectively to strengthen leadership, team spirit among staff and enhance their communication skills. The GS Superhighway JV also held fitness activities and sightseeing visit at Songshan Lake in Dongguan on 11 and 13 November of which more than 300 staff members and their families joined to visit nearby attractions either by walk or biking.

Skills and techniques contests for toll collection staff were held by both JV companies to stimulate staff morale and enhance efficiency as well as service quality. In addition, a sharing session had been arranged for the five-star toll collection staff to share their successful experience with other staff members to strengthen team spirit.

Other Information

Review of Interim Results

The Group's unaudited interim results for the six months ended 31 December 2014 were reviewed by the Audit Committee and the auditor of the Company, Messrs. Deloitte Touche Tohmatsu.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2014, the interests and short positions of the Directors and the chief executives of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) the Company

<i>Directors</i>	<i>Shares⁽ⁱ⁾</i>					<i>Approximate % of number of shares in issue</i>
	<i>Personal interests (held as beneficial owner)</i>	<i>Family interests (interests of spouse or child under 18)</i>	<i>Corporate interests⁽ⁱⁱ⁾ (interests of controlled corporation)</i>	<i>Other interests</i>	<i>Total interests</i>	
Sir Gordon WU	17,471,884	6,815,920	26,812,498	7,670,000 ⁽ⁱⁱⁱ⁾	58,770,302	1.90
Eddie Ping Chang HO	6,274,075	-	17,500	-	6,291,575	0.20
Thomas Jefferson WU	17,500,000	-	-	-	17,500,000	0.56
Alan Chi Hung CHAN	507,750	-	-	-	507,750	0.01
Cheng Hui JIA	336,150	-	-	-	336,150	0.01

Notes:

- (i) All interests in the shares of the Company were long positions. None of the Directors or the chief executives of the Company held any short position in the shares of the Company.
- (ii) The corporate interests were beneficially owned by companies in which the relevant Directors were deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.
- (iii) The other interests in 7,670,000 shares represented the interests held by Sir Gordon WU jointly with his wife Lady WU.

(B) Associated Corporation – HHL

<i>Directors</i>	<i>HHL Shares⁽ⁱ⁾</i>					<i>Approximate % of number of HHL shares in issue</i>
	<i>Personal interests (held as beneficial owner)</i>	<i>Family interests (interests of spouse or child under 18)</i>	<i>Corporate interests⁽ⁱⁱ⁾ (interests of controlled corporation)</i>	<i>Other interests</i>	<i>Total interests</i>	
Sir Gordon WU	75,083,240	25,972,800	111,250,000	30,680,000 ⁽ⁱⁱⁱ⁾	242,986,040	27.88
Eddie Ping Chang HO	27,691,500	–	70,000	–	27,761,500	3.18
Thomas Jefferson WU	27,600,000	–	–	–	27,600,000	3.16
Alan Chi Hung CHAN	585,000	–	–	–	585,000	0.06
Cheng Hui JIA	241,000	–	–	–	241,000	0.02

Notes:

- (i) All interests in HHL Shares were long positions.
- (ii) The corporate interests of HHL Shares were beneficially owned by companies in which the relevant Directors were deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.
- (iii) The other interests in 30,680,000 HHL Shares represented the interests held by Sir Gordon WU jointly with his wife Lady WU.

Save as disclosed above, as at 31 December 2014, none of the Directors or the chief executives of the Company had any other interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information (continued)

Share Options

2003 HHI Share Option Scheme

- (A) A share option scheme of the Company was approved by the written resolutions of the then sole shareholder of the Company on 16 July 2003 and approved by shareholders of HHL at an extraordinary general meeting held on 16 July 2003 (the “2003 HHI Share Option Scheme”). The 2003 HHI Share Option Scheme expired on 15 July 2013. No further options will be granted but the provisions of the 2003 HHI Share Option Scheme shall in all other respects remain in full force and effect, and options which were granted during the life of the 2003 HHI Share Option Scheme may continue to be exercisable in accordance with their respective terms of issue.
- (B) Details of the movement of share options under the 2003 HHI Share Option Scheme during the six months ended 31 December 2014 were as follows:

	Date of grant	Exercise price per share HK\$	Number of share options				Outstanding at 31/12/2014	Closing price before date of grant falling within the period	Exercise period
			Outstanding at 01/07/2014	Granted during the period	Exercised during the period	Lapsed during the period			
Employees	19/11/2007	6.746	360,000	–	–	(360,000)	–	01/12/2008-30/11/2014	N/A
Employees	24/07/2008	5.800	400,000	–	–	–	400,000	01/08/2009-31/07/2015	N/A
Total			760,000	–	–	(360,000)	400,000		

No options were cancelled during the six months ended 31 December 2014.

The exercise period of the options granted on 19 November 2007 and 24 July 2008 is set out below:

<i>Maximum options exercisable</i>	<i>Exercise period</i>
Granted on 19 November 2007	
20% of options granted	01/12/2008 – 30/11/2009
40%* of options granted	01/12/2009 – 30/11/2010
60%* of options granted	01/12/2010 – 30/11/2011
80%* of options granted	01/12/2011 – 30/11/2012
100%* of options granted	01/12/2012 – 30/11/2014
Granted on 24 July 2008	
20% of options granted	01/08/2009 – 31/07/2010
40%* of options granted	01/08/2010 – 31/07/2011
60%* of options granted	01/08/2011 – 31/07/2012
80%* of options granted	01/08/2012 – 31/07/2013
100%* of options granted	01/08/2013 – 31/07/2015

* including those not previously exercised

2013 HHI Share Option Scheme

- (A) A new share option scheme was approved by both the shareholders of HHL and the Company effective on 22 October 2013 (“2013 HHI Share Option Scheme”). The 2013 HHI Share Option Scheme will expire on 21 October 2023, but any options then outstanding will continue to be exercisable.
- (B) No option was granted under the 2013 HHI Share Option Scheme since its adoption.

Share Awards

- (A) The Award Scheme was adopted by the Board on 25 January 2007 (“Adoption Date”). Unless terminated earlier by the Board, the Award Scheme shall be valid and effective for a term of 15 years commencing on the Adoption Date, provided that no new award shall be granted on or after the 10th anniversary of the Adoption Date. A summary of some of the principal terms of the Award Scheme is set out in (B) below.
- (B) The purpose of the Award Scheme is to recognise the contributions by certain employees (including without limitation to employees who are also Directors) of the Group and to give incentive in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Other Information (continued)

Under the Award Scheme, the Board (or where the relevant selected employee is a Director, the Remuneration Committee) may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit select an employee for participation in the Award Scheme and determine the number of shares to be awarded. The Board shall not grant any award of shares which would result in the total number of shares which are the subject of awards granted by the Board under the Award Scheme (but not counting any which have lapsed or have been forfeited) representing in aggregate over 10% of the number of shares in issue of the Company as at the date of such grant.

- (C) There were no awarded shares granted or outstanding during the six months ended 31 December 2014 and accordingly no dividend income was received in respect of shares held upon the trust for the Award Scheme (2013: Nil) during the period under review.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2014, so far as is known to the Directors, the interests or short positions of substantial shareholders of the Company (other than the Directors and the chief executives of the Company disclosed above) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

<i>Name</i>	<i>Capacity</i>	<i>Number of shares⁽ⁱ⁾ (corporate interests)</i>	<i>Approximate % of number of shares in issue</i>
Anber Investments Limited	Beneficial owner	2,055,287,337 ⁽ⁱⁱ⁾	66.69
Delta Roads Limited	Interests of controlled corporation	2,055,287,337 ⁽ⁱⁱ⁾	66.69
Dover Hills Investments Limited	Interests of controlled corporation	2,055,287,337 ⁽ⁱⁱ⁾	66.69
Supreme Choice Investments Limited	Interests of controlled corporation	2,055,287,337 ⁽ⁱⁱ⁾	66.69
HHL	Interests of controlled corporation	2,055,287,337 ⁽ⁱⁱ⁾	66.69



Notes:

- (i) The above interests in the shares of the Company held by the substantial shareholders were long positions.
- (ii) The 2,055,287,337 shares were held by Anber Investments Limited (“Anber”), a wholly-owned subsidiary of Delta Roads Limited (“Delta Roads”) which was wholly-owned by Dover Hills Investments Limited (“Dover Hills”). Dover Hills was in turn 100% owned by Supreme Choice Investments Limited (“Supreme Choice”), a wholly-owned subsidiary of HHL. The interests of Anber, Delta Roads, Dover Hills, Supreme Choice and HHL in the 2,055,287,337 shares were long positions, represented the same block of shares and were deemed under the SFO to have same interests with each other. Sir Gordon WU, Mr. Eddie Ping Chang HO and Mr. Thomas Jefferson WU, Directors of the Company, are also directors of Anber, Delta Roads, Dover Hills, Supreme Choice and HHL.

Save as disclosed above, as at 31 December 2014, the Company had not been notified of any other interests or short positions representing 5% or more of the number of shares in issue of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Employees and Remuneration Policies

The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. It offers share option and share award schemes to eligible employees in order to provide them with incentives and to recognise their contributions and ongoing efforts. In addition, discretionary bonuses are granted to employees based on their individual performance as well as the Group’s business performance. It also provides medical insurance coverage to all staff members and personal accident insurance to senior staff members. As at 31 December 2014, the Group, excluding its JV companies, had 26 employees.

Besides offering competitive remuneration packages, the Group is committed to promoting family-friendly employment policies and practices. The Group arranged birthday parties, BBQ parties, Christmas party, stress management workshops and Employees Assistance Program for employees which were delivered by professionals who shared their experiences and methods to handle stress. The Group also invests in human capital development by providing relevant training programmes to enhance employee productivity. In collaboration with Independent Commission Against Corruption, Equal Opportunities Commission and Office of Privacy Commissioner for Personal Data, the Group held different kind of seminars and workshops for the employees to enhance their awareness of corporate governance.

The Group’s training programmes are designed to support its employees’ continuous learning and development and fill skill gaps identified during performance appraisals. Its overall training objectives are to enhance the personal productivity of its employees and to identify their career development plan in order to prepare their future roles and enable them to make greater contributions to the success of the Group’s businesses. Besides formal training programmes, the Group also provides comprehensive and relevant training and self-learning opportunities to employees such as on-the-job training and educational sponsorships.



Other Information (continued)

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2014.

Corporate Governance Practices

During the period under review, the Company complied with all code provisions as set out in the CG Code, except for the deviations from code provisions A.5.1 and A.5.6 of the CG Code which are explained below.

Code Provision A.5.1

The Company does not consider it necessary to have a nomination committee as the Company already has the policies and procedures for selection and nomination of Directors in place. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size, composition and diversity. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in the case of Independent Non-Executive Director, the independence requirements set out in the Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Chairman and/or the Managing Director and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Code provision A.5.6

The Company does not consider it necessary to have a policy concerning diversity of board members. Board appointments are based on merit, in the context of the skills, experience and expertise that the selected candidates will bring to the Board. While the Company is committed to equality of opportunity in all aspects of its business and endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives, the Company does not consider a formal board diversity policy will provide measurable benefits to enhance the effectiveness of the Board.

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors and an employees' share dealing rules ("Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry of the Directors and the relevant employees, all of them confirmed that they had fully complied with the Model Code and the Share Dealing Rules respectively throughout the period under review.



Continuing disclosure under Rule 13.21 of the Listing Rules

As disclosed in the announcement made by the Company on 10 May 2012, pursuant to a facilities agreement dated 10 May 2012 (the “Facilities Agreement”) entered into between the Company and Bank of China (Hong Kong) Limited (the “Bank”), a term loan facility in an aggregate amount of RMB1,000 million and a revolving credit facility in an aggregate amount of RMB600 million (together, the “Facilities”) were made available by the Bank to the Company for tenor of 3 years from 10 May 2012.

Pursuant to the Facilities Agreement, it will be an event of default if the Company ceases at any time to be a subsidiary of HHL (the ultimate controlling shareholder of the Company) and in which event, among others, all amounts under the Facilities may be declared to be immediately due and payable.

Change in Information of Directors

Mr. Thomas Jefferson WU, a Manager Director, ceased to be a member of the board of directors of Asian Youth Orchestra Limited on 30 November 2014. He has been the Chairman of Hong Kong Ice Hockey Officials Association since 27 August 2014 and was appointed as a member of Hong Kong Tourism Board on 1 January 2015.

Mr. Yuk Keung IP, an Independent Non-Executive Director, was appointed as a member of Legal Aid Services Council of the Government of the Hong Kong Special Administrative Region (“HKSARG”) on 1 September 2014 and a member of the Board of Governors of World Green Organization on 1 January 2015.

Mr. Brian David Man Bun LI, an Independent Non-Executive Director, ceased to be a member of the HKSARG Standing Committee on Judicial Salaries and Conditions of Service on 31 December 2014 and ceased to be a member of Asian Financial Forum 2015 Steering Committee on 20 January 2015.

Save as disclosed above, upon specific enquiry made by the Company and following confirmations from Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company’s last published annual report.

On behalf of the Board

Sir Gordon Ying Sheung WU KCMG, FICE

Chairman

Hong Kong, 26 January 2015

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Hopewell Highway Infrastructure Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 49 to 63, which are presented in RMB and comprise the condensed consolidated statement of financial position as of 31 December 2014 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The Directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 January 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2014

	NOTES	Six months ended 31 December			
		2013 (unaudited) RMB'000	2014 (unaudited) RMB'000	2013 (unaudited) HK\$'000 (FOR INFORMATION PURPOSE ONLY)	2014 (unaudited) HK\$'000
Other income	4	56,414	50,111	71,515	63,156
Depreciation		(92)	(68)	(116)	(86)
General and administrative expenses		(18,729)	(18,024)	(23,739)	(22,709)
Finance costs	5	(18,101)	(13,724)	(22,946)	(17,292)
Share of results of joint ventures	6	322,487	269,671	409,775	339,915
Profit before tax		341,979	287,966	434,489	362,984
Income tax expenses	7	(25,089)	(21,472)	(31,864)	(27,061)
Profit for the period	8	316,890	266,494	402,625	335,923
Other comprehensive income					
Item will not be reclassified to profit or loss:					
Exchange gain arising on translation to presentation currency		–	–	131,499	13,799
Item that may be subsequently reclassified to profit or loss:					
Exchange gain arising on translation of foreign operations		4,071	193	–	–
Total comprehensive income for the period		320,961	266,687	534,124	349,722
Profit for the period attributable to:					
Owners of the Company		310,837	261,421	394,933	329,530
Non-controlling interests		6,053	5,073	7,692	6,393
		316,890	266,494	402,625	335,923
Total comprehensive income for the period attributable to:					
Owners of the Company		314,908	261,614	525,566	343,215
Non-controlling interests		6,053	5,073	8,558	6,507
		320,961	266,687	534,124	349,722
Earnings per share	10				
Basic and diluted		RMB Cents 10.09	RMB Cents 8.48	HK Cents 12.82	HK Cents 10.69

Condensed Consolidated Statement of Financial Position

As at 31 December 2014

	NOTES	30 June 2014 (audited) RMB'000	31 December 2014 (unaudited) RMB'000	30 June 2014 (audited) HK\$'000	31 December 2014 (unaudited) HK\$'000
<i>(FOR INFORMATION PURPOSE ONLY)</i>					
ASSETS					
Non-current Assets					
Interests in joint ventures	11	6,130,731	6,225,202	7,657,283	7,787,727
Investment		4,785	4,785	5,977	5,987
Property and equipment		369	332	461	415
		6,135,885	6,230,319	7,663,721	7,794,129
Current Assets					
Deposits and prepayments		3,617	2,682	4,517	3,355
Dividend and other receivables		172,740	4,638	215,752	5,802
Loans to a joint venture		1,000,000	1,000,000	1,249,000	1,251,000
Interest receivable from a joint venture		1,708	1,880	2,134	2,352
Bank balances and cash		813,601	1,174,749	1,016,188	1,469,611
		1,991,666	2,183,949	2,487,591	2,732,120
Total Assets		8,127,551	8,414,268	10,151,312	10,526,249
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	12	270,603	270,603	308,169	308,169
Share premium and reserves		6,965,425	6,977,422	8,729,630	8,759,110
Equity attributable to owners of the Company		7,236,028	7,248,025	9,037,799	9,067,279
Non-controlling interests		49,780	49,581	62,176	62,026
Total Equity		7,285,808	7,297,606	9,099,975	9,129,305
Non-current Liabilities					
Bank loans		198,479	216,067	247,900	270,300
Deferred tax liabilities	13	133,136	140,965	166,287	176,347
		331,615	357,032	414,187	446,647
Current Liabilities					
Payables and accruals		8,771	8,990	10,956	11,246
Interest payable		96	10,316	120	12,906
Bank loans		500,000	739,808	624,500	925,500
Tax liabilities		1,261	516	1,574	645
		510,128	759,630	637,150	950,297
Total Liabilities		841,743	1,116,662	1,051,337	1,396,944
Total Equity and Liabilities		8,127,551	8,414,268	10,151,312	10,526,249
Time deposits with original maturity over three months		749,994	277,366	936,743	346,985
Cash and cash equivalents		63,607	897,383	79,445	1,122,626
Total bank balances and cash		813,601	1,174,749	1,016,188	1,469,611

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2014

	Attributable to owners of the Company								
	Share capital	Share premium	People's Republic of China ("PRC") statutory reserves	Translation reserve	Share option reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 July 2013 (audited)	270,603	5,676,105	114,710	(947,859)	4,050	2,453,126	7,570,735	49,860	7,620,595
Exchange gain arising on translation of foreign operations	-	-	-	4,071	-	-	4,071	-	4,071
Profit for the period	-	-	-	-	-	310,837	310,837	6,053	316,890
Total comprehensive income for the period	-	-	-	4,071	-	310,837	314,908	6,053	320,961
Expiry of vested share options	-	-	-	-	(3,384)	3,384	-	-	-
Dividends recognised as distribution during the period (Note 9)	-	(308,169)	-	-	-	(277,352)	(585,521)	-	(585,521)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(6,390)	(6,390)
As at 31 December 2013 (unaudited)	270,603	5,367,936	114,710	(943,788)	666	2,489,995	7,300,122	49,523	7,349,645
As at 1 July 2014 (audited)	270,603	5,367,936	114,710	(947,864)	666	2,429,977	7,236,028	49,780	7,285,808
Exchange gain arising on translation of foreign operations	-	-	-	193	-	-	193	-	193
Profit for the period	-	-	-	-	-	261,421	261,421	5,073	266,494
Total comprehensive income for the period	-	-	-	193	-	261,421	261,614	5,073	266,687
Expiry of vested share options	-	-	-	-	(295)	295	-	-	-
Dividends recognised as distribution during the period (Note 9)	-	-	-	-	-	(249,617)	(249,617)	-	(249,617)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(5,272)	(5,272)
As at 31 December 2014 (unaudited)	270,603	5,367,936	114,710	(947,671)	371	2,442,076	7,248,025	49,581	7,297,606

For the purpose of presenting the condensed consolidated statement of changes in equity of the Group in RMB (the presentation currency of the Group), the equity transactions and accumulated earnings denominated in HKD are translated at the exchange rates at the transaction dates. Before the change in functional currency of the Company from HKD to RMB during the year ended 30 June 2009, the exchange differences recognised in translation reserve represented the difference between the equity transactions and accumulated earnings translated at the exchange rates at the transaction dates and the assets and liabilities translated at the closing rates at the end of each reporting period. Subsequent to the change in functional currency of the Company, the exchange differences recognised in translation reserve represented translation of its foreign operations.

Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 31 December 2014

(FOR INFORMATION PURPOSE ONLY)

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Share premium	PRC statutory reserves	Translation reserve	Share option reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
As at 1 July 2013 (audited)	308,169	5,397,662	110,708	1,142,203	4,582	2,598,515	9,561,839	62,973	9,624,812
Exchange gain on translation to presentation currency	-	-	-	130,633	-	-	130,633	866	131,499
Profit for the period	-	-	-	-	-	394,933	394,933	7,692	402,625
Total comprehensive income for the period	-	-	-	130,633	-	394,933	525,566	8,558	534,124
Expiry of vested share options	-	-	-	-	(3,826)	3,826	-	-	-
Dividends recognised as distribution during the period (Note 9)	-	(387,341)	-	-	-	(348,607)	(735,948)	-	(735,948)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(8,093)	(8,093)
As at 31 December 2013 (unaudited)	308,169	5,010,321	110,708	1,272,836	756	2,648,667	9,351,457	63,438	9,414,895
As at 1 July 2014 (audited)	308,169	5,010,321	110,708	1,040,219	756	2,567,626	9,037,799	62,176	9,099,975
Exchange gain on translation to presentation currency	-	-	-	13,685	-	-	13,685	114	13,799
Profit for the period	-	-	-	-	-	329,530	329,530	6,393	335,923
Total comprehensive income for the period	-	-	-	13,685	-	329,530	343,215	6,507	349,722
Expiry of vested share options	-	-	-	-	(334)	334	-	-	-
Dividends recognised as distribution during the period (Note 9)	-	-	-	-	-	(313,735)	(313,735)	-	(313,735)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(6,657)	(6,657)
As at 31 December 2014 (unaudited)	308,169	5,010,321	110,708	1,053,904	422	2,583,755	9,067,279	62,026	9,129,305

The translation reserve represented (i) the accumulated net exchange difference arising on translation of foreign operations (i.e. operations with functional currency of RMB) to the presentation currency of the Group before the change in functional currency of the Company from HKD to RMB; and (ii) the accumulated net exchange difference arising on translation of the condensed consolidated financial statements denominated in RMB, the functional currency of the Company, to the presentation currency of the Group after the change in functional currency of the Company.

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2014

Six months ended 31 December

	2013 (unaudited) RMB'000	2014 (unaudited) RMB'000	2013 (unaudited) HK\$'000 (FOR INFORMATION PURPOSE ONLY)	2014 (unaudited) HK\$'000
Net cash used in operating activities	(19,752)	(16,957)	(25,193)	(21,376)
INVESTING ACTIVITIES				
Purchase of property and equipment	(102)	(31)	(128)	(39)
Repayment from a joint venture	30,000	–	38,160	–
Placement of time deposits with original maturity over three months	(1,253,083)	(754,371)	(1,588,160)	(949,442)
Withdrawal of time deposits with original maturity over three months	4,648	1,226,999	5,912	1,547,856
Dividends received (net of PRC withholding tax)	386,507	332,880	489,564	418,180
Interest received	65,400	49,705	83,047	62,675
Income tax paid for interest received	(5,556)	(5,565)	(7,101)	(6,970)
Net cash (used in) from investing activities	(772,186)	849,617	(978,706)	1,072,260
FINANCING ACTIVITIES				
New bank loans raised	176,030	257,554	222,900	322,400
Repayment of bank loans	(101,821)	–	(128,600)	–
Interest paid	(6,386)	(2,029)	(8,095)	(2,556)
Dividends paid to:				
– owners of the Company	(583,555)	(249,135)	(742,282)	(313,127)
– non-controlling interests of a subsidiary	(6,390)	(5,272)	(8,093)	(6,657)
Net cash (used in) from financing activities	(522,122)	1,118	(664,170)	60
Net (decrease) increase in cash and cash equivalents	(1,314,060)	833,778	(1,668,069)	1,050,944
Cash and cash equivalents at 1 July	1,480,436	63,607	1,869,790	79,445
Effect of foreign exchange rate changes	(9)	(2)	11,395	(7,763)
Cash and cash equivalents at 31 December	166,367	897,383	213,116	1,122,626
Time deposits with original maturity over three months	1,248,435	277,366	1,599,245	346,985
Total bank balances and cash	1,414,802	1,174,749	1,812,361	1,469,611

Note: Cash and cash equivalents comprise cash at banks and cash on hand, and deposits with banks subjected to insignificant risk of change in value, and with a maturity of three months or less from date of placing.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2014

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

The Company’s functional currency and presentation currency are Renminbi (“RMB”). The presentation of Hong Kong Dollar (“HKD”) amounts in these condensed consolidated financial statements is for information purpose only.

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial statements for the six months ended 31 December 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2014.

In the current interim period, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards (“IFRSs”) issued by the IASB that are relevant for the preparation of the Group’s condensed consolidated financial statements:

IFRSs (Amendments)	Annual Improvements to IFRSs 2010 – 2012 Cycle
IFRSs (Amendments)	Annual Improvements to IFRSs 2011 – 2013 Cycle
IFRS 10, IFRS 12 and IAS 27 (Amendments)	Investment Entities
IAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions
IAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
IAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
IAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The application of the above new or revised IFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. Segment Information

The Group's reportable and operating segments are determined based on information reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Information reported to the chief operating decision maker, including segment revenue, earnings before interest, tax, depreciation and amortisation ("EBITDA"), earnings before interest and tax ("EBIT") and segment results, is more specifically focused on individual toll expressways projects jointly operated and managed by the Group and the relevant joint venture partner. Accordingly, the Group's reporting and operating segments under IFRS 8 "Operating Segments" are therefore as follows:

- Guangzhou-Shenzhen Superhighway ("GS Superhighway")
- Phase I of the Western Delta Route ("Phase I West")
- Phase II of the Western Delta Route ("Phase II West")
- Phase III of the Western Delta Route ("Phase III West")

Information regarding the above segments is reported below.

Segment revenue and results

	<i>Six months ended 31 December</i>							
	2013				2014			
	<i>Segment revenue RMB'000</i>	<i>EBITDA RMB'000</i>	<i>EBIT RMB'000</i>	<i>Segment results RMB'000</i>	<i>Segment revenue RMB'000</i>	<i>EBITDA RMB'000</i>	<i>EBIT RMB'000</i>	<i>Segment results RMB'000</i>
GS Superhighway	790,058	673,949	471,923	316,085	739,528	602,753	403,779	269,932
Phase I West	44,650	34,634	26,275	18,095	47,519	36,159	26,915	18,832
Phase II West	139,206	114,489	74,004	1,385	151,928	126,796	80,447	8,587
Phase III West	36,702	29,110	11,135	(50,494)	48,707	33,821	12,230	(49,850)
Total	1,010,616	852,182	583,337	285,071	987,682	799,529	523,371	247,501
Corporate interest income from bank deposits				22,923				16,796
Corporate interest income from loans made by the Group to a joint venture				32,127				31,433
Other income				548				1,400
Corporate general and administrative expenses				(18,821)				(18,092)
Corporate finance costs				(18,101)				(13,724)
Corporate income tax expenses				(5,315)				(4,883)
Net exchange gain (net of related income tax expenses) (note)				18,458				6,063
Profit for the period				316,890				266,494
Profit for the period attributable to non-controlling interests				(6,053)				(5,073)
Profit for the period attributable to owners of the Company				310,837				261,421

Note: Net exchange gain (net of related income tax expenses) is composed of the Group's share of the exchange gain (net of related income tax expenses) of a joint venture of RMB5,581,000 (six months ended 31 December 2013: RMB18,042,000) and the net exchange gain of the Group of RMB482,000 (six months ended 31 December 2013: RMB416,000).

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 31 December 2014

3. Segment Information (continued)

Segment revenue and results (continued)

(FOR INFORMATION PURPOSE ONLY)

	Six months ended 31 December							
	2013				2014			
	Segment revenue HK\$'000	EBITDA HK\$'000	EBIT HK\$'000	Segment results HK\$'000	Segment revenue HK\$'000	EBITDA HK\$'000	EBIT HK\$'000	Segment results HK\$'000
GS Superhighway	1,003,900	856,261	599,539	401,597	931,833	759,558	508,844	340,182
Phase I West	56,740	43,999	33,377	22,983	59,876	45,573	33,925	23,739
Phase II West	176,898	145,424	93,978	1,751	191,446	159,824	101,419	10,858
Phase III West	46,646	36,990	14,149	(64,160)	61,375	42,630	15,423	(62,817)
Total	1,284,184	1,082,674	741,043	362,171	1,244,530	1,007,585	659,611	311,962
Corporate interest income from bank deposits				29,059				21,176
Corporate interest income from loans made by the Group to a joint venture				40,725				39,604
Other income				693				1,768
Corporate general and administrative expenses				(23,855)				(22,795)
Corporate finance costs				(22,946)				(17,292)
Corporate income tax expenses				(6,736)				(6,155)
Net exchange gain (net of related income tax expenses) (note)				23,514				7,655
Profit for the period				402,625				335,923
Profit for the period attributable to non-controlling interests				(7,692)				(6,393)
Profit for the period attributable to owners of the Company				394,933				329,530

Note: Net exchange gain (net of related income tax expenses) is composed of the Group's share of the exchange gain (net of related income tax expenses) of a joint venture of HK\$7,047,000 (six months ended 31 December 2013: HK\$22,985,000) and the net exchange gain of the Group of HK\$608,000 (six months ended 31 December 2013: HK\$529,000).

The segment revenue represents the Group's share of the joint ventures' toll revenue received and receivable (net of business tax) from the operations of toll expressways in the PRC based on the profit-sharing ratios specified in the relevant joint venture agreements. All of the segment revenue reported above is earned from external customers.

The EBITDA and EBIT represent the Group's share of joint ventures' EBITDA and EBIT from the operations of toll expressways in the PRC before net exchange gain, based on the profit-sharing ratios specified in the relevant joint venture agreements.

The segment results represent (i) the Group's share of joint ventures' results from the operations of toll expressways in the PRC before net exchange gain (net of related income tax expenses) based on the profit-sharing ratios specified in the relevant joint venture agreement, (ii) net of the withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture and (iii) amortisation of additional cost of investment in joint ventures. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

3. Segment Information (continued)

Segment revenue and results (continued)

The total segment results can be reconciled to the share of results of joint ventures as presented in condensed consolidated statement of profit or loss and other comprehensive income as follows:

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	2014 RMB'000	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	2014 HK\$'000
Total segment results	285,071	247,501	362,171	311,962
Add:				
Net exchange gain (net of related income tax expenses)	18,042	5,581	22,985	7,047
Withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture	19,774	16,589	25,128	20,906
Less:				
Others	(400)	–	(509)	–
Share of results of joint ventures as presented in condensed consolidated statement of profit or loss and other comprehensive income	322,487	269,671	409,775	339,915

4. Other Income

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	2014 RMB'000	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	2014 HK\$'000
Interest income from:				
Bank deposits	22,923	16,796	29,059	21,176
Loans made by the Group to a joint venture	32,127	31,433	40,725	39,604
Net exchange gain	416	482	529	608
Management fee income from joint ventures	948	968	1,202	1,222
Others	–	432	–	546
	56,414	50,111	71,515	63,156

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 31 December 2014

5. Finance Costs

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	<i>2014</i> <i>RMB'000</i>	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	<i>2014</i> <i>HK\$'000</i>
Interests on:				
Bank loans	11,694	12,250	14,824	15,434
Corporate bonds (Note)	4,688	–	5,942	–
	16,382	12,250	20,766	15,434
Other financial expenses	1,719	1,474	2,180	1,858
	18,101	13,724	22,946	17,292

Note: The corporate bonds with principal amounts of RMB600,000,000 carried interest at fixed rate of 1.55% per annum and was repaid on 18 May 2014.

6. Share of Results of Joint Ventures

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	<i>2014</i> <i>RMB'000</i>	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	<i>2014</i> <i>HK\$'000</i>
Share of results of joint ventures before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group and amortisation of additional cost of investments in joint ventures	364,381	309,273	463,007	389,813
Amortisation of additional cost of investments in joint ventures	(41,894)	(39,602)	(53,232)	(49,898)
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(16,127)	(17,151)	(20,493)	(21,615)
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	16,127	17,151	20,493	21,615
	322,487	269,671	409,775	339,915

7. Income Tax Expenses

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	2014 RMB'000	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	2014 HK\$'000
The tax charge comprises:				
PRC Enterprise Income Tax ("EIT")	22,835	13,643	28,960	17,158
Deferred tax	2,254	7,829	2,904	9,903
	25,089	21,472	31,864	27,061

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from or arising in Hong Kong.

The EIT charge of the Group for the six months ended 31 December 2014 included an amount of RMB8,760,000 (approximately HK\$11,003,000) (six months ended 31 December 2013: RMB17,520,000 (approximately HK\$22,224,000)) representing the 5% withholding tax imposed on dividends declared during the period by a joint venture of the Group of which the corresponding amount had already been provided for deferred tax in prior periods in respect of undistributed earnings of a joint venture.

8. Profit for the Period

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	2014 RMB'000	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	2014 HK\$'000
Profit for the period has been arrived at after charging:				
Depreciation of property and equipment	92	68	116	86

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 31 December 2014

9. Dividends

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	<i>2014</i> <i>RMB'000</i>	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	<i>2014</i> <i>HK\$'000</i>
Dividends paid and recognised as distribution during the period:				
Final dividend for the year ended 30 June 2014 paid of RMB8.1 cents (equivalent to HK10.1806 cents) (six months ended 31 December 2013: RMB9 cents (equivalent to HK11.3122 cents) for the year ended 30 June 2013) per share	277,352	249,617	348,607	313,735
Special final dividend for the year ended 30 June 2014: Nil (six months ended 31 December 2013: RMB10 cents (equivalent to HK12.5691 cents) for the year ended 30 June 2013) per share	308,169	–	387,341	–
	585,521	249,617	735,948	313,735

As at 5 January 2015, the Directors have declared that an interim dividend in respect of the year ending 30 June 2015 of RMB8.4 cents (equivalent to HK10.6376 cents) per share amounting to approximately RMB258,862,000 (approximately HK\$327,818,000) shall be paid to the shareholders of the Company whose names appear on the Register of Members on 20 January 2015.

As at 2 January 2014, the Directors declared that an interim dividend in respect of the year ended 30 June 2014 of RMB9.80 cents (equivalent to HK12.4590 cents) per share amounting RMB302,006,000 (approximately HK\$383,948,000) was paid to the shareholders of the Company whose names appeared on the Register of Members on 17 January 2014.

10. Earnings per Share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	<i>Six months ended 31 December</i>			
	<i>2013</i> <i>RMB'000</i>	2014 RMB'000	<i>2013</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	2014 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	310,837	261,421	394,933	329,530

	<i>Six months ended 31 December</i>	
	<i>2013</i> <i>Number</i> <i>of shares</i>	2014 Number of shares
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	3,081,690,283	3,081,690,283

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price of the shares during both periods presented.

11. Interests in Joint Ventures

	<i>30 June</i> <i>2014</i> <i>RMB'000</i>	31 December 2014 RMB'000	<i>30 June</i> <i>2014</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	31 December 2014 HK\$'000
	Unlisted investments:			
At cost				
Cost of investment in a joint venture	1,817,535	1,817,535	2,270,101	2,273,736
Additional cost of investments	2,520,218	2,520,218	3,147,752	3,152,793
Share of results of joint ventures, before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group (net of dividend received)	2,667,396	2,801,469	3,331,578	3,504,637
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(240,177)	(257,328)	(299,981)	(321,917)
Less: Accumulated amortisation of additional cost of investments	(1,188,383)	(1,227,985)	(1,484,291)	(1,536,209)
	5,576,589	5,653,909	6,965,159	7,073,040
At amortised cost				
Registered capital contribution, at nominal amount	2,131,500	2,131,500	2,662,244	2,666,506
Fair value adjustment on initial recognition	(1,817,535)	(1,817,535)	(2,270,101)	(2,273,736)
Accumulated imputed interest income recognised by the Group	240,177	257,328	299,981	321,917
	554,142	571,293	692,124	714,687
	6,130,731	6,225,202	7,657,283	7,787,727

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 31 December 2014

12. Share Capital

	<i>Number of shares</i>	<i>Nominal amount HK\$'000</i>	
Ordinary shares of HK\$0.1 each			
Authorised:			
As at 1 July 2013, 31 December 2013, 30 June 2014, 1 July 2014 and 31 December 2014	10,000,000,000	1,000,000	
	<i>Number of shares</i>	<i>Nominal amount Equivalent to HK\$'000 RMB'000</i>	
Issued and fully paid:			
As at 1 July 2013, 31 December 2013, 30 June 2014, 1 July 2014 and 31 December 2014	3,081,690,283	308,169	270,603

Share Option Scheme

No share option of the Company was granted during both periods presented. During the six months ended 31 December 2014, 360,000 vested share options with exercise price of HK\$6.746 per share (six months ended 31 December 2013: 4,080,000 vested share options with exercise price HK\$5.858 per share) were lapsed on expiry.

13. Deferred Tax Liabilities

The amounts represent the deferred tax liabilities associated with the undistributed earnings of a joint venture.

14. Total Assets Less Current Liabilities/Net Current Assets

The Group's total assets less current liabilities as at 31 December 2014 amounting to RMB7,654,638,000 (approximately HK\$9,575,952,000) (30 June 2014: RMB7,617,423,000 (approximately HK\$9,514,162,000)). The Group's net current assets as at 31 December 2014 amounting to RMB1,424,319,000 (approximately HK\$1,781,823,000) (30 June 2014: RMB1,481,538,000 (approximately HK\$1,850,441,000)).

15. Capital Commitments

During the six months ended 31 December 2014, the Group entered into amendment agreement with the PRC joint venture partner of West Route JV to increase the total investment of Phase II West. As at 31 December 2014, the Group had agreed, subject to approval of relevant authorities, to make additional capital contributions of RMB106,000,000 (approximately HK\$132,606,000) to West Route JV in respect of Phase II West for outstanding project payments. As the Group plans to make additional capital contributions to West Route JV in respect of Phase II West by stages, the Group's commitment to make additional capital contributions of RMB402,500,000 (approximately HK\$502,723,000) to West Rout JV in respect of Phase II West as at 30 June 2014 had been replaced by the above-mentioned amendment agreement.

16. Related Party Transactions

Amounts due from and to related parties are disclosed in the condensed consolidated statement of financial position and relevant notes. During the six months ended 31 December 2014, the Group paid rental, air-conditioning, management fee and car parking charges to fellow subsidiaries amounting to RMB759,000 (approximately HK\$956,000) (six months ended 31 December 2013: RMB1,189,000 (approximately HK\$1,507,000)).

The registered capital amounting to HK\$702,000,000 (equivalent to RMB471,000,000) previously injected by a subsidiary of the Company to GS Superhighway JV was repaid by GS Superhighway JV during the year ended 30 June 2008. According to the Law of the PRC on Chinese-foreign Contractual Joint Venture, in relation to the repayment of registered capital before the expiry of the joint venture operation period, the subsidiary of the Company, as the foreign joint venture partner, is required to undertake the financial obligations of GS Superhighway JV to the extent of HK\$702,000,000 when GS Superhighway JV fails to meet its financial obligations during the joint venture operation period.

Appendix – Condensed Consolidated Financial Information (Prepared under Proportionate Consolidation Method)

Condensed Consolidated Statement of Profit or Loss

For the six months ended 31 December 2014

(FOR INFORMATION PURPOSE ONLY)

	<i>Six months ended 31 December</i>			
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Toll revenue	1,010,616	987,682	1,284,184	1,244,530
Revenue on construction	30,933	39,016	39,625	48,809
Turnover	1,041,549	1,026,698	1,323,809	1,293,339
Other income	104,381	84,919	132,595	107,011
Construction costs	(30,933)	(39,016)	(39,625)	(48,809)
Provision for resurfacing charges	(11,898)	(13,906)	(15,118)	(17,526)
Toll expressway operation expenses	(129,242)	(152,711)	(164,450)	(192,328)
Depreciation and amortisation charges	(268,937)	(276,226)	(341,747)	(348,060)
General and administrative expenses	(52,271)	(58,351)	(66,377)	(73,453)
Finance costs	(176,461)	(171,061)	(224,120)	(215,577)
Profit before tax	476,188	400,346	604,967	504,597
Income tax expenses	(159,298)	(133,852)	(202,342)	(168,674)
Profit for the period	316,890	266,494	402,625	335,923
Profit for the period attributable to:				
Owners of the Company	310,837	261,421	394,933	329,530
Non-controlling interests	6,053	5,073	7,692	6,393
	316,890	266,494	402,625	335,923

Condensed Consolidated Statement of Financial Position

As at 31 December 2014

(FOR INFORMATION PURPOSE ONLY)

	30 June 2014 RMB'000	31 December 2014 RMB'000	30 June 2014 HK\$'000	31 December 2014 HK\$'000
ASSETS				
Non-current Assets				
Property and equipment	468,970	502,376	585,743	628,472
Concession intangible assets	12,645,704	12,339,837	15,794,484	15,437,136
Balance with a joint venture	277,071	285,646	346,062	357,344
Investment	4,785	4,785	5,977	5,986
	13,396,530	13,132,644	16,732,266	16,428,938
Current Assets				
Inventories	1,320	1,530	1,649	1,914
Deposits and prepayments	5,206	6,501	6,502	8,133
Interest and other receivables	93,999	32,871	117,405	41,121
Loans to a joint venture (note i)	500,854	500,940	625,567	626,676
Pledged bank balances and deposits of joint ventures	197,439	267,661	246,601	334,844
Bank balances and cash				
– The Group	813,601	1,174,749	1,016,188	1,469,611
– Joint ventures	3,784	2,733	4,726	3,419
	1,616,203	1,986,985	2,018,638	2,485,718
Total Assets	15,012,733	15,119,629	18,750,904	18,914,656
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	270,603	308,169	308,169
Share premium and reserves	6,965,425	6,977,422	8,729,630	8,759,110
Equity attributable to owners of the Company	7,236,028	7,248,025	9,037,799	9,067,279
Non-controlling interests	49,780	49,581	62,176	62,026
Total Equity	7,285,808	7,297,606	9,099,975	9,129,305
Non-current Liabilities				
Bank loan of the Group	198,479	216,067	247,900	270,300
Bank and other loans of joint ventures	5,308,698	5,198,448	6,630,564	6,503,259
Balance with a joint venture partner	277,021	285,596	345,999	357,281
Resurfacing obligations	100,682	112,338	125,752	140,535
Deferred tax liabilities	318,980	314,985	398,405	394,046
Other non-current liabilities	38,156	37,198	47,657	46,534
	6,242,016	6,164,632	7,796,277	7,711,955

Appendix – Condensed Consolidated Financial Information (Prepared under Proportionate Consolidation Method) (continued)

Condensed Consolidated Statement of Financial Position (continued)

	<i>30 June</i> <i>2014</i> <i>RMB'000</i>	<i>31 December</i> <i>2014</i> <i>RMB'000</i>	<i>30 June</i> <i>2014</i> <i>HK\$'000</i>	<i>31 December</i> <i>2014</i> <i>HK\$'000</i>
Current Liabilities				
Provision, other payables, accruals and deposits received	568,451	467,467	709,996	584,802
Balance with a joint venture partner	69,160	70,636	86,381	88,365
Bank loans				
– The Group	500,000	739,808	624,500	925,500
– Joint ventures	281,516	297,476	351,613	372,142
Other interest payable	7,203	18,359	8,996	22,967
Tax liabilities	58,579	63,645	73,166	79,620
	1,484,909	1,657,391	1,854,652	2,073,396
Total Liabilities	7,726,925	7,822,023	9,650,929	9,785,351
Total Equity and Liabilities	15,012,733	15,119,629	18,750,904	18,914,656

Note:

(i) **Reconciliation of loans to a joint venture**

	<i>30 June</i> <i>2014</i> <i>RMB'000</i>	<i>31 December</i> <i>2014</i> <i>RMB'000</i>	<i>30 June</i> <i>2014</i> <i>HK\$'000</i>	<i>31 December</i> <i>2014</i> <i>HK\$'000</i>
Principal amount of loans from the Group to a joint venture	1,000,000	1,000,000	1,249,000	1,251,000
Interest receivable for loans from the Group to a joint venture	1,708	1,880	2,134	2,352
Less: Elimination of the Group's proportionate share of the corresponding amounts of a joint venture	(500,854)	(500,940)	(625,567)	(626,676)
	500,854	500,940	625,567	626,676

10-Year Financial Summary

The financial summary of the Group presented in RMB from 2006 to 2014.

Consolidated Results Prepared under the Equity Method (RMB million)

	Year ended 30 June									Six months ended
	2006	2007	2008	2009	2010	2011	2012	2013	2014	31 December 2014
Share of results of joint ventures	1,090	1,207	1,031	960	958	966	896	653	576	270
Corporate results	118	186	81	(11)	(102)	(84)	(45)	(41)	(12)	(4)
Gain on disposal of ESW Ring Road ⁽¹⁾	-	-	814	-	-	-	-	-	-	-
Profit for the year/period	1,208	1,393	1,926	949	856	882	851	612	564	266
Profit for the year/period attributable to:										
Owners of the Company	1,187	1,367	1,909	933	841	866	836	601	553	261
Non-controlling interests	21	26	17	16	15	16	15	11	11	5
Profit for the year/period	1,208	1,393	1,926	949	856	882	851	612	564	266

Segment Revenue and Results (RMB million)

	Year ended 30 June									Six months ended
	2006	2007	2008	2009	2010	2011	2012	2013	2014	31 December 2014
Net toll revenue	1,801	2,026	1,601	1,593	1,706	1,934	1,949	1,803	1,916	988
GS Superhighway	1,558	1,776	1,485	1,521	1,628	1,718	1,689	1,470	1,475	739
Phase I West	60	67	72	72	77	82	77	80	88	48
Phase II West	-	-	-	-	1	134	183	231	276	152
Phase III West	-	-	-	-	-	-	-	22	77	49
ESW Ring Road ⁽¹⁾	183	183	44	-	-	-	-	-	-	-
EBITDA	1,672	1,876	1,398	1,439	1,487	1,686	1,730	1,545	1,627	800
GS Superhighway	1,448	1,668	1,311	1,380	1,426	1,506	1,516	1,272	1,266	603
Phase I West	48	57	62	59	61	64	62	64	66	36
Phase II West	-	-	-	-	0	116	152	193	233	127
Phase III West	-	-	-	-	-	-	-	16	62	34
ESW Ring Road ⁽¹⁾	176	151	25	-	-	-	-	-	-	-
EBIT	1,369	1,529	1,110	1,173	1,192	1,317	1,333	1,092	1,108	523
GS Superhighway	1,193	1,373	1,045	1,123	1,140	1,195	1,183	912	882	404
Phase I West	43	49	53	50	52	53	51	51	49	27
Phase II West	-	-	-	-	0	69	99	126	152	80
Phase III West	-	-	-	-	-	-	-	3	25	12
ESW Ring Road ⁽¹⁾	133	107	12	-	-	-	-	-	-	-
Segment results⁽²⁾	970	1,027	660	903	894	822	809	581	535	247
GS Superhighway	906	1,055	694	882	865	832	812	616	591	270
Phase I West	17	25	21	21	31	37	34	34	33	19
Phase II West	-	-	-	-	(2)	(47)	(37)	(20)	8	8
Phase III West	-	-	-	-	-	-	-	(49)	(97)	(50)
ESW Ring Road ⁽¹⁾	47	(53)	(55)	-	-	-	-	-	-	-
Segment corporate results⁽³⁾	96	144	75	49	(34)	(16)	0	(5)	24	13
Net exchange gain/(loss)	142	222	377	(3)	(4)	76	42	36	5	6
Gain on disposal of ESW Ring Road ⁽¹⁾	-	-	814	-	-	-	-	-	-	-
Profit for the year/period	1,208	1,393	1,926	949	856	882	851	612	564	266
Profit for the year/period attributable to:										
Owners of the Company	1,187	1,367	1,909	933	841	866	836	601	553	261
Non-controlling interests	21	26	17	16	15	16	15	11	11	5
Profit for the year/period	1,208	1,393	1,926	949	856	882	851	612	564	266

10-Year Financial Summary (continued)

Consolidated Statement of Financial Position Prepared under the Equity Method (RMB million)

	2006	2007	2008	As at 30 June					2014	As at
				2009	2010	2011	2012	2013		31 December
									2014	
Interests in joint ventures	7,258	6,590	4,063	5,036	5,117	5,893	6,447	6,256	6,131	6,225
Loans to a joint venture	-	-	-	-	-	500	30	1,030	1,000	1,000
Bank balances and cash	3,101	3,805	5,275	2,447	2,158	2,856	3,756	1,480	814	1,175
Dividend receivable from a joint venture	363	393	939	1	113	252	279	167	166	-
Investment	-	-	-	-	-	-	-	5	5	5
Property and equipment	1	1	7	3	2	2	1	0	0	0
Other current assets	27	28	23	6	2	32	35	29	12	9
Total assets	10,750	10,817	10,307	7,493	7,392	9,535	10,548	8,967	8,128	8,414
Bank loans	-	-	-	-	-	21	1,058	602	698	956
Corporate bonds	-	-	-	-	-	1,980	1,980	600	-	-
Balance with ESW Ring Road	230	245	-	-	-	-	-	-	-	-
Other current liabilities	38	45	44	29	10	31	36	11	11	20
PRC withholding tax liabilities	-	-	60	104	100	132	137	133	133	140
Total liabilities	268	290	104	133	110	2,164	3,211	1,346	842	1,116
Non-controlling interests	37	43	45	42	45	50	55	50	50	50
Equity attributable to owners of the Company	10,445	10,484	10,158	7,318	7,237	7,321	7,282	7,571	7,236	7,248

Consolidated Statement of Cash Flows Prepared under the Equity Method (RMB million)

	2006	2007	2008	Year ended 30 June					2014	Six months ended
				2009	2010	2011	2012	2013		31 December
									2014	
Net cash used in operating activities	(32)	(48)	(43)	(35)	(25)	(46)	(46)	(42)	(38)	(17)
Net cash from (used in) investing activities	1,906	1,808	3,227	985	696	(1,150)	1,077	496	57	850
Net cash from (used in) financing activities	(514)	(887)	(1,231)	(3,795)	(929)	1,182	103	(2,240)	(1,435)	1
Net increase (decrease) in cash and cash equivalents	1,360	873	1,953	(2,845)	(258)	(14)	1,134	(1,786)	(1,416)	834
Cash and cash equivalents at the beginning of year/period	1,816	3,101	3,805	5,275	2,447	2,158	2,133	3,266	1,480	64
Effect of foreign exchange rate changes	(75)	(169)	(483)	17	(31)	(11)	(1)	0	0	0
Cash and cash equivalents at the end of year/period	3,101	3,805	5,275	2,447	2,158	2,133	3,266	1,480	64	898
Time deposits with original maturity over three months	-	-	-	-	-	723	490	-	750	277
Total bank balances and cash	3,101	3,805	5,275	2,447	2,158	2,856	3,756	1,480	814	1,175

Per Share Basis

	Year ended 30 June									Six months ended
	2006	2007	2008	2009	2010	2011	2012	2013	2014	31 December 2014
Basic earnings per share (RMB cents)	40.0	46.0	64.3	31.5	28.4	29.2	28.2	19.5	17.9	8.5
Dividend per share (RMB cents)										
– Interim	12.0	15.1	15.9	15.0	15.0	13.6	14.7	10.0	9.8	8.4
– Final	17.5	19.5	11.4	15.9	13.1	14.9	13.0	9.0	8.1	
– Special	–	–	31.2	73.9	–	–	–	10.0	–	
Net asset value per share (RMB)	3.5	3.5	3.4	2.5	2.4	2.5	2.5	2.5	2.4	2.4
Dividend payout ratio	74%	75%	91%	98% ⁽⁴⁾	99%	98%	98%	97% ⁽⁵⁾	99.8%	99%

Financial Ratios

	As at 30 June									As at
	2006	2007	2008	2009	2010	2011	2012	2013	2014	31 December 2014
Return on equity attributable to owners of the Company	12%	13%	19%	13%	12%	12%	12%	8%	8%	7% ⁽⁶⁾
Prepared under Equity Method										
Total debt ⁽⁷⁾ /total assets ratio	–	–	–	–	–	21%	29%	13%	9%	11%
Gearing ratio (Net debt ⁽⁷⁾ to equity attributable to owners of the Company)	–	–	–	–	–	–	–	–	–	–
Prepared under Proportionate Consolidation Method										
Total debt ⁽⁸⁾ /total assets ratio	33%	33%	29%	37%	40%	46%	51%	46%	44%	45%
Gearing ratio (Net debt ⁽⁸⁾ to equity attributable to owners of the Company)	18%	14%	0%	30%	43%	57%	67%	74%	78%	74%

Notes:

- (1) The Group's 45% interest in Guangzhou East-South-West Ring Road ("ESW Ring Road") was disposed of in September 2007.
- (2) The segment results represent the Group's share of results of joint ventures before exchange difference (net of related income tax expenses) and net of withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture.
- (3) The segment corporate results represent the corporate results before corporate exchange difference and withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture.
- (4) Excluding extraordinary special dividend of RMB73.9 cents per share.
- (5) Excluding special final dividend of RMB10.0 cents per share.
- (6) Annualised figures.
- (7) Under Equity method, total debt include bank loans of the Group and RMB corporate bonds. Net debt is defined as total debt less the bank balances and cash of the Group as at the reporting date.
- (8) Under proportionate consolidation method, total debt include bank loans of the Group, bank and other loans of joint ventures, balance with a joint venture partner and RMB corporate bonds. Net debt is defined as total debt less the bank balances and cash of the Group and joint ventures together with pledged bank balances and deposits of the joint ventures as at the reporting date.

Corporate Information and Key Dates

Board of Directors

Sir Gordon Ying Sheung WU KCMG, FICE
Chairman

Mr. Eddie Ping Chang HO
Vice Chairman

Mr. Thomas Jefferson WU*
Managing Director

Mr. Alan Chi Hung CHAN
Deputy Managing Director

Mr. Cheng Hui JIA

Professor Chung Kwong POON GBS, JP[#]

Mr. Yuk Keung IP[#]

Mr. Brian David Man Bun LI JP[#]

* Also as Alternate Director to Sir Gordon Ying Sheung WU

[#] Independent Non-Executive Directors

Audit Committee

Mr. Yuk Keung IP
Chairman

Professor Chung Kwong POON GBS, JP

Mr. Brian David Man Bun LI JP

Remuneration Committee

Professor Chung Kwong POON GBS, JP
Chairman

Mr. Alan Chi Hung CHAN

Mr. Yuk Keung IP

Company Secretary

Mr. Po Wah HUEN

Registered Office

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Principal Place of Business

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Wan Chai, Hong Kong
Tel: (852) 2528 4975
Fax: (852) 2861 0177

Solicitors

Woo, Kwan, Lee & Lo

Auditor

Deloitte Touche Tohmatsu

Listing Information

The Stock Exchange of Hong Kong Limited
HKD-traded Ordinary Shares (Stock Code: 737)
RMB-traded Ordinary Shares (Stock Code: 80737)

Principal Bankers+

Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Communications Co., Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited
The Bank of East Asia, Limited
BNP Paribas
China CITIC Bank Corporation Limited
China Development Bank, Guangdong Branch
China Everbright Bank Corporation Limited
Chong Hing Bank Limited
Guangdong Development Bank Co., Limited
Industrial and Commercial Bank of China Limited
PingAn Bank Co., Limited
Sumitomo Mitsui Banking Corporation

+ names are in alphabetical order

Cayman Islands Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2529 6087

American Depositary Receipt

CUSIP No.	439554106
Trading Symbol	HHILY
ADR to share ratio	1:10
Depository Bank	Citibank, N.A., U.S.A.

Investor Relations

Tel: (852) 2528 4975
Fax: (852) 2529 8602
Email: ir@hopewellhighway.com

Website

www.hopewellhighway.com

Key Dates

Interim dividend announcement	5 January 2015
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	5 January 2015
Closure of register of members	20 January 2015
Deadline for submission of dividend election form	6 February 2015
Interim dividend payable (RMB8.4 cents or HK10.6376 cents per share)	17 February 2015

Note: In the case of any inconsistency between the Chinese translation and the English text of this Interim Report, the English text shall prevail.

Glossary

“1H FY14”	the first half of FY14
“1H FY15”	the first half of FY15
“Award Scheme”	the share award scheme adopted by the Board on 25 January 2007
“Board”	the board of Directors of the Company
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Coastal Expressway”	Guangzhou-Shenzhen Coastal Expressway
“Company” or “HHI”	Hopewell Highway Infrastructure Limited
“Director(s)”	director(s) of the Company
“EBIT”	earnings before interest and taxation
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EIT”	Enterprise Income Tax
“FY07”	the financial year ended 30 June 2007
“FY08”	the financial year ended 30 June 2008
“FY09”	the financial year ended 30 June 2009
“FY10”	the financial year ended 30 June 2010
“FY11”	the financial year ended 30 June 2011
“FY12”	the financial year ended 30 June 2012
“FY13”	the financial year ended 30 June 2013
“FY14”	the financial year ended 30 June 2014
“FY15”	the financial year ending 30 June 2015
“FY16”	the financial year ending 30 June 2016
“GDP”	Gross Domestic Product
“Group”	the Company and its subsidiaries
“GS Superhighway”	Guangzhou-Shenzhen Superhighway
“GS Superhighway JV”	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company established for the GS Superhighway
“HHL”	Hopewell Holdings Limited
“HHL Shares”	ordinary shares of HHL
“HK\$”, “HKD” or “HK Dollar(s)”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HZM Bridge”	the Hong Kong-Zhuhai-Macau Bridge
“JV”	joint venture
“km”	kilometre
“Lady WU”	Lady Wu Ivy Sau Ping KWOK
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of PRC

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“Phase I West”	Phase I of Western Delta Route
“Phase II West”	Phase II of Western Delta Route
“Phase III West”	Phase III of Western Delta Route
“PRC” or “China”	the People’s Republic of China
“PRD”	Pearl River Delta
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sir Gordon WU”	Sir Gordon Ying Sheung WU
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“US Dollar(s)”	United States Dollars, the lawful currency of the United States
“West Route JV”	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the Western Delta Route
“Western Delta Route”	the route for a network of toll expressways comprising Phase I West, Phase II West and Phase III West



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