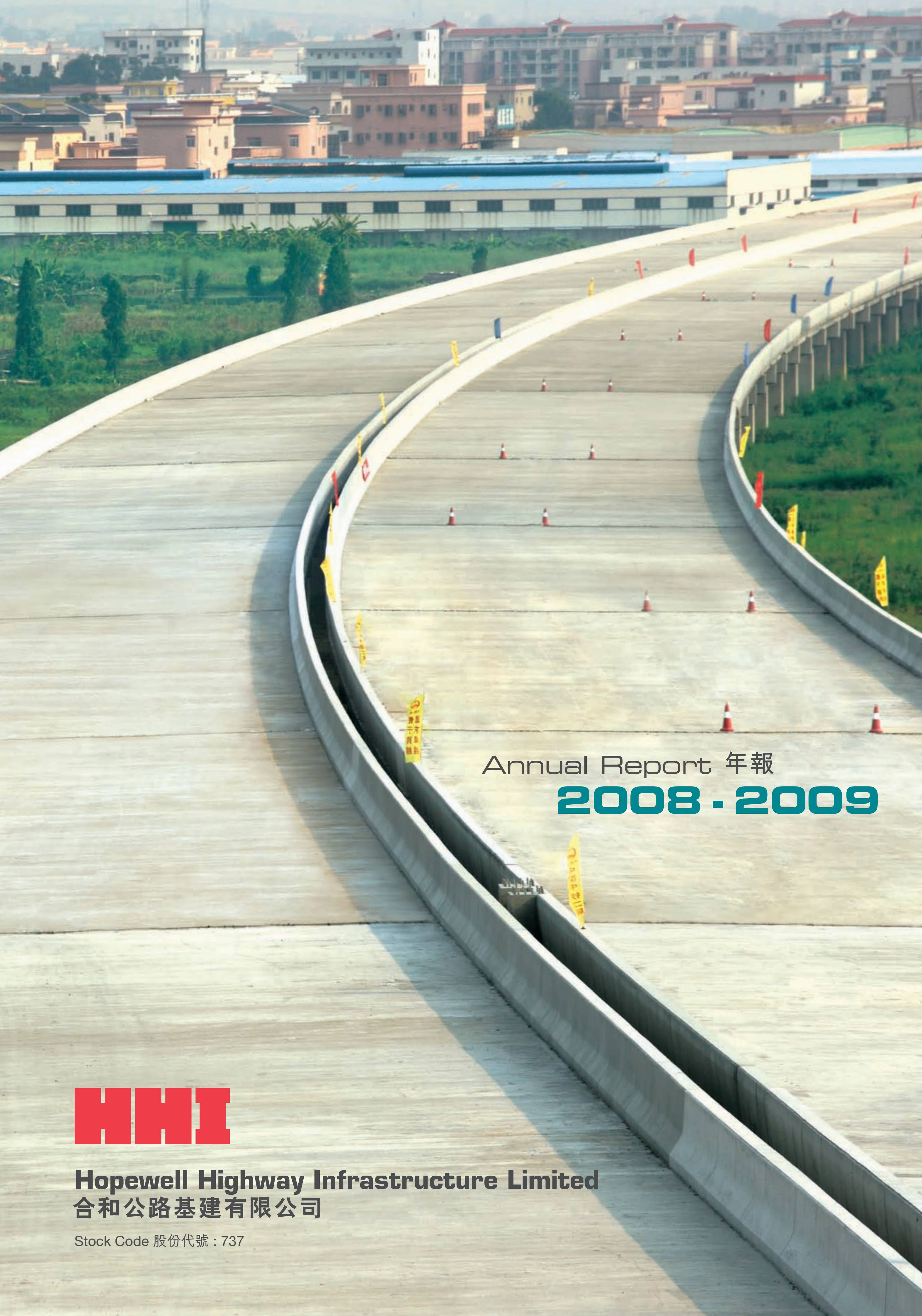


Annual Report 年報

2008 - 2009

HHI

Hopewell Highway Infrastructure Limited

合和公路基建有限公司

Stock Code 股份代號 : 737

Our strategically located expressways have been serving as the major artery in the Pearl River Delta ("PRD") highway network over the years. Looking ahead, the Western Delta Route will become the only expressway linking up Guangzhou, Foshan, Zhongshan and Zhuhai as well as the most direct expressway leading to Macau upon the completion of Phase II West and Phase III West. Its full operation will therefore not only expand our toll expressways by about 60% to around 220km, but also significantly strengthen the competitive position of our expressway network.

With our strong financial position, we will continue to seek investment opportunities in the PRD and beyond to deliver steady and attractive returns to our shareholders while offering quality services to road users.

我們坐落於策略性位置的高速公路一直是珠江三角洲(「珠三角」)地區高速公路網絡的大動脈。展望未來，珠江三角洲西岸幹道將是唯一一條連接廣州、佛山、中山及珠海的高速公路，並為通往澳門最直接的高速公路。珠江三角洲西岸幹道全線建成通車後，我們的收費高速公路總長度將增加約60%至約220公里，高速公路網絡的競爭優勢亦會大幅增強。

憑藉雄厚的財務實力，我們將繼續在珠三角及以外地區尋求可為股東提供穩定及具吸引力回報的投資機會，同時為道路使用者提供優質服務。

HHI Projects 合和公路基建項目

1 GS Superhighway 廣深高速公路

A 122.8 km closed system asphalt-paved expressway with total six lanes in dual directions running between Huanggang in Shenzhen and Guangdan in Guangzhou where it connects to the Guangzhou Ring Road.

連接廣州環城高速公路，全長122.8公里由深圳市皇崗至廣州市廣氮封閉式瀝青路面之雙向共六車道高速公路。

2 Phase I West 西綫I期

A 14.7 km closed system asphalt-paved expressway with total six lanes in dual directions linking Guangzhou to Shunde. It connects to ESW Ring Road and opened to traffic on 30 April 2004.

與東南西環高速公路連接，全長14.7公里由廣州市至順德封閉式瀝青路面之雙向共六車道高速公路，已於二零零四年四月三十日通車。

3 Phase II West (Under construction) 西綫II期（興建中）

Connecting to Phase I West, an approximately 46 km expressway running between Shunde and Zhongshan.

緊接西綫I期，將連接順德和中山市全長約46公里的高速公路。

4 Phase III West (Under planning) 西綫III期（籌備中）

Connecting to Phase II West, an expressway running between Zhongshan and Zhuhai.

緊接西綫II期，將連接中山市和珠海市之高速公路。

Transportation Infrastructure 交通基建：

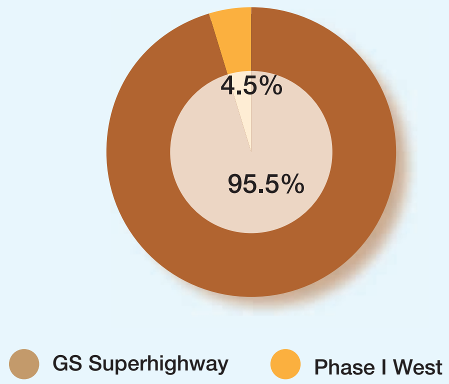
- Guangzhou-Shenzhen Superhighway 廣深高速公路
- Phase I of the Western Delta Route 珠江三角洲西岸幹道I期
- Phase II of the Western Delta Route (under construction) 珠江三角洲西岸幹道II期（興建中）
- Phase III of the Western Delta Route (under planning) 珠江三角洲西岸幹道III期（籌備中）

Hopewell Highway Infrastructure Limited ("HHI") (stock code: 737), listed on The Stock Exchange of Hong Kong Limited 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.

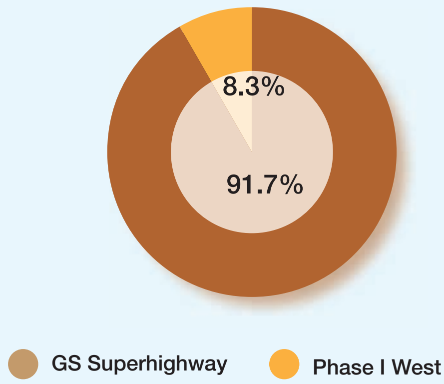
Contents

Financial Highlights

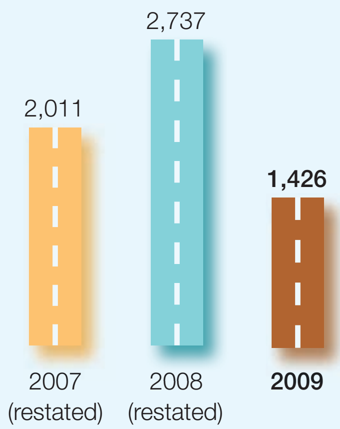
Turnover by Expressway



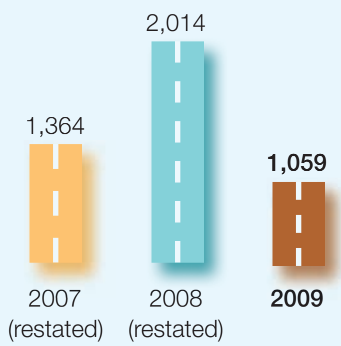
Total Traffic by Expressway



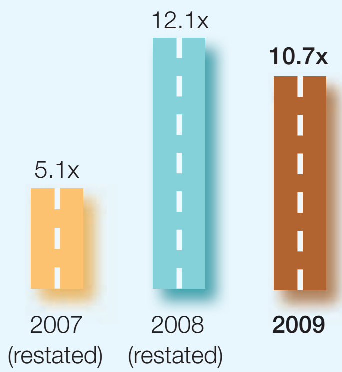
Earnings before Interest and Tax
(HK$ million)



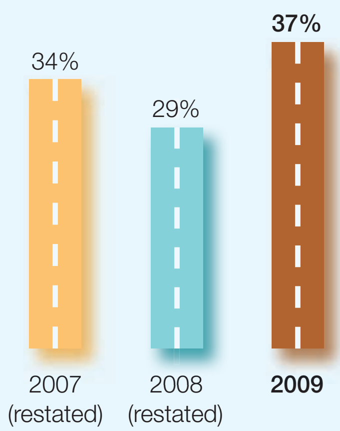
Profit Attributable to Equity Holders of the Company
(HK$ million)



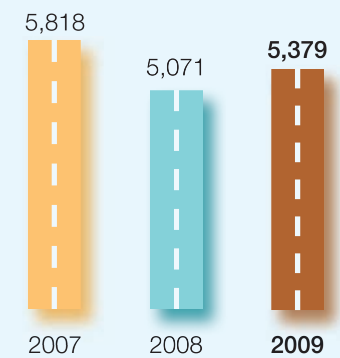
Interest Coverage
(EBITDA/Interest)



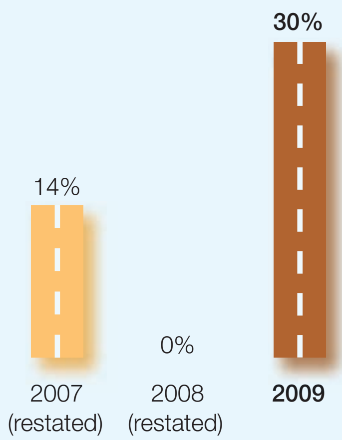
Total Debt to Total Assets



Total Debt
(HK$ million)



Net Debt* to Equity Attributable to the Equity Holders of the Company



* Total debt less bank balances and cash, pledged bank balances and deposits. A zero balance of net debt represented that the bank balances and cash together with pledged bank balances and deposits exceeded total debt as at the balance sheet date.

5-Year Financial Summary

Consolidated Results

(in HK$ million)	Year ended 30 June 2005 (restated)	2006 (restated)	2007 (restated)	2008 (restated)	2009
Net toll revenue	1,514	1,735	2,026	1,717	**1,809**
Profit before tax	995	1,281	1,552	2,485	**1,264**
Income tax expenses	(67)	(117)	(162)	(452)	**(187)**
Profit for the year	928	1,164	1,390	2,033	**1,077**
Attributable to:					
Equity holders of the Company	**910**	**1,143**	**1,365**	**2,014**	1,059
Minority interests	18	21	25	19	**18**
Profit for the year	**928**	**1,164**	**1,390**	**2,033**	1,077

Consolidated Balance Sheet

(in HK$ million)	As at 30 June 2005 (restated)	2006 (restated)	2007 (restated)	2008 (restated)	2009
Property and equipment	65	98	157	184	**189**
Concession intangible assets	11,094	11,053	11,767	10,362	**11,280**
Balances with jointly controlled entities	1,095	1,167	806	530	**141**
Current assets	2,949	3,589	4,550	6,347	**2,978**
Total assets	**15,203**	**15,907**	**17,280**	**17,423**	14,588
Current liabilities	(456)	(529)	(632)	(686)	**(796)**
Non-current liabilities	(5,334)	(5,189)	(5,848)	(5,137)	**(5,403)**
Total liabilities	**(5,790)**	**(5,718)**	**(6,480)**	**(5,823)**	(6,199)
Minority interests	(33)	(36)	(44)	(50)	**(48)**
Equity attributable to equity holders of the Company	**9,380**	**10,153**	**10,756**	**11,550**	8,341

Per Share Basis

(in HK cents)	2005 (restated)	2006 (restated)	2007 (restated)	2008 (restated)	2009
Basic earnings per share	31.55	39.34	45.98	67.81	**35.72**
Dividend per share					
— Interim	10.25	11.5	15.0	17.0	**17.0**
— Final	12.75	17.0	20.0	13.0	**18.0**
— Special	—	—	—	35.0	**84.0**
Net asset value per share	3.3	3.5	3.6	3.9	**2.8**

Financial Ratios

	2005	2006	2007	2008	2009
Net debt[(1)] to equity attributable to equity holders of the Company	28%	18%	14%	0%	**30%**
Return on equity attributable to equity holders of the Company	10%	11%	13%	17%	**13%**
Dividend payout ratio	74%	75%	77%	97%	**98%**[(2)]

Note: (1) Net debt is defined as total debt (including bank and other loans and balances with joint venture partners) less bank balances and cash, pledged bank balances and deposits and held-to-maturity debt securities. A zero balance of net debt represented that the bank balances and cash together with pledged bank balances and deposits exceeded total debt as at the balance sheet date.

(2) Excluding extraordinary special dividend of HK84 cents per share.

"Construction of Phase II West remains on track and is planned to be completed by the end of June 2010; whereas Phase III West is planned to start construction in 2010."

I am pleased to report that Hopewell Highway Infrastructure Limited and its subsidiaries (the "Group") achieved satisfactory results for the year ended 30 June 2009, with an increase of 5% in net toll revenue and an increase of 8% in earnings before interest and tax as compared to last year. In the absence of non-recurring exceptional gain in the current year, basic earnings per share for the year decreased to HK35.72 cents, a 47% drop from last year's HK67.81 cents per share (restated).

The profit attributable to equity holders of the Company decreased 47% to HK$1,059 million from HK$2,014 million (restated) of the last financial year. Last year, the profit attributable to equity holders was substantially augmented by the exceptional gain of HK$974 million arising from the disposal of the Group's interest in Guangzhou East-South-West Ring Road ("ESW Ring Road") and the exchange gain of HK$439 million resulting from the appreciation of Renminbi ("RMB").

During the year under review, the Guangzhou-Shenzhen Superhighway ("GS Superhighway") and the Phase I of the Western Delta Route ("Phase I West") in The People's Republic of China ("PRC") continued to provide strong recurring profit and cash flow to the Group. In respect of GS Superhighway, the traffic and toll revenue from Class 1 small cars had reached a record high level, while that from Classes 4 and 5 commercial vehicles had stabilized after a drop in the first quarter of 2009.

As to new projects, construction of Phase II of the Western Delta Route ("Phase II West") remains on track and is planned to be completed by the end of June 2010, whereas Phase III of the Western Delta Route ("Phase III West") is planned to start construction in 2010. With the resilient and recovering local economy, together with the Group's strong balance sheet and cash flow profile, these projects remain well funded with the full support from banks. The Group will continue to seek investment opportunities in the Pearl River Delta ("PRD") region and beyond to deliver steady and attractive returns to shareholders.

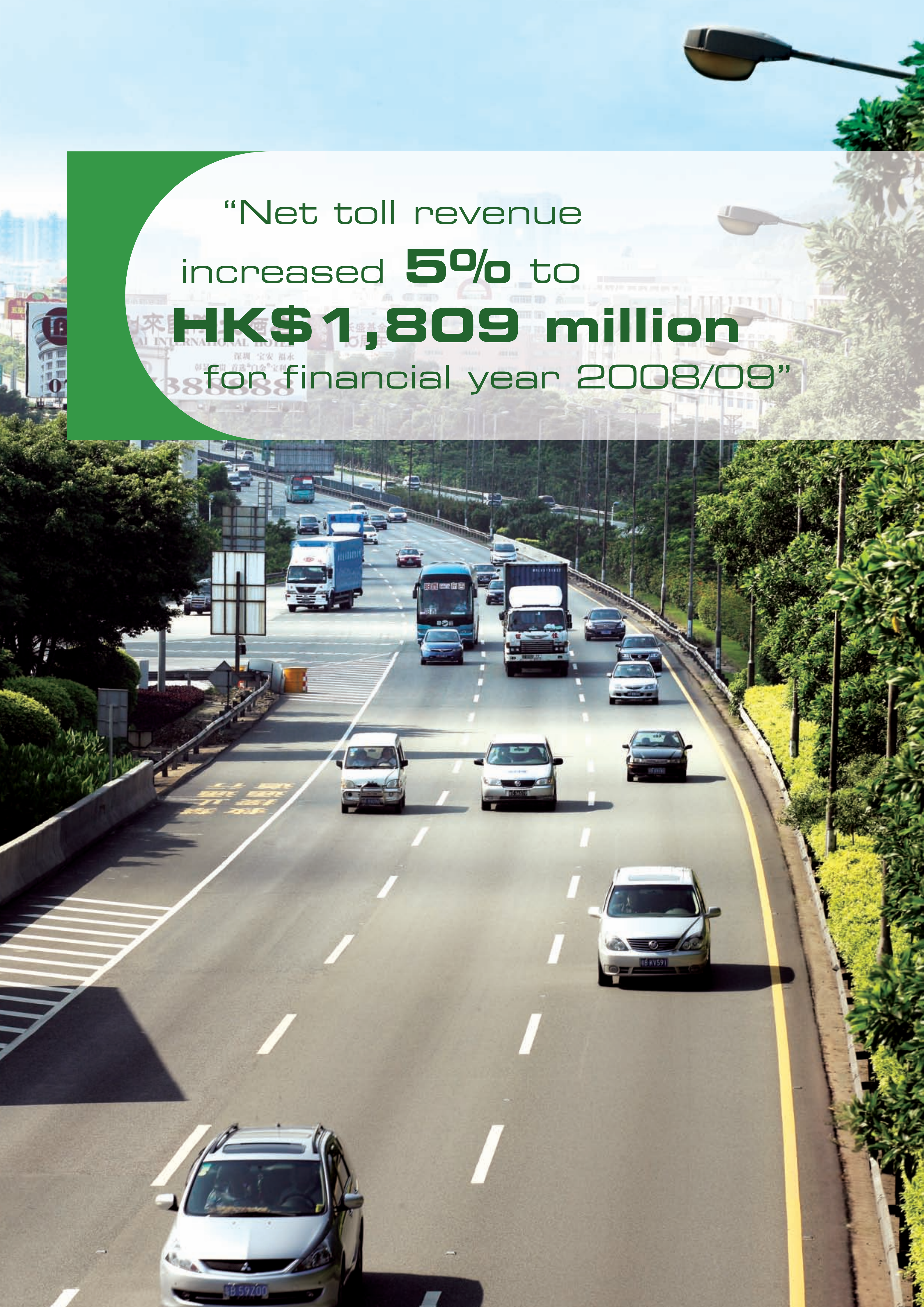
Final Dividend

In view of the good performance and the strong financial position of the Group, the Board of Directors (the "Board") has recommended a final dividend of HK18 cents per share. Together with the extraordinary special dividend of HK84 cents and the interim dividend of HK17 cents per share already paid, the total dividend for the full year will be HK119 cents per share, a 83% increase as compared to HK65 cents (including a special dividend of HK35 cents) for the last financial year. Excluding the extraordinary special dividend of HK84 cents per share, the total dividend for this year represents a 98% payout of profit attributable to equity holders of the Company.

Subject to the approval of the shareholders at the forthcoming annual general meeting to be held on 13 October 2009, the proposed final dividend will be paid on or about 14 October 2009 to shareholders as registered at the close of business on 13 October 2009. As presented in the last interim report/results announcement, the Group will adhere to a 100% dividend payout target, taking account of the strong earnings and cash flow as well as the strong balance sheet and cash surplus on hand.

Closure of Register

The Register of Members of the Company will be closed from Wednesday, 7 October 2009 to Tuesday, 13 October 2009, both days inclusive, during which no transfer of shares of the Company will be effected. In order to be qualified for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 6 October 2009.



"Net toll revenue increased **5%** to **HK$1,809 million** for financial year 2008/09"

Financial Status

The Group maintained a strong financial position throughout the year. The Group's proportionately shared net toll revenue for the year ended 30 June 2009 increased 5% from HK$1,717 million to HK$1,809 million. Re-opening of the Xintang to Dongguan section of GS Superhighway in July 2008 after the completion of its maintenance and improvement works gave rise to a rebound in toll revenue.

Financial Year	2008	2009	% Change
GS Superhighway (at joint venture company level)			
Average Daily Traffic (No. of vehicles '000)	320	**314**	-2%
Average Daily Toll Revenue (RMB '000)	8,713	**8,949**	3%
Phase I West (at joint venture company level)			
Average Daily Traffic (No. of vehicles '000)	28	**28**	0%
Average Daily Toll Revenue (RMB '000)	406	**409**	1%

The Group's balance sheet remains healthy. Save for borrowings of the PRC joint venture companies, the Group has no outstanding corporate debt. As at 30 June 2009, the Group (excluding PRC joint venture companies) had HK$2.8 billion of cash on hand, which would be more than sufficient for the equity injections required for Phase II West and Phase III West. At the project level, the Group's project debts are well covered by the project cash flow. When expressed in terms of project interest coverage, being defined as the ratio of the Group's proportionately shared project EBITDA *(**E**arnings **B**efore **I**nterest **T**axation **D**epreciation and **A**mortization)* for the year ended 30 June 2009 to the corresponding project interest expenses, it would be about 11 times. In addition, the Group's syndicated bank loan facility of HK$3.6 billion remains undrawn. Net current assets as at 30 June 2009 amounted to HK$2,182 million, representing a 61% decrease over the HK$5,661 million as at the last financial year end. The decrease was mainly due to the payment of the extraordinary special dividend of HK$2,495 million during the year. The project debts of the PRC joint venture companies proportionally shared by the Group exceeded the cash on hand at the corporate level after the payment of the extraordinary special dividend.

The cash inflow of the Group is mainly derived from the dividends declared by the joint venture companies of GS Superhighway and Phase I West. The Group's regular dividend payout has been sufficiently covered by such cash inflow.

Business Review and Outlook

During the year under review, the financial tsunami originated from the United States in 2007 continued to affect the global economy and resulted in the collapse of global stock markets in September 2008 and the world-wide credit crunch in the first half of 2009. The economies of PRC and Hong Kong have been affected, with the imports and exports sector being hit hard. Nonetheless, PRC Government has adopted a series of measures to tackle the difficulties brought along by the financial tsunami, including a proactive fiscal policy, a moderately loose monetary policy, and a stimulus package of RMB4 trillion. These measures have obtained initial success so far.

"EBIT increased **8%** to

HK$1,428 million

for financial year 2008/09"

The average daily traffic and toll revenue of GS Superhighway had been gradually rebounding after the completion of the maintenance and improvement works of its north-bound lanes of the Xintang to Dongguan section in July 2008. However, owing to the slump in import and export trades of Guangdong and the Green-Lane policy, the average daily traffic of GS Superhighway for the year recorded a minor decrease as compared to last year. For the breakdown, the traffic and toll revenue from Class 1 small cars had reached a record high level since the opening of GS Superhighway, while that from Classes 4 and 5 commercial vehicles had stabilized after a drop in the first quarter of 2009. Currently, the daily toll revenue has rebounded to a level comparable to that of 2006 when the historical high of daily toll revenue was recorded. Nonetheless, the Group believes that with its strategic location and connecting highway network well established over the past decade, GS Superhighway will continue to be the main artery within the region.

The sustaining growth in traffic and toll revenue of Phase I West was offset by the slump in import and export trades of Guangdong, the loss of traffic due to the mutual recognition of vehicles' annual passes between Guangzhou and Foshan, and the higher base value resulting from the substantial growth in traffic and toll revenue of Phase I West last year after ESW Ring Road became toll-free in September 2007.

It was announced in September 2008 that for the disclosed reasons, the Group entered into agreements with the same joint venture partner as Phase I West to increase the project investment costs for Phase II West and Phase III West and correspondingly to increase the Group's share of the additional capital by an approximate total amount of RMB812 million. The estimated total amount of project investment costs for Phase II West and Phase III West was increased to RMB12.8 billion. The agreements are being processed by the relevant authorities. It is currently planned to complete Phase II West by the end of June 2010 and to commence construction of Phase III West in 2010 with completion in approximately 3 to 4 years. Upon the completion of Phase II West and Phase III West, the total length of toll expressways invested by the Group will be expanded by about 60% to around 220 km. In view of the rapid urbanization, fast growing economic development and transportation demand of the western bank of the PRD region, the Group believes that all these will create synergy for the Western Delta Route as soon as it is fully completed.

Following the announcement of a series of urban integration cooperation between Guangzhou and Foshan, the pace of economic integration of the PRD region will be accelerated. The Group believes that this will foster the economic development of the PRD region, in particular the western bank, and the Group's highway network within the region will benefit.

Change of Director

With effect from 1 July 2009, Professor Chung Kwong POON was appointed as an Independent Non-Executive Director and the Chairman of the Remuneration Committee of the Company. On the same date, Mr. Alan Ming Fai TAM was appointed as an Executive Director of the Company. Moreover, with effect from 1 July 2009, Ir. Leo Kwok Kee LEUNG resigned from the board of the Company to take on other assignments with Hopewell Holdings Limited ("HHL"), and was appointed as a Non-Executive Director of HHL. I would like to take this opportunity to thank Ir. LEUNG for his valuable contribution towards the Company during his tenure of office.

Appreciation

I would like to take this opportunity to thank my fellow directors, management team and all staff for their hard work, dedication and commitment in the past year. I would also like to thank all of our shareholders, financiers and business partners for their continuous support and confidence in the Group which have contributed towards the Group's success last year.

Sir Gordon Ying Sheung WU GBS, KCMG, FICE
Chairman

Hong Kong, 26 August 2009

Profile of Directors

Sir Gordon Ying Sheung WU
GBS, 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
Executive Director

Mr. Barry Chung Tat MOK
Executive Director

Mr. Alan Ming Fai TAM
Executive Director

Mr. Nicholas Tai Keung MAY
Alternate Director to Mr. Barry Chung Tat MOK

Executive Directors

Sir Gordon Ying Sheung WU GBS, KCMG, FICE

Aged 73, he has been the Chairman of the Board of the Company since July 2003. He is also the Chairman of HHL, the ultimate holding company of the Company, and a director of various subsidiaries of the Company. He graduated from Princeton University with a Bachelor of Science degree in Engineering in 1958. He was responsible for the Company's infrastructure projects in the PRC and has been involved in the design and construction of numerous buildings and development projects of HHL and its subsidiaries in Hong Kong, the PRC and overseas, including the Shajiao B power plant which received the British Construction Industry Award and setting a world record of completion within 22 months. He is father of Mr. Thomas Jefferson WU, Managing Director of the Company.

He is very active in civic activities and community service, his civic and community duties include :

In the PRC

Deputy Director	Chinese People's Political Consultative Conference — Overseas Chinese Affairs Committee
Director	United Nations Association of China
Advisor	China Development Bank

In Hong Kong

Vice President	The Real Estate Developers Association of Hong Kong
Patron	Hong Kong Logistic Association
Honorary Vice President	Hong Kong Football Association Limited

Sir Gordon received Honorary Doctorate Degrees from The Hong Kong Polytechnic University, University of Strathclyde, UK, University of Edinburgh, UK, Lingnan University, Hong Kong and City University of Hong Kong. He is a Fellow of The Institution of Civil Engineers, UK, The Chartered Institute of Logistics and Transport in Hong Kong and Hong Kong Academy of Engineering Sciences. He is also a Honorary Fellow of Australian Society of Certified Practising Accountants. He has been appointed the Honorary Consul of The Republic of Croatia in the Hong Kong SAR. His other awards include:

Honorary Citizen

- The City of New Orleans, USA
- The City of Guangzhou, PRC
- The City of Foshan, PRC
- The City of Shenzhen, PRC
- The District of Shunde, PRC
- The District of Nanhai, PRC
- The District of Huadu, PRC
- The Province of Quezon, the Philippines

Awards and Honours	Year of Award
Officer de L'Ordre de la Couronne by HM Albert II, the King of Belgium	2007
The Order of Croatian Danica with figure of Blaz Lorkovic by the Republic of Croatia	2007
Gold Bauhinia Star (G.B.S.) by the Hong Kong SAR	2004
Leader of the Year 2003 (Business/Finance) by Sing Tao Newspaper Group	2004
Personality of the Year 2003 by the Asian Freight & Supply Chain Awards	2003
Knight Commander of the Order of St. Michael and St. George for Services to British Exports by the Queen of England	1997
Industry All-Star by Independent Energy, USA	1996
International CEO of the Year by George Washington University, USA	1996
Among "the Best Entrepreneurs" by Business Week	1994
Man of the Year by the International Road Federation, USA	1994
Business Man of the Year by the South China Morning Post and DHL	1991
Asia Corporate Leader by Asia Finance Magazine, HK	1991
Chevalier de L'Ordre de la Couronne by the King of Belgium	1985

Mr. Eddie Ping Chang HO

Aged 76, he has been the Vice Chairman of the Company since July 2003 and is a director of various subsidiaries of the Company. He is also the Vice Chairman, Managing Director and the Chairman of the Remuneration Committee of HHL. He has extensive experience in implementation of property development and major infrastructure strategic development projects and has been involved in developing all the projects of HHL and the Company in the PRC, including highway, hotel and power station projects. He is also a director and 50% beneficial owned of HCNH Insurance Brokers Limited, of which HHL has a minority stake. He is an Honorary Citizen of the cities of Guangzhou, Foshan and Shenzhen, and the Shunde District in the PRC.

Mr. Thomas Jefferson WU

Aged 36, an Executive Director of the Company since January 2003, he was appointed the Managing Director in July 2003. He is also the Co-Managing Director of HHL and a director of various subsidiaries of the Company. He is responsible for strategic planning, corporate policy and overall management of the Company and has upgraded its financial and management accounting systems. He holds a Master of Business Administration degree from Stanford University and a Bachelor of Science degree in Mechanical and Aerospace Engineering from Princeton University.

In 2006, the World Economic Forum selected Mr. WU as a "Young Global Leader". He is a Standing Committee member and a member of the Huadu District Committee of The Chinese People's Political Consultative Conference and an Honorary Citizen of the City of Guangzhou in the PRC. Mr. WU is also a member of the Advisory Committee of the Securities and Futures Commission, a member of the Pan-Pearl River Delta Panel of the Central Policy Unit of the Hong Kong SAR Government, a member of the China Trade Advisory Committee of Hong Kong Trade Development Council, a member of the Hong Kong SAR Government Steering Committee on the Promotion of Electric Vehicles, a council member of The Hong Kong Polytechnic University, a member of the Court of The Hong Kong University of Science and Technology, Vice Chairman of The Chamber of Hong Kong Listed Companies, a member of the board of directors of The Community Chest of Hong Kong and The Hong Kong Sports Institute Limited, the Honorary Consultant of the Institute of Accountants Exchange, Honorary President of the Association of Property Agents and Realty Developers of Macau, Honorary President of the Association of Huadu in Macau, Vice Chairman of the Chinese Ice Hockey Association, Honorary President of the Macau Ice Sports Federation, Chairman of Hong Kong Amateur Hockey Club Limited and Hong Kong Academy of Ice Hockey Limited and an independent director of Melco Crown Entertainment Limited.

Mr. WU is a son of Sir Gordon Ying Sheung WU, Chairman of the Board.

Mr. Alan Chi Hung CHAN

Aged 50, he has been an Executive Director of the Company since January 2003 and was appointed the Deputy Managing Director in July 2003. He is also a director of various subsidiaries of the Company. He was awarded a Bachelor of Science degree from the Chinese University of Hong Kong in 1983 and a Postgraduate Diploma in Management Studies from the City University of Hong Kong in 1989. He is responsible for project coordination, project finance, management and administration of the expressway infrastructure and other projects of the Company in the PRC. He was an Executive Director of HHL during the period from 1 January 2002 to 25 July 2003.

Mr. Cheng Hui JIA

Aged 68 and an Executive Director of the Company since 3 July 2003, he is responsible for liaison and project coordination with various PRC government authorities. He was primarily engaged in the development of projects in the PRC during the 18 years with HHL. He was an Assistant to Chairman and China Project Controller. He previously worked in aerospace research in the PRC for many years. He graduated from Harbin Industry University in 1964 with a Bachelor of Science degree.

Mr. Barry Chung Tat MOK

Aged 51, he was appointed an Executive Director of both the Company and HHL in August 2005. He is responsible for overseeing the finance and investor relations functions of the Company. He has a Bachelor Degree in Economics/Accounting from the University of Reading, United Kingdom. He has extensive knowledge in corporate finance and project finance. He was previously the Chief Executive of BOCI Capital Limited.

Mr. Alan Ming Fai TAM

Aged 39, he was appointed an Executive Director of the Company since 1 July 2009. He is responsible for the corporate planning, business operation and project planning and development of the Company. Mr. TAM holds a Master of Business Administration degree and a Bachelor of Engineering degree in Civil and Structural Engineering from The University of Hong Kong. He first joined HHL in 1995 and was engaged in construction, operation and financing of Guangzhou-Shenzhen Superhighway of HHL. He left HHL in 1999 for about one year and re-joined HHL in 2000. Since then, Mr. TAM has all along been taking care of various highway projects of HHL and responsible for the day-to-day management of toll roads and planning and development of new projects in the PRC. He had actively involved in the floatation of the Company and transferred from HHL to the Company upon its listing in 2003.

Mr. Nicholas Tai Keung MAY

Aged 47, joined HHL in April 2007 as Group Financial Controller. He was appointed an Alternate Director (to Mr. Barry Chung Tat MOK) of the Company in May 2008. He is a CPA of CPA Australia and a CPA of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor's Degree in Economics from Macquarie University and a Master's Degree in Commerce from University of New South Wales.

Independent Non-Executive Directors

Mr. Philip Tsung Cheng FEI

Aged 67, he was appointed an Independent Non-Executive Director of the Company in July 2003 and is also a member of the Audit Committee of the Company. He was awarded a Bachelor of Architectural Engineering degree from Cheng-Kung University in Taiwan in 1962, a Bachelor of Architecture degree from North Carolina State University in 1965 and a Master of Science degree in City Planning from Pratt Institute in the U.S. in 1974. He is currently the managing partner at Fei & Cheng Associates, an architectural and planning firm. He has over 30 years' experience in planning and architectural projects. Prior to establishing Fei & Cheng Associates, he worked for a number of architecture firms in the U.S.

Mr. Lee Yick NAM

Aged 62, he was appointed an Independent Non-Executive Director of the Company in July 2003 and is also an Independent Non-Executive Director of HHL. He is the Chairman of the Audit Committees and a member of the Remuneration Committees of both the Company and HHL. He holds a certificate in management studies from Carnegie Mellon University of the United States in 1977. He has over 30 years' experience in the banking, investment and finance industry. He was an Executive Director of Liu Chong Hing Bank from 1990 to 2001. Prior to that, he was a Vice President at Citibank, Mellon Bank and American Express Bank. He was a member of the Hong Kong Deposit Protection Board from 2004 to 2008 and Chairman of its Investment Committee from 2006 to 2008.

Mr. Kojiro NAKAHARA

Aged 68, he was appointed an Independent Non-Executive Director of the Company in July 2003 and is also a member of the Audit Committee of the Company. He graduated from Tokyo Mercantile Marine University in 1964 with a Bachelor degree in Marine Engineering. He joined Kanematsu Corporation in 1964 and had held various senior positions in Tokyo, Singapore and Hong Kong offices. He was appointed Managing Director of Kanematsu (Hong Kong) Limited in 1996 and retired in 2000.

Dr. Gordon YEN

Aged 39, he was appointed an Independent Non-Executive Director of the Company in July 2003 and is also a member of the Remuneration Committee of the Company. He was awarded a Bachelor of Manufacturing Engineering degree from Boston University, U.S. in 1990, a Master of Business Administration degree from McGill University, Canada in 1992 and a Doctorate degree in Business Administration from The Hong Kong Polytechnic University, Hong Kong in 2005. He is currently an Executive Director of Fountain Set (Holdings) Limited, a public company listed on The Stock Exchange of Hong Kong Limited.

Professor Chung Kwong POON GBS, JP

Aged 69, he was appointed an Independent Non-Executive Director of the Company since 1 July 2009 and is also the Chairman of the Remuneration Committee of the Company. Professor POON is the President Emeritus of The Hong Kong Polytechnic University and had devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at The Hong Kong Polytechnic University. He was honoured as one of the "Ten Outstanding Young Persons in Hong Kong" in 1979; was appointed a Non-official Justice of the Peace (JP) in 1989; received the OBE award in 1991, the Gold Bauhinia Star (GBS) in 2002 and also the "Leader of the Year Awards 2008 (Education)".

Professor POON is a Non-executive Director of Lee & Man Paper Manufacturing Limited and an Independent Non-Executive Director of K. Wah International Holdings Limited, both of whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited.

Management Discussion and Analysis

During the year under review, the global economy took a turn for the worse amid the financial tsunami, resulting in credit crunch and stock prices slump. The economies of PRC and Hong Kong were no exception. Economic growth and import and export trades slackened significantly. Factories and enterprises in the PRD region found it hard to make ends meet, leading to the drop in demand for freight and passenger transportation. To confront the negative impacts of the financial tsunami, PRC Government has launched a package of economic stimulus measures since late last year to maintain a steady economic growth, including a proactive fiscal policy, a moderately loose monetary policy, an increase in infrastructure investments, and policies to stimulate domestic demand and support key industries. So far these measures have gained initial success. In the first half of 2009, PRC saw a 7.1% growth in gross domestic product. Capital asset investments surged, consumer confidence regained and domestic demand increased, which in turn helped offset most of the impact caused by the drop in import and export trades. Among various industries, the automobile industry gained major support from the national policy, including a reduction of vehicle sales tax, subsidies on the purchase of new vehicles on a trade-in basis, a replacement of the road maintenance fee with the newly introduced fuel tax and the cancellation of toll charging on grade 2 toll roads. These measures have altogether contributed to bring about a steady growth in car ownership. Both the car production volume and sales volume in PRC have exceeded six million vehicles in the first half of 2009, and are expected to go beyond 10 million for the whole year, setting the stage for PRC to overtake the United States as the country which domestically sells the highest number of vehicles in the world. In spite of the mild growth of car sales in Guangdong in the first half of 2009, its growth in the total number of car ownership remains robust. The Group believes that GS Superhighway and Phase I West are both set to benefit from the sustainable growth in car ownership, the rebound of PRC's economy, and the resurge in transportation needs within the PRD region which will be further driven up by the efforts of Guangzhou Government to perfect its transportation network with peripheral cities prior to the 16th Asian Games to be held in Guangzhou in November 2010.


For the year ended 30 June 2009, GS Superhighway and Phase I West recorded a decrease in aggregate average daily traffic of 2% to 342,000 vehicles and an increase in aggregate average daily toll revenue of 3% to RMB9.36 million. Both the toll revenues of GS Superhighway and Phase I West increased, and the aggregate total annual toll revenue amounted to RMB3,416 million.

In response to the rising operating costs, the Group continued to apply effective measures to control the costs and enhance the operating efficiency of the joint venture companies. These ongoing measures included promoting staff productivity, strengthening energy savings, containing the rise in administrative expenses and so on. In addition, the Group also reduced its finance costs by choosing flexible financial products offered by PRC banks with reasonably low interest rates to refinance loans bearing higher interest rates borrowed by the joint venture companies.

The construction of Phase II West is planned to be completed and ready for operation by the end of June 2010. The opening of Phase II West to traffic will help expand the Group's toll revenue base. The application for the project approval of Phase III West is under review by the National Development and Reform Commission. Subject to the progress of approval, it is currently planned that construction of Phase III West will commence in 2010 and be completed in approximately 3 to 4 years. Although the market prices of construction materials have rebounded recently, they are still lower than those seen in September 2008 when the Group entered into agreements for further investments in Phase II West. Since the prices of the steel required to complete Phase II West have been locked up at levels below which were provided in the increased investment budget in September 2008, it is expected that the final construction cost of Phase II West will be lower than the budgeted cost of RMB7,200 million.

The economic development of the western bank of the PRD region will be integrated, optimized and accelerated in view of the initiatives laid down in the Outline of the Eleventh Five-Year Plan for the National Economic and Social Development in Guangdong Province and the Outline of the Plan for the Reform and Development of the PRD (2008–2020) promulgated by the National Development and Reform Commission in December 2008. Moreover, the construction of the Hong Kong-Zhuhai-Macau Bridge is expected to commence earlier in late 2009. All these will facilitate the further expansion and enhancement of the regional highway network, bringing synergy to the Western Delta Route.

According to media reports, the construction works of the 49 km Dongguan section and the 30 km Shenzhen section of the Guangzhou-Shenzhen Coastal Expressway are planned to be completed by the end of 2010 and by the end of 2012 respectively. The Group will pay attention to its progress. Given GS Superhighway's strategic location in the highway network of the PRD region and its planned expansion into a ten-lane expressway, the Group believes that its leading position as the main artery within the region can hardly be surpassed.

In addition, it was also reported that the authorities concerned in PRC and Hong Kong have actively been studying to introduce a short-term quota for cross-border private cars. It is believed that arrangements are being considered to grant one-off cross-border licenses to Hong Kong registered private cars crossing the border at Shenzhen Bay Port before the end of 2009. The Group believes that such arrangements will be beneficial to GS Superhighway.

The new PRC Enterprise Income Tax Law (the "New Law"), which has been implemented since 1 January 2008, has imposed a gradual increase in applicable tax rate from the current 18% to 25% over the next five years (20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012) effective 1 January 2008. According to the New Law, the joint venture companies of GS Superhighway and Phase I West which currently enjoy preferential enterprise income tax treatment are entitled to the outstanding preferential tax holidays until their respective expiry. When the tax holiday for GS Superhighway expires at the end of 2009, its applicable enterprise income tax rate will be 22% in 2010, while that for Phase I West will be 24% in 2011 upon the lapse of its tax holiday at the end of 2010. Starting from 2012 until the end of the cooperation period of the joint venture companies, the applicable rate for both GS Superhighway and Phase I West will be 25%. In addition, with effect from 1 January 2008, a 5% withholding tax has been levied on dividends attributable to 2008 and onwards receivable by a Hong Kong enterprise from a PRC joint venture company. Moreover, a newly-built toll expressway project, upon the receipt of toll income, may start to enjoy a three-year exemption on enterprise income tax, followed by another three-year of a 50% tax rate reduction. Phase II West and Phase III West are both eligible to enjoy this tax concession.

To encounter the global financial tsunami and as an incentive for enterprises to increase capital asset investments, PRC Government has lowered the minimum capital requirements since early 2009 for certain qualified projects of which their construction has not yet started. In particular, the capital requirement for expressway project has been lowered from 35% to 25% of the total investment amount. Phase III West is expected to benefit from this change. When the approval of the relevant authorities is obtained, the capital which the Group is required to inject into Phase III West will be reduced by RMB280 million, from RMB980 million to RMB700 million.

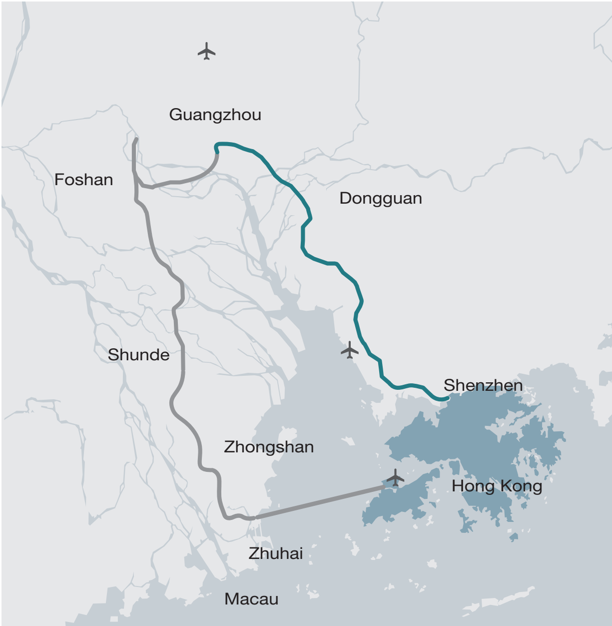
As at 30 June 2009, the bank balances and cash of the Group (excluding the joint venture companies) amounted to HK$2,775 million and the Group (excluding the joint venture companies) had no corporate debt outstanding. After taking into account of the Group's attributable share of the assets and liabilities of the joint venture companies, the overall gearing ratio of the Group was 30%. As the majority of the bank loans of the joint venture company of GS Superhighway were denominated in US dollars, the US dollar liabilities accounted for the majority portion of the present total liabilities. In view of the Group's existing projects and the current financing environment in PRC, it is expected that the Group's overall gearing ratio will increase gradually after the completion and operation of Phase II West and Phase III West, leading to a corresponding increase in the proportion of RMB liabilities to the total liabilities.

In view of the abundancy of funds and capital, the Board of Directors declared on 23 October 2008 an extraordinary special dividend of HK84 cents per ordinary share for the financial year ending 30 June 2009 with a view to increasing the return on equity of the shareholders of the Company.

Guangzhou-Shenzhen Superhighway

Project Summary

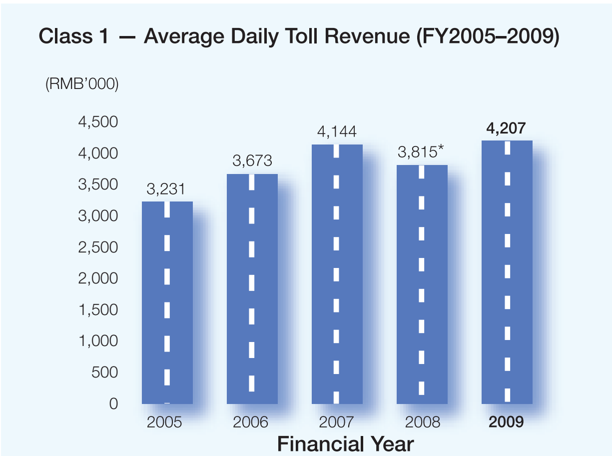
Location	Guangzhou to Shenzhen, Guangdong, PRC
Length	122.8 km
Lane	Total six lanes in dual directions
Class	Expressway
JV Contractual Operation Period	Jul 1997 – Jun 2027
Profit Sharing Ratio	Year 1-10 : 50% Year 11-20 : 48% Year 21-30 : 45%

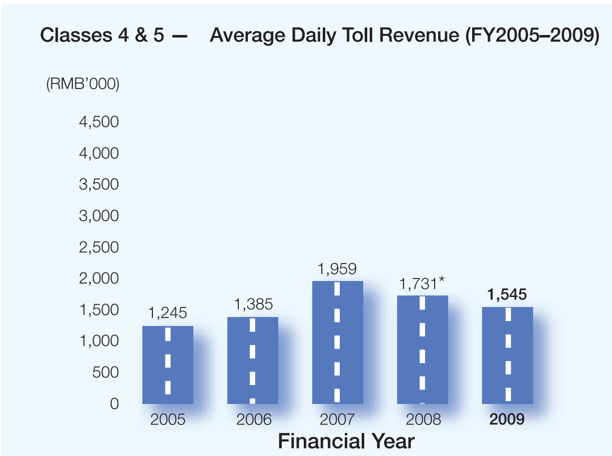


GS Superhighway is a 122.8 km long, fully lit, closed expressway with a total of six lanes in dual directions. Currently, it is the only expressway connecting Guangzhou, Dongguan, Shenzhen and Hong Kong. It is also the major artery in the PRD highway network with connections to Guangzhou Ring Road, Guangzhou Second Ring Road (northern and eastern sections), Humen Bridge and Changhu Expressway in Dongguan, Jihe Expressway and Nanping Expressway in Shenzhen, as well as some major cities, ports and airports in the region.

During the year under review, GS Superhighway's average daily traffic slid 2% to 314,000 vehicles as compared to that of last year, while its average daily toll revenue increased 3% to RMB8.95 million. The total annual toll revenue amounted to RMB3,266 million.

The maintenance and improvement works of the north-bound lanes of the Xintang to Dongguan section of GS Superhighway had been completed and the section was re-opened to traffic on 9 July 2008. Its toll revenue and traffic had gradually been rebounding. However, since the fourth quarter of 2008, the import and export trades of Guangdong have slumped due to the financial tsunami and the global economic downturn. In the first half of 2009, the aggregate amount of imports and exports fell 21% as compared to the same period last year. In addition, due to the continuous implementation of the "Green-Lane" policy as well as the traffic diversion caused by the new roads nearby, the toll revenue and traffic of GS Superhighway recovered at a pace slower than expected. The traffic slightly dropped 2% as compared to that of last year. Nevertheless the traffic and toll revenue of Class 1 small cars rose to a historical high level, whereas that from Classes 4 and 5 commercial vehicles had stabilized after a drop in the first quarter of 2009. Currently, the daily toll revenue has rebounded to a level comparable to that





* Part of GS Superhighway closed for maintenance in phases during October 2007 to July 2008

of 2006 when the historical high of daily toll revenue was recorded. The Group believes that following the economic recovery of Guangdong, the traffic and toll revenue of GS Superhighway will regain their momentum of growth.

From mid-July to December of 2009, the section between Guangqing interchange and Cencun interchange of Guangzhou Northern Ring Road is fully closed for maintenance works. Some vehicles may have to take a detour to enter or exit GS Superhighway. Preliminary observations showed that the closure would have minimal impact on the traffic and toll revenue of GS Superhighway.

The Group and the joint venture companies have always attached great importance to traffic safety. Over the years, ample resources have been deployed to upgrade and enhance the safety and service facilities of GS Superhighway, with a view to providing drivers with a safe, comfortable and speedy expressway. An intelligent traffic management system, jointly installed by the joint venture company and the Traffic Management Department of Guangdong Provincial Public Security Bureau, was completed and put into operation in January 2009. GS Superhighway is now the first model toll expressway in Guangdong to have adopted such an intelligent system. The system helps further enhance the efficiency of traffic surveillance in detecting and handling traffic accidents so as to minimize congestions and casualties. In addition, in collaboration with the traffic police, the close supervision of the 100 plus traffic surveillance cameras along the road and the use of global positioning system ("GPS") installed in GS Superhighway's patrol and rescue vehicles, the joint venture company is able to attain the "4-Fast" principles of traffic accident handling, namely, "Fast Discovery, Fast Arrival, Fast Handling and Fast Clearance", to ensure smooth traffic.

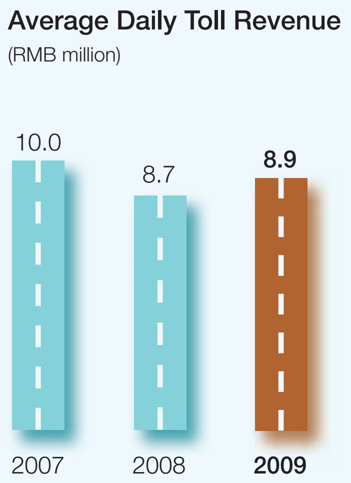
In July 2008, the Group, through GS Superhighway's joint venture company, co-organized a large-scale, province-wide traffic safety educational promotion campaign with the Traffic Management Department of Guangdong Provincial Public Security Bureau. Over 100,000 volumes of Chinese literature 《Analects of Confucius》 inserted with traffic safety tips were distributed to the general public free of charge, for the dual purpose of promoting traffic safety and traditional Chinese culture.

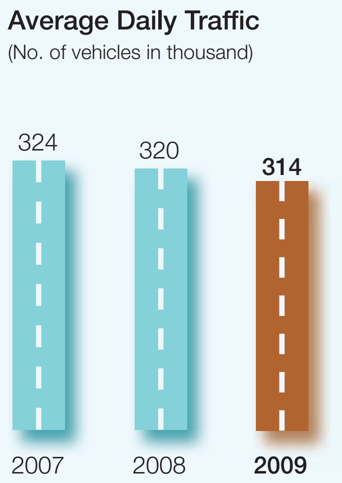
Since the opening of GS Superhighway over a decade, the joint venture company has developed into one of the most sizeable and well-managed corporations in PRC highway industry. In mid-2009, it sets up a corporate culture department so as to further strengthen its core values, promote management quality, enhance corporate competitiveness, foster cohesion and team spirit among the staff, and bring into full play the corporate mission of delivering quality services.

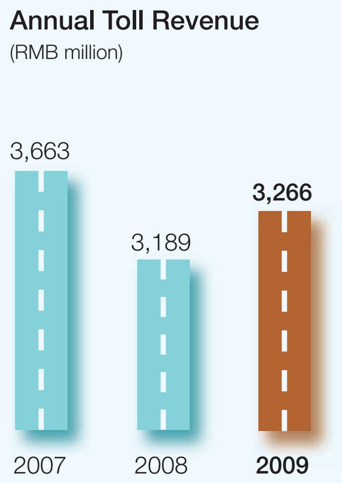
To meet the rising traffic demand, the feasibility study on widening GS Superhighway to an expressway with a total of ten lanes in dual directions is being conducted and fine-tuned. Upon completion, an application will be submitted to the authorities for approval according to the relevant regulations.

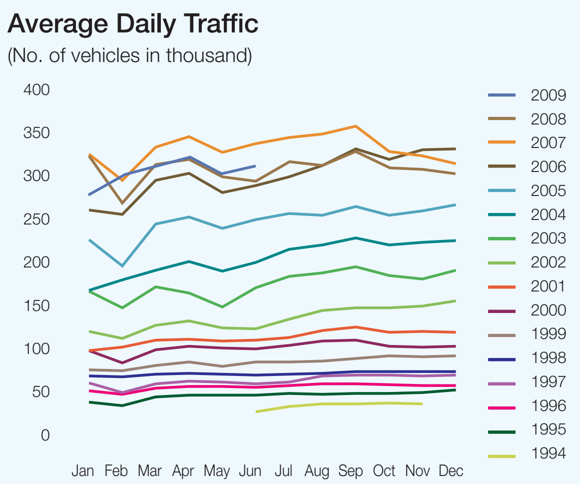
According to media reports, the construction works of the 49 km Dongguan section and the 30 km Shenzhen section of the Guangzhou-Shenzhen Coastal Expressway are planned to be completed by the end of 2010 and by the end of 2012 respectively. The Group will pay attention to its progress. Given GS Superhighway's strategic location in the highway network of the PRD region and its planned expansion into a ten-lane expressway, the Group believes that its leading position as the main artery within the region can hardly be surpassed.

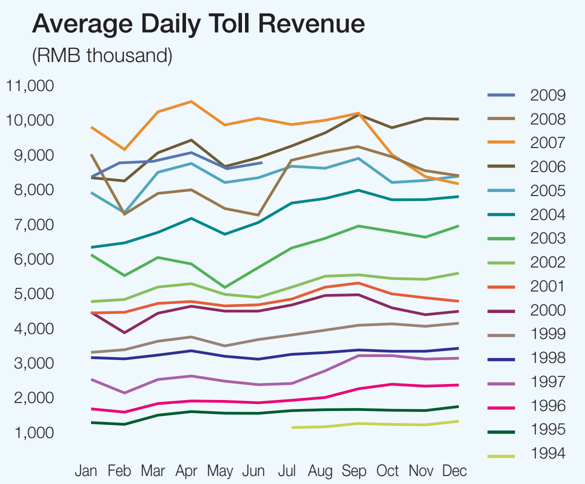
GS Superhighway Joint Venture

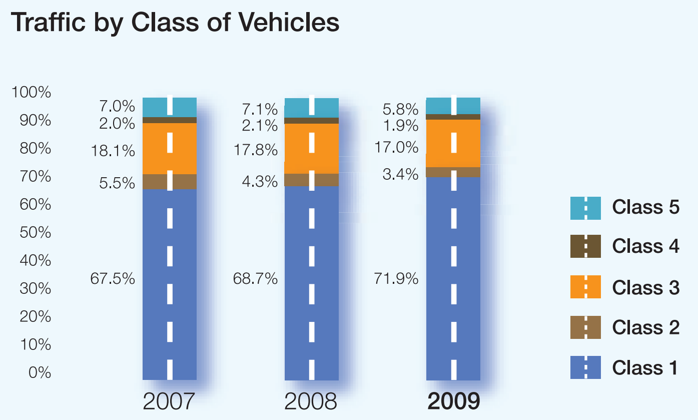












Phase I of the Western Delta Route

Project Summary

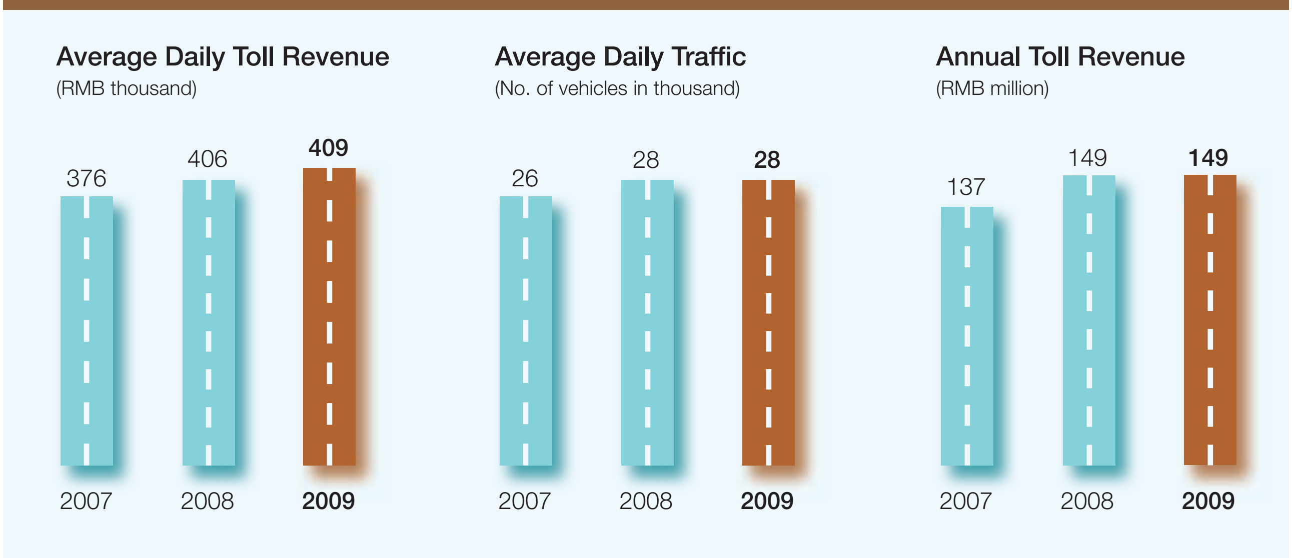
Location	Guangzhou to Shunde, Guangdong, PRC
Length	14.7 km
Lane	Total six lanes in dual directions
Class	Expressway
JV Contractual Operation Period	Sep 2003 – Sep 2033
Profit Sharing Ratio	50%

The Western Delta Route is scheduled to be built in three phases. Its first phase, Phase I West, has commenced operation since April 2004. Phase I West is a 14.7 km closed expressway with a total of six lanes in dual directions connecting ESW Ring Road to the north, and National Highway 105 and Bigui Road of Shunde to the south. Currently, it is the only expressway linking Guangzhou and Shunde. Phase I West made profits and generated positive cash flow in its first full year of operation in financial year 2004/05.

The growth in traffic and toll revenue of Phase I West slackened during the year, primarily because of the slump in import and export trades in Guangdong and the mutual recognition of vehicles' annual passes between Guangzhou and Foshan since October 2008. Under this mutual recognition, vehicles of either city are exempted from paying toll for using grade 1 toll roads and toll bridges of the other city. Moreover, the substantial growth in traffic and toll revenue of Phase I West last year after ESW Ring Road became toll-free since September 2007 resulted in higher base figures. During the year, Phase I West's average daily traffic was 28,000 vehicles which was comparable to that of last year, and average daily toll revenue rose 1% to RMB409,000. The total annual toll revenue amounted to RMB149 million.

From mid-July to December of 2009, the section between Guangqing interchange and Cencun interchange of Guangzhou Northern Ring Road is

Phase I West Joint Venture

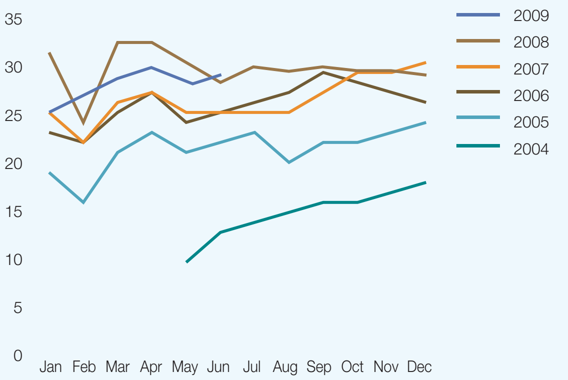


completely closed for maintenance works. Some vehicles may detour ESW Ring Road to access GS Superhighway. This may cause traffic congestion in ESW Ring Road at the section linking Phase I West and may affect the latter's traffic and toll revenue. However, from mid-August 2009 to end March 2010, the Sanshan West Bridge leading to the Sanshan Container Port in Nanhai is fully closed for maintenance works. Most vehicles, especially trucks, are to be diverted to Phase I West according to the recent traffic police public notice. Taking into account of the net effect of the two closures, it is expected that the traffic and toll revenue of Phase I West will have a mild growth in the coming year.

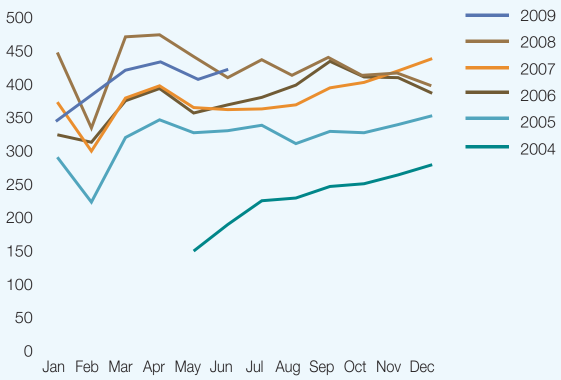
According to the highway network planning of Guangzhou and Foshan, several highways currently under planning or construction will be connected to Phase I West upon completion in the next few years. These include Foshan First Ring Road extension link, Pingzhou-Danzao Expressway and Pingzhou-Nansha Expressway as well as Guangzhou-Gaoming Expressway etc., all of which will serve as drivers for the future growth of Phase I West and the entire Western Delta Route. Besides, the largest railway station in Asia situated in Panyu District of Guangzhou, adjacent to Phase I West, is scheduled to commence operation in phases by the end of 2009, and set to boost the passenger car traffic of Phase I West. In the near future, Phase I West is expected to benefit from the robust economic growth of Foshan and the completion of the connecting expressways and railway station nearby. Moreover, as Phase II West is going to commence operation by the end of June 2010, Phase I West will become more competitive and more dynamic in its future growth.

Phase I West Joint Venture

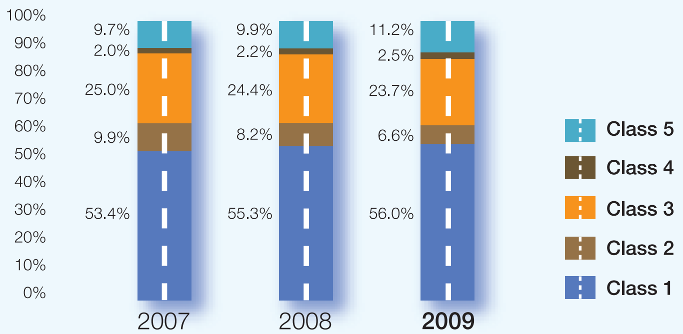
Average Daily Traffic
(No. of vehicles in thousand)



Average Daily Toll Revenue
(RMB thousand)



Traffic by Class of Vehicles



Phase II of the Western Delta Route

Project Summary

Location	Shunde to Zhongshan, Guangdong, PRC
Length	Approx. 46 km
Lane	Total six lanes in dual directions
Class	Expressway
JV Contractual Operation Period	Apr 2007 – Sep 2038
Profit Sharing Ratio	50%

Phase II West is a 46 km closed expressway with a total of six lanes in dual directions. It is connected to Phase I West in Shunde at the northern end and extends southwards to Zhongshan, linking with the National Highway 105, the proposed Xiaolan Expressway and the new Qijiang Highway in Zhongshan. Upon completion, Phase I West and Phase II West will be the only expressways linking Guangzhou to the central area of Zhongshan. The construction of Phase II West is currently planned to be completed and operational by the end of June 2010.

According to the reasons stated in the joint announcement made by the Company and HHL on 2 September 2008, the investment budget for Phase II West was adjusted to RMB7,200 million. The Group therefore entered into an amendment agreement for the joint investment in, construction and operation of Phase II West with its PRC partner (the same PRC partner of Phase I West) on the same day to increase the Group's share of the registered capital for the project by approximately RMB402.5 million. The agreement has been submitted to the Ministry of Transport and the National Development and Reform Commission for approval.

Although the market prices of construction materials have rebounded recently, they are still lower than those seen in September 2008 when the Group entered into the agreement for further investment in

Phase II West. Moreover, since the prices of the steel required to complete Phase II West have been locked up at levels below which were provided in the increased investment budget, it is expected that the final construction cost of Phase II West will be lower than the budgeted cost of RMB7,200 million.

The difference between the budgeted investment amount and the registered capital of Phase II West is financed by banks in PRC. Loan facility has been obtained by the joint venture company.

Based on the annual toll revenue for the first full year of operation of GS Superhighway and Phase I West, Phase II West is targeted to achieve a breakeven of cash flow in its first full year of operation. Preliminary estimation suggests that if Phase II West's annual toll revenue for its first full year of operation amounts approximately to RMB6.5 million per km, a breakeven of cash flow will be achieved. If it is over RMB9.5 million per km, profits will be attained. During the period under review, the toll revenue of Phase I West amounted to about RMB10 million per km.

Phase III of the Western Delta Route

Project Summary

Location	Zhongshan to Zhuhai, Guangdong, PRC
Length	Approx. 38 km
Lane	Total six lanes in dual directions
Class	Expressway
JV Contractual Operation Period	Subject to the approval of the relevant PRC authorities
Profit Sharing Ratio	Proposed 50%

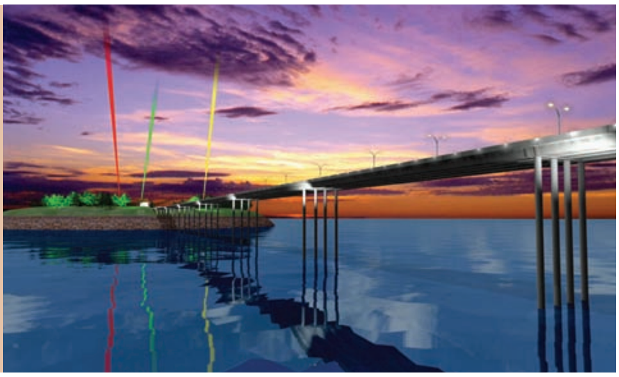
Phase III West is a 38 km closed expressway with a total of six lanes in dual directions. It is connected to Phase II West in Zhongshan at the northern end and extends southwards to connect to the highway network in Zhuhai.

According to the joint announcement made by the Company and HHL on 2 September 2008, the investment budget for Phase III West was adjusted to RMB5,600 million. Similar to the case of Phase II West, the Group entered into an amendment agreement for the joint investment in, construction and operation of the Phase III West with its PRC partner (the same PRC partner of Phase I West) on the same day to increase the Group's share of the registered capital for the project by approximately RMB409.5 million. The agreement is now being processed by the National Development and Reform Commission. Subject to the progress of approval, Phase III West is currently planned to commence construction in 2010 and to be completed in approximately 3 to 4 years.

To encounter the global financial tsunami and as an incentive for enterprises to invest in the construction of capital asset projects, PRC Government has lowered the minimum capital requirements since early 2009 for certain qualified projects of which their construction has not yet started. In particular, the capital requirement for expressway projects has been lowered from 35% to 25% of the total investment amount. Phase III West is expected to benefit from this change. When the approval of the relevant authorities is obtained, the capital which the Group is required to inject into Phase III West will be reduced by RMB280 million, from RMB980 million to RMB700 million.

The Group will endeavour to expedite the construction of Phase II West and Phase III West and have them completed earlier. It is expected that upon full completion, the Western Delta Route will be the only expressway linking up Guangzhou, Foshan, Zhongshan and Zhuhai, as well as the most direct and convenient expressway leading to Macau. It will become a strategic expressway on the western bank of the PRD region.

Hong Kong-Zhuhai-Macau Bridge Project



The Group is confident that the fast-track construction plan of the Hong Kong-Zhuhai-Macau Bridge project will not only accelerate the economic cooperation among Guangdong, Hong Kong and Macau but will also make positive contribution to the economic development of the western bank of the PRD region as well as expanding and enhancing the regional highway network.

Over the past two decades, our Chairman and the Group have devoted tremendous efforts to the development of the Hong Kong-Zhuhai-Macau Bridge project which had won affirmative recognition from the Central Government and relevant local governments, as well as comprehensive support from the general public. The project arrangement has been confirmed by the joint work committee of the governments of Hong Kong, Guangdong and Macau, and its construction will begin soon in 2009 according to press reports.

Financial Review

For the financial year ended 30 June 2009, the performance of the Group is reported as follows:

	Year ended 30 June	
	2008 HK$ million (restated)	**2009** **HK$ million**
Net toll revenue	1,717	**1,809**
Other income	236	**166**
Toll expressway operation expenses	(163)	**(143)**
Provision for resurfacing charges	(27)	**(13)**
Depreciation and amortization charges	(305)	**(307)**
General and administrative expenses	(134)	**(84)**
Earnings before interest and tax (Note)	1,324	**1,428**
Finance costs	(252)	**(162)**
Income tax expenses	(195)	**(187)**
Recurring profit	877	**1,079**
Net exchange gain (loss)	439	**(2)**
Gain on disposal of a jointly controlled entity	974	**—**
Taxation on gain on disposal of a jointly controlled entity and exchange gain	(167)	**—**
Deferred tax arising from change in PRC tax rate	(90)	**—**
Profit for the year	2,033	**1,077**
Minority interests	(19)	**(18)**
Profit attributable to equity holders of the Company	2,014	**1,059**

Note: Reconciliation to Consolidated Income Statement

	Year ended 30 June	
	2008 HK$ million (restated)	**2009** **HK$ million**
Earnings before interest and tax per Financial Review	1,324	**1,428**
Add:		
Net exchange gain (loss)	439	**(2)**
Finance costs	(252)	**(162)**
Gain on disposal of a jointly controlled entity	974	**—**
Profit before tax per Consolidated Income Statement	2,485	**1,264**

The aggregate net toll revenue of all expressway projects proportionately shared by the Group for the year ended 30 June 2009 recorded an increase of 5% to HK$1,809 million from HK$1,717 million of the last corresponding year. The increase was the net effect of the rise in traffic flow of the Group's expressways especially GS Superhighway upon the reopening of its north-bound lanes of the Xintang to Dougguan section after the completion of the maintenance and improvement works on 9 July 2008, the appreciation of RMB and the disposal of the Group's entire 45% interest in ESW Ring Road in September 2007. Among the aggregate net toll revenue proportionately shared by the Group, GS Superhighway and Phase I West contributed 95% (or HK$1,727 million) and 5% (or HK$82 million) respectively.

The Group's proportionately shared net toll revenue of all of its toll expressways in PRC is set out as follows:

	Year ended 30 June	
	2008 HK$ million	**2009** **HK$ million**
GS Superhighway	1,594	**1,727**
Phase I West	78	**82**
ESW Ring Road	45	**0**
	1,717	**1,809**

During the year, the toll expressway operation expenses and general and administrative expenses decreased 24% from HK$297 million to HK$227 million, mainly due to the disposal of the entire interest in ESW Ring Road in September 2007 and the effective measures taken by the Group to control the costs and enhance the operating efficiency of the joint venture companies to cope with the rising operating costs in the PRD region.

Despite the disposal of the entire interest in ESW Ring Road, the depreciation and amortization charges increased slightly by 1% from HK$305 million to HK$307 million as a result of the completion of the maintenance and improvement works of the Xintang to Dongguan section of GS Superhighway on 9 July 2008.

Excluding the disposal gain of ESW Ring Road (pre-tax: HK$974 million; after tax: HK$841 million) and the exchange gain (pre-tax HK$439 million; after tax: HK$405 million), the earnings before interest and tax increased 8% from HK$1,324 million of the last corresponding year to HK$1,428 million, mainly due to a rise in net toll revenue by HK$92 million. The savings in the toll expressway operation expenses and general and administrative expenses by HK$70 million were offset by the decrease in other income as a result of the drop in return on bank deposits of the Group.

As the Group had no corporate debt throughout both years ended 30 June 2008 and 2009, the finance costs were mainly comprised the proportionately shared finance costs from the Group's joint venture companies. The finance costs decreased 36% from HK$252 million to HK$162 million for the year ended 30 June 2009 mainly due to the drop in interest rates of the loans of the joint venture companies.

On 16 March 2007, the PRC Government promulgated the New Enterprise Income Tax Law ("New Law") which has been effective since 1 January 2008. According to the New Law, the Group's PRC joint venture companies, namely Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS Superhighway JV") and Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("West Route JV") in respect of Phase I West ("West Route JV's Phase I West") are entitled to continue to enjoy the remaining tax holidays until their respective expiry dates. GS Superhighway JV's tax rates for the years 2009, 2010, 2011, 2012 and thereafter will be 10%, 22%, 24%, 25% and 25% respectively, whereas those for West Route JV's Phase I West will be 10%, 11%, 24%, 25% and 25% respectively. Both GS Superhighway JV and West Route JV's Phase I West deferred taxes for the year ended 30 June 2008 were adjusted to reflect the tax rate changes amounting to HK$90 million which were expected to apply to the respective periods when the asset would be realized or the liability would be settled. According to the New Law, effective from 1 January 2008, a 5% withholding tax has been levied on dividends attributable to the year 2008 and onwards, payable by the joint venture companies to the Group. Moreover, both Phase II West and Phase III West are eligible for enterprise income tax preferential treatment. The two projects will be exempted for the first 3 years as from the year when the first toll revenue is received, and will be taxed at a 50% reduced tax rate (i.e. 12.5%) from the fourth to the sixth years.

The appreciation of RMB for the year ended 30 June 2008 resulted in a net exchange gain of HK$439 million, mainly arising from the retranslation of the United States dollar ("USD") and Hong Kong dollar ("HKD") bank loans borrowed by GS Superhighway JV. The net exchange loss recorded for the year ended 30 June 2009 was due to the net effect of the exchange loss on translation of USD deposits held by the Group (excluding PRC joint venture companies) and the relatively mild appreciation of RMB.

The profit attributable to equity holders of the Company decreased 47% from HK$2,014 million to HK$1,059 million for the year ended 30 June 2009, mainly due to the inclusion in the results of last financial year the pre-tax gain of HK$974 million on the disposal of the Company's entire 45% interest in the ESW Ring Road at a consideration of RMB1,712.55 million and the exchange gain of HK$439 million resulting from the 10% appreciation of RMB against USD.

During the year, the Company repurchased 8,788,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with a view to benefiting the shareholders of the Company as a whole by enhancing the earnings per share and return on equity of the Group.

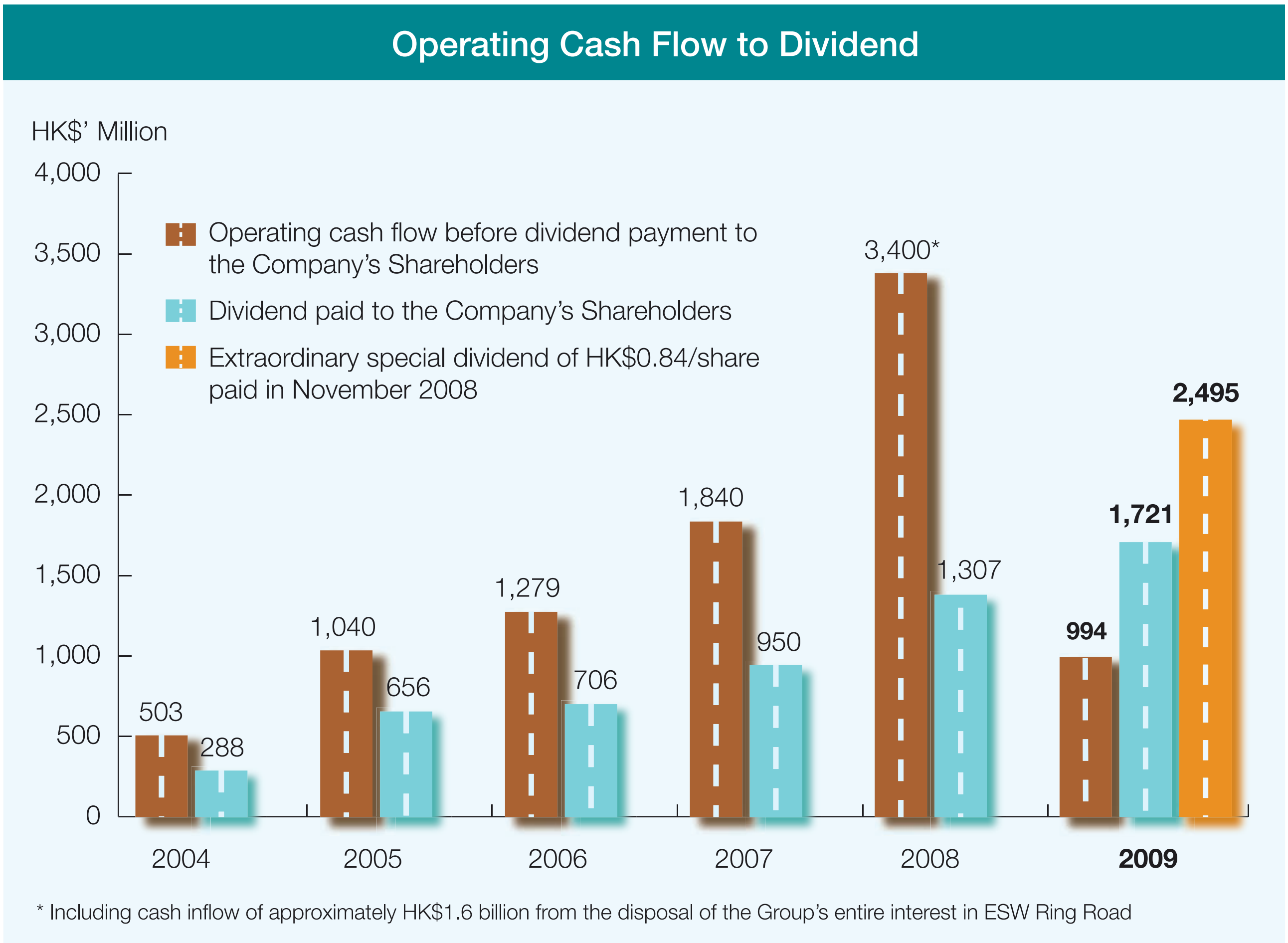
Liquidity and Financial Resources

The Company and its subsidiaries had no corporate debt outstanding as at 30 June 2009 (2008: nil). The Group's debt balance solely comprised its proportionate share of project loans from its PRC joint venture companies. The Group's total debt to total assets ratio and gearing ratio (net debt to equity attributable to the equity holders of the Company) were 37% (2008: 29%) and 30% (2008: nil) respectively. The gearing structure is set out below:

	Year ended 30 June	
	2008 HK$ million (restated)	**2009** **HK$ million**
Total debt		
— Company and subsidiaries	0	**0**
— Joint venture companies	5,071	**5,379**
Net debt (Note)	0	**2,482**
Total assets	17,423	**14,588**
Equity attributable to the equity holders of the Company	11,550	**8,341**
Total debt/Total assets ratio	29%	**37%**
Gearing ratio	0%	**30%**

Note: Net debt is defined as total debt less bank balances and cash together with pledged bank balances and deposits. A zero balance of net debt represented that the bank balances and cash together with pledged bank balances and deposits exceeded total debt as at the balance sheet date.

The net debt position as at 30 June 2009 was attributed to the payment of the extraordinary special dividend of HK$2,495 million in November 2008 and the drawdown of bank loans of a joint venture company to finance the construction of Phase II West. The Group's existing cash balance is more than sufficient for its remaining capital contribution for Phase II West and Phase III West. In addition, the Group still has an undrawn 5-year committed and unsecured syndicated bank revolving credit and term loan facility of HK$3,600 million obtained in October 2005. The major source of cash inflow of the Group is the dividends received from its joint venture companies. The major cash outflow is the payment of dividends to the shareholders of the Company. The net operating cash inflow before dividend payment to the Company's shareholders (excluding the cash inflow of the joint venture companies proportionately shared by the Group) amounted to approximately HK$994 million for the year ended 30 June 2009 (2008: HK$3,400 million, including the cash inflow of approximately HK$1,588 million from the disposal of the Group's entire interest in ESW Ring Road). In view of the strong financial position, the Board has set the target dividend payout ratio of the Company as 100%. Taking into account of the operating cash inflow (excluding the proceeds from the Company's IPO) and the dividends paid by the Company since the Company's IPO in August 2003 to 2009, the Company has accumulated a cash surplus of approximately HK$900 million in this period. Based on the current operating cash flow, this target payout ratio is sustainable.



As at 30 June 2009, the bank balances and cash of the Group amounted to HK$2,775 million (2008: HK$5,997 million) and of the joint venture companies proportionately shared by the Group amounted to HK$122 million (2008: HK$240 million). The bank balances and cash of the Group together with the committed undrawn banking facility totalling HK$6,375 million (2008: HK$9,597 million). In addition to the stable cash dividends received and receivable from GS Superhighway JV (from which the Group had received cash dividends of HK$1,065 million, HK$614 million and HK$1,048 million for the years ended 30 June 2009, 2008 and 2007 respectively), the Group has sufficient financial resources to cater for its recurring operating activities, present and potential investment activities.

The Group's proportionately shared project loans from its joint venture companies have been well covered by the cash flow of the respective joint venture companies. Interest coverage (EBITDA to finance costs ratio) of GS Superhighway JV and West Route JV for the year ended 30 June 2009 were 16.8 times and 9.9 times respectively.

As at 30 June 2009, the bank and other borrowings of the joint venture companies proportionately shared by the Group amounted to approximately HK$5,238 million (2008: HK$4,711 million) with the following profile:

(a) 99.9 % (2008: 99.9%) was bank loans and 0.1 % (2008: 0.1%) was other loan; and

(b) 53% (2008: 63%) was denominated in USD; 40% (2008: 30%) was denominated in RMB and 7% (2008: 7%) was denominated in HKD.

The net current assets of the Group decreased 61% from approximately HK$5,661 million as at 30 June 2008 to approximately HK$2,182 million as at 30 June 2009, mainly attributable to the payment of the extraordinary special dividend amounting to HK$2,495 million in November 2008.

Debt Maturity Profile

The maturity profile of bank and other borrowings of the joint venture companies proportionately shared by the Group as at 30 June 2009 as compared to that as at 30 June 2008 is shown as follows:

	As at 30 June			
	2008		**2009**	
	HK$ million	%	**HK$ million**	**%**
Repayable within 1 year	267	6%	**344**	**6%**
Repayable between 1 to 5 years	1,250	26%	**1,350**	**26%**
Repayable beyond 5 years	3,194	68%	**3,544**	**68%**
	4,711	100%	**5,238**	**100%**

Other than the above, the Group had no corporate debt outstanding both as at 30 June 2008 and 2009. All of the bank borrowings of the joint venture companies are from banks in PRC and are carrying interest at floating interest rates.

In June 2009, West Route JV had successfully refinanced the project loan for Phase I West with a long term loan with revolving facility from a bank in PRC. The refinancing helps reduce finance costs by approximately HK$3 million for the year ending 30 June 2010. The new bank loan is more flexible and effective in cash management as well as more responsive to interest rate changes. In addition, West Route JV had financed its payment of Phase II West's construction costs by 6-month commercial bills, which saved finance costs by approximately HK$3 million for the year ended 30 June 2009.

Interest Rate and Exchange Rate Exposures

The Group closely monitors its interest rate and foreign exchange exposure. The use of financial instrument is strictly controlled. Neither the Group nor the joint venture companies have any financial derivative instruments to hedge the interest rate or foreign currency exchange rate exposure.

In prior years, the Company's functional currency was HKD. During the year, the management had re-evaluated the underlying investment activities and strategy of the Company, and determined that the functional currency of the Company needed to be changed from HKD to RMB. The effects of the change in the functional currency of the Company had been accounted for prospectively during the year. Upon the change in the functional currency from HKD to RMB, the Company translated all items into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items were treated as their historical costs.

Treasury Policies

The Group continues to adopt prudent and conservative treasury policies in financial and funding management. Its liquidity and financial resources are reviewed on a regular basis to minimize the cost of funding and enhance the return on financial assets. All of its cash are generally placed in short-term deposits denominated mainly in HKD and USD. The Group has not invested in any financial derivative instruments nor accumulators.

Capital Commitments

On 2 September 2008, the Group entered into amendment agreements in relation to Phase III West with the PRC partner of the West Route JV. Subject to the approval of the relevant PRC authorities, the total investment amount for Phase III West will be adjusted to RMB5,600 million, instead of RMB3,260 million as contemplated under the previous amendment agreements entered into in 2005. 35% of the total investment amount representing RMB1,960 million (or, if approved, such a lower amount) will be contributed as capital by the Group and the PRC partner in equal share. The total capital contribution thereon to be made by the Group to West Route JV for the development of Phase III West will be RMB980 million (or, if approved, such a lower amount). The amendment agreements are now being processed by the National Development and Reform Commission.

On the same day, the Group also entered into amendment agreements in relation to Phase II West with the PRC partner of the West Route JV. Subject to the approval of the relevant PRC authorities, the total investment amount for Phase II West will be increased by RMB2,300 million to RMB7,200 million. The corresponding increase in the registered capital of West Route JV by RMB805 million will be contributed by the Group and the PRC partner in equal share. The increase in capital contribution thereon to be made by the Group to the West Route JV for the development of Phase II West will be RMB402.5 million. The amendment agreements have been submitted to the Ministry of Transport and the National Development and Reform Commission for approval.

As set out in the "Joint Letter from the HH Board and the HHI Board" in the joint circular of the Company and HHL dated 22 September 2008, the Company had applied to the Stock Exchange for, and the Stock Exchange had granted, a waiver of the requirement to hold a general meeting to seek independent shareholders' approval of the above-mentioned amendment agreements in relation to Phase II West and Phase III West entered into in 2008.

During the year, the Group made capital contribution to West Route JV for the development of Phase II West in an amount of RMB96.1 million (2008: RMB586.3 million). As at 30 June 2009, the Group had outstanding commitments to make capital contribution (the total capital being 35% of the total investment amounted to RMB7,200 million) to West Route JV of RMB402.5 million (2008: RMB96.1 million).

The difference between the total investment amount and the registered capital of Phase II West would be financed by banks in PRC. Loan facility had been obtained by the West Route JV. The Group is currently planned to make additional capital contribution of RMB402.5 million for Phase II West before the end of 30 June 2010. The additional capital contribution to be made by the Group and the PRC partner together with the loan facility shall meet completely the funding requirement for Phase II West. Although the market prices of construction materials have rebounded recently, they are still below the prices in September 2008 when the Group entered into amendment agreements for further investments in Phase II West. In addition, since the prices of the steel required to complete Phase II West have been locked up at the levels below which provided in the increased investment budget, it is expected that the final construction cost of Phase II West will be lower than the budgeted cost of RMB7,200 million.

The Group had agreed, subject to the approval of the relevant PRC authorities, to make capital contribution of RMB980 million (2008: RMB570.5 million) (the total capital being 35% of the total investment amounted to RMB5,600 million) to West Route JV for the development of Phase III West. It is currently planned that the Group will make its capital contribution for Phase III West of RMB980 million before the end of 30 June 2010 and 2011 in the proportion of 35% and 65% respectively.

In the wake of the global financial tsunami and as an incentive for enterprises to invest in the construction of capital assets PRC Government has lowered the minimum capital requirement since early 2009 for certain qualified projects of which construction has not yet started. In particular, the capital requirement for expressway project has been lowered from 35% to 25% of their investment amount. Phase III West is expected to benefit from this change. Subject to the approval of the authorities concerned, the capital which the Group is required to inject into Phase III West will be reduced by RMB280 million, from RMB980 million to RMB700 million.

As at 30 June 2009, GS Superhighway JV and West Route JV had outstanding commitments in respect of the acquisition of property and equipment, as well as the construction of the Phase II West contracted but not provided for, which were proportionately shared by the Group totalling HK$521 million (2008: HK$1,658 million).

Pledge of Assets

As at 30 June 2009, certain assets of the joint venture companies of the Group were pledged to banks for their own banking facilities. The carrying amounts of these assets proportionately shared by the Group are analyzed as follows:

	As at 30 June	
	2008 HK$ million (restated)	**2009** **HK$ million**
Concession intangible assets	8,306	**6,597**
Bank balances and deposits	235	**119**
Other assets	374	**740**
	8,915	**7,456**

As at 30 June 2008 and 2009, the toll collection right of GS Superhighway JV and 26% (2008: 65%) of the toll collection right of West Route JV's Phase I West were pledged to banks in PRC for their respective banking facilities.

Contingent Liabilities

As at 30 June 2009, there was no material contingent liabilities for the Group.

Material Acquisition or Disposal

During the year, there was no material acquisition or disposal of the Company's subsidiaries or associated companies.

Employees and Remuneration Policies

As at 30 June 2009, the Group, excluding the joint venture companies, employed 33 employees. We offered competitive remuneration packages to employees based on the prevailing market practices and individual performance. The Group also provided share option scheme and share award scheme for the purposes of recognizing contributions by, and giving incentives to, the employees. Details of the schemes are set out in the Report of the Directors. In addition, discretionary bonuses would be granted to employees based on both individual and Group business performance. The Group also provided medical insurance coverage to all staff members and Group Personal Protector to senior staff members.

On top of offering competitive remuneration packages, the Group also invested in human capital development by providing relevant training programs to enhance employee productivity. Training programs are designed after taking into account employees' knowledge and skill gaps identified during performance appraisals. The overall training objectives are to enhance employees' personal productivity, prepare for their future roles and thereby contribute to the business success. Programs such as presentation skills workshop, insurance training, business etiquette training and customer services training were organized during the year. In addition, the Group also organized different seminars, for instance, "Implications of Financial Tsunami" and "Prevention of Bribery", to facilitate employees' self development.

Besides, various staff events were organized during the year, such as Annual Dinner, Christmas party and staff recreation and sports events, to build closer relationship across levels within the organization.

Community Relations

With strong management commitment to corporate social responsibility, the Group continued to support various community and charitable initiatives such as Walk for Millions and Corporate Challenge organized by the Community Chest. The Group's staff members were encouraged to actively participate in these community activities as well as voluntary work to promote community growth.

As in past years, the Group made dedicated efforts in enhancing traffic safety on its two toll roads in Guangdong Province. A significant milestone was achieved this year as the intelligent traffic management system jointly installed by the GS Superhighway joint venture company and the Traffic Management Department of Guangdong Provincial Public Security Bureau commenced operation in January 2009.

In addition, traffic safety is further enhanced with the collaboration with the traffic police, the close supervision of over 100 traffic surveillance cameras along the road, as well as the installation of global positioning system in GS Superhighway's patrol and rescue vehicles. The Group will continue its endeavours in facility upgrade and in close collaboration with local traffic police in order to offer a safe driving environment.

As a result of consistent support for community initiatives, the Group was again awarded the Caring Company Logo 2008/2009 by the Hong Kong Council of Social Service in February 2009 in recognition of its good corporate citizenship.

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Throughout the year ended 30 June 2009, the Company has complied with all code provisions set out in the CG Code.

Board of Directors

The Company is managed through the Board which currently comprises of seven Executive Directors (including the Chairman), one Alternate Director and five Independent Non-Executive Directors. The names and biographical details of the Directors, and the relationship amongst them, if any, are set out on pages 10 to 13 of this Annual Report.

The Board is responsible for setting the strategic direction and policies of the Group and supervising the management. Some functions including, inter alia, the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial shareholder or Director of the Company, the approval of the interim and final results, other disclosures to the public or regulators and the internal control system are reserved by the Board and the decisions relating to such matter shall be subject to the decision of the Board. Matters not specifically reserved to the Board and necessary for the daily operations of the Company are delegated to the management under the supervision of the respective Directors and the leadership of the Managing Director.

There are agreed procedures for the Directors, upon reasonable request, to seek independent professional advice at the Company's expense in appropriate circumstances.

Sir Gordon Ying Sheung WU served as Chairman of the Board throughout the year and is responsible for providing leadership and management of the Board. The role of the Chairman is separated from that of the Managing Director. Mr. Thomas Jefferson WU (the son of Sir Gordon Ying Sheung WU), Managing Director, is responsible for the day-to-day management of the business of the Company. The division of the responsibilities between the Chairman and the Managing Director has been established and clearly set out in writing.

Independent Non-Executive Directors are selected with the necessary skills and experience to provide strong independent element on the Board and to exercise independent judgement. At least one of the Independent Non-Executive Directors has appropriate professional qualifications or accounting or related financial management expertise as provided under

Rule 3.10 of the Listing Rules. The Board has received from each Independent Non-Executive Director a written annual confirmation of independence. All the Independent Non-Executive Directors meet the independence criteria set out in Rule 3.13 of the Listing Rules.

In accordance with the Company's Articles of Association, all newly appointed Directors shall hold office until the next following general meeting of the Company after their appointment and shall then be eligible for re-election. Every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his (i) last appointment by the Board, (ii) last election or (iii) last re-election, and shall be eligible for re-election subject to the provisions of the Articles of Association. All Independent Non-Executive Directors are appointed for a specific term of three years and are subject to retirement from office and re-election at least once every three years.

The Board regularly reviews the plans for orderly succession for appointments to the Board and its structure, size and composition. 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 case of Independent Non-Executive Director, the independence requirements set out in the Listing Rules from time to time. Nomination of new Director will normally be made by the Chairman and/or 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). Mr. Lijia HUANG ceased to be a Director of the Company upon his retirement from the Board at the conclusion of the Company's Annual General Meeting on 13 October 2008. In addition, in response to the decision of HHL to appoint Ir. Leo Kwok Kee LEUNG ("Ir. LEUNG") as a non-executive director of HHL, Ir. LEUNG resigned as an Executive Director of the Company with effect from 1 July 2009.

To fill the vacancy created by the resignation of Ir. LEUNG, Mr. Alan Ming Fai TAM ("Mr. TAM") was appointed as an Executive Director of the Company on the same date. Mr. TAM will receive a Director's fee at such rate as from time to time to be approved by the shareholders at the annual general meetings of the Company, currently being HK$200,000 per annum to be paid by the Company in arrears. Under the service contract between Mr. TAM and the Company, he is entitled to receive from the Company an annual emolument of HK$1,012,050 plus discretionary bonus (as may be approved by the Board). Mr. TAM's emolument is determined with reference to the prevailing market practice, the remuneration policies of the Company and his duties and responsibilities within the Company.

Besides, the Company also appointed Professor Chung Kwong POON ("Professor POON") as an additional Independent Non-executive Director with effect from 1 July 2009. Professor POON will receive a Director's fee at such rate as from time to time to be approved by the shareholders at the annual general meetings of the Company, currently being HK$200,000 per annum to be paid by the Company in arrears.

Upon Professor POON's appointment, he was also appointed as the Chairman of the Remuneration Committee, replacing Mr. Eddie Ping Chang HO who is no longer a member of the Remuneration Committee. Newly appointed Director(s) will be given an induction on the information of the Group and a manual on the duties and responsibilities as a director of a listed company both under the Listing Rules and applicable laws.

The Company has arranged appropriate insurance cover in respect of legal action against the Directors and officers.

Board Committees

The Board has established a Committee of Executive Directors in September 2004 with delegated authority for reviewing and approving the day to day business operations and ordinary and usual course of business of the Company. This committee comprises all the Executive Directors of the Company.

The Company has also established the Audit Committee and the Remuneration Committee to deal with the following specific matters in the interest of all shareholders in an objective manner. Members of these two Board Committees comprise entirely of Independent Non-Executive Directors.

	Audit Committee	Remuneration Committee
Committee Members	Mr. Lee Yick NAM (Chairman) Mr. Philip Tsung Cheng FEI Mr. Kojiro NAKAHARA	Professor Chung Kwong POON* (Chairman) Mr. Lee Yick NAM Dr. Gordon YEN
Major responsibilities and functions	• Consider the appointment and independence of external auditors. • Review and supervise the Group's financial reporting process, internal control and compliance. • Review and monitor the interim and annual financial statements before submission to the Board.	• Assist the Board for development and administration of the policy and procedure on the remuneration of the Directors and senior management of the Company.
Work performed during the year	• Considered and approved the terms of engagement of the external auditors and their remuneration. • Reviewed the annual financial statements for the year ended 30 June 2008 and the interim financial statements for the six months ended 31 December 2008. • Reviewed the work performed by the Internal Audit Department and the Group's internal control system.	• Reviewed the level of Directors' fees for the year.

* Professor Chung Kwong POON replaced Mr. Eddie Ping Chang HO as Chairman of the Remuneration Committee on 1 July 2009.

Attendance at Meetings

During the year under review, the attendance records of the Directors at Board Meetings, Audit Committee Meetings, Remuneration Committee Meeting and Annual General Meeting were as follows:

	Number of meetings attended / held			
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Annual General Meeting
Number of meetings held	5	2	1	1
Executive Directors				
Sir Gordon Ying Sheung WU GBS, KCMG, FICE *(Chairman)*	5 out of 5	N/A	N/A	1 out of 1
Mr. Eddie Ping Chang HO *(Ceased to be the Chairman and a member of the Remuneration Committee on 1 July 2009)*	5 out of 5	N/A	1 out of 1	1 out of 1
Mr. Thomas Jefferson WU	5 out of 5	N/A	N/A	1 out of 1
Mr. Alan Chi Hung CHAN	5 out of 5	N/A	N/A	1 out of 1
Ir. Leo Kwok Kee LEUNG *(Resigned on 1 July 2009)*	5 out of 5	N/A	N/A	1 out of 1
Mr. Lijia HUANG *(Retired on 13 October 2008)*	1 out of 1	N/A	N/A	0 out of 1
Mr. Cheng Hui JIA	4 out of 5	N/A	N/A	1 out of 1
Mr. Barry Chung Tat MOK	5 out of 5	N/A	N/A	1 out of 1
Mr. Nicholas Tai Keung MAY	Note	N/A	N/A	Note
Independent Non-Executive Directors				
Mr. Philip Tsung Cheng FEI	5 out of 5	2 out of 2	N/A	1 out of 1
Mr. Kojiro NAKAHARA	5 out of 5	2 out of 2	N/A	1 out of 1
Mr. Lee Yick NAM *(Audit Committee Chairman)*	5 out of 5	2 out of 2	1 out of 1	1 out of 1
Dr. Gordon YEN	5 out of 5	N/A	1 out of 1	1 out of 1

Note: Mr. Nicholas Tai Keung MAY did not attend the Board Meetings and the Annual General Meeting held during the year in the capacity as Alternate Director to Mr. Barry Chung Tat MOK, who had attended all the said Meetings himself.

Remuneration Policy

The Company recognizes the need to implement a competitive remuneration policy in order to attract, retain and motivate the Directors and senior management to achieve the corporate targets. The remuneration package of the Executive Directors comprises of some fixed elements: basic salary, provident fund contribution and other benefits including insurance cover, as well as bonus, share options and share awards which are performance related elements. No Director is allowed to approve his own remuneration.

The fixed elements of the Executive Directors' remuneration are reviewed annually and will take into account the job nature, responsibilities, experience and performance of the individual as well as prevailing market salary practices. Directors' fees for the current financial year had been approved by the shareholders at the last Annual General Meeting of the Company held on 13 October 2008.

Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its model code for securities transactions by the Company's Directors and relevant employees who are or may be in possession of unpublished price sensitive information. Based on the specific enquiry made, all Directors have confirmed that they have complied fully with the Model Code throughout the year.

Financial Reporting

The Directors recognize their responsibility for preparing the financial statements of the Group. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The responsibilities of the auditors with respect to the financial reporting are set out in the Independent Auditor's Report on page 59 of this Annual Report.

External Auditors

The Company's external auditor is Deloitte Touche Tohmatsu. They are responsible for auditing and forming an independent opinion on the annual financial statements. The independence of the external auditor is monitored by the Audit Committee which is also responsible for making recommendations to the Board on the appointment of the external auditor as well as approving their terms of engagement and remuneration. Apart from the statutory audit of the annual financial statements, Deloitte Touche Tohmatsu was also engaged to perform a review on the interim financial statements of the Company for the six months ended 31 December 2008 as well as advising on tax compliance and related matters.

Further, pursuant to Rule 14A.38 of the Listing Rules, the Board of Directors engaged the auditor of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions as set out under the section headed "Continuing Connected Transactions" in the Report of the Directors.

During the year ended 30 June 2009, the fees payable by the Group to the external auditors in respect of audit and non-audit services (including the amount payable by the jointly controlled entities proportionately shared by the Group) were as follows:

	HK$'000
Audit services	1,700
Non-audit services:	
Taxation and advisory services	48
Others	590
	2,338

Internal Controls

The Board is of the opinion that a sound internal control system will contribute to the effectiveness and efficiency of operations, the reliability of financial reporting and the Group's compliance with applicable laws and regulations and will assist the Board in the management of any failure to achieve business objective.

The Group's internal control procedures include a comprehensive system for reporting information to the division head of each business unit and the Executive Directors.

Business plans and budgets are prepared annually by the management of each business unit and are subject to review and approval by the Executive Directors. Plans and budgets are reviewed on a quarterly basis to measure actual performance against the budget. When setting budgets and forecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks. Different guidelines and procedures have been established for the approval and control of operating expenditures, capital expenditures and the unbudgeted expenditures and acquisitions.

The Executive Directors review monthly management reports on the financial results and key operating statistics of each unit and hold periodical meetings with the senior management of each business unit and the finance team to review these reports, discuss business performance against budgets, forecasts and market conditions, and to address accounting and finance related matters.

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness through the Audit Committee. Evaluation of the Group's internal control is independently conducted by the Internal Audit Department on an on-going basis. Internal Audit Department reports to the Audit Committee at least twice every year on significant findings on internal controls.

For the year under review, the Board has through the Audit Committee reviewed the effectiveness of the Group's internal control system.

Investor Relations

Despite the outbreak of the financial tsunami, the Company continued to maintain active communications with investors and analysts. As investor relations is one of the important elements in corporate governance, the Company has committed to managing an active dialogue with the investment community, in order to provide investors and analysts with information on the Company's operations and future development plans.

The Company understands that communications in times of crisis is more crucial than ever. During the year under review, the Company continued to hold roadshows, regular meetings and teleconferences with local and overseas institutional fund managers and analysts. These communications help improve investors' understanding on the Company and keep the Company abreast of the needs from investors. In addition, the Company also participated actively in various investment conferences, which is an effective way for investors and the senior management of the Company to share their views. Information on the Company is distributed speedily, accurately and in strict compliance with relevant requirements.

As an additional channel to further promote transparency, corporate information including interim and annual reports, company announcements and press releases are available on the Company's website (www.hopewellhighway.com). Investors can also learn about the monthly traffic and toll revenue statistics of the Company's toll roads and the latest developments of the Company through the website.

The Company will endeavor to maintain mutual and interactive communications with investors. This will keep investors informed of the recent developments of the Company. A dynamic investor relations program will continue to be pursued by the Company, with the goal of enhancing shareholders' value.

The Directors have pleasure in presenting their annual report on the affairs of the Company and the Group together with the audited financial statements for the year ended 30 June 2009.

Principal Activities

The principal activity of the Group is to initiate, promote, develop and operate strategically important roads, tunnels, bridges and related infrastructure projects in the PRC through its jointly controlled entities established in the PRC. The principal activity of the Company is investment holding.

Results

The results of the Group for the year ended 30 June 2009 are set out in the Consolidated Income Statement on page 61.

Dividends

The Directors recommend the payment of a final dividend of HK18 cents (2008: HK13 cents) per share. Together with the interim dividend of HK17 cents (2008: HK17 cents) and the extraordinary special dividend of HK84 cents (2008: special interim dividend of HK7 cents and special final dividend of HK28 cents) per share paid on 19 March 2009 and 14 November 2008 respectively, total dividends for the year will be HK119 cents (2008: HK65 cents) per share.

Major Projects and Events

Details regarding major projects undertaken by the Group and events that have taken place during the year under review are incorporated under the section "Business Review" as set out on pages 16 to 27.

Share Capital

Movements in share capital of the Company during the year are set out in note 24 to the consolidated financial statements.

Reserves

Movements in reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity on page 65 and note 25 to the consolidated financial statements.

Fixed Assets

Movements in property and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

Major Customers and Suppliers

The principal business of the Group is to initiate, promote, develop and operate strategically important roads, tunnels, bridges and related infrastructure projects in the PRC. There are no major customers and suppliers in view of the nature of the Group's business.

Directors and Senior Management

The Directors of the Company and their profiles as at the date of this report are listed on pages 10 to 13 of the annual report.

Changes during the year and up to the date of this report are as follows:

Mr. Lijia HUANG	(retired on 13 October 2008)
Ir. Leo Kwok Kee LEUNG	(resigned on 1 July 2009)
Mr. Alan Ming Fai TAM	(appointed on 1 July 2009)
Professor Chung Kwong POON	(appointed on 1 July 2009)

In accordance with the Company's Articles of Association, every Director shall retire at the conclusion of the annul general meeting of the Company held in the third year following the year of his/her last election/re-election and shall be eligible for re-election subject to the provisions of the articles of association of the Company. Mr. Philip Tsung Cheng FEI, Mr. Lee Yick NAM and Dr. Gordon YEN shall retire by rotation at the forthcoming annual general meeting and, being eligible, offered themselves for re-election.

Furthermore, in accordance with the Company's Articles of Association, all newly appointed Directors shall hold office until the next following general meeting of the Company after their appointment and shall then be eligible for re-election. Mr. Alan Ming Fai TAM and Professor Chung Kwong POON, who were appointed as Directors of the Company on 1 July 2009, shall retire at the forthcoming annual general meeting and, being eligible, offered themselves for re-election.

Various businesses of the Group are respectively under the responsibility of the Executive Directors of the Company who are regarded as members of the Group's senior management.

Directors' Interest in Contracts of Significance

No contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party or were parties and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Shares, Underlying Shares and Debentures

As at 30 June 2009, the interests and short positions of the Directors and chief executives of the Company in any shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("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	Shares: Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests[ii] (interests of controlled corporation)	Other interests	Total interests	% of issued share capital
Sir Gordon Ying Sheung WU	13,717,724	5,244,000	21,249,999	6,136,000[iii]	46,347,723	1.56%
Eddie Ping Chang HO	4,355,000	275,000	410,000	–	5,040,000	0.17%
Thomas Jefferson WU	12,674,000	–	164,000	–	12,838,000	0.43%
Alan Chi Hung CHAN	478,500	–	–	–	478,500	0.02%
Leo Kwok Kee LEUNG *(Resigned on 1 July 2009)*	200,000	–	–	–	200,000	0.01%
Kojiro NAKAHARA	2,134	–	–	–	2,134	0.00%
Cheng Hui JIA	324,100	–	–	–	324,100	0.01%
Barry Chung Tat MOK	88,800	–	–	–	88,800	0.00%
Lee Yick NAM	9,000	–	–	–	9,000	0.00%

Notes:

(i) All interests in the shares of the Company were long positions. None of the Directors or chief executives held any short position in the shares of the Company.

(ii) The corporate interests were beneficially owned by a company in which the relevant Director was 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 6,136,000 shares represented the interests held jointly by Sir Gordon Ying Sheung WU ("Sir Gordon WU") and his wife Lady Ivy Sau Ping KWOK WU ("Lady WU").

(B) Associated Corporation

Hopewell Holdings Limited ("HHL")

Directors	HHL Shares: Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (i) (interests of controlled corporation)	Other interests (ii)	HHL share options (iii)	Total interests	% of issued share capital
Sir Gordon Ying Sheung WU	74,683,240	24,720,000	111,250,000	30,680,000	–	241,333,240	27.46%
Eddie Ping Chang HO	25,028,000	1,366,000	2,050,000	–	–	28,444,000	3.24%
Thomas Jefferson WU	25,630,000	–	820,000	–	–	26,450,000	3.01%
Alan Chi Hung CHAN	585,000	–	–	–	–	585,000	0.07%
Lee Yick NAM	90,000	–	–	–	–	90,000	0.01%
Kojiro NAKAHARA	10,671	–	–	–	–	10,671	0.00%
Cheng Hui JIA	241,000	–	–	–	–	241,000	0.03%
Barry Chung Tat MOK	888,000	–	–	–	–	888,000	0.10%
Nicholas Tai Keung MAY	–	–	–	–	240,000	240,000	0.03%

Notes:

(i) The corporate interests of HHL Shares were beneficially owned by a company in which the relevant Director was 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.

(ii) The other interests in 30,680,000 HHL Shares represented the interest held by Sir Gordon WU jointly with Lady WU.

(iii) The interests in HHL share options represented HHL share options granted under the share option scheme of HHL adopted on 1 November 2003 to subscribe for HHL Shares, details of which are set out below:

Director	Date of grant	Exercise price per share HK$	Number of outstanding options	Exercise period
Nicholas Tai Keung MAY	15/11/2007	36.10	240,000	01/12/2008 — 30/11/2014

All the above interests in the shares and underlying shares of equity derivatives of associated corporation were long positions.

Save as aforesaid, as at 30 June 2009, none of the Directors or chief executives had any other interests or short position in shares, underlying shares and debentures of associated corporations which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Retirement and Pension Plan

To comply with the statutory requirements of the Mandatory Provident Fund ("MPF") Schemes Ordinance, the Group has set up the MPF Scheme. Mandatory contributions to this scheme are made by both the employer and employees at 5% of the employees' monthly relevant income capped at HK$20,000. During the year, the Group made contribution to the MPF Scheme amounted to approximately HK$266,120.

Share Options

(A) The share option scheme of the Company was approved by the written resolutions of the then sole shareholder of the Company passed on 16 July 2003 and approved by shareholders of HHL at an extraordinary general meeting held on 16 July 2003 (the "Option Scheme"). The Option Scheme will expire on 15 July 2013. A summary of some of the principal terms of the Option Scheme is set out in (B) below.

(B) The purpose of the Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to (i) any executive or non-executive directors including independent non-executive directors or any employees of each member of the Group; (ii) any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group; (iii) any consultants, professional and other advisers to each member of the Group; (iv) any chief executives, or substantial shareholders of the Company; (v) any associates of director, chief executive or substantial shareholder of the Company; and (vi) any employees of substantial shareholder of the Company or for such other purposes as the Board of Directors may approve from time to time.

Under the Option Scheme, the maximum number of shares in the Company which may be issued upon exercise of all options to be granted under the Option Scheme and any other share option scheme of the Company will not exceed 10% of the total number of shares of the Company in issue immediately following completion of the initial public offering, unless a fresh approval of shareholders of the Company is obtained.

The maximum entitlement of each participant under the Option Scheme in any 12-month period must not exceed 1% of the issued share capital of the Company. As at the date of this report, a total of 277,448,000 shares (representing 9.37% of the issued share capital of the Company) are available for issue under the Option Scheme.

The period during which an option may be exercised will be determined by the Board of the Company at its absolute discretion and shall expire not later than 10 years after the date of grant. Unless otherwise determined by the Board of the Company and specified in the offer letter at the time of the offer, there is no minimum period for which an option must be held before the option can be exercised. An option is open for acceptance for a period of 28 days from the date of offer. The amount payable on acceptance of an option is HK$1. The full amount of exercise price for the subscription of shares has to be paid upon exercise of an option.

The exercise price for an option shall be such price as the Board of the Company may in its absolute discretion determine and notified to a participant. The exercise price shall not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, being the date on which the offer is accepted (or, if such date is not a business day, the next following business day ("Grant Date")); (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Grant Date; and (c) the nominal value of a share in the Company.

(C) Details of the movement of share options under the Option Scheme during the year ended 30 June 2009 were as follows:

	Date of grant	Exercise price per share HK$	Number of share options: Outstanding at 01/07/2008	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30/06/2009	Exercise period	Closing price before date of grant falling within the year HK$
Employees	17/10/2006	5.858	4,928,000	–	–	488,000	4,440,000	01/12/2007–30/11/2013	N/A
Employees	19/11/2007	6.746	760,000	–	–	–	760,000	01/12/2008-30/11/2014	N/A
Employees	24/07/2008	5.800	–	800,000	–	400,000	400,000	01/08/2009-31/07/2015	5.740
Employees	11/03/2009	4.470	–	400,000	–	400,000	–	18/03/2010–17/03/2016	4.400
Total			5,688,000	1,200,000	–	1,288,000	5,600,000		

No options were cancelled during the year.

The options granted on 17 October 2006, 19 November 2007, 24 July 2008 and 11 March 2009 are exercisable in the following manner:

Maximum options exercisable	Exercise period
Granted on 17 October 2006	
20% of options granted	01/12/2007 – 30/11/2008
40%* of options granted	01/12/2008 – 30/11/2009
60%* of options granted	01/12/2009 – 30/11/2010
80%* of options granted	01/12/2010 – 30/11/2011
100%* of options granted	01/12/2011 – 30/11/2013
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
Granted on 11 March 2009	
20% of options granted	18/03/2010 – 17/03/2011
40%* of options granted	18/03/2011 – 17/03/2012
60%* of options granted	18/03/2012 – 17/03/2013
80%* of options granted	18/03/2013 – 17/03/2014
100%* of options granted	18/03/2014 – 17/03/2016

* including those not previously exercised

The fair value of the share options granted during the year with the exercise price per share of HK$5.80 is estimated at approximately HK$842,900 at the date of grant using the Binomial option pricing model. The value is estimated based on the share price of HK$5.80 per share at the Grant Date, the historical volatility of share price of the Company of 25.94% which is based on 5 years daily historical volatility of the Company's share price from the date of listing to 24 July 2008, expected life of options of 7 years, expected dividend yield of 4.66%, and the risk-free rate of 3.598% with reference to the rate on the 7-year Exchange Fund Notes.

The share options granted during the year with the exercise price per share of HK$4.47 also lapsed during the year. There was no financial impact to the consolidated financial statements of the Group and no valuation on these share options was performed.

The Binomial option pricing model was developed for use in estimating the fair value of traded option. Such option pricing model requires input of highly subjective assumptions, including the expected share price volatility. As the characteristics of the options granted during the year are significantly different from those of publicly traded options and changes in the subjective inputs may materially affect the fair value estimate, the Binomial option pricing model does not necessarily provide a reliable measure of the fair value of the share options.

Share Awards

(A) The Share Award Scheme (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 recognize the contributions by certain employees (including without limitation 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.

Under the Award Scheme, the Board (or where the relevant selected employee is a director of the Company, 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 issued share capital of the Company as at the date of such grant.

(C) Details of the movement of share awards under the Award Scheme for the year under review were set out below:

	Outstanding at 01/07/2008	Movements during the year Awarded	Vested on 25/01/2009	Lapsed	Outstanding at 30/06/2009
Directors					
Alan Chi Hung CHAN	140,000	–	140,000	–	–
Leo Kwok Kee LEUNG *(Resigned on 1 July 2009)*	100,000	–	100,000	–	–
Cheng Hui JIA	100,000	–	100,000	–	–
Employee	40,000	–	40,000	–	–
Total	380,000	–	380,000	–	–
Weighted average fair value	HK$5.68	–	HK$5.68	–	–

(D) During the year under review, the dividend income amounted to HK$475,000 (2008: HK$152,000) had been received in respect of the shares held upon the trust for the Award Scheme and shall form part of the trust fund of such trust. The trustee may apply such cash for the purchase of the Company's Shares which shall become returned shares (i.e. the awarded shares which are not vested in accordance with the terms of the Award Scheme whether as a result of a lapse or otherwise) for the purpose of the Award Scheme and shall be held by the trustee for the benefit of one or more employees of the Group, or apply such cash to defray the fees, costs and expenses in relation to the establishment and administration of such scheme, or return such cash to the Company, as the trustee in its absolute discretion shall at any time determine, after having taken into consideration recommendations of the remuneration committee of the Board of the Company.

Arrangements to Acquire Shares or Debentures

Save as disclosed in the previous sections headed "Share Options" and "Share Awards", at no time during the year ended 30 June 2009 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Directors' Remuneration

The Directors' fees are determined by shareholders at the annual general meeting and the other emoluments payable to Directors are determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, the Directors' duties and responsibilities within the Group and contribution to the Group.

Service Contracts of Directors

No directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation). All the Independent Non-Executive Directors of the Company are appointed for a fixed period but subject to retirement from office and re-election at the annual general meetings of the Company in accordance with the Company's Articles of Association.

Management Contracts

No contract of significance concerning the management and administration of the whole or any substantial part of any business of the Company was entered into during the year or subsisted at the end of the year.

Substantial Shareholders

As at 30 June 2009, to the best knowledge of the Directors, the interests of persons (other than Directors and chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number of shares (corporate interests)	% of issued share capital
Anber Investments Limited	Beneficial owner	2,081,074,098 (A)	70.27%
Delta Roads Limited	Interests of controlled corporation	2,081,074,098 (A)	70.27%
Dover Hills Investments Limited	Interests of controlled corporation	2,081,074,098 (A)	70.27%
Supreme Choice Investments Limited	Interests of controlled corporation	2,081,074,098 (A)	70.27%
Hopewell Holdings Limited	Interests of controlled corporation	2,081,074,098 (A)	70.27%
Commonwealth Bank of Australia	Interests of controlled corporation	148,633,150	5.02%

Note:

(A) The 2,081,074,098 shares were held by Anber Investments Limited ("Anber"), a wholly-owned subsidiary of Delta Roads Limited ("Delta") which was wholly-owned by Dover Hills Investments Limited ("Dover"). Dover was in turn 100% owned by Supreme Choice Investments Limited ("Supreme"), a wholly-owned subsidiary of HHL. The interests of Anber, Delta, Dover, Supreme and HHL in 2,081,074,098 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, Mr. Thomas Jefferson WU and Mr. Barry Chung Tat MOK, Directors of the Company, are also directors of Anber, Delta, Dover, Supreme and HHL.

Save as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the issued share capital of the Company and recorded in the register maintained under Section 336 of the SFO as at 30 June 2009.

Purchase, Sale or Redemption of Securities

During the year, the Company repurchased 8,788,000 shares on the Stock Exchange at an aggregate consideration, including transaction costs, of approximately HK$37,781,000. All the repurchased shares were subsequently cancelled. The nominal value of the cancelled shares of HK$878,800 was debited to share capital and such part of the consideration in excess of the nominal value of the cancelled shares was paid out from the Company's share premium. Details of the repurchases are as follows:

Month of the repurchases	Total no. of the ordinary shares repurchased	Highest price paid per share HK$	Lowest price paid per share HK$	Aggregate consideration paid (including transaction costs*) HK$'000
November 2008	400,000	4.15	3.90	1,653
December 2008	4,462,500	4.30	4.09	18,979
January 2009	3,925,500	4.46	4.20	17,149
Total	8,788,000			37,781

* Transaction costs represent commission, stamp duty, exchange levy and trading fee.

The purchases were made for the benefit of the shareholders with a view to enhancing the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the year ended 30 June 2009.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

Confirmation on Independence

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and still considers such Directors to be independent.

Connected Transactions

Amendment Agreements in relation to Phase II and III of the Western Delta Route

On 2 September 2008, the Company and HHL jointly issued an announcement on the agreements (being the "2008 Phase III Amendment Agreements" (as defined hereinafter) and the "2008 Phase II Amendment Agreements" (as defined hereinafter), collectively the "2008 Amendment Agreements") entered into between Hopewell Guangzhou-Zhuhai Superhighway Development Limited ("HHI West HK Co"), a wholly-owned subsidiary of the Company, and Guangdong Provincial Highway Construction Company Limited ("West Route PRC Partner") in relation to Phase II West and Phase III West.

(a) **The 2008 Phase III Amendment Agreements**
On 2 September 2008, HHI West HK Co and West Route PRC Partner entered into (i) the conditional agreement under which the parties thereto agreed to amend the Sino-foreign co-operative joint venture contract (the "JV Contract") dated 5 January 2004 between them,

as may be amended from time to time, in relation to Phase III West and (ii) the conditional agreement under which the parties thereto agreed to amend the articles of association (the "JV Articles"), as may be amended from time to time, of Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("West Route JV") in relation to Phase III West (collectively the "2008 Phase III Amendment Agreements").

The major terms of the 2008 Phase III Amendment Agreements are summarized as follows:

(i) The areas of co-operation under each of the JV Contract and JV Articles are expanded to include the investment in and the construction and operation of Phase III West and related facilities in addition to Phase I West and Phase II West.

(ii) Subject to approval by the relevant government departments, the estimated total amount of investment in Phase III West is to be increased from RMB3,260 million (excluding loan interest incurred during the construction period and future adjustments of government charges and fees (if any)) to RMB5,600 million (including loan interest incurred during the construction period).

(iii) The registered capital of West Route JV is to be increased by RMB1,960 million from RMB2,303 million to RMB4,263 million to be contributed in cash by West Route PRC Partner and HHI West HK Co in equal share (i.e. each to contribute RMB980 million). 20 per cent of such contribution will be made within 3 months, and the remaining within 2 years, from the date of issue of the new business licence of West Route JV. Before the contribution of the increased registered capital, West Route PRC Partner agrees to make advances to meet the project expenses. West Route JV will pay interest at the lending rate announced by The People's Bank of China or the rate at which West Route PRC Partner actually obtains loans (whichever is lower) on any project expenses advanced by West Route PRC Partner until the date of repayment, compounded quarterly.

(iv) The duration of the West Route JV as stipulated in the JV Articles (the "JV Operation Period") will, subject to approval of the relevant PRC authorities, be 40 years commencing on the date on which the new business licence of West Route JV is issued. The JV Operation Period may be extended if unanimously resolved by the board of directors of West Route JV and approved by regulatory authorities which granted the original approval within 6 months before the expiry of the JV Operation Period.

(b) The 2008 Phase II Amendment Agreements

On 2 September 2008, HHI West HK Co and West Route PRC Partner entered into (i) the conditional agreement under which the parties thereto agreed to amend the JV Contract in relation to Phase II West and (ii) the conditional agreement under which the parties thereto agreed to amend the JV Articles in relation to Phase II West (collectively the "2008 Phase II Amendment Agreements").

The major terms of the 2008 Phase II Amendment Agreements are summarized as follows:

(i) Subject to the approval by the relevant government departments, the estimated total amount of investment in Phase II West is to be increased from RMB4,900 million (excluding loan interest incurred during the construction period and future adjustments of government charges and fees (if any)) to RMB7,200 million (including loan interest incurred during the construction period).

(ii) The registered capital of West Route JV is to be further increased from RMB4,263 million to RMB5,068 million, with the increased amount of RMB805 million in total to be contributed in cash by West Route PRC Partner and HHI West HK Co in equal share (i.e. each to contribute RMB402.5 million). 20 per cent of such contribution will be made within 3 months, and the remaining within 2 years, from the date of issue of the new business licence of West Route JV. Before the contribution of the increased registered capital, West Route PRC Partner agrees to make advances to meet the project expenses. West Route JV will pay interest at the lending rate announced by The People's Bank of China or the rate at which West Route PRC Partner actually obtains loans (whichever is lower) on any project expenses advanced by West Route PRC Partner until the date of repayment, compounded quarterly.

The Board of the Company believed that the traffic flow in Phase II West and Phase III West would be driven by the rise in number of vehicles in Guangdong and the synergy from the transportation network developments between Hong Kong and the western bank of PRD. It was anticipated that the total cost of construction of Phase III West and Phase II West will exceed the original budget due to (i) the increase in land acquisition and demolition costs payable by West Route JV as a result of the tightening of PRC government's control over grants of land and the increase in compensation standards; (ii) the increase in the prices of construction materials; (iii) the incorporation of loan interest to be incurred during the construction periods; and (iv) the change in design of Phase III West to add more tunnels and bridges.

The terms of the 2008 Amendment Agreements were determined after arm's length negotiations between the Company and West Route PRC Partner. The Board (including the Independent Non-Executive Directors) of the Company considered that the terms of the 2008 Amendment Agreements were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Clause 46 of the Listing Agreement between the Company and the Stock Exchange and the letter dated 7 August 2003 from HHL to the Stock Exchange, West Route JV, being a Sino-foreign co-operative joint venture enterprise jointly controlled by the Group which operates a toll road project, is deemed to be a subsidiary of the Company for the purposes of the then Chapter 14 of the Listing Rules (which has been subdivided into Chapters 14 and 14A since revisions of the Listing Rules came into effect on 31 March 2004). West Route PRC Partner is a state-owned enterprise wholly-owned by and under the administration of Guangdong Provincial Communication Group Company Limited (廣東省交通集團有限公司) ("GPCG"). GPCG is a state-owned enterprise established by the Guangdong Provincial Government which primarily engages in the investment, construction, supervision and operation of major transportation and infrastructure projects in Guangdong Province. West Route PRC Partner currently has a respective 50% and 52% interest in West Route JV and Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited (which is a Sino-foreign co-operative joint venture between West Route PRC Partner and a subsidiary of the Company), and is accordingly deemed to be a connected person of the Company for the purposes of Chapter 14A of the Listing Rules. Therefore, the 2008 Amendment Agreements constituted connected transactions of the Company. As one or more applicable percentage ratio(s) in respect of the 2008 Amendment Agreements exceed(s) 5% but are all less than 25%, the 2008 Amendment Agreements also constituted discloseable transactions of the Company. The 2008 Amendment Agreements are subject to the reporting and announcements, and the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.43 of the Listing Rules, a written independent shareholders' approval obtained from a shareholder holding more than 50% in nominal value of the securities giving the right to attend and vote at a general meeting convened to approve the connected transaction may be accepted in lieu of holding such a general meeting if no shareholder of the listed issuer is required to abstain from voting if the listed issuer were to convene such a general meeting. Anber, a wholly-owned subsidiary of HHL, which owned approximately 72.72% of the issued shares of the Company as at 22 September 2008 (the date of the circular jointly published by the Company and HHL) had confirmed in writing that in the event that independent shareholders' approval of the Company in respect of the 2008 Amendment Agreements was required, it would vote in favour of them. As Anber does not have any material interest in the 2008 Amendment Agreements which is different from those of the other shareholders of the Company and no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the 2008 Amendment Agreements, the Company had applied to the Stock Exchange for and the Stock Exchange had granted a waiver of the requirement to hold a general meeting to seek independent shareholders' approval of the 2008 Amendment Agreements.

Relevant information on the 2008 Amendment Agreements was disclosed by the Company and HHL in the joint announcement dated 2 September 2008 and the joint circular dated 22 September 2008.

Continuing Connected Transactions

(A) Management Agreement with Nan Yue

On 1 June 2007, West Route JV entered into a management agreement ("Management Agreement") with Guangdong Nan Yue Logistics Company Limited ("Nan Yue"), a subsidiary of GPCG.

Pursuant to the Management Agreement, Nan Yue would provide to West Route JV the material logistics services, consisting of the planning, procurement and logistics management of the main construction materials for Phase II West ("Material Logistics Services"). The appointment is effective from the date of execution of such agreement and continues for three years or until the completion of the supply of the materials, payment of all material fees and after audit by the relevant departments of West Route JV, whichever is earlier. The appointment may be extended by mutual agreement. The Management Agreement will terminate after the end of the term of appointment of Nan Yue and the expiry of the warranty period (which is 24 months after the completion of Phase II West). The service fee is 2.5% of the fee for the materials supplied for Phase II West and shall be paid on a quarterly basis after deduction of the 5% assurance fee; such assurance fee shall be repayable without interest to Nan Yue upon completion of the term of the Management Agreement. The material shall be purchased by Nan Yue from the relevant material suppliers and supplied to the contractors appointed by West Route JV for the construction of Phase II West

("Construction Contractors"). The material fee shall be payable by the Construction Contractors to Nan Yue. In the event that the relevant material supplier shall fail to supply the materials on time, upon approval by West Route JV, Nan Yue shall take such actions as may be required (including using its own material stock or making purchase separately) to resume the supply of materials for Phase II West.

Pursuant to the reasons disclosed under the section headed "Connected Transactions", Nan Yue, being a subsidiary of GPCG, is deemed to be a connected person of the Company for the purposes of Chapter 14A of the Listing Rules.

The service fee paid and payable to Nan Yue for the Material Logistics Services provided during the year ended 30 June 2009 under the Management Agreement was RMB12.0 million (2008: 11.7 million).

The Independent Non-executive Directors of the Company have reviewed and confirmed that the Material Logistic Services provided by Nan Yue for the financial year ended 30 June 2009 have been entered into in the ordinary and usual course of business of the Group; on normal commercial terms; and in accordance with the Management Agreement on terms that are fair and reasonable and in the interests of the Company as a whole.

Further, pursuant to Rule 14A.38 of the Listing Rules, the Board of Directors engaged Deloitte Touche Tohmatsu ("Deloitte"), the auditor of the Company, to perform certain agreed upon procedures in respect of the Material Logistic Services provided by Nan Yue. Deloitte has reported to the Board that (i) the Material Logistics Services transactions have received the approval of the Board of the Company, (ii) the amount of the Material Logistics Services fee for the year ended 30 June 2009 did not exceed the cap of RMB22 million per annum as disclosed in the joint announcement dated 1 June 2007 made by the Company and HHL, and (iii) the Material Logistics Services transactions have been entered into in accordance with the terms of the Management Agreement governing the connected transactions.

(B) Tenancy Agreements in respect of office areas in Hopewell Centre

On 31 January 2008, in order to cope with the expansion of the Company, Singway (B.V.I.) Company Limited ("Singway") a wholly-owned subsidiary of HHL, as landlord, and Hopewell China Development (Superhighway) Limited ("HCDL") a 97.5% owned subsidiary of the Company, as tenant, entered into a supplemental agreement (the "Supplemental Agreement") in relation to the relocation of the Company's office from Room 64-02 to Room 63-02 of Hopewell Centre and a tenancy agreement (the "Tenancy Agreement for Additional Areas") in relation to additional office spaces on 59th and 63rd Floors of Hopewell Centre.

The rent (including the air-conditioning charges and management charges) paid by HCDL to Singway under the Supplemental Agreement and the Tenancy Agreement for Additional Areas (collectively the "Agreements") was determined by reference to open market rent of office units of similar size and location. The Board (including the Independent Non-executive Directors) of the Company considered that the terms of the Agreements were negotiated on an arm's length basis and were entered into on normal commercial terms and in the ordinary and usual course of business of the Group and the terms are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Prior to the Agreements, HCDL had leasing arrangements with Singway for the leasing of Room 64-02 (which was relocated to Room 63-02 of Hopewell Centre with effect from 1 February 2008 pursuant to the Supplemental Agreement) and Room 5904B of Hopewell Centre for the period from 1 July 2007 to 30 June 2009 and two car parking spaces in Hopewell Centre on monthly basis (the "Existing Leasing Arrangements").

As Singway is a wholly-owned subsidiary of HHL and HHL is the holding company of the Company, Singway is a connected person of the Company under the Listing Rules and the entering into of the Agreements (together with the Existing Leasing Arrangements) constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules and are subject to the reporting, announcement and annual review requirements set out in Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules, but are exempt from the independent shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

The aggregate amount of rent (including the air-conditioning charges and management charges) paid by HCDL to Singway under the Agreements and the Existing Leasing Arrangements for the years ended 30 June 2008 and 30 June 2009 were HK$2,298,580 and HK$3,057,306 respectively.

The Independent Non-Executive Directors of the Company have reviewed and confirmed that the transactions under the Agreements and the Existing Leasing Arrangements for the years ended 30 June 2008 and 30 June 2009 (the "Continuing Leasing Transactions") have been entered into in the ordinary and usual course of business of the Company, on normal commercial terms and in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged Deloitte to perform certain agreed upon procedures in respect of the Continuing Leasing Transactions. Deloitte has reported to the Board that (i) the Continuing Leasing Transactions have received the approval of the Board of the Company, (ii) the aggregate amount paid under the Agreements and the Existing Leasing Arrangements for the years ended 30 June 2008 and 30 June 2009 did not exceed the annual cap of HK$3 million and HK$4 million respectively, (iii) the Continuing Leasing Transactions have been entered into in accordance with the terms of the Agreements and the Existing Leasing Arrangements governing them.

Save as disclosed above, related party transactions that did not constitute connected transactions or continuing connected transactions made during the year are disclosed in note 39 to the consolidated financial statements.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

Disclosure under Chapter 13.18 of the Listing Rules

Pursuant to a loan agreement entered into by a wholly-owned subsidiary of the Company for a facility in the aggregate amount of HK$3,600,000,000 with a tenor of 5 years from 13 October 2005, it will be an event of default if the Company ceases at any time to be a subsidiary of HHL.

Auditor

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Sir Gordon Ying Sheung WU GBS, KCMG, FICE
Chairman
Hong Kong, 26 August 2009

Deloitte.
德勤

TO THE MEMBERS OF HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED
合和公路基建有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Hopewell Highway Infrastructure Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 61 to 111, which comprise the consolidated and Company balance sheets as at 30 June 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2009 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
26 August 2009

Financial Report

Consolidated Income Statement

For the year ended 30 June 2009

	NOTES	2008 HK$'000 (restated)	2009 HK$'000
Toll revenue		1,716,797	**1,809,179**
Revenue on construction		1,193,704	**1,215,977**
Turnover	5	2,910,501	**3,025,156**
Other income and other expense	6	675,510	**163,336**
Construction costs		(1,193,704)	**(1,215,977)**
Provision for resurfacing charges		(26,907)	**(12,674)**
Toll expressway operation expenses		(163,099)	**(143,423)**
Depreciation and amortization charges		(304,732)	**(307,102)**
General and administrative expenses		(134,097)	**(83,513)**
Finance costs	7	(252,374)	**(161,506)**
Gain on disposal of a jointly controlled entity	8	973,594	**—**
Profit before tax		2,484,692	**1,264,297**
Income tax expenses	9	(452,192)	**(187,303)**
Profit for the year	10	2,032,500	**1,076,994**
Attributable to:			
Equity holders of the Company		2,013,957	**1,059,399**
Minority interests		18,543	**17,595**
Profit for the year		2,032,500	**1,076,994**
Dividends paid	12	1,306,980	**4,216,585**
		HK cents (restated)	**HK cents**
Earnings per share	13		
Basic		67.81	**35.72**
Diluted		67.78	**35.72**

Consolidated Balance Sheet

As at 30 June 2009

	NOTES	2008 HK$'000 (restated)	**2009** **HK$'000**
ASSETS			
Non-current Assets			
Property and equipment	15	183,980	**189,401**
Concession intangible assets	16	10,361,834	**11,279,829**
Balances with jointly controlled entities	20	530,645	**141,062**
		11,076,459	**11,610,292**
Current Assets			
Inventories		2,052	**2,370**
Deposits and prepayments		17,212	**15,192**
Other receivables	22	78,477	**62,666**
Other receivable from a jointly controlled entity	22	11,714	**—**
Pledged bank balances and deposits of jointly controlled entities	23	235,265	**118,927**
Bank balances and cash	23		
— The Group		5,997,274	**2,775,222**
— Jointly controlled entities		4,865	**3,136**
		6,346,859	**2,977,513**
Total Assets		17,423,318	**14,587,805**

Consolidated Balance Sheet

As at 30 June 2009

	NOTES	2008 HK$'000 (restated)	**2009 HK$'000**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	24	297,048	**296,169**
Share premium and reserves		11,252,505	**8,044,836**
Equity attributable to equity holders of the Company		11,549,553	**8,341,005**
Minority interests		50,718	**47,930**
Total Equity		11,600,271	**8,388,935**
Non-current Liabilities			
Other payables	26	55,267	**39,732**
Bank and other loans of jointly controlled entities	27	4,444,077	**4,893,801**
Balance with a joint venture partner	28	360,154	**141,010**
Resurfacing obligations	29	25,920	**8,421**
Deferred tax liabilities	30	251,731	**320,307**
		5,137,149	**5,403,271**
Current Liabilities			
Other payables, accruals and deposits received	26	383,145	**387,443**
Bank loans of jointly controlled entities	27	267,109	**344,344**
Other interest payable		5,677	**3,604**
Tax liabilities		29,967	**32,029**
Resurfacing obligations	29	—	**28,179**
		685,898	**795,599**
Total Liabilities		5,823,047	**6,198,870**
Total Equity and Liabilities		17,423,318	**14,587,805**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

Company Balance Sheet

As at 30 June 2009

	NOTES	2008 HK$'000	2009 HK$'000
ASSETS			
Non-current Assets			
Investments in subsidiaries	17	2,260,778	**2,279,147**
Amount due from a subsidiary	19	937,320	**530,347**
		3,198,098	**2,809,494**
Current Assets			
Deposits and prepayments		4,833	**1,717**
Amounts due from subsidiaries	19	1,008,753	**710,676**
Bank balances and cash	23	5,993,215	**2,771,486**
		7,006,801	**3,483,879**
Total Assets		10,204,899	**6,293,373**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	24	297,048	**296,169**
Share premium and reserves	25	9,203,264	**5,990,676**
Total Equity		9,500,312	**6,286,845**
Current Liabilities			
Other payables and accruals	26	5,700	**5,160**
Amounts due to subsidiaries	21	698,887	**1,368**
Total Liabilities		704,587	**6,528**
Total Equity and Liabilities		10,204,899	**6,293,373**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2009

	Attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	PRC statutory reserves HK$'000	Translation reserve HK$'000	Shares held for share award scheme HK$'000	Share option reserve HK$'000	Share award reserve HK$'000	Retained profits HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
As at 1 July 2007											
– As originally stated	297,033	7,474,073	106,353	201,115	(5,535)	1,743	1,433	2,818,880	10,895,095	44,383	10,939,478
– Effect of changes in accounting policies (note 2)	–	–	–	(13,225)	–	–	–	(126,256)	(139,481)	–	(139,481)
– As restated	297,033	7,474,073	106,353	187,890	(5,535)	1,743	1,433	2,692,624	10,755,614	44,383	10,799,997
Exchange gain on translation of foreign operation (recognized directly in equity)	–	–	–	166,123	–	–	–	–	166,123	–	166,123
Profit for the year	–	–	–	–	–	–	–	2,013,957	2,013,957	18,543	2,032,500
Transfer to profit or loss on disposal of a jointly controlled entity	–	–	–	(76,918)	–	–	–	–	(76,918)	–	(76,918)
Total recognized income	–	–	–	89,205	–	–	–	2,013,957	2,103,162	18,543	2,121,705
Change in profit sharing of a jointly controlled entity	–	–	(4,254)	(3,475)	–	–	–	–	(7,729)	–	(7,729)
Shares issued at premium on exercise of share options	15	1,018	–	–	–	(144)	–	–	889	–	889
Recognition of equity-settled share-based payments	–	–	–	–	–	2,126	2,471	–	4,597	–	4,597
Shares vested for share award scheme	–	–	–	–	2,767	–	(2,360)	(407)	–	–	–
Transfer between reserves	–	–	7,727	–	–	–	–	(7,727)	–	–	–
Dividends recognized as distribution during the year (note 12)	–	–	–	–	–	–	–	(1,306,980)	(1,306,980)	–	(1,306,980)
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	(12,208)	(12,208)
As at 30 June 2008, as restated	297,048	7,475,091	109,826	273,620	(2,768)	3,725	1,544	3,391,467	11,549,553	50,718	11,600,271
Exchange loss on translation to presentation currency (recognized directly in equity)	–	–	–	(15,170)	–	–	–	–	(15,170)	–	(15,170)
Profit for the year	–	–	–	–	–	–	–	1,059,399	1,059,399	17,595	1,076,994
Total recognized income and expenses	–	–	–	(15,170)	–	–	–	1,059,399	1,044,229	17,595	1,061,824
Recognition of equity-settled share-based payments	–	–	–	–	–	1,038	614	–	1,652	–	1,652
Shares vested for share award scheme	–	–	–	–	2,768	–	(2,158)	(610)	–	–	–
Forfeiture of vested share options	–	–	–	–	–	(189)	–	189	–	–	–
Shares repurchased and cancelled	(879)	(36,965)	–	–	–	–	–	–	(37,844)	–	(37,844)
Transfer between reserves	–	–	601	–	–	–	–	(601)	–	–	–
Dividends recognized as distribution during the year (note 12)	–	(2,495,202)	–	–	–	–	–	(1,721,383)	(4,216,585)	–	(4,216,585)
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	(20,383)	(20,383)
As at 30 June 2009	296,169	4,942,924	110,427	258,450	–	4,574	–	2,728,461	8,341,005	47,930	8,388,935

Consolidated Cash Flow Statement

For the year ended 30 June 2009

	NOTES	2008 HK$'000 (restated)	2009 HK$'000
OPERATING ACTIVITIES			
Profit before tax		2,484,692	**1,264,297**
Adjustments for:			
Revenue on construction	35	(1,193,704)	**(1,215,977)**
Construction costs		1,193,704	**1,215,977**
Gain on disposal of a jointly controlled entity		(973,594)	**–**
Interest expense, fair value adjustment and loss from re-estimation of future cash flows		280,055	**434,950**
Interest income, fair value adjustment and gain from re-estimation of future cash flows		(242,587)	**(426,289)**
Net exchange (gain) loss		(439,170)	**2,256**
Provision for resurfacing charges		26,907	**12,674**
Depreciation and amortization charges		304,732	**307,102**
Share-based payment expense		4,597	**1,652**
Impairment losses recognized (reversed) on receivables		4,572	**(1,098)**
Gain on disposal of property and equipment		(159)	**(58)**
Operating cash flows before movements in working capital		1,450,045	**1,595,486**
Decrease (increase) in inventories		534	**(318)**
Decrease in deposits and prepayments		7,750	**2,020**
(Increase) decrease in other receivables		(17,004)	**30,826**
Increase in other payables, accruals and deposits received		43,924	**30,068**
Decrease in resurfacing obligations		(31,620)	**(1,868)**
Cash generated from operations		1,453,629	**1,656,214**
Income taxes paid		(145,104)	**(115,597)**
NET CASH FROM OPERATING ACTIVITIES		1,308,525	**1,540,617**
INVESTING ACTIVITIES			
Net cash flow arising on disposal of a jointly controlled entity	8	1,719,912	**–**
Tax paid on disposal of a jointly controlled entity		(132,376)	**–**
Receipt of additional investment cost		382,722	**–**
Purchases of property and equipment		(50,167)	**(49,298)**
Construction costs paid		(1,009,588)	**(1,170,384)**
Proceeds on disposals of property and equipment		683	**89**
Repayments of registered capital contributions and loans made to a jointly controlled entity		493,793	**28,625**
Repayments of other receivable from a jointly controlled entity		24,555	**11,690**
Advance of registered capital contributions and loans made to a jointly controlled entity		(333,311)	**(54,461)**
Interest received		210,543	**74,223**
NET CASH FROM (USED IN) INVESTING ACTIVITIES		1,306,766	**(1,159,516)**

Consolidated Cash Flow Statement

For the year ended 30 June 2009

	2008 HK$'000 (restated)	2009 HK$'000
FINANCING ACTIVITIES		
Proceeds from issue of shares	889	—
New bank and other loans raised	1,185,983	1,019,967
Repayment of bank and other loans	(187,144)	(470,253)
Repayment of loans made from joint venture partners	(284,075)	—
Registered capital contribution and loans made from joint venture partners	154,348	235,022
Interest paid	(256,395)	(210,070)
Dividends paid to:		
— equity holders of the Company	(1,306,980)	(4,216,585)
— a minority shareholder of a subsidiary	(12,208)	(20,383)
Repurchase of shares	—	(37,844)
NET CASH USED IN FINANCING ACTIVITIES	(705,582)	(3,700,146)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,909,709	(3,319,045)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	4,322,389	6,210,116
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(7,656)	(21,002)
EFFECT OF CHANGE IN PROFIT SHARING OF A JOINTLY CONTROLLED ENTITY	(14,326)	—
CASH AND CASH EQUIVALENTS CARRIED FORWARD	6,210,116	2,870,069
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:		
Bank balances and cash	6,002,139	2,778,358
Pledged bank balances and deposits of jointly controlled entities	207,977	91,711
CASH AND CASH EQUIVALENTS CARRIED FORWARD	6,210,116	2,870,069

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. General Information

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate holding company is Anber Investments Limited, a limited company incorporated in the British Virgin Islands. The Company's ultimate holding company is Hopewell Holdings Limited ("HHL"), a public limited company incorporated in Hong Kong whose shares are listed on the Stock Exchange.

The addresses of the registered office and the principal place of business of the Company are disclosed in the section of corporate information in the annual report.

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries and jointly controlled entities are set out in notes 34 and 18 respectively.

In prior years, the Company's functional currency was Hong Kong dollars ("HKD"). During the year, the directors had re-evaluated the underlying investment activities and strategy of the Company and have determined that the functional currency of the Company changed from HKD to Renminbi ("RMB"). The effects of the change of the functional currency of the Company had been accounted for prospectively during the year.

The consolidated financial statements continue to be presented in HKD as the directors of the Company consider that HKD is the appropriate presentation currency since the shares of the Company are listed on the Stock Exchange.

2. Adoption of New and Revised International Financial Reporting Standards

During the year, the Group has applied the following amendments issued by the International Accounting Standards Board and the following interpretations developed by the International Financial Reporting Interpretations Committee (collectively referred to as the "new IFRSs"), which are or have become effective.

IAS39 & IFRS 7 (Amendments)	Reclassification of Financial Assets
IFRIC 9 & IAS 39 (Amendments)	Embedded Derivatives
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programmes
IFRIC 14	IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new IFRSs resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results and financial position of the Group for the current or prior accounting years have been prepared and presented.

Service Concession Arrangements
During the year, the Group applied IFRIC 12 "Service Concession Arrangements".

The jointly controlled entities of the Group (the "operator") had entered into contractual service arrangements with local government authorities (the "grantor") of the People's Republic of China (the "PRC") to participate in the development, financing, operation and maintenance of toll expressways. Under the arrangements, the jointly controlled entities of the Group carried out the construction of toll expressways for the grantor and received in exchange a right to operate the toll expressways concerned as a public service on behalf of the grantor and an entitlement to the toll fees collected from users of the toll expressways over a specific concession period.

IFRIC 12 provides guidance on the accounting by the operator of a service concession arrangement which involves the provision of public sector services.

In prior years, the construction costs incurred on toll expressways for which the jointly controlled entities of the Group entitled to the operating rights of the toll expressways for a specified concession period, were recorded as property and equipment and were stated at cost less accumulated depreciation and any accumulated impairment loss. Depreciation of the toll expressways other than the repavement costs capitalized was calculated to write off their costs, over their expected useful lives or the remaining concession period, whichever was shorter, commencing from the date of commencement of commercial operation of the toll expressways based on the ratio of actual traffic volume compared to the total expected traffic volume over the remaining concession period of the respective jointly controlled entities to the carrying values of the assets. The expected traffic volumes were estimated by management or determined by reference to traffic projection reports prepared by independent traffic consultants. Depreciation of repavement costs capitalized was calculated based on a similar basis over an estimated useful life of eight years.

2. Adoption of New and Revised International Financial Reporting Standards *(continued)*

Service Concession Arrangements *(continued)*

In accordance with IFRIC 12, infrastructure within the scope of this interpretation is not recognized as property and equipment of the operator as the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. If the operator constructs the infrastructure, this interpretation requires the operator to account for its revenue on construction and construction costs in accordance with IAS 11 "Construction Contracts" and to account for the fair value of the consideration received and receivable for the construction services as an intangible asset in accordance with IAS 38 "Intangible Assets" to the extent that the operator receives a right (a licence referred to as "concession intangible assets") to charge users of the public service. In addition, the Group accounts for the services in relation to the operation of the infrastructure in accordance with IAS 18 "Revenue". All construction activities are sub-contracted to third parties and there was no cash realized or realizable for the construction services during the construction phase of toll expressways.

Once the underlying toll expressways are completed, the concession intangible assets are amortized to write off its cost over its expected useful life or the remaining concession period, whichever is shorter, commencing from the date of commencement of commercial operation of the underlying toll expressway using an amortization method which reflects the pattern in which the intangible asset's future economic benefits are expected to be consumed.

Upon the adoption of IFRIC 12, the cash outflow for the payment of construction costs was presented under "operating activities" when preparing the condensed consolidated cash flow statement of the financial information of the Company for the six months ended 31 December 2008. The cash outflow for the payment of construction costs is presented under "investing activities" when preparing the consolidated cash flow statement of the consolidated financial statements of the Company for the year ended 30 June 2009 as the management of the Company considers that it is more appropriate to reflect the nature of the cash outflow, i.e. these represent cash payments to acquire the concession intangible assets.

As part of its obligations under the arrangements, the jointly controlled entities of the Group assume responsibility for resurfacing of the toll expressways they operate. The resulting resurfacing costs, except for upgrade services, are recognized as resurfacing obligations according to the requirements of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", when the jointly controlled entities of the Group have a present legal or constructive obligation as a result of past events.

Resurfacing obligations are measured at the present value of the director's best estimate of the expenditures expected to be required to settle the obligation at any date that is proportional to the traffic volume by that date, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the resurfacing obligations due to the passage of time (over the estimated resurfacing work for every twelve years) is recognized as a provision for resurfacing charges in the consolidated income statement.

The deferred tax consequences of the deductible temporary differences are now reassessed on the basis that reflect the tax consequences that would follow the manner in which the Group expects to reverse at each balance sheet date.

For the service arrangements that are impracticable for the Group to apply this interpretation retrospectively, the Group has, in accordance with the transitional provisions stated in IFRIC 12, recognized the intangible assets on 1 July 2007, the beginning of the comparative financial period, by using the previous carrying amounts of the intangible assets, (whatever previously classified) as their carrying amounts as at 1 July 2007. Prepaid lease payments made in conjunction with the service concession arrangements which the jointly controlled entities of the Group have no discretion or latitude to deploy for other services other than the use in the service concession arrangement previously separately presented and amortized on a straight-line basis over the respective service concession period are also reclassified as intangible assets exchanged under the service concession arrangement on 1 July 2007.

The Group incurred additional development expenditure for the construction and development of the toll expressways operated by the jointly controlled entities ("Additional Development Cost"), which were not accounted for by those jointly controlled entities. In prior years, a portion of such costs, calculated based on the Group's proportionate share in the jointly controlled entities based on the profit-sharing ratios or net cash flow sharing ratio (as the case may be) was included in the costs of toll expressways. The balance of such costs was carried as "Additional investment cost in jointly controlled entities" and was amortized on the same basis adopted by the relevant jointly controlled entities in depreciating their toll expressways. On disposal of a jointly controlled entity, the attributable amount of the unamortized Additional Development Cost was included in the determination of the profit or loss on disposal. "Additional investment cost in toll expressway project under development", which represented the development expenditure incurred for the toll expressway project prior to the commencement of construction, was stated at cost less any identified impairment losses. The above additional investment costs were also reclassified as intangible assets under the service concession arrangements on 1 July 2007.

2. Adoption of New and Revised International Financial Reporting Standards *(continued)*

Service Concession Arrangements *(continued)*

For the current year, except as described above, the Group applied this interpretation retrospectively and the financial impact on the adoption of this interpretation is summarized below.

The effect of changes in accounting policies resulted from the application of IFRIC 12 for the prior and current years by line items presented are as follows:

	Year ended 30 June	
	2008 HK$'000	**2009 HK$'000**
Increase in revenue on construction	1,193,704	**1,215,977**
Increase in construction costs	(1,193,704)	**(1,215,977)**
Increase in provision for resurfacing charges	(26,907)	**(12,674)**
Decrease in depreciation and amortization charges	49,996	**28,288**
(Increase) decrease in income tax expenses	(6,199)	**1,204**
Increase in profit for the year	16,890	**16,818**

The effect of the application of IFRIC 12 as at 30 June 2008 is summarized below:

	As at 30 June 2008 (originally stated) HK$'000	**Adjustments HK$'000**	**As at 30 June 2008 (restated) HK$'000**
Balance sheet items			
Property and equipment	9,394,586	(9,210,606)	183,980
Additional investment cost in jointly controlled entities	1,113,375	(1,113,375)	—
Additional investment cost in toll expressway project under development	53,903	(53,903)	—
Prepaid lease payments	139,067	(139,067)	—
Concession intangible assets	—	10,361,834	10,361,834
Resurfacing obligations	—	(25,920)	(25,920)
Deferred tax liabilities	(295,965)	44,234	(251,731)
Total effects on assets and liabilities		(136,803)	
Retained profits	3,500,833	(109,366)	3,391,467
Translation reserve	301,057	(27,437)	273,620
Total effects on equity		(136,803)	

The effect of the application of IFRIC 12 on the Group's equity at 1 July 2007 are summarized below:

	As at 1 July 2007 (originally stated) HK$'000	**Adjustments HK$'000**	**As at 1 July 2007 (restated) HK$'000**
Retained profits	2,818,880	(126,256)	2,692,624
Translation reserve	201,115	(13,225)	187,890
Total effects on equity		(139,481)	

2. Adoption of New and Revised International Financial Reporting Standards *(continued)*

Service Concession Arrangements *(continued)*
Impact on basic earnings per share:

	Year ended 30 June	
	2008 HK Cents	**2009 HK Cents**
Figures before adjustments	67.25	**35.15**
Adjustments	0.56	**0.57**
Adjusted	67.81	**35.72**

Impact on diluted earnings per share:

	Year ended 30 June	
	2008 HK Cents	**2009 HK Cents**
Figures before adjustments	67.22	**35.15**
Adjustments	0.56	**0.57**
Adjusted	67.78	**35.72**

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

IFRSs (Amendments)	Amendment to IFRS 5 as part of Improvements to IFRSs May 2008[1]
IFRSs (Amendments)	Improvements to IFRSs April 2009[2]
IAS 1 (Revised)	Presentation of Financial Statements[3]
IAS 23 (Revised)	Borrowing Costs[3]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
IAS 39 (Amendment)	Eligible Hedged Items[4]
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[5]
IFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[5]
IFRS 3 (Revised)	Business Combinations[4]
IFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
IFRS 8	Operating Segments[3]
IFRIC 15	Agreements for the Construction of Real Estate[3]
IFRIC 16	Hedges of a Net Investment in a Foreign Operation[6]
IFRIC 17	Distributions of Non-cash Assets to Owners[4]
IFRIC 18	Transfers of Assets from Customers[7]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to IFRS 5, effective for annual periods beginning on or after 1 July 2009
[2] Amendments that are effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate
[3] Effective for annual periods beginning on or after 1 January 2009
[4] Effective for annual periods beginning on or after 1 July 2009
[5] Effective for annual periods beginning on or after 1 January 2010
[6] Effective for annual periods beginning on or after 1 October 2008
[7] Effective for transfers on or after 1 July 2009

The application of IFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

IFRS 8 "Operating Segments" sets out requirements for disclosure of information about an entity's operating segments, its products and services, the geographical areas in which it operates, and its major customers. This standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. The directors of the Company considered that the adoption of IFRS 8 will result in a redesignation of the Group's reportable segments, but has had no impact on the reported results or financial position of the Group. This standard is applicable to the Group for the annual periods beginning 1 July 2009 retrospectively.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, as explained in the principal accounting policies set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and jointly controlled entities made up to each balance sheet date.

The results of operation of subsidiaries acquired or disposed of during the year and the share attributable to minority interests are accounted for in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The results of operation of jointly controlled entities are accounted for by proportionate consolidation as described below.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Investments in subsidiaries

Subsidiaries are those entities (including special purpose entities) in which the Company has control over the operations. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In the Company balance sheet, investments in subsidiaries are stated at cost less any identified impairment loss.

Interests in jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control.

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the proportionate consolidation method based on the profit-sharing ratios or net cash flow sharing ratio (as the case may be) specified in the relevant joint venture agreements. The Group's share of the income, expenses, assets and liabilities of jointly controlled entities, other than the transactions and balances between the Group and jointly controlled entities, are consolidated with the equivalent items in the consolidated financial information on a line-by-line basis. Transactions and balances between the Group and the jointly controlled entities are eliminated to the extent of the Group's share of the relevant income, expenses, receivables and payables of the jointly controlled entities. Unrealized profits and losses arising on transactions with the jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities, except to the extent that unrealized losses provide evidence of an impairment of the asset.

The share of the income, expenses, assets and liabilities of the jointly controlled entities acquired or disposed of during the year are included in the consolidated financial statements up to the effective date of acquisition or up to the effective date of disposal, as appropriate. The gain or loss arising on the disposal of the jointly controlled entity is determined as the difference between the net disposal proceeds and the share of the net assets of the jointly controlled entity up to the date of disposal including the cumulative amount of any exchange differences that relate to the jointly controlled entity recognized in equity, included in the consolidated financial statements in the year which the jointly controlled entity is disposed of.

Construction contracts

Where the outcome of a construction contract, including construction services of the infrastructure under service concession arrangements, can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expenses immediately.

3. Significant Accounting Policies *(continued)*

Property and equipment

Property and equipment, including building held for use in the supply of services, or for administrative purposes other than construction in progress, are stated at cost less subsequent accumulated depreciation and any accumulated impairment loss.

Construction in progress is stated at cost less any identified impairment losses. Cost includes professional fee and, for qualifying assets, borrowing cost capitalized in accordance with the Group's accounting policy. Construction in progress is classified to the appropriate category of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Depreciation of property and equipment other than construction in progress is provided to write off their costs over their estimated useful lives after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Buildings	3%–3.45%
Motor vehicles	9%–20%
Ancillary traffic facilities, furniture, fixtures and equipment	9%–20%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognized.

Concession intangible assets

When the Group has a right to charge for usage of toll expressway, as a consideration for providing construction services in a service concession arrangement, it recognizes concession intangible asset at fair value upon initial recognition. The concession intangible asset is carried at cost less accumulated amortization and any accumulated impairment losses.

Amortization of concession intangible assets is calculated to write off their costs, commencing from the date of commencement of commercial operation of the underlying toll expressways to the end of the respective remaining concession periods of nineteen to twenty-five years. The annual amortization of concession intangible assets is calculated by applying the ratio of actual traffic volume of the underlying toll expressways compared to the total expected traffic volume of the underlying toll expressways over the respective remaining concession periods to the net carrying value of the assets. The expected traffic volume is estimated by management with reference to the traffic projection reports prepared by independent traffic consultants.

Gain or loss arising from derecognition of the concession intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognized.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and related business taxes.

Toll revenue from the operation of toll expressways is recognized at the time of usage and when the tolls are received and receivable.

Interest income from financial assets is recognized on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of those financial asset to that asset's net carrying amount.

Management fee income is recognized when the related services are provided.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases, which consists primarily of income from renting of machinery and equipment to local contractors and leasing of spaces along the toll expressway for advertising and oil stations, is recognized on a straight-line basis over the respective lease term.

The Group as lessee

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant leases.

3. Significant Accounting Policies *(continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. Upon the change of the functional currency of the Company from HKD to RMB during the year, the Company translates all items into the new functional currency (i.e. RMB) using the exchange rate prevailing at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical costs. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the year in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group are translated into the presentation currency of the Group (i.e. HKD) at the rates of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognized as a separate component of equity (the translation reserve). Such translation differences are recognized in profit or loss in the year in which the foreign operation is disposed of.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as expenses in the consolidated income statement in the year in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense when employees rendered services entitling them to the contribution. Payments made to retirement benefit schemes are dealt with as payments to defined contribution plans where the obligations under the schemes of the Group and the jointly controlled entities are equivalent to those arising in a defined contribution retirement benefit scheme.

Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. Significant Accounting Policies *(continued)*

Inventories

Inventories, representing materials, spare parts and other consumable stores, are stated at the lower of cost and net realizable value. Cost comprises all costs of purchases and other costs that have been incurred in bringing the inventories to their present location and condition and is calculated using the first in, first out method.

Financial instruments

Financial assets and financial liabilities are recognized on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Any difference arising on initial recognition between the fair value and the consideration given/received is recognized as fair value adjustment in the consolidated income statement to the extent that this difference does not represent a capital contribution by the equity participant.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

If the estimate of payments or receipts is revised, the carrying amount of the financial asset or financial liability (or group of financial instruments) is adjusted to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognized as income or expense in profit or loss.

Financial assets

The financial assets of the Group and the Company are classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables (including balances with jointly controlled entities, other receivables, amounts due from subsidiaries, other receivable from a jointly controlled entity, bank balances and deposits, and cash) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

An impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts due from subsidiaries and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When the other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. Significant Accounting Policies *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognized on an effective interest basis.

Financial liabilities

Financial liabilities (including other payables and accruals, bank and other loans of jointly controlled entities, other interest payable and balance with a joint venture partner and amounts due to subsidiaries) are subsequently measured at amortized cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The cost of the Company's shares repurchased by the Company (or its subsidiaries) is recognized as a deduction from equity. For the shares repurchased for the shares award scheme, the cost of the Company's shares repurchased is recognized as a deduction from the reserve of shares held for share award scheme. No gain or loss shall be recognized in the consolidated income statement on the purchase, sale, issue or cancellation of such shares.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Resurfacing obligations

As part of its obligations under the contractual service arrangements, the jointly controlled entities of the Group assume responsibility for resurfacing of the toll expressways. The resulting resurfacing costs are recognized as resurfacing obligations, when the jointly controlled entities of the Group has a present legal or constructive obligation as a result of past events.

Resurfacing obligations are measured at the present value of the director's best estimate of the expenditures expected to be required to settle the obligation at any date that is proportional to the traffic volume by that date, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the resurfacing obligations due to passage of time (over the estimated resurfacing work for every twelve years) is recognized as a provision for resurfacing charges in the consolidated income statement.

Equity-settled share-based payment transactions

The fair value of services received, determined by reference to the fair value of share options and awarded shares granted at the grant date, is expensed as staff costs on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve and share award reserve respectively).

At each balance sheet date, the Group revises its estimates of the number of share options and the awarded shares that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss, with a corresponding adjustment to share option reserve and share award reserve respectively.

At the time when the share options are exercised, the amount previously recognized in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share option reserve will be transferred to retained profits.

At the time when the awarded shares are vested, the amount previously recognized in share award reserve and the amount of the relevant treasury shares will be transferred to retained profits.

3. Significant Accounting Policies *(continued)*

Impairment loss on tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately in the consolidated income statement.

4. Key Source of Estimation Uncertainty

The Group makes estimates and assumptions concerning the future. The estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

(a) **Amortization of concession intangible assets**

Amortization of concession intangible assets is calculated based on the ratio of actual traffic volume of the underlying toll expressways compared to the total expected traffic volume of the underlying toll expressways over the remaining concession periods of the service concession agreements. Adjustments may need to be made to the carrying amounts of concession intangible assets should there be a material difference between the total expected traffic volume and the actual results.

As at 30 June 2009, as part of the established policy of the Group, the Company's management has reviewed the total expected traffic volume and made appropriate adjustments to the assumptions of the expected traffic volume with reference to the latest independent traffic studies.

In the current year, the Group reported amortization of concession intangible assets amounting to approximately HK$277,817,000 (2008, as restated: HK$283,339,000). The management of the Company considers that these are calculated by reference to the best estimates of the total expected traffic volumes of the underlying toll expressways and they should not be materially different from the actual traffic volumes in the future. The current year amortization charged to the consolidated income statement is less than the amortization estimated in the prior financial year based on the then expected traffic volumes for future financial years by approximately HK$94,893,000 (2008, as restated: HK$36,553,000).

(b) **Resurfacing obligations**

The jointly controlled entities of the Group have contractual obligations under the contractual service arrangements to maintain the toll expressways to a specified level of serviceability over the respective concession periods. These obligations to maintain or restore the toll expressways, except for upgrade services, are to be recognized and measured as resurfacing obligations. Resurfacing obligations as at 30 June 2009 amounting to HK$36,600,000 (2008, as restated: HK$25,920,000) had been made at the present value of expenditures expected to be incurred by the Group to settle the obligations.

The amount expected to be required to settle the obligations at the balance sheet date is determined based on the number of major resurfacing works to be undertaken over the concession periods under the service concession agreements and the expected costs to be incurred for each event. The costs are then discounted to the present value based on a pre-tax discount rate.

The expected costs for maintenance and resurfacing and the timing of such events to take place involve estimates made by the directors of the Company, which were based on the resurfacing plans of the Group, historical costs incurred for similar activities and the latest quotations from the service provider.

In addition, the directors of the Company are of the view that the discount rate currently used in the current estimate should reflect the time value of money and the risks specific to the obligations.

If the expected expenditures, resurfacing plan and discount rate were different from management's current estimates, the change in resurfacing obligations is required to be accounted for prospectively.

5. Turnover and Segment Information

Turnover represents the Group's proportionate share of the jointly controlled entities' toll revenue received and receivable from the operations of toll expressways, net of business tax and revenue on construction and is analyzed as follows:

	2008 HK$'000 (restated)	2009 HK$'000
Toll revenue before business tax	1,769,912	**1,865,145**
Business tax	(53,115)	**(55,966)**
	1,716,797	**1,809,179**
Revenue on construction	1,193,704	**1,215,977**
	2,910,501	**3,025,156**

The Group has only one business segment, namely the construction under service concession, development, operation and management of toll expressways in the PRC through its jointly controlled entities established in the PRC.

No geographical segment analysis is presented as the management considers that the Group has only one geographical segment located in the PRC.

6. Other Income and Other Expense

	2008 HK$'000	2009 HK$'000
Fair value adjustment on interest-free registered capital contributions made by a joint venture partner	—	**61,262**
Gain from re-estimation of future cash flows on interest-free registered capital contributions made by a joint venture partner (note)	—	**257,221**
Interest income from:		
Loan made by the Group to a jointly controlled entity	10,161	**99**
Bank deposits	210,543	**74,223**
Imputed interest income on interest-free registered capital contributions and loan made to a jointly controlled entity	21,883	**33,484**
Net exchange gain (loss)	439,170	**(2,256)**
Rental income	6,625	**6,873**
Management fee income from jointly controlled entities	2,310	**793**
Gain on disposal of property and equipment	159	**58**
Others	24,627	**17,417**
	715,478	**449,174**
Fair value adjustment on interest-free registered capital contributions made to a jointly controlled entity	(39,968)	**—**
Loss from re-estimation of future cash flows on interest-free registered capital contributions made to a jointly controlled entity (note)	—	**(285,838)**
	675,510	**163,336**

Note: As set out in notes 18(ii), 20 and 28, the registered capital contributions made by the Group and the PRC joint venture partner to 廣東廣珠西綫高速公路有限公司 Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("West Route JV") are interest-free and are required to be repaid to both the Group and the PRC joint venture partner. The repayments are required to be approved by the board of directors of West Route JV. Therefore, the registered capital contributions are classified as financial liabilities and subject to fair value measurement at initial recognition and subsequently measured at amortized costs using the effective interest method.

Based on the construction progress of Phase II of the Western Delta Route ("Phase II West"), the directors of the Company reassessed the estimated future cash flows from the West Route JV as at 30 June 2009 and considered that the repayment of the registered capital contributions made by the Group and the PRC joint venture partner to West Route JV, classified as balances with jointly controlled entities and balance with a joint venture partner respectively, are expected to be extended to the expiry dates of the relevant concession periods for both Phase I of the Western Delta Route ("Phase I West") and Phase II West.

7. Finance Costs

	2008 HK$'000	2009 HK$'000
Interest on bank loans	257,086	**208,259**
Imputed interest on:		
Interest-free registered capital contributions and loans made by joint venture partners	22,645	**27,174**
Other interest-free loan	329	**370**
	280,060	**235,803**
Other financial expenses	12,287	**12,394**
	292,347	**248,197**
Less: Amounts included in toll expressway construction costs (note)	(39,973)	**(86,691)**
	252,374	**161,506**

Note: Borrowing cost capitalized during the year arose on a bank borrowing by applying a capitalization rate of 6.91% (2008: a bank borrowing and a loan made by a joint venture partner by applying a capitalization rate of 6.51%) per annum to expenditure on the toll expressway construction costs.

8. Disposal of a Jointly Controlled Entity

廣州東南西環高速公路有限公司 Guangzhou E-S-W Ring Road Company Limited ("Ring Road JV") was established to undertake the development, operation and management of an expressway running along the eastern, southern and western fringes of the Guangzhou urban areas ("ESW Ring Road"). The operation period was 30 years commencing from 1 January 2002, ESW Ring Road was officially opened in January 2002 and the Group was entitled to 45% of the net cash flow (that is, gross operating income net of operating expenses and tax) of ESW Ring Road.

On 9 August 2007, the Group entered into an agreement with the PRC joint venture partner of Ring Road JV, a jointly controlled entity of the Group, pursuant to which the Group agreed to sell, and the PRC joint venture partner agreed to purchase, the entire 45% interest of the Group in Ring Road JV and other rights, duties and obligations in the ESW Ring Road for a consideration of RMB1,712,550,000 (equivalent to approximately HK$1,765,907,000). The disposal was completed in late September 2007 and the gain on disposal of a jointly controlled entity of HK$973,594,000 was recognized in the consolidated income statement for the year ended 30 June 2008.

The results of Ring Road JV included in the consolidated income statement were as follows:

	2008 HK$'000	2009 HK$'000
Turnover	45,516	**–**
Other income	24,441	**–**
Toll expressway operation expenses	(16,424)	**–**
Depreciation and amortization charges	(11,107)	**–**
General and administrative expenses	(6,451)	**–**
Finance costs	(21,440)	**–**
Profit before tax	14,535	**–**
Income tax expenses	(46,201)	**–**
Loss for the year	(31,666)	**–**

8. Disposal of a Jointly Controlled Entity *(continued)*

The Group's proportionate share of the net assets of Ring Road JV at the date of disposal were as follows:

	HK$'000 (restated)
Net assets disposed of:	
Property and equipment	9,725
Concession intangible assets	2,428,041
Other receivables from joint venture partners	237,801
Bank balances and cash	45,995
Other current assets	2,956
Bank loans	(1,419,061)
Balances with joint venture partners	(111,681)
Deferred tax liabilities	(154,859)
Other payables, accruals and deposits received	(21,941)
Other current liabilities	(2,326)
	1,014,650
Assignment of balance with a jointly controlled entity	129,806
Assignment of other payable to a jointly controlled entity	(275,225)
Release of translation reserve	(76,918)
	792,313
Gain on disposal	973,594
Total consideration	1,765,907
Satisfied by:	
Cash	1,765,907
Net cash inflow (outflow) arising on disposal:	
Cash consideration	1,765,907
Bank balances and cash disposed of	(45,995)
	1,719,912

9. Income Tax Expenses

	2008 HK$'000 (restated)	**2009 HK$'000**
The tax charge comprises:		
PRC Enterprises Income Tax		
The Group	155,380	**1,238**
Jointly controlled entities	116,085	**116,941**
Deferred taxation (note 30)		
Current year	90,898	**69,124**
Attributable to a change in tax rate	89,829	**—**
	452,192	**187,303**

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

The PRC Enterprise Income Tax charge of the Group for the year ended 30 June 2008 represented mainly the PRC Enterprise Income Tax of approximately HK$22,889,000 on the amount received from 廣深珠高速公路有限公司 Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS Superhighway JV"), a jointly controlled entity of the Group, amounting to RMB725,140,000 in relation to repayment of additional development expenditure for the construction and development of the toll expressway operated by GS Superhighway JV previously incurred by the Group, and the withholding tax in relation to disposal of interest in Ring Road JV amounting to approximately HK$132,376,000 which are calculated at the rates prevailing in the PRC.

9. Income Tax Expenses *(continued)*

The PRC Enterprise Income Tax charge of the jointly controlled entities represents the Group's proportionate share of the provision for the PRC Enterprise Income Tax of GS Superhighway JV amounting to approximately HK$114,896,000 (2008: HK$114,785,000), which is calculated at 9% for the half year ended 31 December 2008 and 10% for the half year ended 30 June 2009 (2008: 7.5% for the half year ended 31 December 2007 and 9% for the half year ended 30 June 2008) of the estimated assessable profit for the year and the Group's proportionate share of the provision for the PRC Enterprise Income Tax of West Route JV, another jointly controlled entity of the Group, amounting to approximately HK$2,045,000 (2008: HK$1,300,000), which is calculated at 9% for the half year ended 31 December 2008 and 10% for the half year ended 30 June 2009 (2008: nil for the half year ended 31 December 2007 and 9% for the half year ended 30 June 2008) of estimated assessable profit.

GS Superhighway JV is entitled to a 5-year exemption from income tax commencing from the first profit-making year as computed under PRC accounting standards and tax regulations and 5-years half of the regular tax rate ("5 + 5" exemption). The first year for which GS Superhighway JV recorded profits for PRC tax purposes was the year ended 31 December 2000 and the 5-year exemption from income tax expired in December 2004.

West Route JV is entitled to a 2-year exemption from income tax for income commencing from the first profit-making year as computed under PRC accounting standards and tax regulations and a 3-year concessionary rate of half of the regular tax rate ("2 + 3" exemption). The first year for which West Route JV recorded profit for PRC tax purpose was the year ended 31 December 2006 and 2-year exemption from income tax expired in December 2007.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC, which changed the tax rate from 18% (including 3% local tax) to 25% for the PRC jointly controlled entities of the Group from 1 January 2008. On 26 December 2007, the State Council announced the detailed measures and regulations of the New Law ("Implementation Rules"). The Implementation Rules ratcheted the PRC Enterprise Income Tax 15% rate over five years to 25% for grandfathering of incentives. It has been stated that grandfathering would apply to both the "2+3" exemption or "5+5" exemption and for enterprises enjoying certain geographic incentive rates (often 15%). For those enterprises that paid at this 15% rate, the 15% rate would ratchet up to 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011 and 2012 respectively. The deferred tax balances have been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realized or the liability is settled.

The income tax expenses for the year can be reconciled to the profit before tax per consolidated income statement as follows:

	2008 HK$'000 (restated)	**2009 HK$'000**
Profit before tax	2,484,692	**1,264,297**
Tax at normal PRC income tax rate of 25% (2008: 25%)	621,173	**316,074**
Effect of concessionary rate on income tax expenses	(243,475)	**(269,837)**
Tax effect of income not taxable for tax purposes	(187,170)	**(188,282)**
Tax effect of expenses not deductible for tax purposes	160,148	**267,137**
Differential tax rate on temporary difference of jointly controlled entities	10,837	**7,927**
Tax effect of tax losses not recognized	4,077	**–**
Increase in opening deferred tax liability resulting from an increase in applicable tax rate	105,524	**–**
Differential tax rate on gain on disposal of a jointly controlled entity	(111,023)	**–**
PRC Enterprise Income Tax on additional investment cost undertaken and paid by GS Superhighway JV	22,889	**–**
Deferred tax on undistributed earnings of PRC jointly controlled entities (note 30)	68,897	**55,135**
Others	315	**(851)**
Income tax expenses	452,192	**187,303**

10. Profit for the Year

	2008 HK$'000 (restated)	2009 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	2,086	**1,700**
Staff costs (excluding directors' remuneration)	131,288	**101,419**
Amortization of concession intangible assets	283,339	**277,817**
Depreciation of property and equipment	21,393	**29,285**
Impairment losses recognized (reversed) on other receivables	4,572	**(1,098)**
Gain on disposal of property and equipment	(159)	**(58)**

11. Directors' and Five Highest Paid Individuals' Emoluments

Directors' emoluments

The emoluments paid or payable to each of the 12 (2008: 13) directors, including Mr. Yuk Keung IP who was appointed on 13 August 2007 and resigned with effective on 29 February 2008, were as follows:

	2008						2009					
	Directors'fees HK$'000	Salaries and other benefits HK$'000	Bonus HK$'000	Contributions to retirement benefits plans HK$'000	Share award HK$'000	Total HK$'000	Directors' fees HK$'000	Salaries and other benefits HK$'000	Bonus HK$'000	Contributions to retirement benefits plans HK$'000	Share award HK$'000	Total HK$'000
Sir Gordon Ying Sheung WU	300	3,000	–	–	–	3,300	300	3,000	–	–	–	3,300
Eddie Ping Chang HO	250	2,400	–	–	–	2,650	250	2,400	–	–	–	2,650
Thomas Jefferson WU	200	1,656	138	12	–	2,006	200	1,656	138	12	–	2,006
Alan Chi Hung CHAN	200	1,707	138	12	893	2,950	200	1,690	138	12	226	2,266
Leo Kwok Kee LEUNG (note a)	200	1,500	125	12	638	2,475	200	1,500	125	12	162	1,999
Lijia HUANG (note b)	200	453	158	–	–	811	58	134	–	–	–	192
Cheng Hui JIA	200	831	8,069	–	638	9,738	200	830	70	–	162	1,262
Philip Tsung Cheng FEI	200	–	–	–	–	200	200	–	–	–	–	200
Lee Yick NAM	200	–	–	–	–	200	200	–	–	–	–	200
Kojiro NAKAHARA	200	–	–	–	–	200	200	–	–	–	–	200
Gordon YEN	200	–	–	–	–	200	200	–	–	–	–	200
Barry Chung Tat MOK	200	–	–	–	–	200	200	–	–	–	–	200
Yuk Keung IP	200	–	–	–	–	200	–	–	–	–	–	–
	2,750	11,547	8,628	36	2,169	25,130	2,408	11,210	471	36	550	14,675

Notes:

(a) Ir. Leo Kwok Kee LEUNG resigned as an Executive Director of the Company with effect from 1 July 2009.

(b) Mr. Lijia HUANG retired as an Executive Director of the Company on 13 October 2008. The directors' emoluments paid or payable to Mr. Lijia HUANG included approximately HK$32,000 (2008: HK$221,000) paid by GS Superhighway JV proportionately shared by the Group.

Five highest paid individuals emoluments

The five highest paid individuals of the Group in 2008 and 2009 were all directors of the Company and details of their emoluments are disclosed above.

During the two years ended 30 June 2009, no emoluments were paid by the Group to any of the persons who are directors or the five highest paid individuals of the Company as an inducement to join or upon joining the Group or as compensation for loss of office and none of the persons who are directors of the Company waived any emoluments.

12. Dividends

	2008 HK$'000	2009 HK$'000
Dividends paid and recognized as distribution during the year:		
Interim dividend paid of HK17 cents (2008: HK17 cents) per share	504,981	**503,487**
Special interim dividend paid of HK84 cents (2008: HK7 cents) per share	207,934	**2,495,202**
Final dividend for the year ended 30 June 2008 paid of HK13 cents (2008: year ended 30 June 2007 paid of HK20 cents) per share	594,065	**386,162**
Special final dividend for the year ended 30 June 2008 paid of HK28 cents per share (2008: nil)	—	**831,734**
	1,306,980	**4,216,585**
Final dividend proposed of HK18 cents (2008: HK13 cents) per share	386,162	**533,104**
Special final dividend proposed of nil (2008: HK28 cents) per share	831,734	**—**
	1,217,896	**533,104**

A special interim dividend out of the share premium in respect of the year ended 30 June 2009 of HK84 cents per share was paid to the shareholders on 14 November 2008.

A final dividend in respect of the financial year 2009 of HK18 cents per share totalling approximately HK$533,104,000 is proposed by the Board. The dividend is subject to approval by shareholders at the forthcoming annual general meeting and has not been included as liabilities in these consolidated financial statements. The proposed final dividend is calculated based on the number of shares in issue at the date of approval of these consolidated financial statements.

13. Earnings Per Share

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

	2008 HK$'000 (restated)	2009 HK$'000
Earnings for the purposes of basic and diluted earnings per share	2,013,957	**1,059,399**

	2008 Number of shares	2009 Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,969,807,103	**2,965,771,021**
Effect of dilutive potential ordinary shares:		
Share options	448,461	**—**
Unvested shares awarded	504,444	**216,548**
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,970,760,008	**2,965,987,569**

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by HHI Employee's Share Award Scheme Trust.

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 for shares for year ended 30 June 2009.

14. Retirement Benefits Plans

The employees of the Group participate in the Mandatory Provident Fund ("MPF") Scheme operated by its ultimate holding company. Mandatory contributions to the scheme are made by both the employer and employees at 5% of the employees' monthly relevant income capped at HK$20,000 per employee. At 30 June 2009, there were no forfeited contributions available to reduce future obligations. The contributions made by the Group to the MPF Scheme for the year are approximately HK$359,000 (2008: HK$440,000).

The employees of the Group's jointly controlled entities in the PRC are members of state-managed retirement benefit schemes operated by the PRC Government. These entities are required to contribute 18% of their payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the jointly controlled entities with respect to the retirement benefit schemes is to make the specified contributions. The Group's proportionate share of the contributions made by the jointly controlled entities for the year are approximately HK$8,342,000 (2008: HK$7,862,000).

15. Property and Equipment

	The Group					
	Toll expressways HK$'000	Buildings HK$'000	Motor vehicles HK$'000	Ancillary traffic facilities, furniture, fixtures and equipment HK$'000	Construction in progress HK$'000	Total HK$'000
COST						
As at 1 July 2007						
— As originally stated	11,191,840	14,159	35,049	156,483	668,352	12,065,883
— Effect of change in accounting policies	(11,191,840)	—	—	—	(660,102)	(11,851,942)
— As restated	—	14,159	35,049	156,483	8,250	213,941
Change in profit sharing ratio of a jointly controlled entity	—	(566)	(794)	(5,652)	(292)	(7,304)
Exchange adjustments	—	1,471	2,413	14,952	764	19,600
Additions	—	—	4,959	12,530	32,678	50,167
Transfer	—	215	—	26,296	(26,511)	—
Disposal of a jointly controlled entity	—	—	(14,514)	(14,588)	(601)	(29,703)
Disposals/written off	—	—	(1,324)	(126)	—	(1,450)
As at 30 June 2008, as restated	—	15,279	25,789	189,895	14,288	245,251
Exchange adjustments	—	(40)	(73)	(479)	(38)	(630)
Additions	—	—	5,602	2,978	40,718	49,298
Transfer	—	4,657	—	28,246	(32,903)	—
Disposals/written off	—	—	—	(18,076)	—	(18,076)
As at 30 June 2009	—	19,896	31,318	202,564	22,065	275,843
DEPRECIATION						
As at 1 July 2007						
— As originally stated	1,805,320	1,045	21,382	34,559	—	1,862,306
— Effect of change in accounting policies	(1,805,320)	—	—	—	—	(1,805,320)
— As restated	—	1,045	21,382	34,559	—	56,986
Change in profit sharing ratio of a jointly controlled entity	—	(42)	(387)	(1,039)	—	(1,468)
Exchange adjustments	—	190	1,373	3,701	—	5,264
Charge for the year	—	597	3,424	17,372	—	21,393
Disposal of a jointly controlled entity	—	—	(12,749)	(7,229)	—	(19,978)
Elimination on disposal/written off	—	—	(842)	(84)	—	(926)
As at 30 June 2008, as restated	—	1,790	12,201	47,280	—	61,271
Exchange adjustments	—	(4)	(58)	(131)	—	(193)
Charge for the year	—	939	4,187	24,159	—	29,285
Eliminated on disposals/written off	—	—	—	(3,921)	—	(3,921)
As at 30 June 2009	—	2,725	16,330	67,387	—	86,442
CARRYING AMOUNTS						
As at 30 June 2008	—	13,489	13,588	142,615	14,288	183,980
As at 30 June 2009	—	17,171	14,988	135,177	22,065	189,401

16. Concession Intangible Assets

The Group

	HK$'000
COST	
As at 1 July 2007	
— As originally stated	—
— Effect of change in accounting policies	13,875,104
— As restated	13,875,104
Change in profit sharing ratio of a jointly controlled entity	(250,960)
Exchange adjustments	795,158
Additions	1,193,704
Disposal of a jointly controlled entity	(2,641,546)
Undertaken by a jointly controlled entity	(382,722)
As at 30 June 2008, as restated	**12,588,738**
Exchange adjustments	**(21,598)**
Additions	**1,215,977**
As at 30 June 2009	**13,783,117**
AMORTIZATION	
As at 1 July 2007	
— As originally stated	—
— Effect of change in accounting policies	2,108,129
— As restated	2,108,129
Change in profit sharing ratio of a jointly controlled entity	(46,635)
Exchange adjustments	95,576
Charge for the year	283,339
Elimination on disposal of a jointly controlled entity	(213,505)
As at 30 June 2008, restated	**2,226,904**
Exchange adjustments	**(1,433)**
Charge for the year	**277,817**
As at 30 June 2009	**2,503,288**
CARRYING AMOUNTS	
As at 30 June 2008	10,361,834
As at 30 June 2009	**11,279,829**

16. Concession Intangible Assets *(continued)*

Upon adoption of IFRIC 12, the toll expressways previously classified under property and equipment, additional investment cost in jointly controlled entities, additional investment cost in toll expressway project under development and prepaid lease payment were reclassified to concession intangible assets.

	The Group			
	Additional investment cost in jointly controlled entities HK$'000	Additional investment cost in toll expressway project under development HK$'000	Prepaid lease payment HK$'000	Total HK$'000
COST				
As at 1 July 2007				
— As originally stated	2,073,512	49,631	145,391	2,268,534
— Effect of change in accounting policies	(2,073,512)	(49,631)	(145,391)	(2,268,534)
— As at 30 June 2008, as restated and 2009	—	—	—	—
AMORTIZATION				
As at 1 July 2007				
— As originally stated	367,774	—	14,831	382,605
— Effect of change in accounting policies	(367,774)	—	(14,831)	(382,605)
— As at 30 June 2008, as restated and 2009	—	—	—	—
CARRYING AMOUNTS				
As at 30 June 2008 and 2009	—	—	—	—

17. Investments in Subsidiaries

	The Company	
	2008 HK$'000	**2009 HK$'000**
Investment in subsidiaries	2,031,829	**2,030,039**
Capital contributions to subsidiaries	228,949	**249,108**
	2,260,778	**2,279,147**

Particulars of the principal subsidiaries are set out in note 34.

18. Investments in Jointly Controlled Entities

Particulars of the Group's jointly controlled entities as at 30 June 2009 and 2008 are as follows:

Name of company	Place of establishment	Registered capital contribution	Principal activity	Proportion of registered capital contribution
廣深珠高速公路有限公司 Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited	The PRC	nil (note (i))	Development, operation and management of an expressway	Not applicable
廣東廣珠西綫高速公路有限公司 Guangdong Guangzhou-Zhuhai West Superhighway Company Limited	The PRC	RMB2,303,000,000	Development, operation and management of an expressway	50%

Both jointly controlled entities are sino-foreign co-operative joint venture enterprises established under the PRC laws.

The principal terms of the joint venture agreements entered into between the relevant subsidiaries and the corresponding joint venture partners under which the jointly controlled entities operate are as follows:

(i) **GS Superhighway JV**

GS Superhighway JV is established to undertake the development, operation and management of an expressway in Guangdong Province of the PRC running between Shenzhen and Guangzhou ("GS Superhighway"). The operation period is 30 years from the official opening date 1 July 1997. At the end of the operation period, all the immovable assets and facilities of GS Superhighway JV will revert to the PRC joint venture partner without compensation.

The Group's entitlement to the profit of the toll operations of GS Superhighway JV is 50% for the initial 10 years of operation period, 48% for the next 10 years and 45% for the last 10 years of the operation period.

The registered capital amounting to HK$702,000,000 previously injected by the Group to GS Superhighway JV and the additional development expenditure for the construction and development of GS Superhighway to the extent of RMB725,140,000 previously incurred by the Group have been repaid to the Group by GS Superhighway JV during the year ended 30 June 2008.

(ii) **West Route JV**

West Route JV is established to undertake the development, operation and management of an expressway linking Guangzhou, Zhongshan and Zhuhai ("Western Delta Route"). Phase I West was officially opened on 30 April 2004 and the operation period for Phase I West is 30 years commencing from 17 September 2003. The total investment for the Phase I West is RMB1,680,000,000, 35% of which was funded by the registered capital of West Route JV amounting to RMB588,000,000 (equivalent to approximately HK$668,556,000) which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB294,000,000).

The estimated total investment for the Phase II West is RMB4,900,000,000, 35% of which was funded by an increase in the registered capital of West Route JV by RMB1,715,000,000 in total contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB857,500,000) during the year. The expiration date of the joint venture co-operation period for the West Route JV has been extended from 16 September 2033 to 16 September 2038. As at 30 June 2009, the approved registered capital of West Route JV was RMB2,303,000,000.

The Group is entitled to 50% of the distributable profits from operation of West Route JV. At the end of the joint venture co-operation period, all the immovable assets and facilities of West Route JV will be reverted to relevant PRC governmental authority which regulates transportation without compensation. The registered capital contributions are required to be repaid to both the Group and PRC joint venture partner. The repayments are required to be approved by the board of directors of West Route JV.

In September 2005, the Group conditionally amended the agreements with the PRC joint venture partner for the investment in and the planning, design, construction and operation of the Phase III of Western Delta Route ("Phase III West") through West Route JV (the "2005 Phase III West Amendment Agreements"). Subject to approval of the relevant PRC authorities, the estimated total investment for Phase III West would be RMB3,260,000,000, 35% of which was to be funded by an increase in the registered capital of West Route JV by RMB1,141,000,000 in total to be contributed by the Group and PRC joint venture partner in equal share (i.e. each to contribute RMB570,500,000). The toll collection period for Phase III West will be subject to approval of the relevant PRC authorities.

18. Investments in Jointly Controlled Entities *(continued)*

(ii) West Route JV *(continued)*

On 2 September 2008, the Group entered into amendment agreements in relation to Phase III West with the PRC joint venture partner, to adjust the total investment for Phase III West to RMB5,600,000,000, instead of RMB3,260,000,000 as contemplated under the 2005 Phase III Amendment Agreements (the "2008 Phase III Amendment Agreements", which effectively replaced the 2005 Phase III Amendment Agreements). 35% of the adjusted total investment will be funded by an increase in the registered capital of West Route JV by RMB1,960,000,000 to be contributed by the Group and the PRC joint venture partner in equal shares. The adjusted total capital contribution thereon to be made by the Group to West Route JV for the development of Phase III West will be RMB980 million, instead of RMB570,500,000 as contemplated under the 2005 Phase III Amendment Agreements. The 2008 Phase III Amendment Agreements have been approved by the shareholders of the Company and HHL during the year ended 30 June 2009 and are being processed by the relevant PRC authorities as at the date of this report.

On 2 September 2008, the Group entered into amendment agreements in relation to Phase II West with the PRC joint venture partner, subject to the approval of the Company's and HHL's shareholders and the relevant PRC authorities, to increase the total investment for Phase II West by RMB2,300,000,000 to RMB7,200,000,000. 35% of the increase in total investment will be funded by an increase in the registered capital of West Route JV by RMB805,000,000 to be contributed by the Group and the PRC joint venture partner in equal shares. The additional capital contribution thereon to be made by the Group to West Route JV for the development of Phase II West is RMB402,500,000. The amendment agreements have been approved by the shareholders of the Company and HHL during the year ended 30 June 2009 and are being processed by the relevant PRC authorities as at the date of this report.

After obtaining approval from the relevant PRC authorities, the registered capital of West Route JV will be RMB5,068 million.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entities accounted for by the Group using proportionate consolidation (before elimination of transactions, balances, income and expenses with group companies) are set out below:

In respect of the year ended 30 June 2008:

	GS Superhighway JV HK$'000 (restated)	West Route JV HK$'000 (restated)	Total HK$'000
Current assets	226,754	114,006	340,760
Non-current assets	5,910,166	2,541,507	8,451,673
Current liabilities	1,412,466	308,308	1,720,774
Non-current liabilities	3,453,979	1,287,077	4,741,056
Income	2,275,348	1,117,502	3,392,850
Expenses	(908,137)	(1,003,454)	(1,911,591)
Profit before tax	1,367,211	114,048	1,481,259
Income tax expenses	(176,389)	(6,215)	(182,604)
Profit after tax	1,190,822	107,833	1,298,655

18. Investments in Jointly Controlled Entities *(continued)*

In respect of the year ended 30 June 2009:

	GS Superhighway JV HK$'000	West Route JV HK$'000	Total HK$'000
Current assets	161,042	45,352	206,394
Non-current assets	5,839,308	3,638,840	9,478,148
Current liabilities	391,117	383,349	774,466
Non-current liabilities	3,219,383	1,943,872	5,163,255
Income	1,888,354	2,099,799	3,988,153
Expenses	(627,930)	(1,203,815)	(1,831,745)
Profit before tax	1,260,424	895,984	2,156,408
Income tax expenses	(127,331)	(3,599)	(130,930)
Profit after tax	1,133,093	892,385	2,025,478

19. Amount due from a Subsidiary

The Company

The amount due from a subsidiary classified under non-current assets is interest-free, unsecured and with no fixed repayment term. In the opinion of the directors of the Company, based on their assessment as at 30 June 2008 and 2009 of the estimated future cash flows from a subsidiary, the amount due from a subsidiary will not be repayable within one year from the balance sheet date, accordingly this amount is classified as non-current. The effective interest rate on the amount due from a subsidiary for both years ranged from 2.75% to 4.92% per annum, representing the borrowing rates of that subsidiary.

20. Balances with Jointly Controlled Entities

	The Group	
	2008 HK$'000	2009 HK$'000
Registered capital contribution made by the Group to West Route JV	502,119	141,062
Loan made by the Group to GS Superhighway JV	28,526	–
	530,645	141,062

The balances represent registered capital contributed and loan to jointly controlled entity made by the Group after elimination of the Group's proportionate share of the corresponding amounts of the jointly controlled entity.

The registered capital contributions made by the Group to West Route JV are interest-free and the repayments of registered capital contributions are required to approved by the board of directors of West Route JV. The directors of the Company consider that the repayment would be made at the expiry dates of the relevant joint venture periods. The effective interest rate adopted for measurement at fair value at initial recognition of the registered capital contribution made by the Group to West Route JV ranged from 4.67% to 7.05% (2008 : 6.48% to 7.05%).

The loan made by the Group to GS Superhighway JV was unsecured, carried interest at Hong Kong prime rate and had been fully repaid during the year.

21. Amounts due from/to Subsidiaries

The Company

The current portion of amounts due from subsidiaries and the amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

22. Other Receivables/Other Receivable from a Jointly Controlled Entity

The following is an analysis of the other receivables outstanding at the balance sheet date:

	The Group	
	2008 HK$'000	2009 HK$'000
Rental income receivables	2,605	1,693
Toll revenue receivables	31,554	40,317
Others	52,717	27,935
Less: Allowance for doubtful debts	(8,399)	(7,279)
Total other receivables	78,477	62,666

Included in the other receivables are debtors with aggregate carrying amount of HK$10,020,000 (2008: HK$5,037,000) which are past due at the reporting date for which no impairment loss has been provided. There is no collateral held over these balances.

Aging of the other receivables which are past due but not impaired

	2008 HK$'000	2009 HK$'000
1–120 days	2,281	4,032
Over 120 days	2,756	5,988
	5,037	10,020

The Group has fully provided for past due receivables that are not expected to be recovered.

Movement in the allowance for doubtful debts

	2008 HK$'000	2009 HK$'000
Balance at beginning of the year	3,358	8,399
Change in profit sharing ratio of a jointly controlled entity	(134)	—
Impairment losses recognized (reversed) on receivables	4,572	(1,098)
Exchange adjustments	603	(22)
Balance at end of the year	8,399	7,279

Allowance for doubtful debts are provided for individually impaired other receivables with a balance of HK$7,279,000 (2008: HK$8,399,000) which have severe financial difficulties. No collateral is held over these balances.

The other receivable from a jointly controlled entity represented the other receivable from GS Superhighway JV after elimination of the Group's proportionate share of the corresponding amount of the jointly controlled entity. The amount was unsecured, interest-free and fully repaid during the year.

23. Pledged Bank Balances and Deposits of Jointly Controlled Entities, and Bank Balances and Cash

The Group

Pledged bank balances and deposits of jointly controlled entities, and bank balances and cash include time deposits of HK$2,793,676,000 (2008: HK$6,012,890,000) with original maturities range from 2 days to 6 months that carry interest at prevailing interest rates range from 0.16% to 4.42% (2008: 1.00% to 3.78%) per annum. Remaining bank balances and cash carried interest at market rates which range from 0.02% to 0.72% (2008: 0.72% to 2.62%) per annum.

The pledged bank balances and deposits of jointly controlled entities were for the purpose of securing banking facilities granted to respective jointly controlled entities of the Group. As at 30 June 2009, other than the amount of approximately HK$27,216,000 (2008: HK$27,288,000), the remaining amount of approximately HK$91,711,000 (2008: HK$207,977,000) was available for use by the jointly controlled entities by servicing notices to relevant banks providing the banking facilities.

Included in bank balances and cash are bank deposits denominated in currency other than the functional currencies of the Company, its subsidiaries and jointly controlled entities as follows:

	2008 HK$'000	**2009** **HK$'000**
USD	3,049,455	**853,372**
HKD	3,265	**1,921,458**
	3,052,720	**2,774,830**

The Company

Bank balances and cash include time deposits of HK$2,766,460,000 (2008: HK$5,985,602,000) with original maturity range from 2 days to 3 months that carry interest at prevailing interest rates range from 0.16% to 4.42% (2008: 1.00% to 2.88%) per annum. Remaining bank balances and cash carried interest at market rates which ranged from 0.02% to 0.15% (2008: 1.57% to 2.62%) per annum.

Included in bank balances and cash are bank deposits denominated in currency other than the functional currency of the Company as follows:

	2008 HK$'000	**2009** **HK$'000**
USD	3,049,413	**853,324**
HKD	—	**1,918,109**
	3,049,413	**2,771,433**

24. Share Capital

The Group and the Company

	Number of shares	Nominal amount HK$'000
Ordinary shares of HK$0.1 each		
Authorized:		
As at 1 July 2007, 30 June 2008 and 30 June 2009	**10,000,000,000**	**1,000,000**
Issued and fully paid:		
As at 1 July 2007	2,970,326,283	297,033
Issue of shares upon exercise of share options	152,000	15
As at 30 June 2008	**2,970,478,283**	**297,048**
Repurchase of shares	**(8,788,000)**	**(879)**
As at 30 June 2009	**2,961,690,283**	**296,169**

During the year, the Company repurchased 8,788,000 (2008: nil) ordinary shares of the Company on the Stock Exchange, as follows:

Months	Number of ordinary shares repurchased	Purchase price per share Highest HK$	Lowest HK$	Total consideration paid (including transaction costs*) HK$'000
November 2008	400,000	4.15	3.90	1,657
December 2008	4,462,500	4.30	4.09	19,010
January 2009	3,925,500	4.46	4.20	17,177
	8,788,000			37,844

* Transaction costs represent commissions, stamp duty, exchange levy, trading fee and withdrawal charges.

These repurchases were effected by the directors pursuant to the mandate from the shareholders with a view to benefiting the shareholders as a whole by the enhancement of the earnings per share of the Group.

Share option scheme

A share option scheme (the "Option Scheme") was adopted by the Company pursuant to the written resolutions of the then sole shareholder of the Company passed on 16 July 2003 and approved by the shareholders of HHL, at an extraordinary general meeting held on 16 July 2003. The Option Scheme shall be valid and effective for a period of 10 years and the purpose of which is to provide the Company with a means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to (i) any executive or non-executive directors including independent non-executive directors or any employees of each member of the Group; (ii) any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group; (iii) any consultants, professionals and other advisers to each member of the Group; (iv) any chief executives, or substantial shareholders of the Company; (v) any associates of director, chief executives, or substantial shareholders of the Company; and (vi) any employees of substantial shareholders of the Company or for such other purposes as the Board of Directors may approve from time to time.

Share options granted must be taken up within 28 days from the date of the offer letter upon payment of HK$1, payable as consideration on acceptance, which is recognized in the consolidated income statement when received.

The financial impact of these share options granted is not recorded in the Group's consolidated balance sheet until such time as the options are exercised, and no charge is recognized in the consolidated income statement in respect of the value of options granted in prior years as the Group has taken advantages of the transitional provisions set out in IFRS 2 and all these options were granted and vested before 1 July 2005. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company as share premium. Share options which lapse or are cancelled prior to their exercise date are deleted from the register or outstanding options.

24. Share Capital *(continued)*

Share option scheme *(continued)*

On 17 October 2006, share options to subscribe for ordinary shares in the Company were granted to certain employees of the Company.

Details of the movements of share options of the Company during the year ended 30 June 2008 are as follows:

Exercise price	Balance of outstanding options as at 1 July 2007	Options exercised during the year	Options lapsed during the year	Balance of outstanding options as at 30 June 2008	Vesting date	Exercise period
HK$						
5.858	1,240,000	(152,000)	—	1,088,000	1 December 2007	1 December 2007 to 30 November 2013
5.858	1,240,000	—	(280,000)	960,000	1 December 2008	1 December 2008 to 30 November 2013
5.858	1,240,000	—	(280,000)	960,000	1 December 2009	1 December 2009 to 30 November 2013
5.858	1,240,000	—	(280,000)	960,000	1 December 2010	1 December 2010 to 30 November 2013
5.858	1,240,000	—	(280,000)	960,000	1 December 2011	1 December 2011 to 30 November 2013
	6,200,000	(152,000)	(1,120,000)	4,928,000		

The weighted average closing price of the shares on the dates immediately before the options were exercised by the employees during the year ended 30 June 2008 and at the dates of exercise were HK$6.64 and HK$6.65 respectively.

Details of the movements of share options of the Company during the year ended 30 June 2009 are as follows:

Exercise price	Balance of outstanding options as at 1 July 2008	Options exercised during the year	Options lapsed during the year	Balance of outstanding options as at 30 June 2009	Vesting date	Exercise period
HK$						
5.858	1,088,000	—	(200,000)	888,000	1 December 2007	1 December 2007 to 30 November 2013
5.858	960,000	—	(72,000)	888,000	1 December 2008	1 December 2008 to 30 November 2013
5.858	960,000	—	(72,000)	888,000	1 December 2009	1 December 2009 to 30 November 2013
5.858	960,000	—	(72,000)	888,000	1 December 2010	1 December 2010 to 30 November 2013
5.858	960,000	—	(72,000)	888,000	1 December 2011	1 December 2011 to 30 November 2013
	4,928,000	—	(488,000)	4,440,000		

The total fair values of the options determined at the date of grant using the Binomial option pricing model were HK$5,814,000 of which 488,000 share options (2008: 1,120,000 share options) with fair value of approximately HK$115,000 (2008: HK$462,000) were lapsed during the year ended 30 June 2009.

24. Share Capital *(continued)*

Share option scheme *(continued)*

The following assumptions were used to calculate the fair values of share options:

Closing share price at date of grant	HK$5.700
Weighted average exercise price	HK$5.858
Option life	7 years
Expected volatility	23%
Expected dividend yield	4.75%
Risk-free rate	3.969%
Suboptional exercise factor	2

The expected volatility is calculated based on rolling 2-year volatility of the Company's share price over last 3 years up to 17 October 2006. The effects of time to vest, non-transferability, exercise restrictions and behavioural considerations have been taken into account in the model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimates. The value of an option varies with different variables of certain subjective assumptions. The Group recognized expenses of HK$109,000 for the year (2008: HK$1,928,000) in relation to share options granted by the Company.

On 19 November 2007, share options to subscribe for ordinary shares in the Company were granted to certain employees of the Company. Details of the movements of share options of the Company during the year ended 30 June 2008 are as follows:

Exercise price	Balance of outstanding options as at 1 July 2007	Options granted during the year	Options exercised during the year	Options lapsed during the year	Balance of outstanding options as at 30 June 2008	Vesting date	Exercise period
HK$							
6.746	—	152,000	—	—	152,000	1 December 2008	1 December 2008 to 30 November 2014
6.746	—	152,000	—	—	152,000	1 December 2009	1 December 2009 to 30 November 2014
6.746	—	152,000	—	—	152,000	1 December 2010	1 December 2010 to 30 November 2014
6.746	—	152,000	—	—	152,000	1 December 2011	1 December 2011 to 30 November 2014
6.746	—	152,000	—	—	152,000	1 December 2012	1 December 2012 to 30 November 2014
	—	760,000	—	—	760,000		

24. Share Capital *(continued)*

Share option scheme *(continued)*

Details of the movements of share options of the Company during the year ended 30 June 2009 are as follows:

Exercise price	Balance of outstanding options as at 1 July 2008	Options granted during the year	Options exercised during the year	Options lapsed during the year	Balance of outstanding options as at 30 June 2009	Vesting date	Exercise period
HK$							
6.746	152,000	–	–	–	152,000	1 December 2008	1 December 2008 to 30 November 2014
6.746	152,000	–	–	–	152,000	1 December 2009	1 December 2009 to 30 November 2014
6.746	152,000	–	–	–	152,000	1 December 2010	1 December 2010 to 30 November 2014
6.746	152,000	–	–	–	152,000	1 December 2011	1 December 2011 to 30 November 2014
6.746	152,000	–	–	–	152,000	1 December 2012	1 December 2012 to 30 November 2014
	760,000	–	–	–	760,000		

The total fair values of the options determined at the date of grant using the Binomial option pricing model were HK$705,000.

The following assumptions were used to calculate the fair values of share options:

Closing share price at date of grant	HK$6.550
Weighted average exercise price	HK$6.746
Option life	7.03 years
Expected volatility	23.83%
Expected dividend yield	5.78%
Risk-free rate	3.33%
Suboptional exercise factor	2

The Binomial option pricing model has been used to estimate the fair value of the options. The expected volatility is calculated based on the 5 year's weekly historical volatility of the ordinary shares of the Company from the date of listing to 19 November 2007, which is around 5 years. The effects of time to vest, non-transferability, exercise restrictions and behavioural considerations have been taken into account in the model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimates. The value of an option varies with different variables of certain subjective assumptions.

The Group recognized expenses of HK$507,000 (2008: HK$198,000) for the year in relation to share options granted by the Company.

24. Share Capital *(continued)*

Share option scheme *(continued)*

On 24 July 2008, share options to subscribe for ordinary shares in the Company were granted to certain employees of the Company. Details of the movements of share options of the Company during the year ended 30 June 2009 are as follows:

Exercise price	Balance of outstanding options as at 1 July 2008	Options granted during the year	Options exercised during the year	Options lapsed during the year	Balance of outstanding options as at 30 June 2009	Vesting date	Exercise period
HK$							
5.800	—	160,000	—	(80,000)	80,000	1 August 2009	1 August 2009 to 31 July 2015
5.800	—	160,000	—	(80,000)	80,000	1 August 2010	1 August 2010 to 31 July 2015
5.800	—	160,000	—	(80,000)	80,000	1 August 2011	1 August 2011 to 31 July 2015
5.800	—	160,000	—	(80,000)	80,000	1 August 2012	1 August 2012 to 31 July 2015
5.800	—	160,000	—	(80,000)	80,000	1 August 2013	1 August 2013 to 31 July 2015
	—	800,000	—	(400,000)	400,000		

The total fair values of the options determined at the date of grant using the Binomial option pricing model were HK$843,000 of which 400,000 share options with fair value of HK$421,000 were lapsed during the year ended 30 June 2009.

The following assumptions were used to calculate the fair values of share options:

Closing share price at date of grant	HK$5.800
Weighted average exercise price	HK$5.800
Option life	7 years
Expected volatility	25.94%
Expected dividend yield	4.66%
Risk-free rate	3.60%
Suboptimal exercise factor	1.31

The expected volatility is calculated based on the 6 year's weekly historical volatility of the ordinary shares of the Company from the date of listing to 24 July 2008, which is around 6 years. The effects of time to vest, non-transferability, exercise restrictions and behavioural considerations have been taken into account in the model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimates. The value of an option varies with different variables of certain subjective assumptions.

The Group recognized expenses of HK$422,000 for the year in relation to share options granted by the Company.

24. Share Capital *(continued)*

Share option scheme *(continued)*

On 11 March 2009, share options to subscribe for ordinary shares in the Company were granted to an employee of the Company. The details of the share options granted are as follows:

Exercise price	Balance of outstanding options as at 1 July 2008	Options granted during the year	Options exercised during the year	Options lapsed during the year	Balance of outstanding options as at 30 June 2009	Vesting date	Exercise period
HK$							
4.47	—	80,000	—	(80,000)	–	18 March 2010	18 March 2010 to 31 March 2016
4.47	—	80,000	—	(80,000)	–	18 March 2011	18 March 2011 to 31 March 2016
4.47	—	80,000	—	(80,000)	–	18 March 2012	18 March 2012 to 31 March 2016
4.47	—	80,000	—	(80,000)	–	18 March 2013	18 March 2013 to 31 March 2016
4.47	—	80,000	—	(80,000)	–	18 March 2014	18 March 2014 to 31 March 2016
	—	400,000	—	(400,000)	–		

The above 400,000 share options with exercise price at HK$4.470 per share were granted and lapsed in the financial year ended 30 June 2009. There was no financial impact to the consolidated financial statements of the Group and no valuation in these share options was performed.

Share award scheme

On 25 January 2007, an employees' share award scheme ("Share Award Scheme") was adopted by the Company. The Share Award Scheme shall be valid and effective for a period of 15 years commencing from 25 January 2007. Pursuant to the rules of the Share Award Scheme, the Company has set up a trust, HHI Employees' Share Award Scheme Trust, for the purpose of administering the Share Award Scheme and holding the awarded shares before they vest.

During the year ended 30 June 2007, a total of 1,940,000 shares in the Company had been awarded to certain directors and an employee of the Company at nil consideration. The awardees shall not dispose of, nor enter into any agreement to dispose of the relevant awarded shares in the 12-month period commencing on the vesting date thereof.

Details of the movements of the awarded shares of the Company during the year ended 30 June 2008 are as follows:

	Vesting date	Balance of outstanding awarded shares as at 1 July 2007	Shares awarded during the year	Shares vested during the year	Balance of outstanding awarded shares as at 30 June 2008
Directors	25 January 2008	340,000	—	(340,000)	—
	25 January 2009	340,000	—	—	340,000
An employee	25 January 2008	40,000	—	(40,000)	—
	25 January 2009	40,000	—	—	40,000
Total		760,000	—	(380,000)	380,000

24. Share Capital *(continued)*

Share award scheme *(continued)*

Details of the movements of the awarded shares of the Company during the year ended 30 June 2009 are as follows:

	Vesting date	Balance of outstanding awarded shares as at 1 July 2008	Shares awarded during the year	Shares vested during the year	Balance of outstanding awarded shares as at 30 June 2009
Directors	25 January 2009	340,000	—	(340,000)	–
An employee	25 January 2009	40,000	—	(40,000)	–
Total		380,000	—	(380,000)	–

During the year ended 30 June 2007, 1,940,000 shares of the Company were acquired at a total cost of HK$14,129,000 of which 1,180,000 shares had been vested and transferred to the relevant directors and an employee. Another 380,000 shares had been vested and transferred to the relevant directors and an employee during the year ended 30 June 2008. The remaining 380,000 shares had been vested and transferred to the relevant directors and an employee during the year ended 30 June 2009 and are held in escrow on behalf of directors and an employee until the 12-month lock-up period has expired.

As at 30 June 2009, no outstanding awarded share was held by HHI Employees' Share Award Scheme Trust. As at 30 June 2008, the outstanding awarded shares of 380,000 shares with an aggregate nominal value of HK$38,000 were held by HHI Employee's Share Award Scheme Trust.

In accordance with the trust deed of HHI Employees' Share Award Scheme Trust, the relevant trustee shall not exercise the voting rights attached to such shares.

The total fair value of the awarded shares of HK$12,369,000 was determined at the date of grant based on the value of the shares of the Company at the date of the award adjusted for the effect of 12-month lock-up period, estimated using the Black-Scholars option pricing model, and the present value of the dividend received during the vesting period of which HK$614,000 (2008: HK$2,471,000) was recorded as expense in the current year.

The following assumptions were used to calculate the fair value of implied put option of the awarded shares (arising as a result of the 12-month lock-up period) with the Black-Scholars option pricing model:

Closing share price at date of grant	HK$7.38
Expected life of options	1–3 years
Expected volatility	
— First year	25.18%
— Second year	21.80%
— Third year	23.47%
Expected dividend yield	4.36%
Risk-free rate	
— First year	3.89%
— Second year	3.92%
— Third year	3.93%

The expected volatility is calculated based on the 5 year's weekly historical volatility of the ordinary shares of the Company from the date of listing to 25 January 2007, which is around 5 years. The effects of time to vest, non-transferability and behavioural considerations have been taken into account in the model.

The variables and assumptions used in computing the fair value of the implied put option of the awarded shares and the fair value of the awarded shares as a whole are based on the directors' best estimates. The value of awarded share varies with different variables of certain subjective assumptions.

25. Share Premium and Reserves

The Company

The Company's reserves available for distribution represent the share premium and retained profits. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of a dividend, the Company is able to pay its debt as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can only be distributed out of the retained profits and share premium of the Company. As at 30 June 2009, the Company's reserves available for distribution to its shareholders amounted to approximately HK$5,997,777,000 (2008: HK$9,200,763,000), comprising retained profits of approximately HK$1,054,853,000 (2008: HK$1,725,672,000) and share premium of approximately HK$4,942,924,000 (2008: HK$7,475,091,000).

	Share premium HK$'000	Translation reserve HK$'000	Shares held for share award scheme HK$'000	Share option reserve HK$'000	Share award reserve HK$'000	Retained profits HK$'000	Total HK$'000
As at 1 July 2007	7,474,073	–	(5,535)	1,743	1,433	1,628,498	9,100,212
Profit for the year and total recognized income	–	–	–	–	–	1,404,561	1,404,561
Total recognized (expense) income	7,474,073	–	(5,535)	1,743	1,433	3,033,059	10,504,773
Shares issued at premium on exercise of share options	1,018	–	–	(144)	–	–	874
Recognition of equity-settled share-based payments	–	–	–	2,126	2,471	–	4,597
Shares vested for share award scheme	–	–	2,767	–	(2,360)	(407)	–
Dividends recognized as distribution during the year (note 12)	–	–	–	–	–	(1,306,980)	(1,306,980)
As at 30 June 2008	7,475,091	–	(2,768)	3,725	1,544	1,725,672	9,203,264
Exchange loss on translation to presentation currency (recognized directly in equity)	–	(11,675)	–	–	–	–	(11,675)
Profit for the year	–	–	–	–	–	1,050,985	1,050,985
Total recognized income and expense	–	(11,675)	–	–	–	1,050,985	1,039,310
Recognition of equity-settled share-based payments	–	–	–	1,038	614	–	1,652
Shares vested for share award scheme	–	–	2,768	–	(2,158)	(610)	–
Forfeiture of vested share options	–	–	–	(189)	–	189	–
Shares repurchased and cancelled	(36,965)	–	–	–	–	–	(36,965)
Dividends recognized as distribution during the year (note 12)	(2,495,202)	–	–	–	–	(1,721,383)	(4,216,585)
As at 30 June 2009	4,942,924	(11,675)	–	4,574	–	1,054,853	5,990,676

26. Other Payables, Accruals and Deposits Received

The other payables, accruals and deposits received represent construction payables, and accrued charges on payroll and utility expenses.

Analysis of the carrying amounts of the other payables, accruals and deposits received:

	The Group	
	2008 HK$'000	**2009 HK$'000**
Current portion of other payables, accruals and deposits received	383,145	**387,443**
Non-current portion of other payables	55,267	**39,732**
	438,412	**427,175**

The non-current other payables are interest-free. The effective interest rate adopted for measurement of fair value at initial recognition of non-current other payables ranged from 5.35% to 7.05% (2008: 7.05%).

The Company
The other payables and accruals represent accrued charges on utility expenses.

27. Bank and Other Loans of Jointly Controlled Entities

The following is an analysis of the Group's proportionate share of bank and other loans of jointly controlled entities at the balance sheet date:

	The Group	
	2008 HK$'000	**2009 HK$'000**
Bank loans, secured	4,706,253	**5,232,840**
Other loan, unsecured	4,933	**5,305**
	4,711,186	**5,238,145**
The borrowings are repayable as follows:		
Within one year	267,109	**344,344**
In the second year	244,756	**234,900**
In the third to fifth years inclusive	1,005,245	**1,115,465**
After five years	3,194,076	**3,543,436**
	4,711,186	**5,238,145**
Less: Amounts due for settlement within one year (shown under current liabilities)	(267,109)	**(344,344)**
Amounts due for settlement after one year	4,444,077	**4,893,801**

27. Bank and Other Loans of Jointly Controlled Entities *(continued)*

Analysis of the Group's proportionate share of borrowings of jointly controlled entities by currency:

	2008 USD loans HK$'000	 HKD loan HK$'000	 RMB loans HK$'000	 Total HK$'000
Bank loans	2,949,592	341,492	1,415,169	4,706,253
Other loan	—	—	4,933	4,933
	2,949,592	341,492	1,420,102	4,711,186

	2009 USD loans HK$'000	 HKD loan HK$'000	 RMB loans HK$'000	 Total HK$'000
Bank loans	**2,799,988**	**331,909**	**2,100,943**	**5,232,840**
Other loan	**—**	**—**	**5,305**	**5,305**
	2,799,988	**331,909**	**2,106,248**	**5,238,145**

As at 30 June 2009, the Group had HK$3,600,000,000 (2008: HK$3,600,000,000) available undrawn committed borrowing facilities.

As at 30 June 2009, the Group's proportionate share of floating rate bank loans of jointly controlled entities of approximately HK$5,232,840,000 (2008: HK$4,706,253,000) carries interest at prevailing commercial lending rate. The interest rates for bank loans for the year were ranged from 1.11% to 7.05% (2008: 2.80% to 7.05%) per annum.

As at 30 June 2009, the Group's proportionate share of other loan of a jointly controlled entity of approximately HK$5,305,000 (2008: HK$4,933,000) is interest-free and repayable at the end of the operation period of the GS Superhighway JV (i.e. June 2027) ("GS interest-free loan"). The effective interest rate adopted for measurement at fair value at initial recognition of the GS interest-free loan is 6.75%.

28. Balance with a Joint Venture Partner

The balance represents the Group's proportionate share of registered capital contributions made to West Route JV by the PRC joint venture partner.

The registered capital contributions made by the PRC joint venture partner to West Route JV are interest-free and the repayments of registered capital contributions are required to approved by the board of directors of West Route JV. The directors of the Company consider that the repayment would be made at the expiry dates of the relevant joint venture periods. The effective interest rate adopted for measurement at fair value at initial recognition of the registered capital contribution made by joint venture partner to West Route JV ranged from 4.67% to 7.05% (2008: 6.48% to 7.05%).

29. Resurfacing Obligations

The balances represent the Group's proportionate share of resurfacing obligations of the jointly controlled entities under the service concession arrangements.

	The Group HK$'000
As at 1 July 2008	
— As originally stated	—
— Effect of change in accounting policies (note 2)	25,920
— As restated	**25,920**
Exchange adjustments	**(126)**
Addition to provision in the year	**12,674**
Utilization of resurfacing obligations	**(1,868)**
As at 30 June 2009	**36,600**

	The Group	
	2008 HK$'000	**2009 HK$'000**
Analyzed for reporting purpose as:		
Non-current liabilities	25,920	**8,421**
Current liabilities	—	**28,179**
	25,920	**36,600**

30. Deferred Tax Liabilities

The deferred tax liabilities (assets) represent the Group's proportionate share of such liabilities (assets) of the jointly controlled entities. The major components and movements in the deferred tax liabilities (assets) are as follows:

	The Group				
	Accelerated tax depreciation HK$'000	Allowance for doubtful debts HK$'000	Resurfacing obligations HK$'000	Undistributed earnings of PRC jointly controlled entities HK$'000	Total HK$'000
As at 1 July 2007					
— As originally stated	255,308	—	—	—	255,308
— Effect of changes in accounting policies	(1,798)	—	(44,790)	—	(46,588)
— As restated	253,510	—	(44,790)	—	208,720
Exchange adjustments	21,989	—	(4,846)	—	17,143
Disposal of a jointly controlled entity	(154,859)	—	—	—	(154,859)
Charge to the consolidated income statement for the year (note 9)	26,142	—	(4,141)	68,897	90,898
Effect of change in tax rate (note 9)	107,221	—	(17,392)	—	89,829
As at 30 June 2008, as restated	**254,003**	**—**	**(71,169)**	**68,897**	**251,731**
Exchange adjustments	**(554)**	**—**	**188**	**(182)**	**(548)**
Charge (credit) to the consolidated income statement for the year (note 9)	**20,198**	**(3,240)**	**(2,969)**	**55,135**	**69,124**
As at 30 June 2009	**273,647**	**(3,240)**	**(73,950)**	**123,850**	**320,307**

31. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to equity shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from that of the prior years.

The capital structure of the Group consist of equity attributable to equity holders of the Company, comprising issued capital, share premium, retained profits and other reserves.

The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the issue of new debt or the repayment of existing debt.

The directors of the Company monitors the utilization of bank borrowings and ensures full compliance with loan covenants during the year.

32. Financial Instruments

(a) Categories of financial instruments

	The Group		The Company	
	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**
Financial assets				
Loans and receivables including cash and cash equivalents	6,858,240	**3,101,013**	7,939,288	**4,012,509**
Financial liabilities				
Amortized cost	5,491,529	**5,785,008**	703,607	**5,420**

(b) Financial risk management objectives

The directors of the Company have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The directors of the Company monitor and manage the financial risks relating to the operations of the Group to ensure appropriate measures are implemented on a timely and effective manner.

The Group employs a conservative strategy regarding its risk management and does not engage in trading of any financial instruments, including derivative financial instruments, for hedging or speculative purpose.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures.

(i) Foreign currency risk management

The Group and its jointly controlled entities, and the Company undertake certain transactions denominated in foreign currencies, hence exposure to exchange fluctuation arise. Certain of the financial assets and liabilities of the Group and its jointly controlled entities, and the Company are denominated in HKD, RMB or United States dollars ("USD") which are currencies other than their respective functional currencies of the Company, its subsidiaries and its jointly controlled entities. The Group manages its foreign currency risk by constantly monitoring the movement of the foreign exchange rates.

32. Financial Instruments *(continued)*

(b) Financial risk management objectives *(continued)*

(i) Foreign currency risk management *(continued)*

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and liabilities of the Group and its jointly controlled entities, and the Company at the balance sheet date are as follows:

The Group

	Assets		Liabilities	
	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**
USD	3,050,565	**853,403**	2,953,767	**2,800,851**
HKD	31,795	**1,924,764**	349,412	**341,123**

The Company

	Assets		Liabilities	
	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**
USD	3,050,415	**853,355**	1,406	**—**
RMB	33	**—**	605	**—**
HKD	—	**3,159,199**	—	**5,420**

The Group and its jointly controlled entities, and the Company currently do not have a foreign currency hedging policy in respect of foreign currency exposure.

Sensitivity analysis
As HKD are pegged to USD, it is assumed there would be no material currency risk exposure between these two currencies.

The foreign currency risk of the Group and its jointly controlled entities, and the Company is mainly concentrated on the fluctuation of RMB, the functional currency of the Company, certain of its subsidiaries and jointly controlled entities as at 30 June 2009, against USD and HKD. The following sensitivity analysis includes currency risk related to USD and HKD denominated monetary items of the Company, group entities and the Group's jointly controlled entities whose functional currencies are RMB. The sensitivity analysis of the Group also includes currency risk exposure on inter-company balances.

32. Financial Instruments *(continued)*

(b) Financial risk management objectives *(continued)*

(i) Foreign currency risk management *(continued)*

Sensitivity analysis (continued)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rate and all other variables are held constant.

The Group

	2008 RMB strengthen (weaken)	2008 Increase (Decrease) in profit for the year HK$'000	2009 RMB strengthen (weaken)	2009 Increase (Decrease) in profit for the year HK$'000
USD	5%	134,328	5%	83,375
	(5%)	(134,328)	(5%)	(83,375)
HKD	5%	68,483	5%	(121,048)
	(5%)	(68,483)	(5%)	121,048

The Company

	2008 RMB strengthen (weaken)	2008 Increase (Decrease) in profit for the year HK$'000	2009 RMB strengthen (weaken)	2009 Increase (Decrease) in profit for the year HK$'000
USD	5%	—	5%	(42,650)
	(5%)	—	(5%)	42,650
RMB	5%	33	5%	—
	(5%)	(33)	(5%)	—
HKD	5%	—	5%	(157,689)
	(5%)	—	(5%)	157,689

The Company held a substantial amount of bank balances denominated in USD and HKD and amounts due from subsidiaries denominated in HKD.

32. Financial Instruments *(continued)*

(b) Financial risk management objectives *(continued)*

(i) Foreign currency risk management *(continued)*

As at 30 June 2008, the functional currency of the Company was HKD. Since HKD are pegged to USD, it is assumed there would be no material currency risk exposure between two currencies and the Company was not exposed to significant foreign currency risk. Accordingly, the sensitivity analysis on the fluctuation of HKD against USD was not presented for the year ended 30 June 2008.

During the year, the functional currency of Company was changed from HKD to RMB, the bank balances and amounts due from subsidiaries denominated in USD or HKD are therefore exposed to significant foreign currency risk and the Company's sensitivity to foreign currency has been increased during the year ended 30 June 2009.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk management

The Group's interest rate risk of the Group and its jointly controlled entities, and the Company relates primarily to floating rate bank loans, and bank balances and deposits. The Group and its jointly controlled entities, and the Company manage its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. Management continues to monitor the cash flow of the operations and the debt markets, when considered appropriate, the Group and the Company would refinance these borrowings with instruments with a lower cost.

Sensitivity analysis

The sensitivity analyzes below have been determined based on the exposure to interest rates in relation to the Group's variable-rate bank borrowings and bank balances and deposits of the Group and its jointly controlled entities, and the Company at the balance sheet date. The analysis is prepared assuming the amount of asset and liability outstanding at the balance sheet date was outstanding for the whole year. The 100 basis point increase or decrease represents management's assessment of the reasonably possible changes in interest rate.

The Group

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2009 would decrease/increase by HK$31,141,000 (2008: HK$31,980,000).

(iii) Credit risk management

The Group's credit risk is primarily attributable to its balances with jointly controlled entities, pledged bank balances and deposits of jointly controlled entities, bank balances and deposits, and other receivables.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the balance sheet date in relation to each class of recognized financial assets is the carrying amount of those assets as stated in the consolidated balance sheet.

The Group has significant concentration of credit risk in its balances with jointly controlled entities. The management of the Company is responsible to exercise the joint control on the financial and operating activities of the jointly controlled entities with the joint venture partners to ensure the jointly controlled entities maintaining favorable financial position in order to reduce such credit risk.

In addition, the management of the Company and the respective jointly controlled entities are responsible for monitoring the procedures to ensure that follow-up actions are taken to recover overdue debts, in order to minimize other credit risks. The management is also responsible for reviewing the recoverable amount of each individual debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Company's credit risk is primarily attributable to amounts due from subsidiaries. In order to minimize the credit risk, the directors of the Company reviews the recoverable amount of each individual amounts due from subsidiaries at the balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced.

The pledged bank balances and deposits, and the bank balances and cash of the Group and its jointly controlled entities are concentrated on certain counterparties and the credit risk on liquid funds is limited because the counterparties are certain state-owned banks in the PRC.

The bank balances and cash of the Company are concentrated on certain counterparties and the credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Other than the above, the Group and the Company has no other significant concentration of credit risk.

32. Financial Instruments *(continued)*

(b) Financial risk management objectives *(continued)*

(iv) Liquidity risk management

The Group's treasury activities are centralized to achieve better risk control and minimize the cost of funds. Cash is generally placed in short-term deposits mostly denominated in USD or HKD. The management aims to maintain a balance between continuity of adequate funding and the flexibility through the use of bank and other borrowings. The Group's liquidity and financing requirements are reviewed regularly to mitigate the effects of fluctuations in cash flows. The management will consider new financing while maintaining appropriate gearing ratio.

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rate current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

	Interest rate %	Repayable on demand HK$'000	Less than 1 year HK$'000	1–2 year HK$'000	3–5 years HK$'000	After 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
The Group								
2008								
Other payables, accruals and deposits received	–	359,245	–	–	–	–	359,245	359,245
Balance with a joint venture partners (note)	–	–	–	–	418,984	–	418,984	360,154
Other interest payable	–	5,677	–	–	–	–	5,677	5,677
Bank and other loans of jointly controlled entities	2.80%–7.05%	–	470,477	438,249	1,509,458	3,681,529	6,099,713	4,711,186
Other payables	–	–	–	50,884	15,319	–	66,203	55,267
		364,922	470,477	489,133	1,943,761	3,681,529	6,949,822	5,491,529

	Interest rate %	Repayable on demand HK$'000	Less than 1 year HK$'000	1–2 year HK$'000	3–5 years HK$'000	After 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
2009								
Other payables, accruals and deposits received	–	281,099	81,418	–	–	–	362,517	362,517
Balance with a joint venture partner (note)	–	–	–	–	–	652,900	652,900	141,010
Other interest payable	–	3,604	–	–	–	–	3,604	3,604
Bank and other loans of jointly controlled entities	1.11%–7.05%	–	482,924	368,308	1,473,623	4,112,356	6,437,211	5,238,145
Other payables	–	–	–	43,356	–	–	43,356	39,732
		284,703	564,342	411,664	1,473,623	4,765,256	7,499,588	5,785,008

32. Financial Instruments *(continued)*

(b) Financial risk management objectives *(continued)*

(iv) Liquidity risk management *(continued)*

	Interest rate %	Repayable on demand HK$'000	Less than 1 year HK$'000	1–2 year HK$'000	3–5 years HK$'000	After 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
The Company								
2008								
Accruals	–	4,720	–	–	–	–	4,720	4,720
Amounts due to subsidiaries	–	698,887	–	–	–	–	698,887	698,887
		703,607	–	–	–	–	703,607	703,607

	Interest rate %	Repayable on demand HK$'000	Less than 1 year HK$'000	1–2 year HK$'000	3–5 years HK$'000	After 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
2009								
Accruals	–	4,052	–	–	–	–	4,052	4,052
Amounts due to subsidiaries	–	1,368	–	–	–	–	1,368	1,368
		5,420	–	–	–	–	5,420	5,420

Note: The repayment of balance with a joint venture partner is subject to the availability of cash flows and consensus of all joint venture partners. Hence, the maturities of the undiscounted cash flow of balance with a joint venture partner are based on the estimated future cash flows of the jointly controlled entity.

(c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis on using prices or rates from observable current market transactions as input.

Except that the fair values of the balances with jointly controlled entities (with carrying amount of HK$141,062,000) and balance with a joint venture partner (with carrying amount of HK$141,010,000) as at 30 June 2009 were approximately HK$181,194,000 and HK$181,142,000, respectively, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortized costs in the consolidated financial statements approximate their fair values.

33. Total Assets Less Current Liabilities/Net Current Assets

The Group

The Group's total assets less current liabilities as at 30 June 2009 amounted to approximately HK$13,792,206,000 (2008, as restated: HK$16,737,420,000). The Group's net current assets as at 30 June 2009 amounted to approximately HK$2,181,914,000 (2008, as restated: HK$5,660,961,000).

The Company

The Company's total assets less current liabilities as at 30 June 2009, amounted to approximately HK$6,286,845,000 (2008: HK$9,500,312,000). The Company's net current assets as at 30 June 2009 amounted to approximately HK$3,477,351,000 (2008: HK$6,302,214,000).

34. Particulars of Principal Subsidiaries

The following list contains the particulars of the subsidiaries of the Company at 30 June 2009 and 2008 which principally affect the results, assets or liabilities of the Group as the directors are of the opinion that a full list of all the subsidiaries would be of excessive length. None of the subsidiaries had any loan capital outstanding during the year or at the end of the year.

Name of subsidiary	Place of incorporation	Issued and fully paid share	Attributable equity interest held by the Company	Principal activity
Kingnice Limited	British Virgin Islands	Ordinary share US$20,000	97.5%	Investment holding
Hopewell China Development (Superhighway) Limited	Hong Kong	Ordinary shares HK$2 Non-voting deferred shares HK$4	97.5% of issued ordinary share capital	Investment in expressway project
Hopewell Guangzhou-Zhuhai Superhighway Development Limited	Hong Kong	Ordinary shares HK$2 Non-voting deferred shares HK$2	100% of issued ordinary share capital	Investment in expressway project
HHI Finance Limited	Hong Kong	Ordinary share HK$1	100%	Loan finance

All the above subsidiaries are indirectly held by the Company.

35. Major Non-Cash Transaction

During the year ended 30 June 2008, as restated and 30 June 2009, construction costs of HK$144,143,000 and HK$103,045,000 respectively included by the Group in the proportionate share were unpaid and accrued in other payables, accruals and deposits received as at year end.

During the year, property and equipment of HK$14,124,000 were disposed of by the Group and the sale consideration of HK$14,124,000 was included in the other receivables, deposits and prepayments as at year end.

During the year, the jointly controlled entities of the Group provided construction service for the toll expressways of HK$1,215,977,000 (2008: HK$1,193,704,000) in return for the concession intangible assets.

36. Operating Leases

The Group as lessee

	2008 HK$'000	**2009 HK$'000**
Minimum lease payments paid under operating lease during the year:		
Premises	2,655	–

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2008 HK$'000	**2009 HK$'000**
Within one year	2,942	–

37. Capital Commitments

As at 30 June 2008, the Group had outstanding commitments to make capital contributions to West Route JV for development of the Phase II West of approximately RMB96,051,000.

As at 30 June 2009, the Group had agreed, subject to approval of relevant authorities, to make additional capital contributions to West Route JV for development of Phase II West of approximately RMB402,500,000 (2008: nil).

As at 30 June 2009, the Group had agreed, subject to approval of relevant authorities, to make capital contributions to West Route JV for development of Phase III West of approximately RMB980,000,000 (2008: RMB570,500,000).

As at 30 June 2009, GS Superhighway JV and West Route JV had outstanding commitments 48% and 50% proportionately shared by the Group respectively in respect of the acquisition of property and equipment, and construction of the Phase II West contracted but not provided for totalling approximately HK$520,766,000 (2008: HK$1,657,751,000).

38. Pledge of Assets

As at 30 June 2009, certain assets of the jointly controlled entities of the Group were pledged to banks to secure banking facilities granted to the jointly controlled entities. The carrying amounts of these assets proportionately shared by the Group are analyzed as follows:

	The Group	
	2008 HK$'000 (restated)	**2009** **HK$'000**
Concession intangible assets (note)	8,306,179	**6,596,735**
Bank balances and deposits	235,265	**118,927**
Other assets	373,550	**739,883**
	8,914,994	**7,455,545**

Note: As at 30 June 2008 and 30 June 2009, the toll expressway of GS Superhighway JV and 26% (2008: 65%) of the toll expressway and land use rights of West Route JV, collectively classified as concession intangible assets, were pledged to banks to secure banking facilities granted to the respective jointly controlled entity.

In addition, as at 30 June 2008 and 30 June 2009, the toll collection right of GS Superhighway JV and 26% (2008: 65%) of the toll collection right of West Route JV were pledged to banks to secure banking facilities granted to the respective jointly controlled entity.

39. Related Party Transactions

Amounts due by and from related parties are disclosed in the consolidated balance sheet and relevant notes. During the year, the Group paid rentals, air-conditioning, management fee and car parking charges to a fellow subsidiary amounting to approximately HK$3,057,000 (2008: HK$2,480,000).

The Group's jointly controlled entities had the following significant transactions with their joint venture partners other than the Group during the year:

Relationship	Nature of transaction	2008 HK$'000	2009 HK$'000
Joint venture partner of the GS Superhighway JV	Reimbursement of operating expenses	1,537	**1,116**
	Dividend paid and payable	1,744,366	**–**
Joint venture partner of the West Route JV	Dividend paid and payable	19,820	**21,565**
PRC joint venture partner of Ring Road JV	Reimbursement of interest expenses	6,290	**–**
Foreign joint venture partner of Ring Road JV	Reimbursement of interest expenses	20,361	**–**

The registered capital amounting to HK$702,000,000 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.

Compensation of key management personnel

The remuneration of key management personnel who are all directors of the Company is disclosed in note 11.

40. GUARANTEE

The revolving credit and term loan facilities of the Company's subsidiary in the aggregate amount of HK$3,600,000,000 are guaranteed by the Company. As at 30 June 2008 and 2009, the subsidiary had not utilized any part of such facilities.

41. Approval of Financial Statements

The financial statements on page 61 to 111 were approved and authorized for issue by the Board of Directors on 26 August 2009.

Corporate Information

Board of Directors

Sir Gordon Ying Sheung WU GBS, 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
Mr. Barry Chung Tat MOK
Mr. Alan Ming Fai TAM
Mr. Nicholas Tai Keung MAY*
Mr. Philip Tsung Cheng FEI#
Mr. Lee Yick NAM#
Mr. Kojiro NAKAHARA#
Dr. Gordon YEN#
Professor Chung Kwong POON# GBS, JP

* *Alternate to Mr. Barry Chung Tat MOK*
\# *Independent Non-Executive Directors*

Audit Committee

Mr. Lee Yick NAM *Chairman*
Mr. Kojiro NAKAHARA
Mr. Philip Tsung Cheng FEI

Remuneration Committee

Professor Chung Kwong POON GBS, JP
Chairman
Mr. Lee Yick NAM
Dr. Gordon YEN

Company Secretary

Mr. Peter Yip Wah LEE

Registered Office

P.O. Box 309GT
Ugland House, South Church Street
George Town, Grand Cayman
Cayman Islands

Principal Place of Business

Room 63-02, 63rd Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel : (852) 2528 4975
Fax : (852) 2861 0177

Solicitors

Woo, Kwan, Lee & Lo

Auditor

Deloitte Touche Tohmatsu

Principal Bankers+

Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Communications Co., Limited
Bank of East Asia, Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited
BNP Paribas
Calyon
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Development Bank
Chong Hing Bank Limited
Citibank, N.A.
Hua Nan Commercial Bank, Limited
Industrial and Commercial Bank of China Limited
Industrial and Commercial Bank of China (Asia) Limited
Mizuho Corporate Bank, Limited
Nanyang Commercial Bank Limited
Shanghai Commercial Bank Limited
Sumitomo Mitsui Banking Corporation
Tai Fung Bank Limited
Wing Lung Bank Limited

+ *names are in alphabetical order*

Cayman Islands Share Registrar and Transfer Office

HSBC Trustee (Cayman) Limited
P.O. Box 484
HSBC House
68 West Bay Road
Grand Cayman
Cayman Islands KY1-1116

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, Wanchai, Hong Kong
Tel : (852) 2862 8555
Fax : (852) 2529 6087

Listing Information

The Stock Exchange of Hong Kong Limited
Ordinary Shares (Stock Code : 737)

American Depositary Receipt

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

Investor Relations

Investor Relations Manager
Tel : (852) 2863 4340
Fax : (852) 2861 2068
Email : ir@hopewellhighway.com

Web Page

www.hopewellhighway.com

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

Financial Calendar

Interim results announcement	26 February 2009
Closure of Register	16 March 2009 to 19 March 2009 *(both days inclusive)*
Interim dividend payable *(HK17 cents per ordinary share)*	20 March 2009
Final results announcement	26 August 2009
Closure of Register	7 October 2009 to 13 October 2009 *(both days inclusive)*
Annual General Meeting	13 October 2009
Proposed final dividend payable *(HK18 cents per ordinary share)*	on or about 14 October 2009

財務日誌

公佈中期業績	二零零九年二月二十六日
暫停辦理股份過戶登記	二零零九年三月十六日至二零零九年三月十九日 *（包括首尾兩天在內）*
派付中期股息 *（每普通股港幣17仙）*	二零零九年三月二十日
公佈全年業績	二零零九年八月二十六日
暫停辦理股份過戶登記	二零零九年十月七日至二零零九年十月十三日 *（包括首尾兩天在內）*
股東週年大會	二零零九年十月十三日
派付建議之末期股息 *（每普通股港幣18仙）*	約於二零零九年十月十四日

RFP Design and produced by: iOne (Regional) Financial Press Limited website: www.ioneregional.com
設計及製作：卓智（區域）財經印刷有限公司 網址：www.ioneregional.com

Hopewell Highway Infrastructure Limited
合和公路基建有限公司

Room 63-02, 63rd Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong
Tel : (852) 2528 4975
Fax : (852) 2861 0177
Web Page : www.hopewellhighway.com

香港灣仔皇后大道東 183 號
合和中心 63 樓 63-02 室
電　話 : (852) 2528 4975
圖文傳真 : (852) 2861 0177
網　址 : www.hopewellhighway.com