Hopewell Highway Infrastructure Limited

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

2013/14
Interim Report

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

Contents

Group Results

The Board is pleased to announce that the Group's unaudited interim results for the six months ended 31 December 2013 presented in RMB were as follows:

	Six months ended 31 December					
	2012			***2013***		
	Net toll revenue RMB million	*EBIT RMB million*	*Results RMB million*	***Net toll revenue RMB million***	***EBIT RMB million***	***Results RMB million***
Project contributions:						
GS Superhighway (Note 1)	745	453	306	**790**	**472**	**316**
Phase I West	40	26	17	**45**	**26**	**18**
Phase II West	115	60	(10)	**139**	**74**	**1**
Phase III West (Note 2)	–	–	–	**37**	**11**	**(50)**
Net toll revenue/EBIT/Net profit of projects	900	539	313	**1,011**	**583**	**285**
Year-on-year change				**+12%**	**+8%**	**–9%**
Corporate results:						
Bank deposits interest income			41			**23**
Interest income from loans made by the Group to a JV company			3			**32**
Other income			1			**1**
General and administrative expenses			(19)			**(19)**
Finance costs			(30)			**(18)**
Income tax expenses			(3)			**(5)**
			(7)			**14**
Profit before net exchange gain (after deduction of related income tax)			306			**299**
Year-on-year change						**–2%**
Net exchange gain (after deduction of related income tax)			10			**18**
Profit for the period			316			**317**
Profit attributable to non-controlling interests			(6)			**(6)**
Profit attributable to owners of the Company			310			**311**
Year-on-year change						**+0%**

Note 1: Excluding exchange differences on US Dollar and HK Dollar loans, and related income tax expenses.
Note 2: Phase III West was opened on 25 January 2013.

The Group's share of the aggregate net toll revenue of its expressway projects increased by approximately 12% to RMB1,011 million during the six month ended 31 December 2013, compared to RMB900 million for the same period in 2012. This was mainly due to the fact that GS Superhighway's toll revenue returned to growth, with an increase of approximately 6% year-on-year. Moreover, the toll revenue of Phase II West continued growing with average daily toll revenue exceeding its profit breakeven level of RMB1.5 million and became profitable in the first half of FY14 and the opening of Phase III West on 25 January 2013 brought new revenue contribution. The GS Superhighway, Phase I West, Phase II West and Phase III West contributed 78% (RMB790 million), 4% (RMB45 million), 14% (RMB139 million) and 4% (RMB37 million) respectively to the Group's share of aggregate net toll revenues.

The Group's share of operating expenses increased as a result of the opening of Phase III West on 25 January 2013 and the increased staff costs of the two PRC JV companies. Depreciation charges for the GS Superhighway JV and West Route JV also increased mainly as a result of the rise in traffic volume and the opening of Phase III West. However, these were offset by the rise in net toll revenue. Thus, the aggregate EBIT of toll expressways (excluding an exchange gain on the GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) increased by 8%, from RMB539 million to RMB583 million.

Due to the completion and opening of Phase III West, interest expenses in connection therewith started charging to the statement of profit or loss since the second half of FY13. Taking the increased finance costs into account, the aggregate net profit of the four projects (excluding an exchange gain on the GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) fell by 9%, from RMB313 million to RMB285 million.

The traffic and toll revenue of Phase II West have been growing strongly ever since it opened on 25 June 2010 with average daily toll revenue exceeding RMB1.5 million from July 2013 onwards (except in October when Holiday Toll-free Policy was in force) and became profitable in the first half of FY14. Despite the increased finance costs of Phase II West as a result of the shareholder's loan of RMB1,000 million advanced by the Company to Phase II West during December 2012 and January 2013, Phase II West made a profit of RMB1 million, compared to a loss of RMB10 million for the same period in 2012. The shareholder's loan was partly used to repay an intercompany loan to the GS Superhighway JV and the interest incurred, and partly used to settle outstanding project payments of Phase II West.

The EIT rate applicable for both the GS Superhighway and Phase I West is 25% since 2012 and until the expiry of their contractual operation periods. Phase II West is exempt from EIT from 2010 to 2012. Its applicable rate from 2013 to 2015 is 12.5%, and this will rise to 25% from 2016 until the expiry of its contractual operation period. Phase III West is exempt from EIT from 2013 to 2015. Its applicable rate from 2016 to 2018 will be 12.5%, and this will rise to 25% from 2019 until the expiry of its contractual operation period.

Group Results (continued)

As mentioned above, the Company advanced a shareholder's loan of RMB1,000 million to West Route JV for financing Phase II West in December 2012 and January 2013, which helped increase the Company's total interest income (including bank deposits and loans made to a JV company) by 25% from RMB44 million to RMB55 million. In June 2013, the Company prepaid RMB500 million out of the RMB1,000 million loan drawn for the RMB1,600 million bank loan facility of the Company and resulted in a decrease in finance costs from RMB30 million to RMB18 million. Taking into account the increase in interest income and saving of finance costs, the corporate results improved from a loss of RMB7 million to a profit of RMB14 million.

The Group's profit before the net exchange gain (after deduction of related income tax) fell by 2%, from RMB306 million to RMB299 million. This was mainly attributable to increased depreciation charges and the net loss generated by Phase III West following its opening on 25 January 2013 but substantially offset by the rise in net toll revenue. Together with an increase in the net exchange gain on the GS Superhighway JV's loans denominated in US Dollars and HK Dollars as a result of the RMB's appreciation of 3.0% during the period compared to 1.0% in the last period, the profit attributable to owners of the Company slightly increased from RMB310 million for the first half of FY13 to RMB311 million.

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

HHI Corporate Level

	30 June 2013 RMB million	***31 December 2013 RMB million***		*30 June 2013 RMB million*	***31 December 2013 RMB million***
Bank balances and cash	1,480	**1,415**	RMB corporate bonds	600	**600**
The Company's shareholder's loan to JV company [Note 1]	1,030	**1,000**	RMB bank loan	500	**500**
Other assets	34	**24**	HKD bank loan	102	**174**
			Other liabilities	12	**22**
	2,544	**2,439**		1,214	**1,296**
Net assets value of HHI Corporate	1,330	**1,143**			

Share of JV Companies
GS Superhighway JV (HHI's shared portion)

	30 June 2013 RMB million	***31 December 2013 RMB million***		*30 June 2013 RMB million*	***31 December 2013 RMB million***
Bank balances and cash	176	**152**	Bank loans		
Concession intangible assets	6,231	**6,069**	– USD	1,625	**1,501**
Property & equipment	230	**228**	– HKD	208	**193**
Other assets	62	**27**	Other loan	5	**7**
			Other liabilities	736	**703**
	6,699	**6,476**		2,574	**2,404**
Net assets value of GS Superhighway JV	4,125	**4,072**			

West Route JV (HHI's shared portion)

	30 June 2013 RMB million	***31 December 2013 RMB million***		*30 June 2013 RMB million*	***31 December 2013 RMB million***
Bank balances and cash	187	**159**	Bank loans	4,011	**3,999**
Concession intangible assets	6,830	**6,783**	Shareholder's loan from the company	515	**500**
Property & equipment	267	**257**	Shareholder's loan from PRC JV partner	20	**10**
Other assets	280	**276**	Other liabilities	852	**831**
	7,564	**7,475**		5,398	**5,340**
Net assets value of West Route JV	2,166	**2,135**			

	30 June 2013 RMB million	***31 December 2013 RMB million***		*30 June 2013 RMB million*	***31 December 2013 RMB million***
			Total liabilities	9,186	**9,040**
			Equity attributable to owners of the Company	7,571	**7,300**
			Non-controlling interests	50	**50**
Total Assets	16,807	**16,390**	**Total Equity & Liabilities**	16,807	**16,390**
Total net assets	7,621	**7,350**			

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

Impact of New International Financial Reporting Standard ("IFRS")

IFRS 11 "Joint Arrangements" was adopted for the current financial period under review which replaced International Accounting Standard 31 "Interests in Joint Ventures". In prior years, the results, financial position and cash flows of the Group's two JV companies were accounted for using proportionate consolidation method. Under IFRS 11, the results, financial position and cash flows of the Group's two JV companies are required to account for using the equity method of accounting and the Group's condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the last corresponding period and the condensed consolidated statement of financial position as at 30 June 2013 were restated to reflect the change in accounting for the Group's two JV companies. The change has no impact on the profit attributable to owners of the Company and the total equity of the Group. The condensed consolidated financial information prepared under proportionate consolidation method has also been presented in the Appendix on pages 64 to 66 for reference purpose.

Dividend

On 2 January 2014, the Board declared an interim dividend of RMB9.8 cents (equivalent to HK12.4590 cents at the exchange rate of RMB1:HK$1.27133 as published by The People's Bank of China on 2 January 2014) per share in respect of the financial year ending 30 June 2014 (30 June 2013: RMB10 cents per share (equivalent to HK12.3394 cents per share)) to be paid on Wednesday, 19 February 2014 to the shareholders of the Company whose names appeared on the Company's Register of Members at the close of business on Friday, 17 January 2014. This represents a payout ratio of 97% of the Company's profit attributable to owners of the Company for the 6-month period ended 31 December 2013. The interim dividend will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB1:HK$1.27133 as published by The People's Bank of China on 2 January 2014 and shareholders have been given the option of electing to receive the interim dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars.

To make the dividend election, shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 7 February 2014. **If no dividend election is made by a shareholder, such shareholder will receive the interim dividend in HK Dollars, unless he/she/it has previously elected to receive dividends in RMB.**

Business Review

During the period under review, the aggregate average daily traffic volume on the GS Superhighway, Phase I West and Phase II West increased by 12% to 612,000 vehicles, while their aggregate average daily toll revenue increased by 8% to RMB11.3 million. The growth in toll revenue was mainly because the GS Superhighway regained growth momentum after a full-year implementation of the Tariff Proposal and Phase II West recorded robust growth. Together with Phase III West which opened on 25 January 2013, the combined toll revenue of the Group's four projects grew 12% and amounted to RMB2,152 million for the period.

The average daily toll revenue of the GS Superhighway returned to a positive year-on-year growth after one year's implementation of the tariff cut. It increased by 6% to RMB9.2 million during the period and reached RMB9.5 million in December 2013. The average daily traffic of the GS Superhighway continued to grow by 8% to 465,000 vehicles and reached historical high level, mainly driven by a 9% year-on-year growth of Class 1 small cars.

Phase I West recorded healthy growth and Phase II West maintained robust growth, attributed to the synergy created with Phase III West after its opening in January 2013. During the period under review, the average daily traffic and average daily toll revenue of Phase I West grew by 17% and 11% respectively, amounted to 48,000 vehicles and RMB500,000. The average daily traffic and average daily toll revenue of Phase II West during the period were 99,000 vehicles and RMB1,560,000, representing growth of 30% and 21% respectively. Phase II West became profitable during the period. The average daily toll revenue of Phase II West has exceeded profit breakeven level of RMB1.5 million since July 2013 (except in October when the Holiday Toll-free Policy was in force), and advanced further to RMB1.7 million level in December 2013.

Performance of Phase III West was encouraging. The traffic and toll revenue have been ramping up steadily during its first 11-month operation. Phase III West recorded an average daily traffic of 19,000 vehicles and an average daily toll revenue of RMB411,000 during the period under review. In December 2013, the average daily traffic and average daily toll revenue of Phase III West reached 21,000 vehicles and RMB455,000 respectively, representing 117% and 124% growth compared with the first full month operation. During the period, total toll revenue derived from the entire Western Delta Route accounted for 22% of the Group's shared aggregate toll revenue, compared to 17% during the same period in FY13.

Based on the annual toll revenues and expenses of the GS Superhighway, Phase I West and Phase II West during their first full year of operation and the actual performance of Phase III West, the Group expects that Phase III West may achieve operating cash flow breakeven (after taking interest expense payments into account) in FY16, after its average daily toll revenue reaches RMB900,000, which is equal to an annual toll revenue of RMB8.7 million per km.

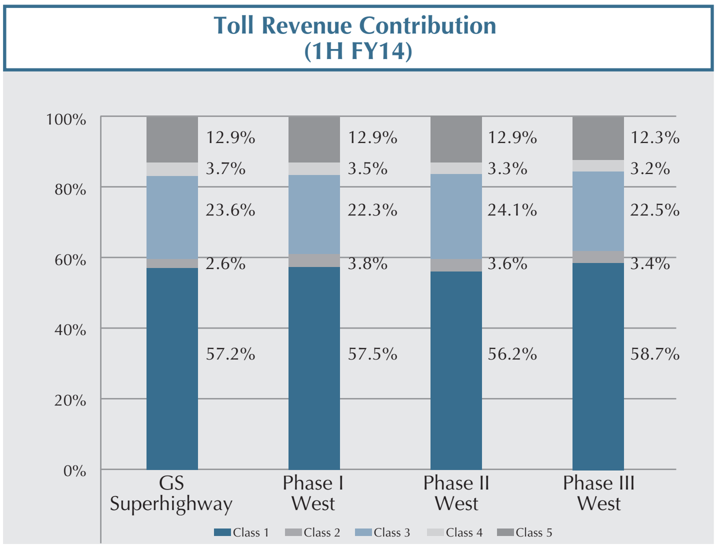
In 2013, driven by the demand in passenger cars, China has recorded double-digit growth in car sales and sold around 22 million vehicles and remained as the world's largest vehicle sales market since 2009. Given that Class 1 small cars contributed over 50% to the toll revenue of each expressway project during the period, the Company believes that the GS Superhighway and Western Delta Route will continue to benefit from the robust growth in PRC's passenger car sales market.

Financial Year	*1H FY13*	***1H FY14***	*% Change*
GS Superhighway (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	430	**465**	+8%
Average Daily Toll Revenue (RMB '000)	8,702	**9,222**	+6%
Phase I West (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	41	**48**	+17%
Average Daily Toll Revenue (RMB '000)	451	**500**	+11%
Phase II West (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	76	**99**	+30%
Average Daily Toll Revenue (RMB '000)	1,286	**1,560**	+21%
Phase III West* (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	–	**19**	N/A
Average Daily Toll Revenue (RMB '000)	–	**411**	N/A

* Phase III West opened on 25 January 2013.

Remarks

1. Aggregate average daily traffic of the GS Superhighway & Western Delta Route increased 15% year-on-year to 631,000 vehicles in 1H FY14.
2. Aggregate average daily toll revenue of the GS Superhighway & Western Delta Route increased 12% year-on-year to RMB11.7 million in 1H FY14.



Economic Environment

Instead of placing more emphasis on GDP growth, the new Chinese leadership is determined to achieve a more balanced and sustainable growth through incremental reforms. It is expected that China will undergo economic transformation in the coming years and subdued pace of growth will be tolerated in favor of structural reforms. Under this economic background, the national GDP of China and Guangdong achieved healthy growth of 7.7% and 8.5% respectively in the first three quarters of 2013. As the central economic region of the Guangdong Province, the PRD region's economy grew mightily in the same period. The GDP of three main cities namely Guangzhou, Dongguan and Shenzhen, where the GS Superhighway passed through, recorded 12.0%, 9.6% and 9.7% growth respectively, while the GDP of Foshan, Zhongshan and Zhuhai, where the Western Delta Route passed through on the western shore of the PRD region, increased by 9.7%, 9.6% and 10.1% respectively. All these cities grew better than the average of the province. The total car ownership of Guangdong reached 10.4 million vehicles in 2012 and the number further increased as there were over 560,000 vehicles newly registered during the first half of 2013 according to the media reports. The Group's expressways will benefit under the healthy economic backdrop.

Growth Potential of the Western Delta Route

The Western Delta Route is the most direct and convenient expressway artery in the regional expressway network on the western bank of the PRD region, running from north to south through the most prosperous and populous cities namely Guangzhou, Foshan, Zhongshan and Zhuhai. It offers convenient access to the Hengqin State-level Strategic New Zone, and via its connection with the forthcoming HZM Bridge, to Macau and Hong Kong. The Twelfth Five-year Plan (2011–2015) of Guangzhou, Foshan, Zhongshan and Zhuhai have revealed a medium term economic plan, targeting on an average annual GDP growth rate of 11.0%, 10.0%, 11.0% and 14.9% respectively. The future healthy economic development of the four main cities on the western bank of the PRD region will create greater demand for transportation along the Western Delta Route.

The Western Delta Route runs along the central axis and locates at the heart of the western bank of the PRD region. It is well connected with the Guangzhou Ring Road, Guangzhou Southern Second Ring Road, Zhongshan-Jiangmen Expressway, Western Coastal Expressway currently and will link up with the forthcoming HZM Bridge, Shenzhen-Zhongshan Corridor, Humen Second Bridge and Guangzhou-Gaoming Expressway (these infrastructures will be completed by 2016, 2020, 2018 and 2015 respectively, according to the media reports) to form a comprehensive regional expressway network. With reference to the experience of the GS Superhighway, the Western Delta Route's good connectivity will certainly provide continuous and stable traffic flow.

The HZM Bridge is planned to be opened by the end of 2016 according to the media reports. Cities on the western bank of the PRD region will fall into a 3-hour commuting radius from Hong Kong. The cross border tourism and freight transport between the western bank of the PRD region and Hong Kong will be stimulated due to more convenient land transport and shorter travelling time. The travelling time between Hong Kong and Zhuhai will be substantially shortened to around 30 minutes instead of spending as much as 4 hours by land or over 1 hour by sea before the opening of the bridge. With reference to the opening of the Hong Kong-Shenzhen Western Corridor in 2007, the number of cross-border license for private cars was increased to meet the enlarged capacity of the border crossings. It is expected that more private car cross-border licenses will be issued for the new HZM Bridge border crossing in the long term. The HZM Bridge's opening will foster the region's economic development and integration.

Hengqin in Zhuhai has become China's third State-level Strategic New Zone after Shanghai's Pudong District and Tianjin's Binhai area. It is being positioned as a new growth hub focusing on the development of business services, tourism, entertainment and technological research. Numerous key development projects, including commercial landmarks, hotels and tourist attractions, will be completed there in the coming few years. According to the media, the total investments of ongoing projects reached over RMB240 billion and one of Hengqin's signature projects, the first phase of Chimelong Ocean Kingdom will be opened before the Lunar New Year in January 2014. This will be a world-class marine park with resorts and hotels facilities aiming to attract more than 20 million tourists a year from around the world. Its opening and future expansion will further boost tourism in Hengqin and Zhuhai. The first China International Circus Festival was held in Hengqin from 20 November to 1 December 2013. This sustainable event will be held every two years thereafter. The Western Delta Route, being the most direct and the shortest expressway from Guangzhou to Hengqin, will benefit from the increase in passenger flows and the demand for transportation brought along by the development of the region.

Toll Road Policies

Guangdong Tariff Proposal

The tariff rate for all expressways in Guangdong was standardised since the implementation of the Tariff Proposal on 1 June 2012. One year after the implementation of the tariff cut, the average daily toll revenue of the GS Superhighway returned to a positive year-on-year growth of 6% during the period under review, which was the highest rate of growth during the past three financial years. Average daily traffic volume maintained an upward trend, increased by 8% year-on-year to a historical high level of 465,000 vehicles. The impact of the Tariff Proposal on Phase I West and Phase II West was insignificant, as they have implemented the new tariff since opening.

Holiday Toll-free Policy

As the Company announced on 14 August 2012, the State Council issued the Notice Regarding the Holiday Toll-free Policy ("Notice") on 2 August 2012. The Notice stipulates that small passenger vehicles with 7 or fewer seats should be entitled to use relevant toll roads free of charge during the four major statutory holidays, namely Lunar New Year, Ching Ming Festival, Labour Day and National Day, as well as the prescribed rest days immediately before and/or after these statutory holidays. During the period under review, the GS Superhighway, Phase I West, Phase II West and Phase III West implemented this policy during National Day holidays for 7 days, comparing to 8 days for the same holiday in FY13. Small cars with 7 or fewer seats were exempted from toll charges on the Group's expressways during the aforesaid period. When comparing to the year without this policy (i.e. FY12), the aggregate annual toll revenues of the GS Superhighway, Phase I West and Phase II West for FY14 were estimated to be reduced by about 3% as a result of such policy, similar to its impact for FY13. The toll revenue of the GS Superhighway, Phase I West and Phase II West during 1 to 7 October 2013 increased when comparing to the same period in 2012.

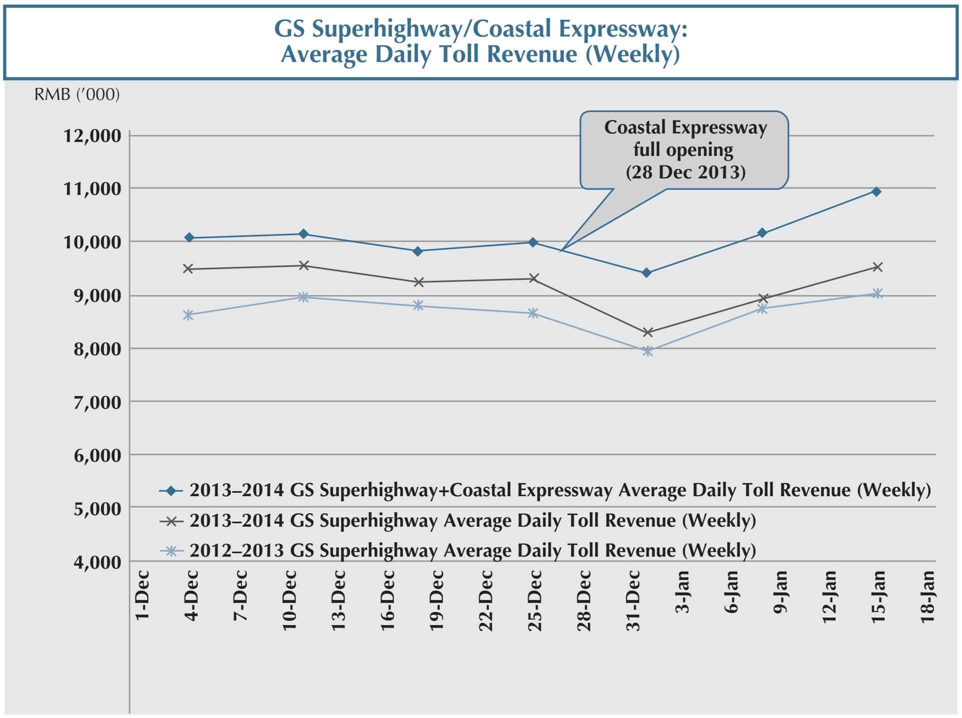
Regulation on the Administration of Toll Roads (Amendment Proposal)

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

Full Opening of a Parallel Road

A 41-km stretch of the 59-km Guangzhou-Dongguan section of the Coastal Expressway has been opened for two years since mid-January 2012. During the period under review, the average daily traffic volume of the GS Superhighway increased by 8% year-on-year. The impact of the opening of this section of the Coastal Expressway on the GS Superhighway's traffic was minimal so far.

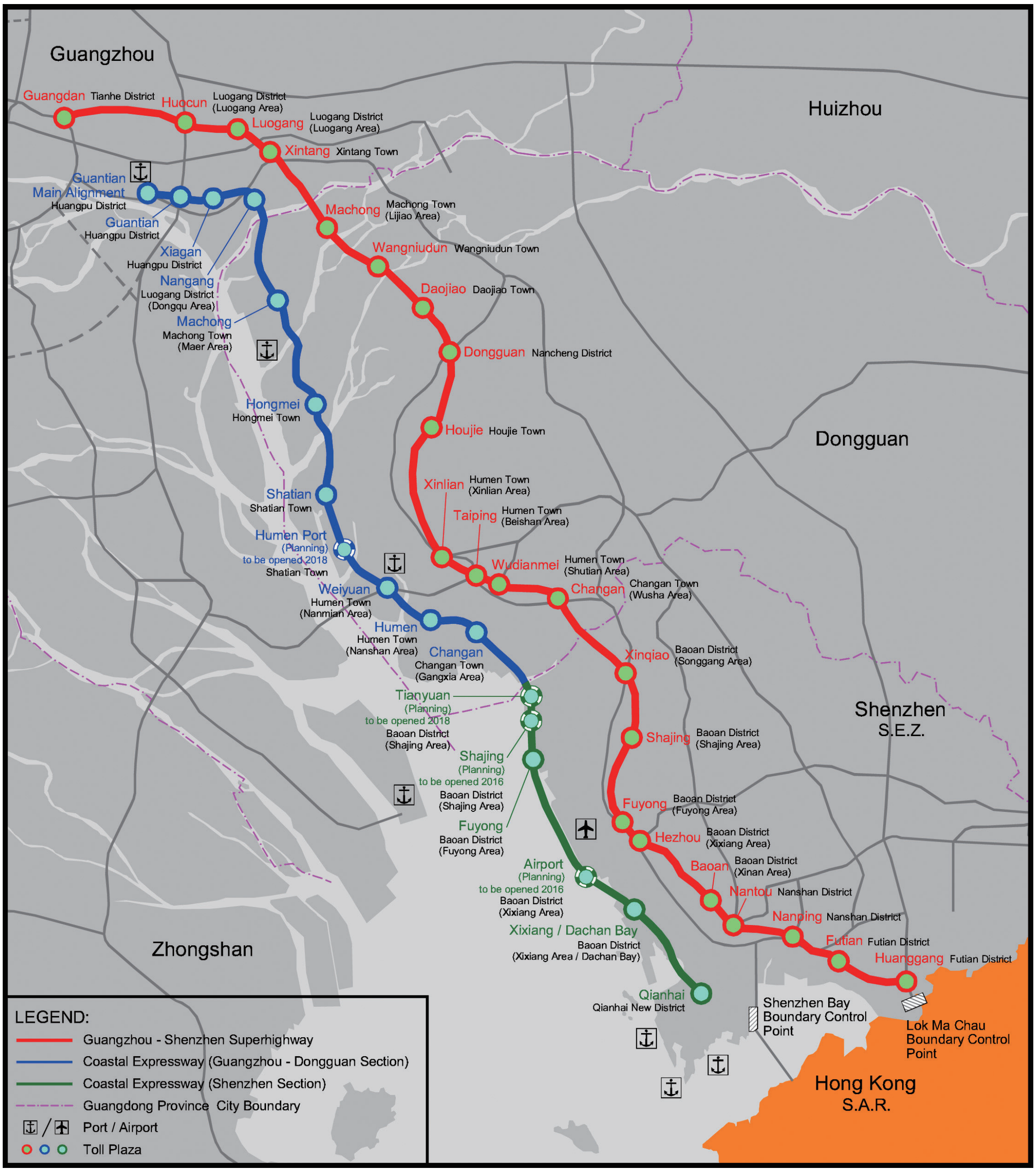
The Coastal Expressway's 30-km Shenzhen section and the remaining 18-km Guangzhou-Dongguan section have been opened on 21 November and 28 December 2013 respectively. Hence the 89-km Coastal Expressway has been fully opened. The newly opened 18-km Guangzhou-Dongguan section is toll-free temporarily from 28 December 2013 to 6 February 2014. During 1 to 20 January 2014, the average daily traffic and average daily toll revenue of the GS Superhighway grew 6% and 4% year-on-year respectively. The impact of the full opening of the Coastal Expressway on the GS Superhighway was minimal so far, as the GS Superhighway maintained mild growth despite 18-km of the Coastal Expressway was toll-free temporarily. As of mid-January 2014, based on the average daily toll revenue, the market comprising the GS Superhighway and the Coastal Expressway grew around 10%. The Company will continue to monitor the situation. Nevertheless, a combined traffic or toll revenue data of the GS Superhighway for January and February 2014 should be taken into account when one is assessing the impact from the Coastal Expressway, as this will smooth out the seasonal fluctuation caused by Lunar New Year holiday.



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

Coastal Expressway - Comparable Travel Distance to GS Superhighway

In fact, the GS Superhighway remains a more competitive option for road users. Its strategic geographical location offers convenient access to populous downtown areas and major expressways, whereas the Coastal Expressway is designed mainly to connect ports along the eastern shore of the PRD and to serve trucks destined for them. Thus, it attracts different target customers. Moreover, the GS Superhighway is well-equipped with professional patrol and rescue team which provides prompt and efficient service along the entire expressway. The Hezhou interchange has been reopened on 15 November 2013 after reconstruction, the GS Superhighway has therefore become the most convenient hub for traffic between downtown Shenzhen and Shenzhen Baoan International Airport. Together with Guangdong's continuous economic growth, the Group believes the GS Superhighway will maintain its leading position as the main traffic artery on the eastern bank of the PRD region.



Guangdong Province Toll Integration and Toll-by-weight Scheme

According to the Guangdong Provincial Government's requirements, the province's 4 toll integration sub-districts namely the Eastern, Western, Northern and Central Districts, in which the GS Superhighway and Western Delta Route are located, are planned to be integrated into a unified toll network. In order to ensure a smoother operation, Guangdong toll integration's implementation has been postponed to mid-2014 instead of the end of 2013 as prescribed in the original schedule. Upon the implementation, all adjacent expressways in Guangdong are physically connected without toll stations in-between, and every vehicle travelling on expressways in Guangdong will only need to take one entry ticket at an expressway's entrance and pay all the toll charges for its entire trip at any other expressway's exit, without needing to stop when it travels on a series of connecting expressways. The toll revenues collected by all the expressways in Guangdong will be settled via Guangdong Unitoll Collection Incorporated ("Guangdong Unitoll"), which is the clearing house that centralises and manages toll data on a daily basis, by means of the toll integration settlement network. The GS Superhighway JV and the West Route JV will invest about RMB65 million in total to upgrade their toll systems to facilitate the implementation of the Guangdong toll integration. This capital investment will depreciate over 8 years. The integration measures will boost the efficiency of the province's toll expressways by shortening the time spent on collecting tolls and help to smooth the flow of traffic.

As part of the Guangdong Provincial Government's plan to implement full toll integration, the toll-by-weight scheme will also be implemented for trucks on all expressways in the Central District by mid-2014 simultaneously, following its implementation in the Northern District in 2009 and the Eastern and Western Districts in 2011. In the experience of expressways in other toll integration sub-districts in Guangdong, the toll revenues collected from trucks usually increased following the implementation of the toll-by-weight scheme. Given the comparatively small proportion of trucks that use the GS Superhighway and the Western Delta Route, its impact on our toll revenues may be neutral.

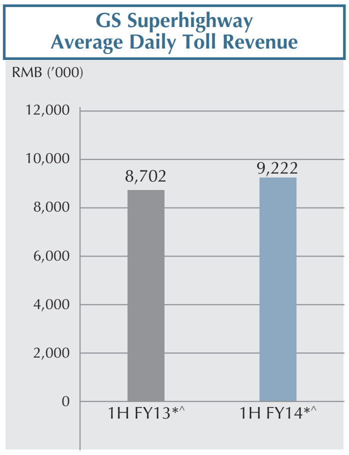
To implement the toll-by-weight scheme in accordance with the official schedule, the GS Superhighway JV and West Route JV will invest around RMB20 million in total to install the equipment. This capital investment will depreciate over 8 years. The implementation of the toll-by-weight scheme is expected to help reduce the number of overloaded trucks and the damages so caused to the Group's expressways.

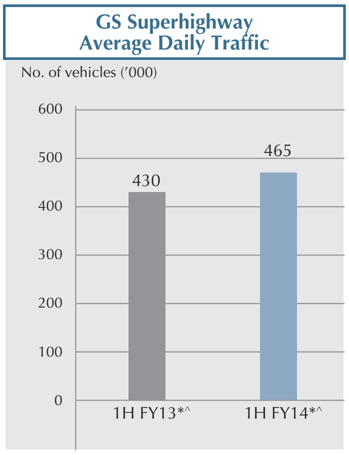
Truck restriction in Guangzhou

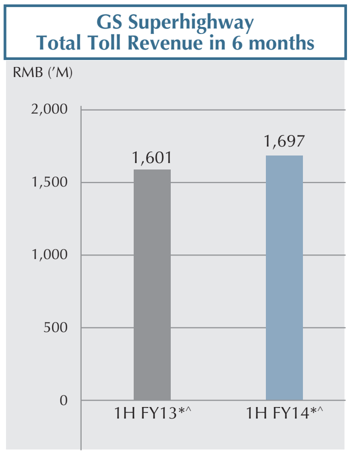
In December 2012, the Guangzhou Municipal Government announced the implementation of restrictions on trucks that are not registered in Guangzhou and weighing 15 tons or above. Such vehicles have been prohibited from travelling on the Guangzhou Ring Road between 07:00 and 20:00 for a one-year period starting 10 January 2013. The measure had insignificant impact on the Group's expressways throughout the year when it was in force.

Guangzhou-Shenzhen Superhighway

The GS Superhighway is the main expressway connecting the PRD region's three major cities — Guangzhou, Dongguan, Shenzhen and Hong Kong. During the period under review, its average daily toll revenue increased by 6% year-on-year to RMB9.2 million, whereas its total toll revenue amounted to RMB1,697 million. Meanwhile, its average daily traffic volume increased by 8% to 465,000 vehicles. One year after the implementation of the Tariff Proposal, the GS Superhighway's average daily toll revenue, based on the same tariff, returned to a positive growth and reached RMB9.5 million in December 2013.





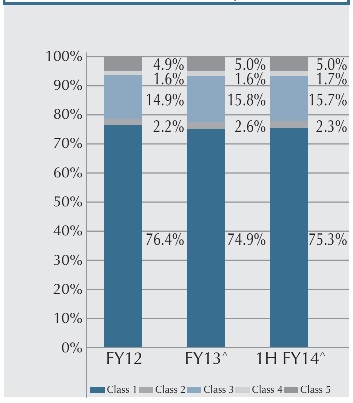


* Guangdong Tariff Proposal was implemented since 1 June 2012.

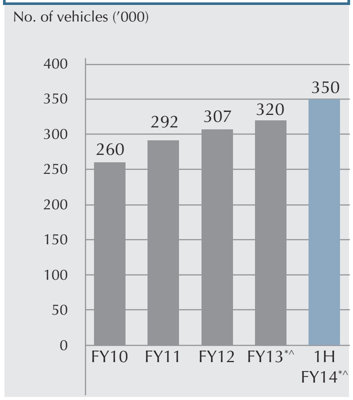
^ Holiday Toll-free Policy was implemented during National Day holidays for 8 days in 1H FY13 and for 7 days in 1H FY14.

Class 1 small car traffic has benefited from the continuous growth of passenger car sales in Guangdong. It continued to grow 9% year-on-year and reached a historical high level, accounting for 75.3% of the GS Superhighway's total traffic volume. The average daily toll revenue of Class 1 small car increased by 6% year-on-year to RMB5.3 million, contributing 57.2% to the total toll revenue. The average daily traffic and average daily toll revenue of Classes 4 and 5 also grew 6% and 7% respectively. The average toll revenue per vehicle per km fell by 2%, from RMB0.79 to RMB0.77.

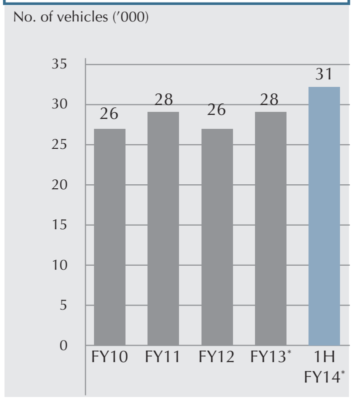
GS Superhighway Traffic Breakdown by Class



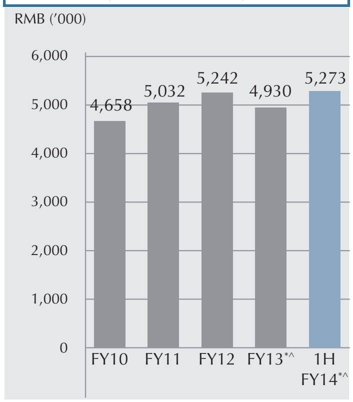
Class 1 – Average Daily Traffic (FY10-1H FY14)



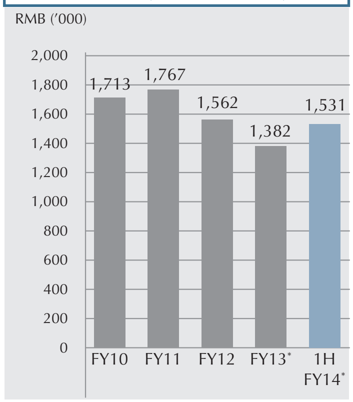
Class 4 & 5 – Average Daily Traffic (FY10-1H FY14)



Class 1 – Average Daily Toll Revenue (FY10-1H FY14)



Class 4 & 5 – Average Daily Toll Revenue (FY10-1H FY14)

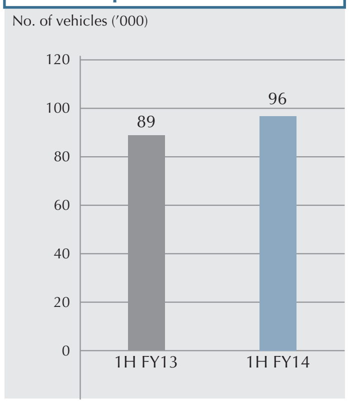


* Guangdong Tariff Proposal was implemented since 1 June 2012.

^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and for 7 days during National Day holidays in 1H FY14.

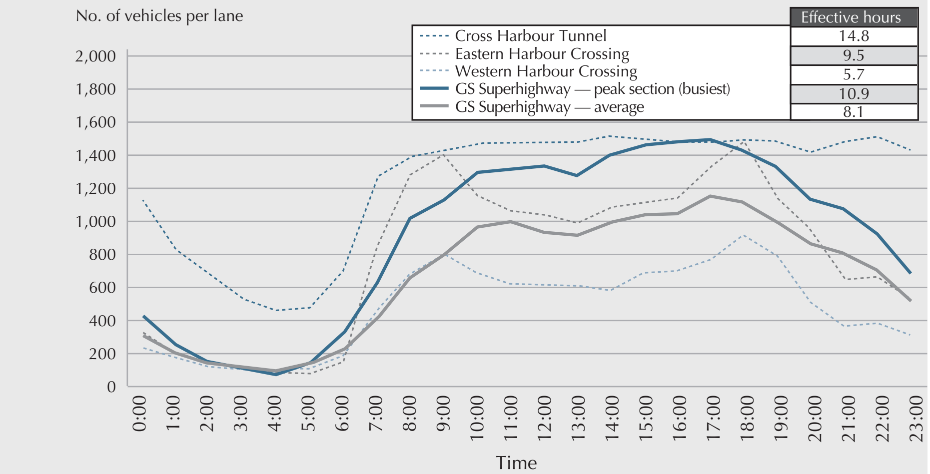
During the period under review, the average daily full-length equivalent traffic volume for the GS Superhighway increased by 8% year-on-year to 96,000 vehicles. This indicates there is still room for traffic to grow on the GS Superhighway.

GS Superhighway Average Daily Full Length Equivalent Traffic



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

GS Superhighway vs Tunnels in Hong Kong – Average Daily Cross Sectional Traffic (per lane)*



Remarks:
* Data being processed, only for demonstration purpose
1) Effective hour = average daily cross sectional traffic per lane / 2,000 vehicles per hour
2) Average daily traffic distribution pattern of HK tunnels reference to "The Annual Traffic Census – 2012", Transport Department, The Government of HKSAR
3) Average daily traffic of HK tunnels (Nov 2013): Cross Harbour Tunnel 118,000 vehicles, Eastern Harbour Crossing 76,000 vehicles, Western Harbour Crossing 68,000 vehicles
4) Average daily traffic of GS Superhighway (Dec 2013)

As mentioned earlier in the section headed "Full Opening of a Parallel Road", the 41-km Guangzhou-Dongguan section of the Coastal Expressway has been opened for two years, there was minimal impact on the GS Superhighway so far. The average daily traffic volume on the GS Superhighway has increased by 8% year-on-year during the period under review. With the 30-km Shenzhen section and the remaining 18-km Guangzhou-Dongguan section opened in November 2013 and December 2013 respectively, the entire Coastal Expressway has been fully opened for traffic. Nevertheless, its impact on the GS Superhighway has also been minimal so far, as the GS Superhighway maintained mild growth despite 18-km of the Coastal Expressway was toll-free temporarily. The average daily traffic and average daily toll revenue of the GS Superhighway grew 8% and 6% year-on-year respectively in December 2013 and continued to rise 6% and 4% year-on-year respectively during 1 to 20 January 2014. The Company will continue to monitor the impact from the full opening of the Coastal Expressway on the GS Superhighway. Nevertheless, a combined traffic or toll revenue data for January and February 2014 should be taken into account when one is assessing the impact from the Coastal Expressway, as this will smooth out the seasonal fluctuation caused by Lunar New Year holiday. The GS Superhighway is comparable in length and it charges the same tariff as the Coastal Expressway. However, the two have different target customers, and the GS Superhighway offers a number of competitive advantages, such as convenient access to populous downtown areas and major expressways, well-equipped facilities, efficient patrol and rescue team and high-quality services. Together with the continuous growth of Guangdong's economy, these factors lead the Group to believe that the GS Superhighway will maintain its leading position as the main traffic artery on the eastern bank of the PRD region.

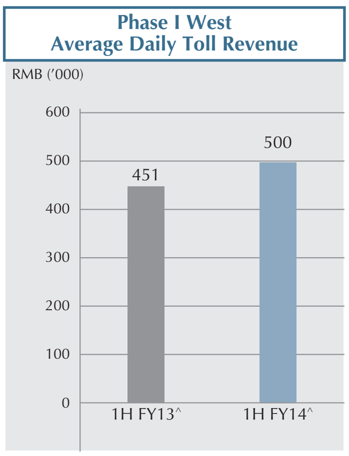
Shenzhen Baoan International Airport was expanded by the opening of a new passenger terminal located near the Hezhou interchange on 28 November 2013. The Hezhou interchange has been reopened on 15 November 2013, after a temporary closure for reconstruction since January 2013, to capture the traffic to and fro Shenzhen Baoan International Airport directly through its connection with a smooth and convenient local road. Not only this temporary closure had a minimal impact on the GS Superhighway, but also the Hezhou interchange has since then become the most convenient hub for traffic between downtown Shenzhen and Shenzhen Baoan International Airport, and the GS Superhighway will benefit from the increased volume of passengers and freight arising.

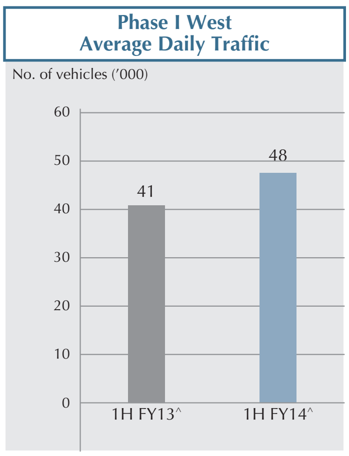
The GS Superhighway JV has been making incessant progress in increasing its operational efficiency and its ability to cope with increasing traffic by installing automated equipment in the toll lanes or entry lanes. Currently, around 60% of all the toll lanes at entrances to the GS Superhighway have ETC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

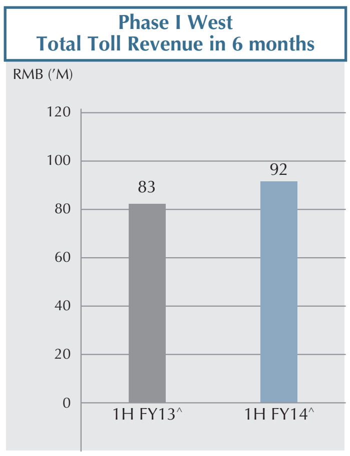
Phase I of the Western Delta Route

A 14.7-km closed expressway with a total of 6 lanes in dual directions, Phase I West connects with the Guangzhou East-South-West Ring Road to the north, and Phase II West and National Highway 105 at Shunde to the south. As the northern part of the Western Delta Route, Phase I West's synergy with Phase II West and Phase III West as well as the on-going economic growth of Guangzhou and Foshan will continue to drive the growth of its traffic volume and toll revenue.

The traffic volume and toll revenue of Phase I West grew healthily, mainly driven by a strong rise in the number of Class 1 small cars. Its average daily traffic volume increased by 17% year-on-year to 48,000 vehicles, whereas its average daily toll revenue increased by 11% to RMB500,000. Its total toll revenue amounted to RMB92 million during the period.

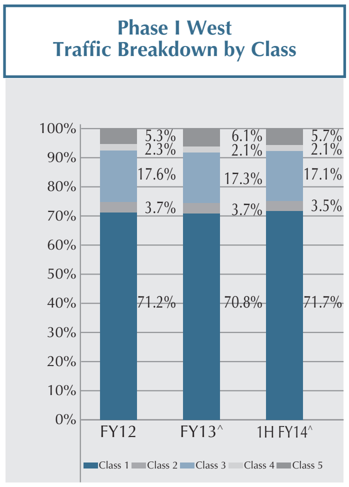


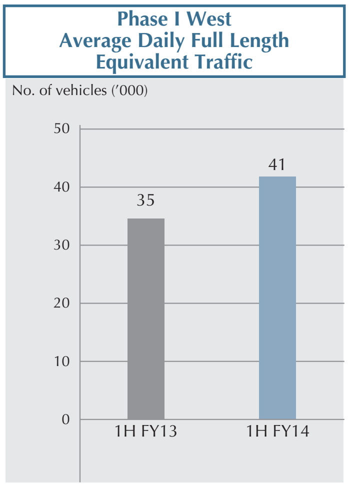




^ Holiday Toll-free Policy was implemented during National Day holidays for 8 days in 1H FY13 and for 7 days in 1H FY14.

The traffic and toll revenue for Class 1 small cars continued to grow, accounting for 71.7% of Phase I West's total traffic volume. Meanwhile, the traffic and toll revenue for Classes 4 and 5 vehicles remained at a similar level as last year during the period. The average daily full-length equivalent traffic on Phase I West amounted to 41,000 vehicles, which represents a growth of 16%.





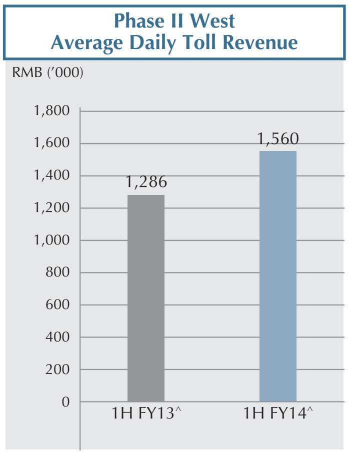
^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and for 7 days during National Day holidays in 1H FY14.

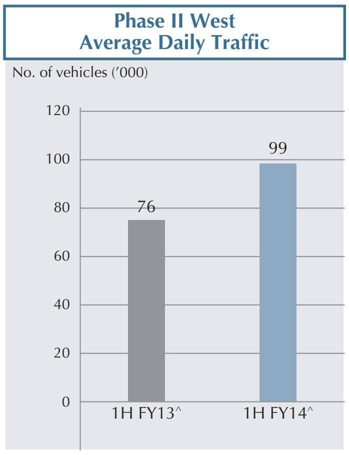
The Guangzhou Municipal Government announced the imposition of restrictions on trucks not registered in Guangzhou and weighing 15 tons or above in December 2012. These have been prohibited from travelling on the Guangzhou Ring Road between 07:00 and 20:00 for one year commencing 10 January 2013. The impact of this measure on Phase I West has been minimal. The Guangzhou Municipal Government is also currently considering the imposition of other traffic restrictions on vehicles not registered in Guangzhou during busy hours. However, the date and details of their implementation have not yet been announced. The Group will continue to monitor the situation, and it is believed that the impact on Phase I West will be minimal.

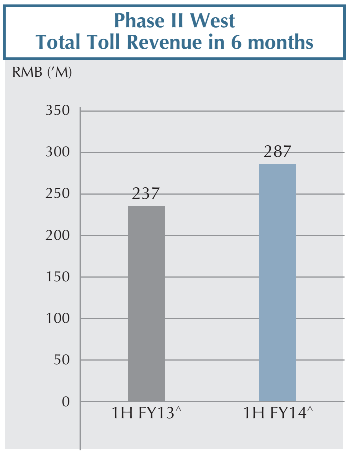
Phase II of the Western Delta Route

A 45.5-km closed expressway with a total of 6 lanes in dual directions, Phase II West is connected to Phase I West at Shunde to the north and Phase III West at Zhongshan to the south. It is also interconnected with National Highway 105, Guangzhou Southern Second Ring Road and the Jiangmen-Zhongshan Expressway, and it has a direct connection to downtown Zhongshan at its southern end. The opening of Phase III West in January 2013 marks the completion of the entire Western Delta Route, which creates synergy effect further boosting the growth of Phase II West's traffic volume and toll revenue.

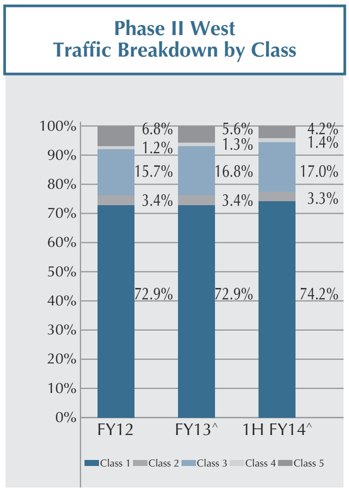
The traffic volume and toll revenue of Phase II West have continued to grow robustly ever since it opened in June 2010. During the period under review, its average daily traffic volume rose by 30% to 99,000 vehicles, whereas its average daily toll revenue grew by 21% to RMB1,560,000 and achieved profit breakeven level of RMB1.5 million. Its total toll revenue for the period amounted to RMB287 million. Class 1 small cars recorded strong growth, contributing 74.2% to the total traffic volume. The average daily full-length equivalent traffic on Phase II West amounted to 43,000 vehicles, representing a year-on-year growth of 28%.

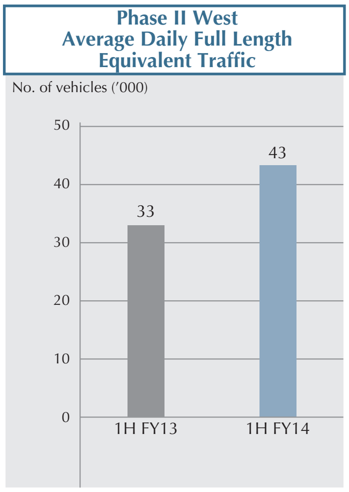






^ Holiday Toll-free Policy was implemented during National Day holidays for 8 days in 1H FY13 and for 7 days in 1H FY14.





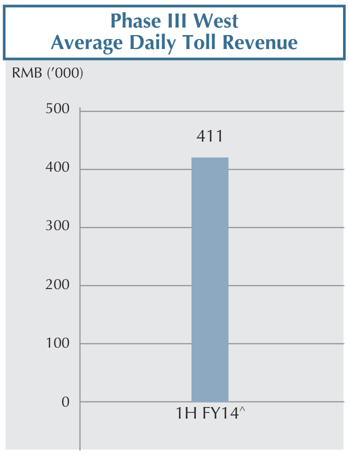
^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and for 7 days during National Day holidays in 1H FY14.

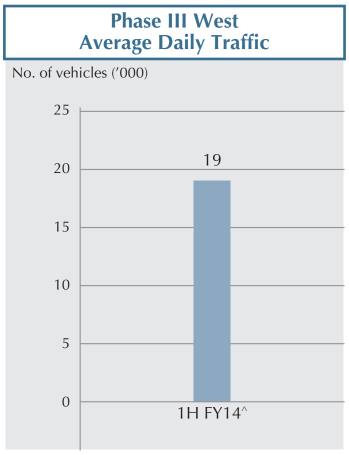
The relevant PRC authorities are currently processing the West Route JV's application to increase the investment in Phase II West to RMB7,200 million. Once approval for this has been obtained, additional registered capital can be injected into the West Route JV by the PRC partner and the Company on a 50:50 basis and additional project bank loans can be borrowed. The estimated outstanding project payments of not more than RMB500 million could be funded by shareholder's loan from the Company and the PRC partner on a 50:50 basis.

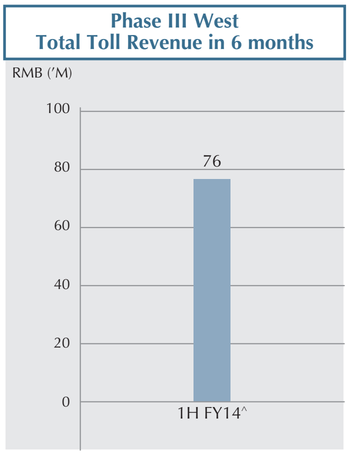
Phase III of the Western Delta Route

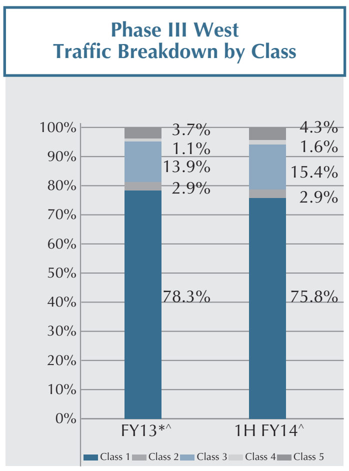
A 37.7-km closed expressway with a total of 6 lanes in dual directions, Phase III West is connected to Phase II West at Zhongshan to the north. It extends southwards to link with the Zhuhai expressway network, thus providing direct access to Hengqin (the State-level Strategic New Zone) in Zhuhai, Macau, and the HZM Bridge, which is under construction. It provides the most direct and convenient expressway link between the city centres of Zhongshan and Zhuhai.

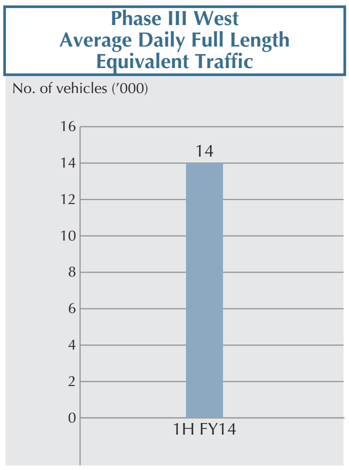
Phase III West's traffic volume and toll revenue have been ramping up steadily. During the period under review, its average daily traffic volume and average daily toll revenue amounted to 19,000 vehicles and RMB411,000 respectively. In December 2013, the average daily traffic volume and average daily toll revenue of Phase III West further reached 21,000 vehicles and RMB455,000 respectively. Its total toll revenue for the period amounted to RMB76 million. The synergy between Phase I West, Phase II West and Phase III West is expected to stimulate a persistent growth of Phase III West's traffic volume and toll revenue.









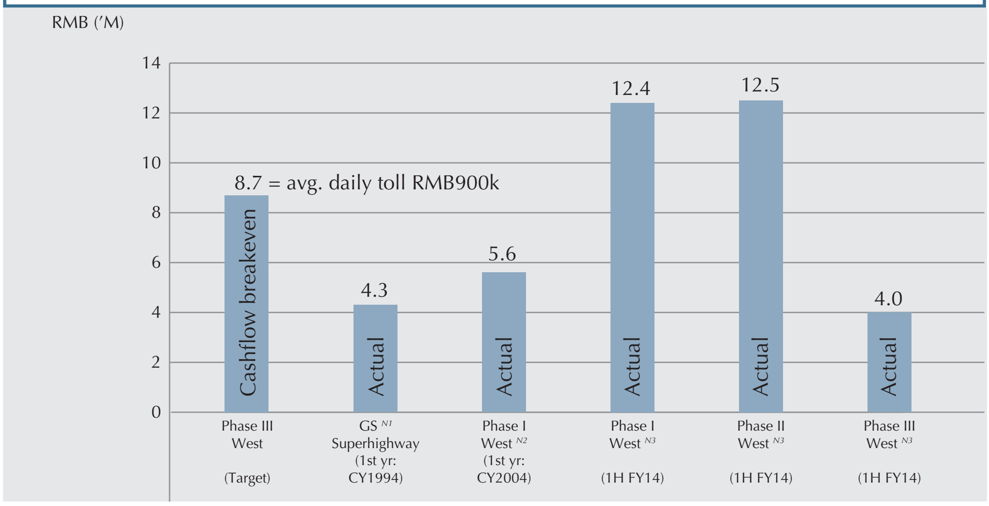


* Phase III West was opened on 25 January 2013.

^ Holiday Toll-free Policy was implemented for a total of 13 days in FY13 and for 7 days during National Day holidays in 1H FY14.

Phase III West's performance is expected to improve along with its traffic and toll revenue ramp-up. Based on the annual toll revenues and expenses of the GS Superhighway, Phase I West and Phase II West during their first full year of operation and the actual performance of Phase III West, the Group expects that Phase III West's toll revenue may achieve its operating cash flow breakeven target (after taking interest expense payments into account) in FY16 when its average daily toll revenue reaches RMB900,000 (the equivalent of annual toll revenue of RMB8.7 million per km). This is higher than the previous estimate of RMB850,000 due to the increase in interest expense for the RMB265 million shareholder's loans to be injected by the Company and the PRC partner on a 50:50 basis. Yet, supported by the strong growth in Phase I West and Phase II West, the target for the West Route JV to become profitable by the second half of FY15 remains unchanged.

Annual Toll Revenue per km



N1: Annualised figure for CY94 (GS Superhighway started operation on 18 July 1994)
N2: Annualised figure for CY04 (Phase I West started operation on 30 April 2004)
N3: Annualised figure

On the other hand, the planned total investment for Phase III West could increase from RMB5,600 million to up to RMB6,150 million, mainly because land costs may be higher than expected. The estimated outstanding project payments of not more than RMB470 million (based on a planned total investment cost of up to RMB6,150 million) will be funded by available PRC project bank loans and shareholder's loan from the Company and the PRC partner on a 50:50 basis.

Financial Review

Liquidity and Financial Resources

The Group's debt balance comprised of the Company's RMB corporate bonds, the Group's bank loans and its share of the non-recourse project loans of its JV companies. The total debt to total assets (including share of total assets of JV companies) ratio and gearing ratio (net debt to equity attributable to owners of the Company) as at 31 December 2013 were shown below. The Group's net cash on hand (excluding JV companies) amounted to RMB141 million. The Group's net cash on hand (excluding JV companies), together with the shareholder's loan receivable from the West Route JV of RMB1,000 million, amounted to RMB1,141 million.

HHI Corporate Level

	31 December 2013		
	RMB million		*RMB million*
Bank balances and cash and shareholder's loans to JV company		**Corporate debt**	
– Bank balances and cash	1,415	– RMB corporate bonds	600
– The Company's shareholder's loan to JV company (Note 1)	1,000	– RMB bank loan	500
		– HKD bank loan	174
	2,415		**1,274**

Net cash (Note 2): RMB141 million
Net cash and the Company's shareholder's loan to JV company: RMB1,141 million

Share of JV Companies

	31 December 2013		
	RMB million		*RMB million*
Bank balances and cash		**Bank loans and shareholder's loans** (Note 3)	
– Bank balances and cash	311	– GS Superhighway	1,701
		– Phase I West	316
		– Phase II West	2,334
		– Phase III West	1,859
	311		**6,210**

Net debt: RMB5,899 million

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

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

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

	30 June 2013 RMB million	**31 December 2013 RMB million**
Total debt		
– Company and subsidiaries (including RMB corporate bonds and bank loans)	1,202	**1,274**
– Share of JV companies	6,217	**6,047**
Net debt (Note 1)	5,576	**5,594**
Total assets (including share of JV companies' total assets)	16,284	**15,889**
Equity attributable to owners of the Company	7,571	**7,300**
Total debt/total assets ratio	46%	**46%**
Gearing ratio	74%	**77%**

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

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

The Group enjoys a strong and solid financial position. As at 31 December 2013, the Group's bank balances and cash on hand (excluding JV companies) amounted to RMB1,415 million (30 June 2013: RMB1,480 million), or RMB0.46 per share (30 June 2013: RMB0.48 per share). After netting off the Company's RMB600 million corporate bonds and the Group's bank loans totalled RMB674 million, the Group's net cash on hand (excluding JV companies) amounted to RMB141 million (30 June 2013: RMB278 million) or RMB0.05 per share (30 June 2013: RMB0.09 per share). The drop in net cash was mainly due to the payment of a special final dividend in respect of FY13. As at 31 December 2013, the net cash on hand of RMB141 million, together with available committed undrawn banking facilities of RMB294 million, the healthy cash flow and stable cash dividends from the Company's toll expressway projects in the PRC, will provide sufficient financial resources for shareholder's loans to be provided by the Company to Phase II West and Phase III West of not more than RMB383 million (as further described below). Nevertheless, the Group is currently exploring opportunities to lower the overall finance costs of its PRC JV companies.

Group Financing

The relevant PRC authorities are currently processing the West Route JV's application to increase its investment in Phase II West to RMB7,200 million. Once approval is obtained, additional registered capital will be injected into the West Route JV by the PRC partner and the Company on a 50:50 basis and additional project bank loans can be borrowed. To settle the outstanding project payments for Phase II West and make efficient use of the Company's internal resources, shareholder's loan of RMB1,000 million was advanced by the Company to the West Route JV as interim financing for Phase II West and remained outstanding as of 31 December 2013. The Company will continue to provide financial support to the West Route JV until Phase II West's increased investment is approved and additional project bank loans can be obtained. In December 2012, the West Route JV used the shareholder's loan provided by the Company to repay in full the intercompany borrowings of RMB731 million to the GS Superhighway JV, and to settle the outstanding project payments of Phase II West. As at 31 December 2013, the estimated outstanding project payments for Phase II West amounted to not more than RMB500 million, which will fully be covered by available shareholder's loans from the Company and the PRC partner on a 50:50 basis.

The planned total investments for Phase III West could increase from RMB5,600 million to RMB6,150 million, mainly because the land costs may be higher than planned. The project is adequately funded by registered capital, available banking facilities and shareholder's loans. The Group had already contributed the full amount of registered capital (a total of RMB980 million) and advanced shareholder's loan totalling RMB530 million to the West Route JV as interim financing for Phase III West. Such shareholder's loan had been repaid in full by the West Route JV, RMB500 million in FY12 and the remaining balance of RMB30 million during the period under review. As at 31 December 2013, the estimated outstanding project payments for Phase III West amounted to not more than RMB470 million (based on planned total investment cost of up to RMB6,150 million), which will be funded by available PRC project bank loan and shareholder's loans by the Company and the PRC partner on a 50:50 basis.

The Group has well arranged the financial resources for the funding requirements of the West Route JV, given that the Company issued RMB600 million corporate bonds in May 2011 (which will mature in May 2014); signed a RMB1,600 million loan facility agreement in May 2012 (which will mature in May 2015 and of which RMB500 million was outstanding as at 31 December 2013); received net proceeds of RMB375 million from the placement of RMB-traded shares in October 2012 and also signed a HK$300 million loan facility agreement in June 2013 (which will mature in June 2016) and of which HK$223 million or RMB equivalent 174 million was drawn as at 31 December 2013.

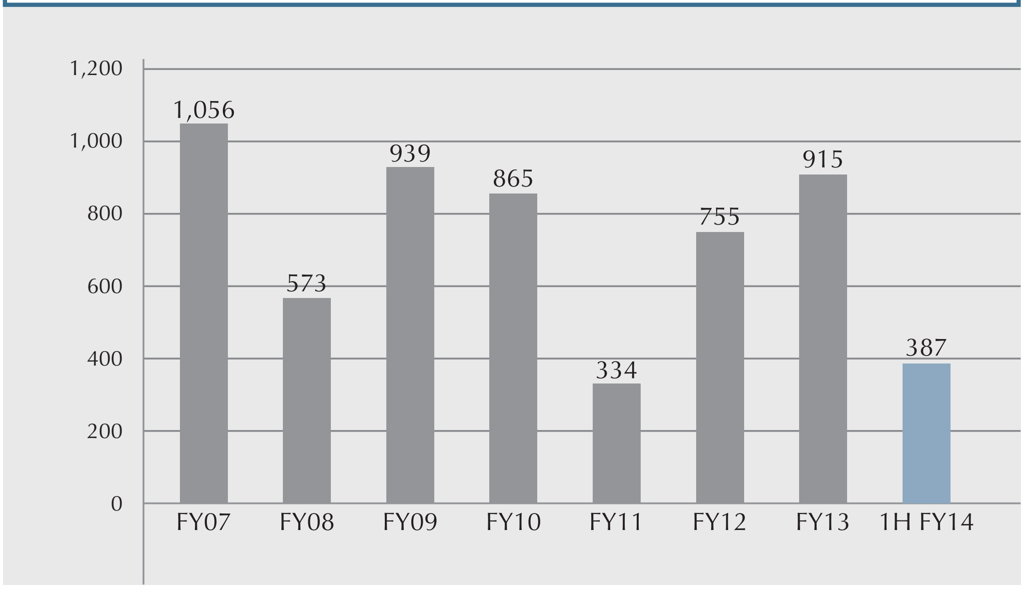
31 December 2013 (JV level)	*Planned Investment RMB million*	*Estimated outstanding project payments RMB million*	*Available Funding^ RMB million*		*The Group's injection RMB million*
Phase II West	7,200	Not more than 500	500	Shareholder's loan*	Not more than 250
Phase III West	6,150	Not more than 470	205	PRC bank loans	–
			265	Shareholder's loan*	Not more than 133
Total					Not more than 383

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

^ Current planning, subject to change

Further capital expenditure of the Company will be not more than RMB383 million, which is for the Phase II West and the Phase III West. This is sufficiently funded by the Group's net cash on hand (excluding JV companies) of RMB141 million and available committed undrawn banking facilities of RMB294 million. Together with the stable cash dividends from the Group's toll expressways, they will also provide sufficient financial resources for the Group.

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



As at 31 December 2013, 99.9% (30 June 2013: 99.9%) of the Group's bank balances and cash (excluding JV companies) on hand were denominated in RMB and 0.1% (30 June 2013: 0.1%) in HK Dollars. The bank balances and cash on hand of the JV companies shared by the Group amounted to RMB311 million (30 June 2013: RMB363 million). The Group received cash dividends from the GS Superhighway JV of RMB387 million, RMB915 million, RMB755 million, RMB334 million, RMB865 million, RMB939 million, RMB573 million and RMB1,056 million during the six months ended 31 December 2013, FY13, FY12, FY11, FY10, FY09, FY08 and FY07, respectively.

The reductions in the cash dividends during FY11 and FY08 were mainly brought about by the intercompany borrowings provided by the GS Superhighway JV to the West Route JV in respect of Phase II West and the repatriation of registered capital by the GS Superhighway JV to the Company respectively. The cash dividends from the GS Superhighway JV were restored to their normal levels in FY12. The cash dividends increased during FY13 as the result of the full repayment of intercompany borrowings by the West Route JV in respect of Phase II West to the GS Superhighway JV in December 2012, and the GS Superhighway JV's distribution of a dividend of RMB351 million to the Company out of these funds. The cash dividends received and receivable from the GS Superhighway JV make the Group confident that it has sufficient financial resources for its recurring operational activities, as well as its existing and potential investment activities. In anticipation of the full repayment of the existing bank loans of the GS Superhighway JV in 2019, the Group expects the GS Superhighway JV's cash flow will improve and the amount of cash dividends to be received by the Group will increase substantially thereafter.

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

Bank and other Borrowings

As at 31 December 2013, the total bank and other borrowings of the JV companies shared by the Group (including US Dollars bank loans of equivalent to RMB1,501 million, HK Dollars bank loan of equivalent to RMB193 million, RMB bank loans of RMB3,999 million and RMB other borrowing of RMB7 million and excluding shareholder's loans), together with the RMB600 million corporate bonds and RMB500 million term loan raised by the Company and the Group's HK Dollars bank loan of equivalent to RMB174 million, amounted to approximately RMB6,974 million (30 June 2013: RMB7,051 million) with the following profile:

(a) 91% (30 June 2013: 91%) consisted of bank loans and 9% (30 June 2013: 9%) of other loans (including RMB corporate bonds with a total value of RMB600 million (30 June 2013: RMB600 million)); and

(b) 22% (30 June 2013: 23%) was denominated in US Dollars; 73% (30 June 2013: 73%) was denominated in RMB and 5% (30 June 2013: 4%) was denominated in HK Dollars.

Debt Maturity Profile

As at 31 December 2013, the maturity profile of the bank and other borrowings of the JV companies shared by the Group (excluding shareholder's loan), RMB corporate bonds and RMB term loan raised by the Company, together with the Group's bank loans, were shown below, together with the corresponding figures as at 30 June 2013:

HHI Corporate Level

	30 June 2013		***31 December 2013***	
	RMB million	%	***RMB million***	**%**
Repayable within 1 year (Note 1)	702	58%	**600**	**47%**
Repayable between 1 and 5 years (Note 1)	500	42%	**674**	**53%**
	1,202	100%	**1,274**	**100%**

Share of JV Companies

	30 June 2013		***31 December 2013***	
	RMB million	%	***RMB million***	**%**
Repayable within 1 year	252	4%	**255**	**4%**
Repayable between 1 and 5 years	1,755	30%	**1,933**	**34%**
Repayable beyond 5 years	3,842	66%	**3,512**	**62%**
	5,849	100%	**5,700**	**100%**

Note 1: RMB corporate bonds with a total value of RMB600 million will mature in May 2014, and the RMB term loan of RMB500 million will become due in May 2015.

Interest Rate and Exchange Rate Exposure

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

Treasury Policies

The Group continues to adopt prudent and conservative treasury policies in its financial and funding management. Its liquidity and financial resources are reviewed on a regular basis, with a view to minimising its funding costs and enhancing the returns on its financial assets. Most of the Group's cash is placed in deposits denominated in RMB. Holding RMB suits the Group's PRC-based operations, and it can earn higher interest income from RMB deposits than HK Dollar deposits. The percentage of cash the Group held in RMB bank deposits was maintained at 99.9% as at 31 December 2013. It has therefore maintained the proportion of its RMB bank deposits to that of its HK Dollar deposits. As there were two cuts in RMB deposit interest rates in the PRC in June and July 2012, the Group's overall treasury yield on bank deposits dropped to 2.99%, compared to 3.25% during the same period in 2012. The Group will continue to strengthen its treasury management and evaluate the options available for improving the yields on its substantial cash-deposit portfolio.

Capital and Other Commitments

As at 30 June 2013, the Group had agreed, subject to the approval by the relevant authorities, to make additional capital contributions of approximately RMB402.5 million (30 June 2012: RMB402.5 million) to the West Route JV for the development of Phase II West. It currently plans, subject to the approval by the relevant authorities, to make these capital contributions during FY14.

Pledge of Assets

As at 31 December 2013, the Group's JV companies pledged certain assets to banks in order to secure the banking facilities granted to them. The carrying amounts of these assets shared by the Group were as follows:

	30 June 2013 RMB million	***31 December 2013 RMB million***
Concession intangible assets	5,767	**5,620**
Property and equipment	230	**228**
Inventories	2	**1**
Interest and other receivables	58	**19**
Bank balances and deposits	328	**278**
	6,385	**6,146**

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

Contingent Liabilities

As at 31 December 2013, the Group had no material contingent liabilities.

Material Acquisition or Disposal

The Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the six months ended 31 December 2013.

Corporate Sustainability

The Group continued to focus on our corporate sustainability during the period under review. All initiatives listed below showcase the Group's efforts and progresses in various concerned areas. As the recognition of our efforts, the Company has been selected as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index since 2011.

Customer — Traffic safety is always our top priority:

Enhancing traffic safety has always been our top priority for the Company and its JV companies, and we have put continuing efforts and employ ample resources to ensure the safety and comfort of our road users.

The GS Superhighway is fully monitored by the surveillance cameras and covered by well-trained patrol and rescue team with over 200 professionals, who can discover accidents and arrive at the scene in the shortest possible time and handle them efficiently. To maintain high quality service, three new towing vehicles were acquired during the period under review. Changeable message signboards along our expressways also keep road users informed about the latest traffic conditions ahead and draw their attention to traffic safety.

A large scale campaign which promotes service standard, educates the public on traffic safety and increases their safety awareness is held in June and July by both JV companies annually. All front-line staff actively participated in the campaign which also received positive feedbacks from road users.

Environment — Energy saving:

The GS Superhighway is a pioneer in Guangdong Province to replace all conventional low-mast sodium lamps with LED lights on its 122.8-km main alignment. In the first six months since the full operation of LED lights in June 2013, we recorded 55% year-on-year reduction on actual electricity consumption for the main alignment lighting. Phase III West also adopts energy-saving LED lights along the tunnel sections and toll plazas. Our initiatives altogether strive to reduce energy consumption and provide eco-friendly elements in our operations.

Communities — Caring our neighbour:

Both JV companies collaborate closely with local voluntary service associations to organise and participate in various community services. These include environment protection activities, visiting people in need and serving in large scale social events. Volunteers of the West Route JV joined "Firefly Program" and went to rural areas in Shaoguan to donate books and teaching materials to people in need in October 2013.

The GS Superhighway JV and the West Route JV have been installing noise barriers at various sections along the expressways to further mitigate the impact on the residential areas in the proximity. During the year, additional 1-km and 4-km noise barriers were installed along the GS Superhighway and the Western Delta Route respectively.

The Group actively encourages staff to support and participate in community programmes and initiatives. Apart from fundraising activities, we also mobilise staff members to work with non-governmental organisations and social enterprise partners as volunteers in serving the society. Staff members volunteered to join the Coastal Cleanup Challenge organised jointly by HHL and Hong Kong Cleanup at Anglers' Beach in Tsuen Wan in November 2013. The outcome is positive and we have helped clean up over 2,000 pieces of trash in total.

Our People — Work-life balance:

We are keen on promoting healthy work-life balance among our staff in our workplace. Our JV companies organised a variety of activities for staff. The GS Superhighway JV organised various inter-departmental talent contests such as speech competitions, singing and dancing shows during the period under review. Besides the annual inter-departmental basketball league started since 2007, a new football league was also organised in November 2013 to provide opportunities to our staff to unleash their potentials and enhance team spirit. Apart from internal activities, a friendly basketball match was jointly held by the GS Superhighway JV and Abbott (Guangzhou) Nutrition Limited's basketball team in November 2013.

New staff quarters were built near the Baoan interchange and new living facilities have also been installed to replace the previous staff quarters at the Hezhou interchange in July 2013. A new sport centre in the staff quarters provides a place for sporting activities to enhance the quality of life of our staff.

Both the GS Superhighway JV and the West Route JV provide practical trainings and hold internal contests for toll collectors, rescue staff and patrol staff to ensure that they maintain a good knowledge of industry regulations and high-quality service, in addition to refresh their technical knowledge and increase safety awareness.

Other Information

Review of Interim Results

The Group's unaudited interim results for the six months ended 31 December 2013 have been reviewed by the Audit Committee and the auditor of the Company, Messrs. Deloitte Touche Tohmatsu.

Directors' Interests in Shares, Underlying Shares and Debentures

As at 31 December 2013, 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 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)]

	Shares					
Directors	*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 WU	13,717,724	5,244,000	21,249,999	6,136,000[(iii)]	46,347,723	1.50
Eddie Ping Chang HO	4,887,500	–	14,000	2,000[(iv)]	4,903,500	0.16
Thomas Jefferson WU	16,000,000	–	–	–	16,000,000	0.52
Alan Chi Hung CHAN	478,500	–	–	–	478,500	0.02
Cheng Hui JIA	324,100	–	–	–	324,100	0.01

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 companies in which the relevant Directors were deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.

(iii) The other interests in 6,136,000 shares represented the interests held by Sir Gordon WU jointly with his wife Lady WU.

(iv) The other interests in 2,000 shares represented the interests held by Mr. Eddie Ping Chang HO as a trustee of the Estate of Mrs. HO LEE Sok Kam Margaret.

(B) Associated Corporation — 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	Total interests	% of issued share capital
Sir Gordon WU	75,083,240	25,420,000	111,250,000	30,680,000(ii)	242,433,240	27.79
Eddie Ping Chang HO	27,690,500	–	70,000	1,000(iii)	27,761,500	3.18
Thomas Jefferson WU	27,600,000	–	–	–	27,600,000	3.16
Alan Chi Hung CHAN	585,000	–	–	–	585,000	0.07
Cheng Hui JIA	241,000	–	–	–	241,000	0.03

Notes:

(i) The corporate interests of HHL Shares were beneficially owned by companies in which the relevant Directors were deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.

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

(iii) The other interests in 1,000 HHL Shares represented the interests held by Mr. Eddie Ping Chang HO as a trustee of the Estate of Mrs. HO LEE Sok Kam Margaret.

All the above interests in the shares of associated corporation were long positions.

Save as aforesaid, as at 31 December 2013, 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.

Share Options

(A) The share option scheme of the Company 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 had expired on 16 July 2013 (the "Old Option Scheme"). In view of the expiry of the Old Option Scheme and for the purpose of providing the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to its eligible participants, the shareholders of the Company at the annual general meeting held on 21 October 2013 passed an ordinary resolution to approve the adoption of a new share option scheme (the "New Option Scheme"), which was also approved for adoption by the shareholders of HHL at the annual general meeting held on 21 October 2013. The New Option Scheme will expire on 21 October 2023.

Upon expiry of the Old Option Scheme on 16 July 2013, no further options may be granted but the provisions of the Old Option Scheme shall in all other respects remain in full force and effect and options which are granted during the life of the Old Option Scheme may continue to be exercisable in accordance with their respective terms of issue.

(B) Details of the movement of share options under the Old Option Scheme during the six months ended 31 December 2013 were as follows:

			Number of share options						
	Date of grant	*Exercise price per share HK$*	*Outstanding at 01/07/2013*	*Granted during the period*	*Exercised during the period*	*Lapsed during the period*	*Outstanding at 31/12/2013*	*Exercise period*	*Closing price before date of grant falling within the period HK$*
Employees	17/10/2006	5.858	4,080,000	–	–	(4,080,000)	–	01/12/2007–30/11/2013	N/A
Employees	19/11/2007	6.746	360,000	–	–	–	360,000	01/12/2008–30/11/2014	N/A
Employees	24/07/2008	5.800	400,000	–	–	–	400,000	01/08/2009–31/07/2015	N/A
Total			**4,840,000**	**–**	**–**	**(4,080,000)**	**760,000**		

No options were cancelled during the six months ended 31 December 2013.

The options granted on 19 November 2007 and 24 July 2008 are exercisable in the following manner:

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

* including those not previously exercised

(C) No option was granted under the New Option Scheme since its adoption.

Share Awards

(A) The Award Scheme was adopted by the Board on 25 January 2007 ("Adoption Date"). Unless terminated earlier by the Board, the Award Scheme shall be valid and effective for a term of 15 years commencing on the Adoption Date, provided that no new award shall be granted on or after the 10th anniversary of the Adoption Date. A summary of some of the principal terms of the Award Scheme is set out in (B) below.

(B) The purpose of the Award Scheme is to recognise the contributions by certain employees (including without limitation 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, 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) There was no awarded share granted or outstanding during the six months ended 31 December 2013 and accordingly no dividend income was received in respect of shares hold upon the trust for the Award Scheme (2012: Nil) during such period.

Substantial Shareholders

As at 31 December 2013, 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	2,098,850,098[(i)]	68.11
Delta Roads Limited	Interests of controlled corporation	2,098,850,098[(i)]	68.11
Dover Hills Investments Limited	Interests of controlled corporation	2,098,850,098[(i)]	68.11
Supreme Choice Investments Limited	Interests of controlled corporation	2,098,850,098[(i)]	68.11
Hopewell Holdings Limited	Interests of controlled corporation	2,098,850,098[(i)]	68.11

Note:

(i) The 2,098,850,098 shares were held by Anber Investments Limited ("Anber"), a wholly-owned subsidiary of Delta Roads Limited ("Delta Roads") which was wholly-owned by Dover Hills Investments Limited ("Dover Hills"). Dover Hills was in turn 100% owned by Supreme Choice Investments Limited ("Supreme Choice"), a wholly-owned subsidiary of HHL. The interests of Anber, Delta Roads, Dover Hills, Supreme Choice and HHL in the 2,098,850,098 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 and Mr. Thomas Jefferson WU, Directors of the Company, are also directors of Anber, Delta Roads, Dover Hills, Supreme Choice and HHL.

The above interests in the shares of the Company held by the substantial shareholders were long positions.

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 31 December 2013.

Employees and Remuneration Policies

The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. It offers share option and share award schemes to eligible employees in order to provide them with incentives and to recognise their contributions and ongoing efforts. In addition, discretionary bonuses are granted to employees based on their individual performance as well as the Group's business performance. It provides medical insurance coverage to all staff members and personal accident insurance to senior staff members. As at 31 December 2013, the Group, excluding the JV companies, had 28 employees.

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

The Group's training programmes are designed and tailor-made to increase the knowledge of its employees and fill skill gaps identified during performance appraisals. Its overall training objectives are to enhance the personal productivity of its employees and to identify their individual interests in order to prepare their future roles and enable them to make greater contributions to the success of the Group's businesses. Besides formal training programmes, the Group also provides comprehensive and relevant training and self-learning opportunities to employees such as on-the-job training and educational sponsorships. During the period, the Group organised a number of seminars on subjects like counselling and crisis management, MPF investment management, cross-border insurance arrangement, by external consultants or service providers to enhance employees' general knowledge in the topics concerned.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2013.

Corporate Governance

During the period under review, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules except for the deviation from code provision A.5.1 of the Corporate Governance Code which requires the establishment of a nomination committee, with explanation described below.

Code Provision A.5.1

The Company does not consider it necessary to have a nomination committee as the Company already has the policies and procedures for selection and nomination of Directors in place. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size 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(s) will normally be made by the Chairman and/or the Managing Director and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Model Code for Securities Transactions

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

Continuing disclosure under Rule 13.21 of the Listing Rules

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

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

Change in Information of Directors

Mr. Brian David Man Bun LI, an Independent Non-Executive Director, is a member of the Hong Kong – European Union Business Co-operation Committee which has changed its name to Hong Kong – Europe Business Council on 14 June 2013.

Other Information (continued)

Sir Gordon WU, the Chairman, received an Honorary Degree of Doctor of Social Sciences from The Hong Kong Institute of Education on 15 November 2013 and was awarded the Lifetime Achievement Award of 2013 Hong Kong Business Awards by the South China Morning Post and DHL on 29 November 2013.

Mr. Yuk Keung IP, an Independent Non-Executive Director, was appointed as an independent non-executive director of AEON Credit Service (Asia) Company Limited on 19 September 2013 and a member of the Committee on Certification for Principalship under the Education Bureau of the Hong Kong Government on 1 January 2014.

Mr. Alan Ming Fai TAM ("Mr. TAM") resigned as an Executive Director with effect from 8 November 2013 due to his transfer to HHL, and he has been involved primarily in project management and construction cost control. The Board would like to express its appreciation for Mr. TAM's contributions to the Company during his tenure of office.

Sir Gordon WU, the Chairman, Mr. Eddie Ping Chang HO, the Vice Chairman and Mr. Thomas Jefferson WU, the Managing Director, volunteered to surrender their performance bonuses for calendar year 2013 so that a larger pool of bonus could be shared by the employees.

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

On behalf of the Board

Sir Gordon Ying Sheung WU GBS, KCMG, FICE
Chairman

Hong Kong, 27 January 2014

Report on Review of Condensed Consolidated Financial Statements

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Hopewell Highway Infrastructure Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 44 to 63, which are presented in RMB and comprise the condensed consolidated statement of financial position as of 31 December 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The Directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
27 January 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2013

	NOTES	Six months ended 31 December 2012 (unaudited) (restated) RMB'000	2013 (unaudited) RMB'000	2012 (unaudited) (restated) HK$'000 (FOR INFORMATION PURPOSE ONLY)	2013 (unaudited) HK$'000 (FOR INFORMATION PURPOSE ONLY)
Other income and other expense	4	45,630	**56,414**	56,144	**71,515**
Depreciation		(418)	**(92)**	(514)	**(116)**
General and administrative expenses		(18,692)	**(18,729)**	(22,982)	**(23,739)**
Finance costs	5	(29,964)	**(18,101)**	(36,837)	**(22,946)**
Share of results of joint ventures	6	339,890	**322,487**	419,133	**409,775**
Profit before tax		336,446	**341,979**	414,944	**434,489**
Income tax expenses	7	(20,987)	**(25,089)**	(25,878)	**(31,864)**
Profit for the period	8	315,459	**316,890**	389,066	**402,625**
Other comprehensive income					
Item will not be reclassified to profit or loss:					
Exchange gain arising on translation to presentation currency		–	**–**	177,711	**131,499**
Item that may be subsequently reclassified to profit or loss:					
Exchange gain arising on translation of foreign operations		576	**4,071**	–	**–**
Total comprehensive income for the period		316,035	**320,961**	566,777	**534,124**
Profit for the period attributable to:					
Owners of the Company		309,845	**310,837**	382,141	**394,933**
Non-controlling interests		5,614	**6,053**	6,925	**7,692**
		315,459	**316,890**	389,066	**402,625**
Total comprehensive income for the period attributable to:					
Owners of the Company		310,421	**314,908**	558,574	**525,566**
Non-controlling interests		5,614	**6,053**	8,203	**8,558**
		316,035	**320,961**	566,777	**534,124**
		RMB Cents	**RMB Cents**	HK Cents	**HK Cents**
Earnings per share	10				
Basic and diluted		10.32	**10.09**	12.72	**12.82**

Condensed Consolidated Statement of Financial Position

As at 31 December 2013

	NOTES	30 June 2013 (restated) RMB'000	**31 December 2013 (unaudited) RMB'000**	30 June 2013 (restated) HK$'000 (FOR INFORMATION PURPOSE ONLY)	**31 December 2013 (unaudited) HK$'000** (FOR INFORMATION PURPOSE ONLY)
ASSETS					
Non-current Assets					
Interests in joint ventures	11	6,255,942	**6,228,029**	7,901,255	**7,978,105**
Loans to a joint venture	12	1,000,000	**1,000,000**	1,263,000	**1,281,000**
Investment		4,785	**4,785**	6,044	**6,130**
Property and equipment		427	**437**	540	**560**
		7,261,154	**7,233,251**	9,170,839	**9,265,795**
Current Assets					
Deposits and prepayments		3,908	**4,800**	4,936	**6,149**
Interest and other receivables		176,328	**125,996**	222,701	**161,401**
Loans to a joint venture	12	30,000	**–**	37,890	**–**
Interest receivable from a joint venture	12	15,612	**1,879**	19,718	**2,407**
Bank balances and cash		1,480,436	**1,414,802**	1,869,790	**1,812,361**
		1,706,284	**1,547,477**	2,155,035	**1,982,318**
Total Assets		8,967,438	**8,780,728**	11,325,874	**11,248,113**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	13	270,603	**270,603**	308,169	**308,169**
Share premium and reserves		7,300,132	**7,029,519**	9,253,670	**9,043,288**
Equity attributable to owners of the Company		7,570,735	**7,300,122**	9,561,839	**9,351,457**
Non-controlling interests		49,860	**49,523**	62,973	**63,438**
Total Equity		7,620,595	**7,349,645**	9,624,812	**9,414,895**
Non-current Liabilities					
Bank loans		500,000	**674,005**	631,500	**863,400**
Deferred tax liabilities	14	132,673	**134,927**	167,566	**172,842**
		632,673	**808,932**	799,066	**1,036,242**
Current Liabilities					
Other payables, accruals and deposits received		9,385	**9,503**	11,853	**12,173**
Bank loans		101,821	**–**	128,600	**–**
Corporate bonds	15	600,000	**600,000**	757,800	**768,600**
Other interest payable		1,500	**11,494**	1,894	**14,725**
Tax liabilities		1,464	**1,154**	1,849	**1,478**
		714,170	**622,151**	901,996	**796,976**
Total Liabilities		1,346,843	**1,431,083**	1,701,062	**1,833,218**
Total Equity and Liabilities		8,967,438	**8,780,728**	11,325,874	**11,248,113**
Time deposits with original maturity over three months		–	**1,248,435**	–	**1,599,245**
Cash and cash equivalents		1,480,436	**166,367**	1,869,790	**213,116**
Total bank balances and cash		1,480,436	**1,414,802**	1,869,790	**1,812,361**

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2013

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	People's Republic of China ("PRC") statutory reserves RMB'000	Translation reserve RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at 1 July 2012 (audited)	260,941	5,309,971	114,710	(951,467)	4,050	2,543,978	7,282,183	55,335	7,337,518
Exchange gain arising on translation of foreign operations	–	–	–	576	–	–	576	–	576
Profit for the period	–	–	–	–	–	309,845	309,845	5,614	315,459
Total comprehensive income for the period	–	–	–	576	–	309,845	310,421	5,614	316,035
Shares issued	9,662	376,738	–	–	–	–	386,400	–	386,400
Transaction costs related to issue of shares	–	(10,604)	–	–	–	–	(10,604)	–	(10,604)
Dividends recognised as distribution during the period (note 9)	–	–	–	–	–	(383,427)	(383,427)	–	(383,427)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(7,122)	(7,122)
As at 31 December 2012 (unaudited)	270,603	5,676,105	114,710	(950,891)	4,050	2,470,396	7,584,973	53,827	7,638,800
As at 1 July 2013 (audited)	**270,603**	**5,676,105**	**114,710**	**(947,859)**	**4,050**	**2,453,126**	**7,570,735**	**49,860**	**7,620,595**
Exchange gain arising on translation of foreign operations	**–**	**–**	**–**	**4,071**	**–**	**–**	**4,071**	**–**	**4,071**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**310,837**	**310,837**	**6,053**	**316,890**
Total comprehensive income for the period	**–**	**–**	**–**	**4,071**	**–**	**310,837**	**314,908**	**6,053**	**320,961**
Expiry of vested share options	**–**	**–**	**–**	**–**	**(3,384)**	**3,384**	**–**	**–**	**–**
Dividends recognised as distribution during the period (note 9)	**–**	**(308,169)**	**–**	**–**	**–**	**(277,352)**	**(585,521)**	**–**	**(585,521)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,390)**	**(6,390)**
As at 31 December 2013 (unaudited)	**270,603**	**5,367,936**	**114,710**	**(943,788)**	**666**	**2,489,995**	**7,300,122**	**49,523**	**7,349,645**

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

(FOR INFORMATION PURPOSE ONLY)

	Attributable to owners of the Company								
	Share capital	*Share premium*	*PRC statutory reserves*	*Translation reserve*	*Share option reserve*	*Retained profits*	*Total*	*Non-controlling interests*	*Total*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 July 2012 (audited)	296,169	4,942,924	110,708	824,664	4,582	2,705,217	8,884,264	67,508	8,951,772
Exchange gain on translation to presentation currency	–	–	–	176,433	–	–	176,433	1,278	177,711
Profit for the period	–	–	–	–	–	382,141	382,141	6,925	389,066
Total comprehensive income for the period	–	–	–	176,433	–	382,141	558,574	8,203	566,777
Shares issued	12,000	467,909	–	–	–	–	479,909	–	479,909
Transaction costs related to issue of shares	–	(13,171)	–	–	–	–	(13,171)	–	(13,171)
Dividends recognised as distribution during the period (note 9)	–	–	–	–	–	(473,870)	(473,870)	–	(473,870)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(8,750)	(8,750)
As at 31 December 2012 (unaudited)	308,169	5,397,662	110,708	1,001,097	4,582	2,613,488	9,435,706	66,961	9,502,667
As at 1 July 2013 (audited)	**308,169**	**5,397,662**	**110,708**	**1,142,203**	**4,582**	**2,598,515**	**9,561,839**	**62,973**	**9,624,812**
Exchange gain on translation to presentation currency	**–**	**–**	**–**	**130,633**	**–**	**–**	**130,633**	**866**	**131,499**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**394,933**	**394,933**	**7,692**	**402,625**
Total comprehensive income for the period	**–**	**–**	**–**	**130,633**	**–**	**394,933**	**525,566**	**8,558**	**534,124**
Expiry of vested share options	**–**	**–**	**–**	**–**	**(3,826)**	**3,826**	**–**	**–**	**–**
Dividends recognised as distribution during the period (note 9)	**–**	**(387,341)**	**–**	**–**	**–**	**(348,607)**	**(735,948)**	**–**	**(735,948)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,093)**	**(8,093)**
As at 31 December 2013 (unaudited)	**308,169**	**5,010,321**	**110,708**	**1,272,836**	**756**	**2,648,667**	**9,351,457**	**63,438**	**9,414,895**

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2013

	Six months ended 31 December			
	2012 (unaudited) (restated) RMB'000	***2013 (unaudited) RMB'000***	*2012 (unaudited) (restated) HK$'000*	***2013 (unaudited) HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Net cash used in operating activities	(18,297)	**(19,752)**	(22,477)	**(25,193)**
Net cash used in investing activities:				
Purchase of property and equipment	(380)	**(102)**	(473)	**(128)**
Advance to a joint venture	(780,000)	**–**	(971,100)	**–**
Repayment from a joint venture	–	**30,000**	–	**38,160**
Placement of time deposits with original maturity over three months	(109,951)	**(1,253,083)**	(136,889)	**(1,588,160)**
Withdrawal of time deposits with original maturity over three months	–	**4,648**	–	**5,912**
Dividends received (net of PRC withholding tax)	627,315	**386,507**	775,267	**489,564**
Interest received	44,630	**65,400**	54,852	**83,047**
Income tax paid for interest received	(2,698)	**(5,556)**	(3,346)	**(7,101)**
	(221,084)	**(772,186)**	(281,689)	**(978,706)**
Net cash used in financing activities:				
New bank loans raised	20,679	**176,030**	25,725	**222,900**
Repayment of bank loans	–	**(101,821)**	–	**(128,600)**
Proceeds from issue of shares	386,400	**–**	479,909	**–**
Transaction costs related to issue of shares	(10,604)	**–**	(13,171)	**–**
Repayment of corporate bonds	(1,380,000)	**–**	(1,683,600)	**–**
Interest paid	(27,015)	**(6,386)**	(33,608)	**(8,095)**
Dividends paid to:				
– owners of the Company	(383,427)	**(583,555)**	(473,870)	**(742,282)**
– non-controlling interests of a subsidiary	(7,122)	**(6,390)**	(8,750)	**(8,093)**
	(1,401,089)	**(522,122)**	(1,707,365)	**(664,170)**
Net decrease in cash and cash equivalents	(1,640,470)	**(1,314,060)**	(2,011,531)	**(1,668,069)**
Cash and cash equivalents at 1 July	3,265,752	**1,480,436**	3,984,218	**1,869,790**
Effect of foreign exchange rate changes	(155)	**(9)**	48,970	**11,395**
Cash and cash equivalents at 31 December	1,625,127	**166,367**	2,021,657	**213,116**
Time deposits with original maturity over three months	599,951	**1,248,435**	746,339	**1,599,245**
Total bank balances and cash	2,225,078	**1,414,802**	2,767,996	**1,812,361**

1. Basis of Preparation

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

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

2. Principal Accounting Policies

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

Except as described below, the accounting policies and the methods of computation adopted in the preparation of the condensed consolidated financial statements for the six months ended 31 December 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2013.

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

IFRSs (Amendments)	Annual Improvements to IFRSs 2009–2011 Cycle
IFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
IFRS 10, IFRS 11 and IFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IAS 19 (Revised 2011)	Employee Benefits
IAS 27 (Revised 2011)	Separate Financial Statements
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures

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

2. Principal Accounting Policies (continued)

Impact of the application of IFRS 11

IFRS 11 replaces IAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, SIC-Int 13 "Jointly Controlled Entities — Non-Monetary Contributions by Venturers",has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, joint arrangements are classified as joint operations and joint ventures, determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 had three types of joint arrangements — jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The Directors reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of IFRS 11. The Directors concluded that the Group's investments in Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS Superhighway JV") and Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("West Route JV"), which were classified as jointly controlled entities under IAS 31 and were accounted for using the proportionate consolidation method, should be classified as joint ventures under IFRS 11 and accounted for using the equity method. The change in accounting of the Group's investments in GS Superhighway JV and West Route JV has been applied in accordance with the relevant transitional provisions set out in IFRS 11. The initial investments as at 1 July 2012 for the purposes of applying the equity method are measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated. Also, the Directors performed an impairment assessment on the initial investment as at 1 July 2012 and concluded that no impairment loss is required. Comparative amounts for the six months ended 31 December 2012 and as at 30 June 2013 have been restated to reflect the change in accounting for the Group's investments in GS Superhighway JV and West Route JV.

2. Principal Accounting Policies (continued)

Amendments to IAS 34 Interim Financial Reporting (as part of the Annual Improvements to IFRSs 2009-2011 Cycle)

The Group has applied the amendments to IAS 34 "Interim Financial Reporting" as part of the Annual Improvements to IFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to IAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment. Since the assets and liabilities of the Group's reportable segments are not regularly provided to the chief operating decision maker, the Group has not included total assets and liabilities information as part of segment information.

Summary of the effect of the above changes in accounting policy

The effect of the change in the Group's accounting policy described above on the results of the Group for the preceding interim period by line items presented in the condensed consolidated statement of profit or loss and other comprehensive income is as follows:

	For the six months ended 31 December 2012 (originally stated) RMB'000	*Adjustments RMB'000*	*For the six months ended 31 December 2012 (restated) RMB'000*
Toll revenue	900,474	(900,474)	–
Revenue on construction	671,555	(671,555)	–
Other income and other expense	80,383	(34,753)	45,630
Construction costs	(671,555)	671,555	–
Provision for resurfacing charges	(11,325)	11,325	–
Toll expressway operation expenses	(124,745)	124,745	–
Depreciation and amortisation charges	(218,885)	218,467	(418)
General and administrative expenses	(50,423)	31,731	(18,692)
Finance costs	(117,576)	87,612	(29,964)
Share of results of joint ventures	–	339,890	339,890
Income tax expenses	(142,444)	121,457	(20,987)
Profit for the period	315,459	–	315,459

2. Principal Accounting Policies (continued)

Summary of the effect of the above changes in accounting policy (continued)

(FOR INFORMATION PURPOSE ONLY)

	For the six months ended 31 December 2012 (originally stated) *HK$'000*	*Adjustments* *HK$'000*	*For the six months ended 31 December 2012 (restated)* *HK$'000*
Toll revenue	1,110,852	(1,110,852)	–
Revenue on construction	835,414	(835,414)	–
Other income and other expense	99,329	(43,185)	56,144
Construction costs	(835,414)	835,414	–
Provision for resurfacing charges	(13,974)	13,974	–
Toll expressway operation expenses	(154,234)	154,234	–
Depreciation and amortisation charges	(270,156)	269,642	(514)
General and administrative expenses	(62,157)	39,175	(22,982)
Finance costs	(144,932)	108,095	(36,837)
Share of results of joint ventures	–	419,133	419,133
Income tax expenses	(175,662)	149,784	(25,878)
Profit for the period	389,066	–	389,066

2. Principal Accounting Policies (continued)

Summary of the effect of the above changes in accounting policy (continued)

The effect of the change in the Group's accounting policy described above on the financial position of the Group as at the end of the immediate preceding financial year, i.e. 30 June 2013 by line items presented in the condensed consolidated financial position, is as follows:

	As at 30 June 2013 (originally stated) RMB'000	*Adjustments RMB'000*	*As at 30 June 2013 (restated) RMB'000*
Property and equipment	497,179	(496,752)	427
Interests in joint ventures	–	6,255,942	6,255,942
Concession intangible assets	13,060,456	(13,060,456)	–
Balance with a joint venture	260,944	(260,944)	–
Loans to a joint venture – non-current portion	500,000	500,000	1,000,000
Investment	4,785	–	4,785
Inventories	1,853	(1,853)	–
Deposits and prepayments	6,654	(2,746)	3,908
Interest and other receivables	85,565	90,763	176,328
Loans to a joint venture – current portion	15,000	15,000	30,000
Interest receivable from a joint venture	7,806	7,806	15,612
Pledged bank balances and deposits of joint ventures	328,394	(328,394)	–
Bank balances and cash of the Group	1,480,436	–	1,480,436
Bank balances and cash of joint ventures	34,674	(34,674)	–
Bank loans of the Group – non-current portion	(500,000)	–	(500,000)
Bank and other loans of joint ventures – non-current portion	(5,597,060)	5,597,060	–
Balance with a joint venture partner – non-current portion	(260,895)	260,895	–
Resurfacing obligations	(80,011)	80,011	–
Deferred tax liabilities	(325,723)	193,050	(132,673)
Other non-current liabilities	(51,488)	51,488	–
Provision, other payables, accruals and deposits received	(707,387)	698,002	(9,385)
Balance with a joint venture partner – current portion	(106,595)	106,595	–
Bank loans of the Group – current portion	(101,821)	–	(101,821)
Bank loans of joint ventures – current portion	(252,053)	252,053	–
Corporate bonds	(600,000)	–	(600,000)
Other interest payable	(8,690)	7,190	(1,500)
Tax liabilities	(71,428)	69,964	(1,464)
Total effects on net assets	7,620,595	–	7,620,595

2. Principal Accounting Policies (continued)

Summary of the effect of the above changes in accounting policy (continued)

(FOR INFORMATION PURPOSE ONLY)

	As at 30 June 2013 (originally stated) HK$'000	*Adjustments HK$'000*	*As at 30 June 2013 (restated) HK$'000*
Property and equipment	627,937	(627,397)	540
Interests in joint ventures	–	7,901,255	7,901,255
Concession intangible assets	16,495,355	(16,495,355)	–
Balance with a joint venture	329,572	(329,572)	–
Loans to a joint venture – non-current portion	631,500	631,500	1,263,000
Investment	6,044	–	6,044
Inventories	2,341	(2,341)	–
Deposits and prepayments	8,405	(3,469)	4,936
Interest and other receivables	108,068	114,633	222,701
Loans to a joint venture – current portion	18,945	18,945	37,890
Interest receivable from a joint venture	9,859	9,859	19,718
Pledged bank balances and deposits of joint ventures	414,762	(414,762)	–
Bank balances and cash of the Group	1,869,790	–	1,869,790
Bank balances and cash of joint ventures	43,793	(43,793)	–
Bank loans of the Group – non-current portion	(631,500)	–	(631,500)
Bank and other loans of joint ventures – non-current portion	(7,069,087)	7,069,087	–
Balance with a joint venture partner – non-current portion	(329,510)	329,510	–
Resurfacing obligations	(101,053)	101,053	–
Deferred tax liabilities	(411,388)	243,822	(167,566)
Other non-current liabilities	(65,029)	65,029	–
Provision, other payables, accruals and deposits received	(893,431)	881,578	(11,853)
Balance with a joint venture partner – current portion	(134,629)	134,629	–
Bank loans of the Group – current portion	(128,600)	–	(128,600)
Bank loans of joint ventures – current portion	(318,342)	318,342	–
Corporate bonds	(757,800)	–	(757,800)
Other interest payable	(10,976)	9,082	(1,894)
Tax liabilities	(90,214)	88,365	(1,849)
Total effects on net assets	9,624,812	–	9,624,812

2. Principal Accounting Policies (continued)

Summary of the effect of the above changes in accounting policy (continued)

The Group has not early applied the following new or revised IFRSs that have been issued but are not yet effective:

IFRSs (Amendments)	Annual Improvements to IFRSs 2010–2012 Cycle[3]
IFRSs (Amendments)	Annual Improvements to IFRSs 2011–2013 Cycle[2]
IFRS 9 and IFRS 7 (Amendments)	Mandatory Effective Date of IFRS 9 and Transition Disclosures[4]
IFRS 9	Financial Instruments[4]
IFRS 10, IFRS 12 and IAS 27 (Amendments)	Investment Entities[1]
IAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[2]
IAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
IAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
IAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRIC 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Effective for annual periods beginning on or after 1 July 2014 with limited exceptions.
4 Available for the application – the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised.

The Directors anticipate that the application of the new and revised IFRSs will have no material impact on the results and the financial positions of the Group.

3. Segment Information

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

Information reported to the chief operating decision maker, including segment revenue, earnings before interest and tax ("EBIT") and segment results, is more specifically focused on individual toll expressways projects jointly operated and managed by the Group and the relevant joint venture partners.

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

Information regarding the above segments is reported below.

3. Segment Information (continued)

The following is an analysis of the revenue and results of the Group's joint ventures by reportable and operating segment for the periods under review:

Segment revenue and results

	Six months ended 31 December					
	2012			***2013***		
	Segment revenue RMB'000	*EBIT RMB'000*	*Segment results RMB'000*	***Segment revenue RMB'000***	***EBIT RMB'000***	***Segment results RMB'000***
GS Superhighway	745,494	452,795	306,063	**790,058**	**471,923**	**316,085**
Phase I West	40,215	25,858	17,004	**44,650**	**26,275**	**18,095**
Phase II West	114,765	59,976	(10,531)	**139,206**	**74,004**	**1,385**
Phase III West	–	–	–	**36,702**	**11,135**	**(50,494)**
Total	900,474	538,629	312,536	**1,010,616**	**583,337**	**285,071**
Corporate interest income from bank deposits			41,436			**22,923**
Corporate interest income from loans made by the Group to a joint venture			3,129			**32,127**
Other income			697			**548**
Corporate general and administrative expenses			(19,110)			**(18,821)**
Corporate finance costs			(29,964)			**(18,101)**
Corporate income tax expenses			(2,949)			**(5,315)**
Net exchange gain, net of related income tax expenses (note)			9,684			**18,458**
Profit for the period			315,459			**316,890**

Note: Net exchange gain, net of related income tax expenses, is composed of the Group's share of the exchange gain, net of related income tax expenses of a joint venture of RMB18,042,000 (six months ended 31 December 2012: RMB9,777,000) and the net exchange gain of the Group of RMB416,000 (six months ended 31 December 2012: net exchange loss of RMB93,000).

3. Segment Information (continued)

Segment revenue and results (continued)

(FOR INFORMATION PURPOSE ONLY)

	Six months ended 31 December					
	2012			**2013**		
	Segment revenue HK$'000	*EBIT HK$'000*	*Segment results HK$'000*	***Segment revenue HK$'000***	***EBIT HK$'000***	***Segment results HK$'000***
GS Superhighway	919,640	558,158	377,266	**1,003,900**	**599,539**	**401,597**
Phase I West	49,614	31,885	20,962	**56,740**	**33,377**	**22,983**
Phase II West	141,598	73,960	(13,029)	**176,898**	**93,978**	**1,751**
Phase III West	–	–	–	**46,646**	**14,149**	**(64,160)**
Total	1,110,852	664,003	385,199	**1,284,184**	**741,043**	**362,171**
Corporate interest income from bank deposits			50,950			**29,059**
Corporate interest income from loans made by the Group to a joint venture			3,882			**40,725**
Other income			855			**693**
Corporate general and administrative expenses			(23,496)			**(23,855)**
Corporate finance costs			(36,837)			**(22,946)**
Corporate income tax expenses			(3,629)			**(6,736)**
Net exchange gain, net of related income tax expenses (note)			12,142			**23,514**
Profit for the period			389,066			**402,625**

Note: Net exchange gain, net of related income tax expenses, is composed of the Group's share of the exchange gain, net of related income tax expenses of a joint venture of HK$22,985,000 (six months ended 31 December 2012: HK$12,256,000) and the net exchange gain of the Group of HK$529,000 (six months ended 31 December 2012: net exchange loss of HK$114,000).

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

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

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

4. Other Income and Other Expense

	Six months ended 31 December			
	2012 RMB'000 (restated)	***2013 RMB'000***	*2012 HK$'000 (restated)*	***2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Interest income from:				
Bank deposits	41,436	**22,923**	50,950	**29,059**
Loans made by the Group to a joint venture	3,129	**32,127**	3,882	**40,725**
Net exchange (loss) gain	(93)	**416**	(114)	**529**
Management fee income from joint ventures	1,158	**948**	1,426	**1,202**
	45,630	**56,414**	56,144	**71,515**

5. Finance Costs

	Six months ended 31 December			
	2012 RMB'000 (restated)	***2013 RMB'000***	*2012 HK$'000 (restated)*	***2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Interest on:				
Bank loans	22,147	**11,694**	27,237	**14,824**
Corporate bonds	6,040	**4,688**	7,415	**5,942**
	28,187	**16,382**	34,652	**20,766**
Other financial expenses	1,777	**1,719**	2,185	**2,180**
	29,964	**18,101**	36,837	**22,946**

6. Share of Results of Joint Ventures

	Six months ended 31 December			
	2012 RMB'000 (restated)	***2013 RMB'000***	*2012 HK$'000 (restated)*	***2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Share of results of joint ventures before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group and amortisation of additional cost of investments in joint ventures	376,865	**364,381**	464,746	**463,007**
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(15,167)	**(16,127)**	(18,713)	**(20,493)**
Amortisation of additional costs of investments in joint ventures	(36,975)	**(41,894)**	(45,613)	**(53,232)**
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	15,167	**16,127**	18,713	**20,493**
	339,890	**322,487**	419,133	**409,775**

7. Income Tax Expenses

	Six months ended 31 December			
	2012 RMB'000 (restated)	***2013 RMB'000***	*2012 HK$'000 (restated)*	***2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
The tax charge comprises:				
PRC Enterprise Income Tax ("EIT")	28,063	**22,835**	34,895	**28,960**
Deferred tax	(7,076)	**2,254**	(9,017)	**2,904**
	20,987	**25,089**	25,878	**31,864**

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

The EIT charge of the Group for the six months ended 31 December 2013 included an amount of RMB17,520,000 (approximately HK$22,224,000) (six months ended 31 December 2012: RMB25,114,000 (approximately HK$31,266,000)) representing the withholding tax imposed on dividends declared during the period by a joint venture of the Group of which the corresponding amount had already been provided for deferred tax in prior period in respect of undistributed earnings of a PRC joint venture.

8. Profit for the Period

	Six months ended 31 December			
	2012 RMB'000 (restated)	***2013 RMB'000***	*2012 HK$'000 (restated)*	***2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Profit for the period has been arrived at after charging:				
Depreciation of property and equipment	418	**92**	514	**116**

9. Dividends

	Six months ended 31 December			
	2012 RMB'000	***2013 RMB'000***	*2012 HK$'000*	***2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Dividends paid and recognised as distribution during the period:				
Final dividend for the year ended 30 June 2013 paid of RMB9 cents (equivalent to HK11.3122 cents) and special final dividend of RMB10 cents (equivalent to HK12.5691 cents) per share (six months ended 31 December 2012: HK16.00 cents (approximately RMB12.95 cents) per share for the year ended 30 June 2012)	383,427	**585,521**	473,870	**735,948**

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

As at 21 February 2013, the Directors declared that an interim dividend in respect of the year ended 30 June 2013 of RMB10.00 cents (approximately HKD12.34 cents) per share amounting to approximately RMB308,169,000 (approximately HK$380,262,000) was paid to the shareholders of the Company whose names appeared on the Register of Members on 8 March 2013.

10. Earnings per Share

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

	Six months ended 31 December			
	2012 RMB'000	***2013 RMB'000***	*2012 HK$'000*	***2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Earnings for the purposes of basic and diluted earnings per share	309,845	**310,837**	382,141	**394,933**

	Six months ended 31 December	
	2012 Number of shares	***2013 Number of shares***
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	3,003,429,413	**3,081,690,283**

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

11. Interests in Joint Ventures

	30 June 2013 RMB'000 (restated)	***31 December 2013 RMB'000***	*30 June 2013 HK$'000 (restated)*	***31 December 2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Unlisted investments:				
At cost				
Cost of investment in a joint venture	1,817,535	**1,817,535**	2,295,547	**2,328,263**
Additional cost of investments	2,520,218	**2,520,218**	3,183,035	**3,228,399**
Share of results of joint ventures, before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group, net of dividend received	2,714,069	**2,728,050**	3,427,869	**3,494,632**
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(207,923)	**(224,050)**	(262,607)	**(287,009)**
Less: Accumulated amortisation of additional cost of investments	(1,109,845)	**(1,151,739)**	(1,401,734)	**(1,475,378)**
	5,734,054	**5,690,014**	7,242,110	**7,288,907**
At amortised cost				
Registered capital contribution, at nominal amount	2,131,500	**2,131,500**	2,692,085	**2,730,452**
Fair value adjustment on initial recognition	(1,817,535)	**(1,817,535)**	(2,295,547)	**(2,328,263)**
Accumulated imputed interest income recognised by the Group	207,923	**224,050**	262,607	**287,009**
	521,888	**538,015**	659,145	**689,198**
	6,255,942	**6,228,029**	7,901,255	**7,978,105**

12. Loans to a Joint Venture/Interest Receivable from a Joint Venture

	30 June 2013 RMB'000 (restated)	***31 December 2013 RMB'000***	*30 June 2013 HK$'000 (restated)*	***31 December 2013 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Principal amount of loans from the Group to a joint venture	1,030,000	**1,000,000**	1,300,890	**1,281,000**
Interest receivable for loans from the Group to a joint venture	15,612	**1,879**	19,718	**2,407**
	1,045,612	**1,001,879**	1,320,608	**1,283,407**
Analysed for reporting purpose:				
Non-current assets	1,000,000	**1,000,000**	1,263,000	**1,281,000**
Current assets	45,612	**1,879**	57,608	**2,407**
	1,045,612	**1,001,879**	1,320,608	**1,283,407**

13. Share Capital

	Number of shares	***Nominal amount*** *HK$'000*
Ordinary shares of HK$0.1 each		
Authorised:		
As at 1 July 2012, 31 December 2012, 30 June 2013 and 31 December 2013	10,000,000,000	1,000,000

	Number of shares	***Nominal amount*** *HK$'000*	*Equivalent to RMB'000*
Issued and fully paid:			
As at 1 July 2012	2,961,690,283	296,169	260,941
Shares issued	120,000,000	12,000	9,662
As at 31 December 2012, 30 June 2013 and 31 December 2013	**3,081,690,283**	**308,169**	**270,603**

On 29 October 2012, the Company issued and allotted a total of 120 million ordinary shares of HK$0.1 each at par to independent third parties, for consideration of RMB3.22 (approximately HK$4.00) per share. These shares rank pari passu in all respects with other shares in issue.

Share Option Scheme

No share option of the Company was granted during both periods presented. During the six months ended 31 December 2013, 4,080,000 vested share options with exercise price of HK$5.858 per share were expired (six months ended 31 December 2012: nil).

14. Deferred Tax Liabilities

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

15. Corporate Bonds

The corporate bonds with principal amounts of RMB600,000,000 (approximately HK$768,600,000) (30 June 2013: RMB600,000,000 (approximately HK$757,800,000)) are due on 18 May 2014 and carry interest at fixed rate of 1.55% per annum. The corporate bonds are unsecured.

16. Total Assets Less Current Liabilities/Net Current Assets

The Group's total assets less current liabilities as at 31 December 2013 amounting to RMB8,158,577,000 (approximately HK$10,451,137,000) (30 June 2013, as restated: RMB8,253,268,000 (approximately HK$10,423,878,000)). The Group's net current assets as at 31 December 2013 amounting to RMB925,326,000 (approximately HK$1,185,342,000) (30 June 2013, as restated: RMB992,114,000 (approximately HK$1,253,039,000)).

17. Capital Commitments

As at 31 December 2013, 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 (approximately HK$515,603,000) (30 June 2013: RMB402,500,000 (approximately HK$508,358,000)).

18. Related Party Transactions

Amounts due from and to related parties are disclosed in the condensed consolidated statement of financial position.

During the six months ended 31 December 2013, the Group paid rental, air-conditioning, management fee and car parking charges to fellow subsidiaries amounting to RMB1,189,000 (approximately HK$1,507,000) (six months ended 31 December 2012: RMB1,095,000 (approximately HK$1,347,000)) in aggregate. The Group received management fee income from joint ventures of RMB948,000 (approximately HK$1,202,000) (six months ended 31 December 2012: RMB1,158,000 (approximately HK$1,426,000)).

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

Appendix – Condensed Consolidated Financial Information (Under Proportionate Consolidation Method)

Condensed Consolidated Statement of Profit or Loss

	Six months ended 31 December			
	2012	***2013***	*2012*	***2013***
	RMB'000	***RMB'000***	*HK$'000*	***HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Toll revenue	900,474	**1,010,616**	1,110,852	**1,284,184**
Revenue on construction	671,555	**30,933**	835,414	**39,625**
Turnover	1,572,029	**1,041,549**	1,946,266	**1,323,809**
Other income and other expense	80,383	**104,381**	99,329	**132,595**
Construction costs	(671,555)	**(30,933)**	(835,414)	**(39,625)**
Provision for resurfacing charges	(11,325)	**(11,898)**	(13,974)	**(15,119)**
Toll expressway operation expenses	(124,745)	**(125,112)**	(154,234)	**(159,160)**
Depreciation and amortisation charges	(218,885)	**(273,067)**	(270,156)	**(347,037)**
General and administrative expenses	(50,423)	**(52,271)**	(62,157)	**(66,377)**
Finance costs	(117,576)	**(176,461)**	(144,932)	**(224,120)**
Profit before tax	457,903	**476,188**	564,728	**604,966**
Income tax expenses	(142,444)	**(159,298)**	(175,662)	**(202,342)**
Profit for the period	315,459	**316,890**	389,066	**402,624**
Profit for the period attributable to:				
Owners of the Company	309,845	**310,837**	382,141	**394,932**
Non-controlling interests	5,614	**6,053**	6,925	**7,692**
	315,459	**316,890**	389,066	**402,624**

Condensed Consolidated Statement of Financial Position

	30 June 2013 RMB'000	**31 December 2013 RMB'000**	30 June 2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**31 December 2013 HK$'000**
ASSETS				
Non-current Assets				
Property and equipment	497,179	**485,451**	627,937	**621,862**
Concession intangible assets	13,060,456	**12,851,357**	16,495,355	**16,462,588**
Balance with a joint venture	260,944	**269,007**	329,572	**344,599**
Loans to a joint venture (note i)	500,000	**500,000**	631,500	**640,500**
Investment	4,785	**4,785**	6,044	**6,130**
	14,323,364	**14,110,600**	18,090,408	**18,075,679**
Current Assets				
Inventories	1,853	**1,607**	2,341	**2,059**
Deposits and prepayments	6,654	**10,954**	8,405	**14,032**
Interest and other receivables	85,565	**38,789**	108,068	**49,690**
Loans to a joint venture (note i)	22,806	**940**	28,804	**1,204**
Pledged bank balances and deposits of joint ventures	328,394	**278,093**	414,762	**356,236**
Bank balances and cash				
– The Group	1,480,436	**1,414,802**	1,869,790	**1,812,361**
– Joint ventures	34,674	**33,087**	43,793	**42,384**
	1,960,382	**1,778,272**	2,475,963	**2,277,966**
Total Assets	16,283,746	**15,888,872**	20,566,371	**20,353,645**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	7,300,132	**7,029,519**	9,253,670	**9,043,288**
Equity attributable to owners of the Company	7,570,735	**7,300,122**	9,561,839	**9,351,457**
Non-controlling interests	49,860	**49,523**	62,973	**63,438**
Total Equity	7,620,595	**7,349,645**	9,624,812	**9,414,895**
Non-current Liabilities				
Bank loans of the Group	500,000	**674,005**	631,500	**863,400**
Bank and other loans of joint ventures	5,597,060	**5,445,151**	7,069,087	**6,975,239**
Balance with a joint venture partner	260,895	**268,957**	329,510	**344,534**
Resurfacing obligations	80,011	**87,450**	101,053	**112,023**
Deferred tax liabilities	325,723	**318,482**	411,388	**407,975**
Other non-current liabilities	51,488	**7,850**	65,029	**10,056**
	6,815,177	**6,801,895**	8,607,567	**8,713,227**

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

Condensed Consolidated Statement of Financial Position (continued)

	30 June 2013 RMB'000	**31 December 2013 RMB'000**	30 June 2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**31 December 2013 HK$'000**
Current Liabilities				
Provision, other payables, accruals and deposits received	707,387	**713,557**	893,431	**914,067**
Balance with a joint venture partner	106,595	**77,733**	134,629	**99,576**
Bank loans				
– The Group	101,821	**–**	128,600	**–**
– Joint ventures	252,053	**254,749**	318,342	**326,334**
Corporate bonds	600,000	**600,000**	757,800	**768,600**
Other interest payable	8,690	**19,349**	10,976	**24,786**
Tax liabilities	71,428	**71,944**	90,214	**92,160**
	1,847,974	**1,737,332**	2,333,992	**2,225,523**
Total Liabilities	8,663,151	**8,539,227**	10,941,559	**10,938,750**
Total Equity and Liabilities	16,283,746	**15,888,872**	20,566,371	**20,353,645**

Notes:

(i) Reconciliation of loans to a joint venture

	30 June 2013 RMB'000	**31 December 2013 RMB'000**	30 June 2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**31 December 2013 HK$'000**
Principal amount of loans from the Group to a joint venture	1,030,000	**1,000,000**	1,300,890	**1,281,000**
Interest receivable for loans from the Group to a joint venture	15,612	**1,879**	19,718	**2,407**
Less: Elimination of the Group's proportionate share of the corresponding amounts of a joint venture	(522,806)	**(500,939)**	(660,304)	**(641,703)**
	522,806	**500,940**	660,304	**641,704**
Analysed for reporting purpose:				
Non-current assets	500,000	**500,000**	631,500	**640,500**
Current assets	22,806	**940**	28,804	**1,204**
	522,806	**500,940**	660,304	**641,704**

10-Year Financial Summary

The financial summary of the Group presented in RMB from 2005 to 2013.

Consolidated Results Prepared under the Equity Method (in RMB million)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Six months ended 31 December 2013
				Year ended 30 June						
Share of results of joint ventures[1]	956	1,090	1,207	1,031	960	958	966	896	653	322
Corporate results[2]	32	118	186	895	(11)	(102)	(84)	(45)	(41)	(5)
Profit for the year/period	988	1,208	1,393	1,926	949	856	882	851	612	317
Profit for the year/period attributable to:										
Owners of the Company	**969**	**1,187**	**1,367**	**1,909**	**933**	**841**	**866**	**936**	**601**	**311**
Non-controlling interests	19	21	26	17	16	15	16	15	11	6
Profit for the year/period	**988**	**1,208**	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**317**

Segment revenue and results (in RMB million)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Six months ended 31 December 2013
				Year ended 30 June						
Net toll revenue	**1,613**	**1,801**	**2,026**	**1,601**	**1,593**	**1,706**	**1,934**	**1,949**	**1,803**	**1,011**
GS Superhighway	1,413	1,558	1,776	1,485	1,521	1,628	1,718	1,689	1,470	790
Phase I West	47	60	67	72	72	77	82	77	80	45
Phase II West	–	–	–	–	–	1	134	183	231	139
Phase III West	–	–	–	–	–	–	–	–	22	37
ESW Ring Road[3]	153	183	183	44	–	–	–	–	–	–
EBIT	**1,242**	**1,369**	**1,529**	**1,110**	**1,173**	**1,192**	**1,317**	**1,333**	**1,092**	**583**
GS Superhighway	1,100	1,193	1,373	1,045	1,123	1,140	1,195	1,183	912	472
Phase I West	34	43	49	53	50	52	53	51	51	26
Phase II West	–	–	–	–	–	–	69	99	126	74
Phase III West	–	–	–	–	–	–	–	–	3	11
ESW Ring Road[3]	108	133	107	12	–	–	–	–	–	–
Segment results[1]	**956**	**970**	**1,027**	**660**	**903**	**894**	**822**	**809**	**581**	**285**
GS Superhighway	910	906	1,055	694	882	865	832	812	616	316
Phase I West	9	17	25	21	21	31	37	34	34	18
Phase II West	–	–	–	–	–	(2)	(47)	(37)	(20)	1
Phase III West	–	–	–	–	–	–	–	–	(49)	(50)
ESW Ring Road[3]	37	47	(53)	(55)	–	–	–	–	–	–
Segment corporate results[2]	39	96	144	75	49	(34)	(16)	–	(5)	14
Net exchange gain/(loss)	(7)	142	222	377	(3)	(4)	76	42	36	18
Gain on disposal of ESW Ring Road[3]	–	–	–	814	–	–	–	–	–	–
Profit for the year/period	988	1,208	1,393	1,926	949	856	882	851	612	317
Profit for the year/period attributable to:										
Owners of the Company	**969**	**1,187**	**1,367**	**1,909**	**933**	**841**	**866**	**836**	**601**	**311**
Non-controlling interests	19	21	26	17	16	15	16	15	11	6
Profit for the year/period	**988**	**1,208**	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**317**

10-Year Financial Summary (continued)

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

	As at 30 June									As at 31 December
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Interests in joint ventures	7,626	7,621	6,590	4,063	5,036	5,117	5,893	6,447	6,256	6,228
Loans to a joint venture	–	–	–	–	–	–	–	–	1,000	1,000
Bank deposits	–	–	–	–	–	–	490	–	–	–
Investments	–	–	–	–	–	–	–	–	5	5
Property and equipment	1	1	1	7	3	2	2	1	–	–
Current assets	2,628	3,128	4,226	6,237	2,454	2,273	3,150	4,100	1,706	1,548
Total assets	**10,255**	**10,750**	**10,817**	**10,307**	**7,493**	**7,392**	**9,535**	**10,548**	**8,967**	**8,781**
Current liabilities	232	268	290	44	29	10	51	1,474	714	622
Non-current liabilities	–	–	–	60	104	100	2,113	1,737	632	809
Total liabilities	**232**	**268**	**290**	**104**	**133**	**110**	**2,164**	**3,211**	**1,346**	**1,431**
Non-controlling interests	35	37	43	45	42	45	50	55	50	50
Equity attributable to owners of the Company	**9,988**	**10,445**	**10,484**	**10,158**	**7,318**	**7,237**	**7,321**	**7,282**	**7,571**	**7,300**

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

	Year ended 30 June									Six months ended 31 December
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Net cash used in operating activities	(21)	(32)	(48)	(43)	(35)	(25)	(46)	(46)	(42)	(20)
Net cash from (used in) investing activities	2,140	1,906	1,808	3,227	985	696	(1,150)	1,077	496	(772)
Net cash from (used in) financing activities	(679)	(514)	(887)	(1,231)	(3,795)	(929)	1,182	103	(2,240)	(522)
Net increase (decrease) in cash and cash equivalents	1,440	1,360	873	1,953	(2,845)	(258)	(14)	1,134	(1,786)	(1,314)
Cash and cash equivalents at the beginning of year/period	375	1,816	3,101	3,805	5,275	2,447	2,158	2,133	3,266	1,480
Effect of foreign exchange rate changes	1	(75)	(169)	(483)	17	(31)	(11)	(1)	–	–
Cash and cash equivalents at the end of year/period	**1,816**	**3,101**	**3,805**	**5,275**	**2,447**	**2,158**	**2,133**	**3,266**	**1,480**	**166**
Time deposits with original maturity over three months	**–**	**–**	**–**	**–**	**–**	**–**	**723**	**490**	**–**	**1,249**
Total bank balances and cash	**1,816**	**3,101**	**3,805**	**5,275**	**2,447**	**2,158**	**2,856**	**3,756**	**1,480**	**1,415**

Per Share Basis

	Year ended 30 June									Six months ended 31 December
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Basic earnings per share (RMB cents)	33.5	40.0	46.0	64.3	31.5	28.4	29.2	28.2	19.8	10.1
Dividend per share (RMB cents)										
– Interim	10.9	12.0	15.1	15.9	15.0	15.0	13.6	14.7	10.0	9.8
– Final	13.6	17.5	19.5	11.4	15.9	13.1	14.9	13.0	9.0	
– Special	–	–	–	31.2	73.9	–	–	–	10.0	
Net asset value per share (RMB)	3.5	3.5	3.5	3.4	2.5	2.4	2.5	2.5	2.5	2.4

Financial Ratios (Under Proportionate Consolidation Method)

	As at 30 June									As at 31 December
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Gearing ratio (Net debt[4] to equity) attributable to owners of the Company	36%	18%	14%	0%	30%	43%	57%	67%	74%	77%
Return on equity attributable to owners of the Company	10%	12%	13%	19%	13%	12%	12%	12%	8%	8%[7]
Dividend payout ratio	73%	74%	75%	91%	98%[5]	99%	98%	98%	97%[6]	97%

Notes:

(1) The segment results represent the Group's share of results of joint ventures before exchange difference, net of related income tax expenses and net of withholding tax attributed to the dividend received from a joint venture and the undistributed earnings of a joint venture.

(2) The segment corporate results represent the corporate results before corporate exchange difference and withholding tax attributed to the dividend received from a joint venture and the undistributed earnings of a joint venture.

(3) The Group's 45% interest in Guangzhou East-South-West Ring Road ("ESW Ring Road") was disposed of in late September 2007.

(4) Under proportional consolidated result, net debt is defined as total debt (including bank and other loans of jointly controlled entities, balance with a joint venture partner and RMB corporate bonds) less the bank balances and cash together with pledged bank balances and deposits exceeded total debt as at the reporting date.

(5) Excluding extraordinary special dividend of RMB73.9 cents per share.

(6) Excluding special final dividend of RMB10.0 cents per share.

(7) Annualised figures.

Corporate Information and Key Dates

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
Professor Chung Kwong POON GBS, JP#
Mr. Yuk Keung IP#
Mr. Brian David Man Bun LI JP#

* Also as Alternate Director to Sir Gordon Ying Sheung WU
\# Independent Non-Executive Directors

Audit Committee
Mr. Yuk Keung IP
Chairman
Professor Chung Kwong POON GBS, JP
Mr. Brian David Man Bun LI JP

Remuneration Committee
Professor Chung Kwong POON GBS, JP
Chairman
Mr. Alan Chi Hung CHAN
Mr. Yuk Keung IP

Company Secretary
Mr. Richard Cho Wa LAW

Registered Office
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KY1-1104
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Principal Place of Business
Room 63-02, 63rd Floor
Hopewell Centre
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Wan Chai, Hong Kong
Tel: (852) 2528 4975
Fax: (852) 2861 0177

Solicitors
Woo, Kwan, Lee & Lo

Auditor
Deloitte Touche Tohmatsu

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

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

\+ names are in alphabetical order

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

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

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

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

Website
www.hopewellhighway.com

Key Dates
Interim dividend announcement	2 January 2014
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	2 January 2014
Closure of register of members	17 January 2014
Deadline for submission of dividend election form	7 February 2014
Interim dividend payable (RMB9.8 cents or HK12.4590 cents per share)	19 February 2014

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

Glossary

"1H FY13"	the first half of FY13
"1H FY14"	the first half of FY14
"Award Scheme"	the share award scheme adopted by the Board on 25 January 2007
"Board"	the board of directors of the Company
"Coastal Expressway"	Guangzhou-Shenzhen Coastal Expressway
"Company" or "HHI"	Hopewell Highway Infrastructure Limited
"Director(s)"	director(s) of the Company
"EBIT"	earnings before interest and taxation
"EIT"	Enterprise Income Tax
"FY07"	the financial year ended 30 June 2007
"FY08"	the financial year ended 30 June 2008
"FY09"	the financial year ended 30 June 2009
"FY10"	the financial year ended 30 June 2010
"FY11"	the financial year ended 30 June 2011
"FY12"	the financial year ended 30 June 2012
"FY13"	the financial year ended 30 June 2013
"FY14"	the financial year ending 30 June 2014
"FY15"	the financial year ending 30 June 2015
"FY16"	the financial year ending 30 June 2016
"GDP"	Gross Domestic Product
"Group"	the Company and its subsidiaries
"GS Superhighway"	Guangzhou-Shenzhen Superhighway
"GS Superhighway JV"	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company established for the GS Superhighway
"HHL"	Hopewell Holdings Limited
"HHL Shares"	ordinary shares of HK$2.50 each in the capital of HHL
"HK$", "HKD" or "HK Dollar(s)"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong Government"	the Government of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of PRC
"HZM Bridge"	the Hong Kong-Zhuhai-Macau Bridge
"JV"	joint venture
"km"	kilometre
"Lady WU"	Lady WU Ivy Sau Ping KWOK
"Listing Rules"	the Rules Governing the Listing of Securities on Stock Exchange
"Macau"	the Macau Special Administrative Region of PRC

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

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