HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

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

Annual Report 2013/14

Hopewell Highway Infrastructure Limited ("HHI") (stock codes: 737 (HKD counter) and 80737 (RMB counter)), listed on 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

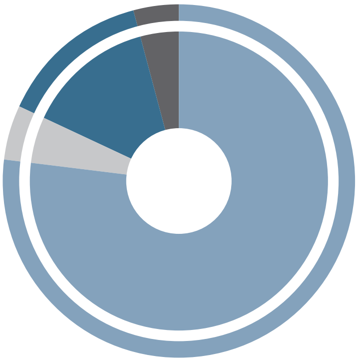
2 Financial Highlights
3 10-Year Financial Summary
6 Chairman's Statement
10 Profile of Directors
17 Management Discussion and Analysis
- 17 Business Review
- 37 Financial Review
- 50 Others

51 Corporate Social Responsibility Report
58 Corporate Governance Report
72 Report of the Directors
85 Independent Auditor's Report
87 Consolidated Statement of Profit or Loss and Other Comprehensive Income
88 Consolidated Statement of Financial Position
89 Company's Statement of Financial Position
90 Consolidated Statement of Changes in Equity
92 Consolidated Statement of Cash Flows
94 Notes to the Consolidated Financial Statements
150 Appendix — Consolidated Financial Information (Prepared under Proportionate Consolidation Method)
153 Glossary
155 Corporate Information
156 Financial Calendar

Financial Highlights[(Note 1)]

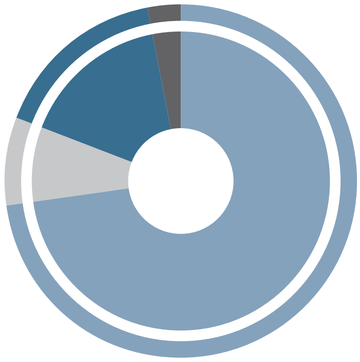
Turnover by Expressway

- 77% GS Superhighway
- 5% Phase I West
- 14% Phase II West
- 4% Phase III West

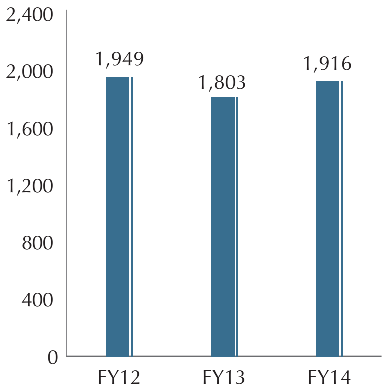


Total Traffic by Expressway

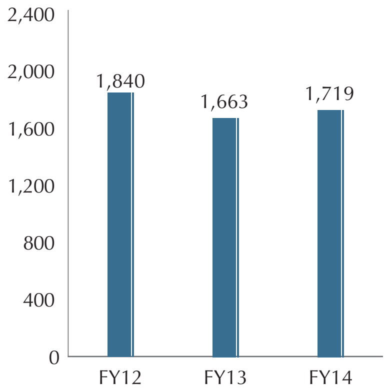
- 73% GS Superhighway
- 8% Phase I West
- 16% Phase II West
- 3% Phase III West



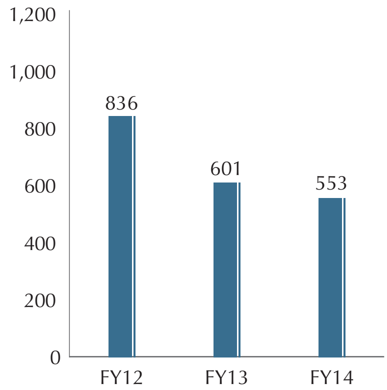
Net Toll Revenue
(RMB million)



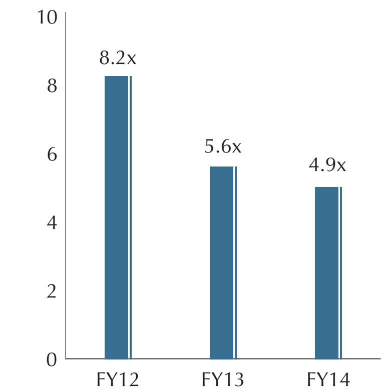
EBITDA
(RMB million)



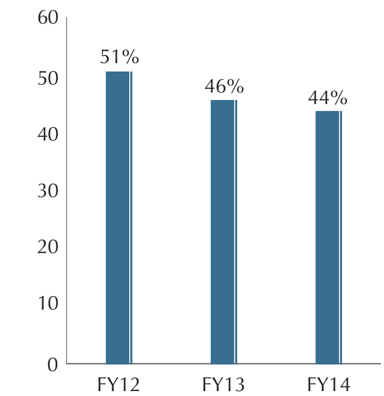
Profit Attributable to Owners of the Company
(RMB million)



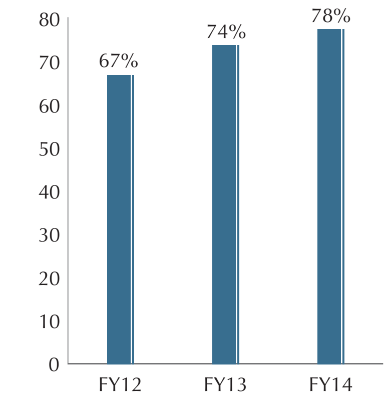
Interest Coverage
(EBITDA/Interest)



Total Debt[(Note 2)] to Total Assets



Gearing Ratio
(Net Debt[(Note 2)] to Equity Attributable to Owners of the Company)



Note 1: Presented under proportionate consolidation method.

Note 2: Total debt include bank loans of the Group, bank and other loans of joint ventures, balance with a joint venture partner and RMB corporate bonds. Net debt is defined as total debt less bank balances and cash of the Group and joint ventures together with pledged bank balances and deposits of joint ventures.

10-Year Financial Summary

The financial summary of the Group presented in RMB from 2005 to 2014.

Consolidated Results Prepared under the Equity Method (RMB million)

	Year ended 30 June									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Share of results of joint ventures	956	1,090	1,207	1,031	960	958	966	896	653	**576**
Corporate results	32	118	186	81	(11)	(102)	(84)	(45)	(41)	**(12)**
Gain on disposal of ESW Ring Road[1]	–	–	–	814	–	–	–	–	–	**–**
Profit for the year	988	1,208	1,393	1,926	949	856	882	851	612	**564**
Profit for the year attributable to:										
Owners of the Company	**969**	**1,187**	**1,367**	**1,909**	**933**	**841**	**866**	**836**	**601**	**553**
Non-controlling interests	19	21	26	17	16	15	16	15	11	**11**
Profit for the year	**988**	**1,208**	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**564**

Segment Revenue and Results (RMB million)

	Year ended 30 June									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Net toll revenue	**1,613**	**1,801**	**2,026**	**1,601**	**1,593**	**1,706**	**1,934**	**1,949**	**1,803**	**1,916**
GS Superhighway	1,413	1,558	1,776	1,485	1,521	1,628	1,718	1,689	1,470	**1,475**
Phase I West	47	60	67	72	72	77	82	77	80	**88**
Phase II West	–	–	–	–	–	1	134	183	231	**276**
Phase III West	–	–	–	–	–	–	–	–	22	**77**
ESW Ring Road[1]	153	183	183	44	–	–	–	–	–	**–**
EBITDA	**1,509**	**1,672**	**1,876**	**1,398**	**1,439**	**1,487**	**1,686**	**1,730**	**1,545**	**1,627**
GS Superhighway	1,327	1,448	1,668	1,311	1,380	1,426	1,506	1,516	1,272	**1,266**
Phase I West	39	48	57	62	59	61	64	62	64	**66**
Phase II West	–	–	–	–	–	0	116	152	193	**233**
Phase III West	–	–	–	–	–	–	–	–	16	**62**
ESW Ring Road[1]	143	176	151	25	–	–	–	–	–	**–**
EBIT	**1,242**	**1,369**	**1,529**	**1,110**	**1,173**	**1,192**	**1,317**	**1,333**	**1,092**	**1,108**
GS Superhighway	1,100	1,193	1,373	1,045	1,123	1,140	1,195	1,183	912	**882**
Phase I West	34	43	49	53	50	52	53	51	51	**49**
Phase II West	–	–	–	–	–	0	69	99	126	**152**
Phase III West	–	–	–	–	–	–	–	–	3	**25**
ESW Ring Road[1]	108	133	107	12	–	–	–	–	–	**–**
Segment results[2]	**956**	**970**	**1,027**	**660**	**903**	**894**	**822**	**809**	**581**	**535**
GS Superhighway	910	906	1,055	694	882	865	832	812	616	**591**
Phase I West	9	17	25	21	21	31	37	34	34	**33**
Phase II West	–	–	–	–	–	(2)	(47)	(37)	(20)	**8**
Phase III West	–	–	–	–	–	–	–	–	(49)	**(97)**
ESW Ring Road[1]	37	47	(53)	(55)	–	–	–	–	–	**–**
Segment corporate results[3]	**39**	**96**	**144**	**75**	**49**	**(34)**	**(16)**	**0**	**(5)**	**24**
Net exchange gain/(loss)	(7)	142	222	377	(3)	(4)	76	42	36	**5**
Gain on disposal of ESW Ring Road[1]	–	–	–	814	–	–	–	–	–	**–**
Profit for the year	988	1,208	1,393	1,926	949	856	882	851	612	**564**
Profit for the year attributable to:										
Owners of the Company	**969**	**1,187**	**1,367**	**1,909**	**933**	**841**	**866**	**836**	**601**	**553**
Non-controlling interests	19	21	26	17	16	15	16	15	11	**11**
Profit for the year	**988**	**1,208**	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**564**

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

	As at 30 June									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Interests in joint ventures	7,282	7,258	6,590	4,063	5,036	5,117	5,893	6,447	6,256	**6,131**
Loans to a joint venture	–	–	–	–	–	–	500	30	1,030	**1,000**
Bank balances and cash	1,816	3,101	3,805	5,275	2,447	2,158	2,856	3,756	1,480	**814**
Held-to-maturity debt securities	786	–	–	–	–	–	–	–	–	**–**
Dividend receivable from a joint venture	344	363	393	939	1	113	252	279	167	**166**
Investment	–	–	–	–	–	–	–	–	5	**5**
Property and equipment	1	1	1	7	3	2	2	1	0	**0**
Other current assets	26	27	28	23	6	2	32	35	29	**12**
Total assets	**10,255**	**10,750**	**10,817**	**10,307**	**7,493**	**7,392**	**9,535**	**10,548**	**8,967**	**8,128**
Bank loans	–	–	–	–	–	–	21	1,058	602	**698**
Corporate bonds	–	–	–	–	–	–	1,980	1,980	600	**–**
Balance with ESW Ring Road	189	230	245	–	–	–	–	–	–	**–**
Other current liabilities	43	38	45	44	29	10	31	36	11	**11**
PRC withholding tax liabilities	–	–	–	60	104	100	132	137	133	**133**
Total liabilities	**232**	**268**	**290**	**104**	**133**	**110**	**2,164**	**3,211**	**1,346**	**842**
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**	**7,236**

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

	Year ended 30 June									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Net cash used in operating activities	(21)	(32)	(48)	(43)	(35)	(25)	(46)	(46)	(42)	**(38)**
Net cash from (used in) investing activities	2,140	1,906	1,808	3,227	985	696	(1,150)	1,077	496	**57**
Net cash from (used in) financing activities	(679)	(514)	(887)	(1,231)	(3,795)	(929)	1,182	103	(2,240)	**(1,435)**
Net increase (decrease) in cash and cash equivalents	1,440	1,360	873	1,953	(2,845)	(258)	(14)	1,134	(1,786)	**(1,416)**
Cash and cash equivalents at the beginning of year	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)	0	**0**
Cash and cash equivalents at the end of year	1,816	3,101	3,805	5,275	2,447	2,158	2,133	3,266	1,480	**64**
Time deposits with original maturity over three months	–	–	–	–	–	–	723	490	–	**750**
Total bank balances and cash	**1,816**	**3,101**	**3,805**	**5,275**	**2,447**	**2,158**	**2,856**	**3,756**	**1,480**	**814**

Per Share Basis

	Year ended 30 June									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Basic earnings per share (RMB cents)	33.5	40.0	46.0	64.3	31.5	28.4	29.2	28.2	19.5	**17.9**
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	**8.1**
— 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**
Dividend payout ratio	73%	74%	75%	91%	98%[(4)]	99%	98%	98%	97%[(5)]	**99.8%**

Financial Ratios

	As at 30 June									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	**2014**
Return on equity attributable to owners of the Company	10%	12%	13%	19%	13%	12%	12%	12%	8%	**8%**
Prepared under Equity Method										
Total debt[(6)]/total assets ratio	–	–	–	–	–	–	21%	29%	13%	**9%**
Gearing ratio (Net debt[(6)] to equity) attributable to owners of the Company	–	–	–	–	–	–	–	–	–	**–**
Prepared under Proportionate Consolidation Method										
Total debt[(7)]/total assets ratio	35%	33%	33%	29%	37%	40%	46%	51%	46%	**44%**
Gearing ratio (Net debt[(7)] to equity) attributable to owners of the Company	36%	18%	14%	0%	30%	43%	57%	67%	74%	**78%**

Notes:

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

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

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

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

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

(6) Under equity method, total debt include bank loans of the Group and RMB corporate bonds. Net debt is defined as total debt less the bank balances and cash of the Group as at the reporting date.

(7) Under proportionate consolidation method, total debt include bank loans of the Group, bank and other loans of joint ventures, balance with a joint venture partner and RMB corporate bonds. Net debt is defined as total debt less the bank balances and cash of the Group and joint ventures together with pledged bank balances and deposits of joint ventures as at the reporting date.

Chairman's Statement

I am pleased to report the Group's results for the financial year ended 30 June 2014. The Group's share of the aggregate net toll revenue rose by approximately 6% to RMB1,916 million, compared to the previous year. This was mainly due to the fact that the toll revenue of Phase II West continued to grow robustly and became profitable since the first half of FY14, and the uptake in toll revenue of Phase III West with its first full-year operation. The toll revenue of GS Superhighway edged up 0.4% mainly due to the full opening of the Coastal Expressway on 28 December 2013.

The aggregate EBITDA of toll expressways (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) increased by 5%, from RMB1,545 million to RMB1,627 million. The Group's net profit from its toll road projects decreased by 8% from RMB581 million to RMB535 million. Meanwhile, the profit attributable to owners of the Company declined by 8%, from RMB601 million to RMB553 million. Basic earnings per share for the year decreased by 9% from the previous year's RMB19.75 cents to RMB17.94 cents.

Final Dividend

The Board has proposed a final dividend of RMB8.1 cents (equivalent to HK10.1806 cents at the exchange rate of RMB1:HK$1.25687) per share for the year ended 30 June 2014. Together with an interim dividend of RMB9.8 cents per share that has already been paid, the total regular dividends for the year will amount to RMB17.9 cents per share. This represents a decrease of 6% on the last financial year's total regular dividends of RMB19 cents per share (excluding a special final dividend of RMB10 cents per share). It represents a regular dividend payout ratio of 99.8% of the Company's profit attributable to owners of the Company and will be 2.8% higher than that of the previous year.

Subject to shareholders' approval at the 2014 Annual General Meeting to be held on Tuesday, 21 October 2014, the proposed final dividend will be paid on Tuesday, 25 November 2014 to shareholders who were registered at the close of business on Monday, 27 October 2014.

If the proposed final dividend is approved by the shareholders at the 2014 Annual General Meeting, it will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB to HKD as published by The People's Bank of China on Tuesday, 26 August 2014 and shareholders will be given the option of electing to receive the final 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 Thursday, 13 November 2014. **If no dividend election is made by a shareholder, such shareholder will receive the final dividend in HK Dollars.**

Closure of Register

To ascertain shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed for one day on Monday, 27 October 2014, if and only if the proposed final dividend is approved by the shareholders at the 2014 Annual General Meeting. No transfer of shares of the Company will be effected on the aforementioned book-close date. To qualify for the proposed final dividend, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 24 October, 2014.

To ascertain shareholders' eligibility to attend and vote at the 2014 Annual General Meeting to be held on Tuesday, 21 October 2014, the Register of Members of the Company will be closed from Wednesday, 15 October 2014 to Tuesday, 21 October 2014, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the 2014 Annual General Meeting, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 14 October 2014.

Prospects

During the year under review, the effect of financial crisis gradually subsided and confidence was restored. The US Federal Reserve decided to diminish the scale of its bond-buying programme and would also maintain low interest rates while the global economic conditions continued to improve.

The economic agenda for China in the coming years has been set by the new Chinese leadership. In the course of undertaking a series of structural reforms, the economy maintained a slower paced but sustainable growth. The national GDP of China and Guangdong grew by 7.4% and 7.5% respectively in the first half of 2014. The PRC Central Government currently targets a GDP growth of over 7% for 2014 to maintain labour market stability. The national car sales volume maintained its growth momentum during the first half of 2014. According to the latest statistics, car sales increased by 8% to around 12 million vehicles during the first half of 2014. Class 1 small car traffic in Guangdong continued to increase, due to the healthy growth of passenger car sales. The Group's expressways will benefit under the healthy economic backdrop.

The 89-km Coastal Expressway has been fully opened since 28 December 2013. An 18-km stretch of its Guangzhou-Dongguan section was toll-free since the full opening but resumed tolling starting from 1 August 2014. The Group believes the diversion impact from the full opening of the Coastal Expressway on the GS Superhighway has fully been realised and will continue to monitor the situation. At the same time, the Group sees the GS Superhighway will remain competitive as it offers convenient access to populous downtown areas and major expressways.

The Western Delta Route is the most direct and convenient expressway artery in the regional expressway network that covers the most prosperous cities on the PRD's western bank, including Guangzhou, Foshan, Zhongshan and Zhuhai. It offers convenient access to the Hengqin State-level Strategic New Zone, Macau and Hong Kong via its connection with the HZM Bridge, which is expected to be completed by the end of 2016.

The Group has a sound financial plan and enjoys a strong and solid financial position with net cash on hand amounted to RMB116 million as of 30 June 2014. The Group has well-arranged financial resources for the funding requirements of West Route JV, which are sufficiently funded by the Group's net cash on hand, available committed undrawn banking facilities and stable cash dividends from GS Superhighway JV. Nevertheless, the Group is currently exploring opportunities to lower the overall finance costs of its PRC JV companies and will continue to strengthen its financial position.

Change of Director

Mr. Alan Ming Fai TAM resigned as an Executive Director of the Company with effect from 8 November 2013 due to his transfer to Hopewell Holdings Limited, the holding company of the Company, and he is now involved primarily in project management and construction cost control. I would like to take this opportunity to thank Mr. Alan Ming Fai TAM for his valuable contribution to the Company during his tenures of office.

Appreciation

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

Sir Gordon Ying Sheung WU GBS, KCMG, FICE
Chairman

Hong Kong, 26 August 2014

Profile of Directors

Executive Directors

Sir Gordon Ying Sheung WU GBS, KCMG, FICE

Aged 78, he is the Chairman of the Board of the Company since July 2003 and is a director of various subsidiaries of the Company. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Chairman of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In 1958, he graduated from Princeton University with a Bachelor of Science degree in engineering. His responsibilities have included the Company's infrastructure projects in the PRC and he has been involved in designing and constructing numerous buildings and development projects of HHL and its subsidiaries in Hong Kong, the PRC and overseas, including the Shajiao B power plant, which received the British Construction Industry Award, as well as set a world record for completion within 22 months. He is the father of Mr. Thomas Jefferson WU, the Managing Director of the Company.

He is very active in civic activities and community service. His civic and community positions include:

In the PRC

Council Member	United Nations Association of China
Advisor	China Development Bank

In Hong Kong

Vice President	The Real Estate Developers Association of Hong Kong

He was a Member of the National Committee of the Chinese People's Political Consultative Conference ("CPPCC") from 1983 to 2013 and a Vice Chairman of the Committee for Liaison with Hong Kong, Macao, Taiwan and Overseas Chinese (Special committee of CPPCC) from 2003 to 2013.

Sir Gordon WU is a Fellow of several professional bodies, including:

— Institution of Civil Engineers, United Kingdom (Fellow)
— The Hong Kong Institution of Engineers (Honorary Fellow)
— Hong Kong Academy of Engineering Sciences (Fellow)

He also received Honorary Doctorate Degrees from the following universities:

— The Hong Kong Polytechnic University, Hong Kong (Honorary Doctor of Engineering)
— University of Strathclyde, United Kingdom (Honorary Doctor of Business Administration)
— The University of Edinburgh, United Kingdom (Doctorem honoris causa)
— Lingnan University, Hong Kong (Honorary Doctor of Laws)
— City University of Hong Kong, Hong Kong (Honorary Doctor of Social Science)
— Macau University of Science & Technology (Honorary Doctor of Business Administration)
— University of Manitoba, Canada (Honorary Degree of Doctor of Laws)
— The Hong Kong Institute of Education (Honorary Degree of Doctor of Social Sciences)

His additional awards and honours include:

Awards and Honours	Year Awarded
The Lifetime Achievement Award of 2013 Hong Kong Business Awards by the South China Morning Post and DHL	2013
The Lifetime Achievement Award of the 9th Asia Business Leaders Award by CNBC	2010
Officer de L'Ordre de la Couronne by HM Albert II, King of Belgium	2007
The Order of Croatian Danica with figure of Blaz Lorkovic by the Republic of Croatia	2007
Gold Bauhinia Star (G.B.S.) by the Hong Kong SAR	2004
Leader of the Year 2003 (Business/Finance) by Sing Tao Newspaper Group	2004
Personality of the Year 2003 by the Asian Freight & Supply Chain Awards	2003
Honorary Consul of The Republic of Croatia in Hong Kong	2002
Knight Commander of the Order of St. Michael and St. George (KCMG) by the Queen of England	1997
Industry All-Star Award by Independent Energy, USA	1996
International CEO of the Year by George Washington University, USA	1996
Among "the Best Entrepreneurs" by Business Week	1994
Man of the Year by the International Road Federation, USA	1994
Business Man of the Year by the South China Morning Post and DHL	1991
Asia Corporate Leader by Asia Finance Magazine, Hong Kong	1991
Chevalier de L'Ordre de la Couronne by the King of Belgium	1985

Mr. Eddie Ping Chang HO

Aged 81, he has been the Vice Chairman of the Company since July 2003 and is a director of various subsidiaries of the Company. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Vice Chairman of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He has extensive experience in implementation of property development and major infrastructure strategic development projects and has been involved in developing all the projects of HHL and the Company in the PRC, including highway, hotel and power station projects. He is an Honorary Citizen of the cities of Guangzhou, Foshan and Shenzhen, and the Shunde District in the PRC.

Mr. Thomas Jefferson WU

Aged 41, he is the Managing Director of the Company since July 2003 and is a director of various subsidiaries of the Company. Mr. WU is responsible for strategic planning, corporate policy and overall management of the Company and has upgraded its financial and management accounting systems. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Managing Director of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

He graduated with high honours from Princeton University in 1994 with a Bachelor of Science degree in Mechanical and Aerospace Engineering. He then worked in Japan as an engineer for Mitsubishi Electric Corporation for three years before returning to full-time studies at Stanford University, where he obtained a Master of Business Administration degree in 1999.

Mr. WU is active in public service in both Hong Kong and Mainland China. He serves in a number of advisory roles at different levels of government. In Mainland China, he is a member of the Heilongjiang Provincial Committee of the 10th Chinese People's Political Consultative Conference, a Standing Committee member and a member of the Huadu District Committee of The Chinese People's Political Consultative Conference, among other public service capacities.

In Hong Kong, Mr. WU's major public service appointments include being a member of the Hong Kong Government's Standing Committee on Disciplined Services Salaries and Conditions of Service and a member of its Steering Committee on the Promotion of Electric Vehicles, the Vice Patron of the Community Chest of Hong Kong, as well as a member of the Board of Directors of the Hong Kong Sports Institute Limited and the Asian Youth Orchestra Limited. He is also a member of the Business School Advisory Council of the Hong Kong University of Science and Technology. In addition, he is an Independent Non-Executive Director of Melco Crown Entertainment Limited, a listed company in Hong Kong and USA (NASDAQ). Previously, he was a council member of The Hong Kong Polytechnic University and the Hong Kong Baptist University and a member of the Court of The Hong Kong University of Science of Technology.

In addition to his professional and public service engagements, Mr. WU is mostly known for his passion for ice hockey, as well as the sport's development in Hong Kong and the region. He is the Vice President (Asia/Oceania) of International Ice Hockey Federation, the Co-founder and Chairman of the Hong Kong Amateur Hockey Club and the Hong Kong Academy of Ice Hockey. He is also the Honorary President of the Hong Kong Ice Hockey Association Limited — the national sports association of ice hockey in Hong Kong, the Vice-President of the Chinese Ice Hockey Association, Honorary President of the Macau Ice Sports Federation and Honorary Chairman of the Ice Hockey Association of Taipei Municipal Athletics Federation.

In 2006, the World Economic Forum selected Mr. WU as a "Young Global Leader". He was also awarded the "Director of the Year Award" by the Hong Kong Institute of Directors in 2010, the "Asian Corporate Director Recognition Award" by Corporate Governance Asia in 2011, 2012 and 2013, and named the "Asia's Best CEO (Investor Relations)" in 2012, 2013 and 2014.

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

Mr. Alan Chi Hung CHAN

Aged 55, he has been an Executive Director of the Company since January 2003 and was appointed the Deputy Managing Director in July 2003. He has also been appointed as a member of the Remuneration Committee of the Company since 3 May 2011 and is a director of various subsidiaries of the Company. He is a member of the 7th Tian He District Committee of The Chinese People's Political Consultative Conference. He was awarded a Bachelor of Science degree from the Chinese University of Hong Kong in 1983 and a Postgraduate Diploma in Management Studies from the City University of Hong Kong in 1989. He is responsible for project coordination, project finance, management and administration of the expressway infrastructure and other projects of the Company in the PRC. He was an Executive Director of HHL during the period from 1 January 2002 to 25 July 2003.

Mr. Cheng Hui JIA

Aged 73, he was appointed as an Executive Director of the Company since 3 July 2003. He is responsible for liaison and project coordination with various PRC government authorities. He was primarily engaged in the development of projects in the PRC during the 18 years with HHL. He was an Assistant to Chairman and China Project Controller. He previously worked in aerospace research in the PRC for many years. He graduated from Harbin Industry University in 1964 with a Bachelor of Science degree.

Independent Non-Executive Directors

Professor Chung Kwong POON GBS, JP

Aged 74, he was appointed as an Independent Non-Executive Director and the Chairman of the Remuneration Committee of the Company on 1 July 2009. He was further appointed as a member of the Audit Committee of the Company on 30 June 2013. Professor Poon obtained a Bachelor of Science (honours) degree from the University of Hong Kong, a Doctor of Philosophy degree and a Higher Doctor of Science degree from the University of London. He was a postdoctoral fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from The Hong Kong Polytechnic University in 2009. Professor POON is the President Emeritus and Emeritus Professor of The Hong Kong Polytechnic University and had devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at The Hong Kong Polytechnic University. He was honoured as one of the "Ten Outstanding Young Persons in Hong Kong" in 1979; was appointed a Non-official Justice of the Peace (JP) in 1989; received the OBE award in 1991, the Gold Bauhinia Star (GBS) in 2002 and also the "Leader of the Year Awards 2008 (Education)".

Professor POON is a non-executive director of Lee & Man Paper Manufacturing Limited and an independent non-executive director of Henderson Land Development Company Limited, K. Wah International Holdings Limited, The Hong Kong and China Gas Company Limited and Chevalier International Holdings Limited, all are listed on the main board of the Stock Exchange.

In addition, Professor POON was appointed as a Member of the Legislative Council (1985-1991) and a Member of the National Committee of the Chinese People's Political Consultative Conference (1998-2013).

Mr. Yuk Keung IP

Aged 62, he was appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company on 1 July 2011. He was appointed as a member of the Remuneration Committee and the Chairman of the Audit Committee of the Company on 12 May 2012 and 18 October 2012 respectively. Mr. IP is an international banking and real estate professional with 33 years of experience at Citigroup, First National Bank of Chicago, Wells Fargo and Merrill Lynch in Hong Kong, Asia and United States. His areas of expertise are in real estate, corporate banking, risk management, transaction banking and wealth management. Mr. IP was named Managing Director of Citigroup in 2003 and Senior Credit Officer/Real Estate Specialist of Citicorp in 1990. He held senior positions at Citigroup such as North Asia Real Estate Head, Hong Kong Corporate Bank Head, Head of Transaction Banking — Hong Kong, and Head of Asia Regional Investment Finance of Global Wealth Management. He was a Managing Director of Investments at Merrill Lynch (Asia Pacific).

Mr. Ip is the executive director and chief executive officer of LHIL Manager Limited which is the trustee-manager of Langham Hospitality Investments, and Langham Hospitality Investments Limited, and a non-executive director of Eagle Asset Management (CP) Limited, as manager of Champion Real Estate Investment Trust. He is also an independent non-executive director of New World China Land Limited, TOM Group Limited, AEON Credit Service (Asia) Company Limited, Power Assets Holdings Limited and Lifestyle International Holdings Limited. All the companies mentioned above except for LHIL Manager Limited and Eagle Asset Management (CP) Limited, are listed companies, and Langham Hospitality Investments is a listed fixed single investment trust and Champion Real Estate Investment Trust is a listed real estate investment trust.

Mr. Ip is a Council Member and an Adjunct Professor of Lingnan University, an Adjunct Professor at City University of Hong Kong, a Member of the International Advisory Committee at University of Macau, and an Executive Fellow in Asia at Washington University in St. Louis. He is a member of the Committee on Certification for Principalship under the Education Bureau of The Government of the Hong Kong Special Administrative Region.

Mr. IP holds a Bachelor of Science at Washington University in St. Louis (summa cum laude) and Master of Science degrees at Cornell University and Carnegie-Mellon University. He is an Honorary Fellow of Vocational Training of Council.

Mr. IP had been appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company and HHL on 13 August 2007 and resigned from all the aforesaid positions on 29 February 2008 due to his other business commitments. In view of his valuable experience in banking, accounting and real estate finance, Mr. IP was invited to re-join the Board of the Company to act as an Independent Non-Executive Director and a member of the Audit Committee of the Company.

Mr. Brian David Man Bun LI JP

Aged 39, Mr. LI was appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company on 1 July 2011. Mr. LI is an Executive Director & Deputy Chief Executive of The Bank of East Asia, Limited ("BEA"), a listed company of the Stock Exchange. He was the General Manager & Head of Wealth Management Division of BEA from July 2004 to March 2009. He was appointed Deputy Chief Executive of BEA in April 2009. In addition, he was appointed Executive Director of BEA in August 2014. Mr. LI is currently an independent non-executive director of Towngas China Company Limited and China Overseas Land & Investment Limited, both of which are listed on the Stock Exchange.

Mr. LI holds a number of public and honorary positions, including being a Member of the Twelfth National Committee of the Chinese People's Political Consultative Conference, a Member of the Advisory Committee of the Securities and Futures Commission of Hong Kong, Chairman of the Traffic Accident Victims Assistance Advisory Committee of the Government of the Hong Kong Special Administrative Region ("HKSARG"), a Member of the HKSARG Small and Medium Enterprises Committee, a Member of the HKSARG Standing Committee on Judicial Salaries and Conditions of Service, a Member of the HKSARG Harbourfront Commission, a Member of the HKSARG Aviation Development Advisory Committee.

Mr. LI is a Member of the Hong Kong-Europe Business Council, a Member of the Hong Kong-Taiwan Business Co-operation Committee, a Member of Asian Financial Forum 2015 Steering Committee, a Committee Member of the Hong Kong Chapter, the Institute of Chartered Accountants in England and Wales (the "ICAEW"), a Member of the Inaugural Financial Consulting Committee for Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, and a Council Member of The Hong Kong Management Association 2014/2015.

Mr. LI is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Full Member of the Treasury Markets Association. Mr. LI is also a Fellow of the ICAEW. He holds an MBA from the Stanford University as well as MA and BA degrees from the University of Cambridge.

Business Review

During the year under review, the aggregate average daily traffic volume on the GS Superhighway, Phase I West, Phase II West and Phase III West increased by 11% to 613,000 vehicles, while their aggregate average daily toll revenue increased by 6% to RMB11.2 million. The growth in toll revenue was mainly due to the robust growth of Phase II West and the uptake in Phase III West after its opening on 25 January 2013. The combined toll revenue of the Group's four projects amounted to RMB4,078 million.

Despite a decline of 5% in the average daily toll revenue of the GS Superhighway in the second half of FY14 which resulted mainly from the full opening of the Coastal Expressway on 28 December 2013, it edged up 0.4% to RMB8.7 million in FY14. However, the average daily traffic of the GS Superhighway grew by 4% during the year to 444,000 vehicles and continued to reach historical high level, mainly driven by a 5% growth of Class 1 small cars.

The opening of Phase III West in January 2013 marked the completion of the entire Western Delta Route. During the year under review, the Western Delta Route continued to grow and its total toll revenue accounted for 23% of the Group's shared aggregate toll revenue, compared to 18% in FY13.

Phase I West recorded healthy growth and Phase II West maintained robust growth, attributed to the synergy created with each other and Phase III West after its opening in January 2013. During the year under review, the average daily traffic and average daily toll revenue of Phase I West grew by 15% and 10%, amounted to 49,000 vehicles and RMB499,000 respectively. The average daily traffic and average daily toll revenue of Phase II West were 100,000 vehicles and RMB1,559,000, representing growth of 26% and 20% respectively. Phase II West became profitable since the first half of FY14.

Phase III West's traffic and toll revenue have been ramping up steadily. Its average daily traffic and average daily toll revenue grew by 47% and 49% to 20,000 vehicles and RMB434,000 respectively as compared to the period from 25 January to 30 June in 2013. In July 2014, the average daily traffic and average daily toll revenue of Phase III West reached 25,000 vehicles and RMB559,000, continued to rise by 44% and 49% year-on-year respectively.

Financial Year	2013	2014	% Change
GS Superhighway (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	427	**444**	+4%
Average Daily Toll Revenue (RMB '000)	8,651	**8,682**	+0.4%
Phase I West (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	42	**49**	+15%
Average Daily Toll Revenue (RMB '000)	453	**499**	+10%
Phase II West (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	79	**100**	+26%
Average Daily Toll Revenue (RMB '000)	1,303	**1,559**	+20%
Phase III West (at JV company level)			
Average Daily Traffic (No. of vehicles '000)	14*	**20**	+47%
Average Daily Toll Revenue (RMB '000)	291*	**434**	+49%

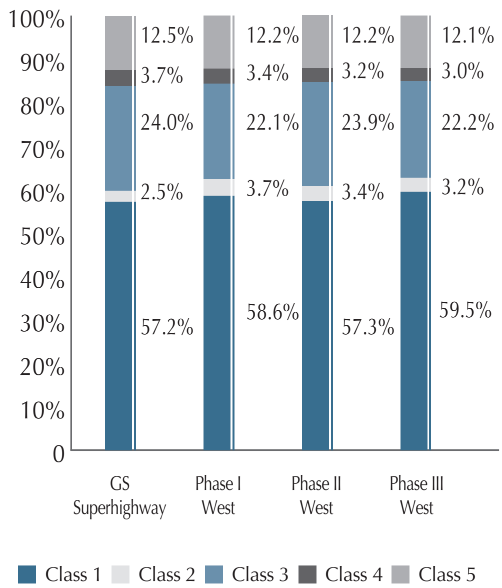
* Phase III West opened on 25 January 2013. Average daily figures are based on the period from 25 January 2013 to 30 June 2013.

Economic Environment

The economic agenda for China in the coming years has been set by the new Chinese leadership. In the course of undertaking a series of structural reforms, the economy maintained a slower paced but sustainable growth. The national GDP of China and Guangdong grew by 7.4% and 7.5% respectively in the first half of 2014. As the core economic region of the Guangdong Province, the PRD region's economy also posted a strong growth. In the first half of 2014, the GDP of three main cities namely Guangzhou, Dongguan and Shenzhen, where the GS Superhighway passes through, recorded 8.3%, 7.5% and 8.0% growth respectively, while the GDP of Foshan, Zhongshan and Zhuhai, where the Western Delta Route passes through, grew by 7.7%, 7.6% and 9.8% respectively. The growth of the above six cities (except Dongguan) outstripped the average of the province and altogether they contributed around 72% to Guangdong's GDP. The total car ownership of Guangdong grew 13% and reached a new record high of 11.8 million vehicles at the end of 2013, in which 71% was accounted for the aforesaid six cities. The prosperous economic development and the rising car ownership in these cities will continue to stimulate demand for transportation, thus further propelling the growth of the Group's expressways.

During 2013, driven by the demand in passenger cars, China has recorded a double-digit growth in car sales with around 22 million vehicles sold and remained as the world's largest vehicle sales market for the fifth consecutive year. Looking into 2014, car sales during the first half of the year increased by 8% to around 12 million vehicles. The market outlook for the whole year remains healthy. The China Association of Automobile Manufacturers expects the market to expand by 8% to 10% with total sales of around 24 million vehicles in 2014. Given that Class 1 small cars contributed over 50% to the toll revenue of our expressway projects, the Company believes that the GS Superhighway and the Western Delta Route will continue to benefit from the robust growth of PRC's passenger car sales market.

Toll Revenue Contribution (FY14)

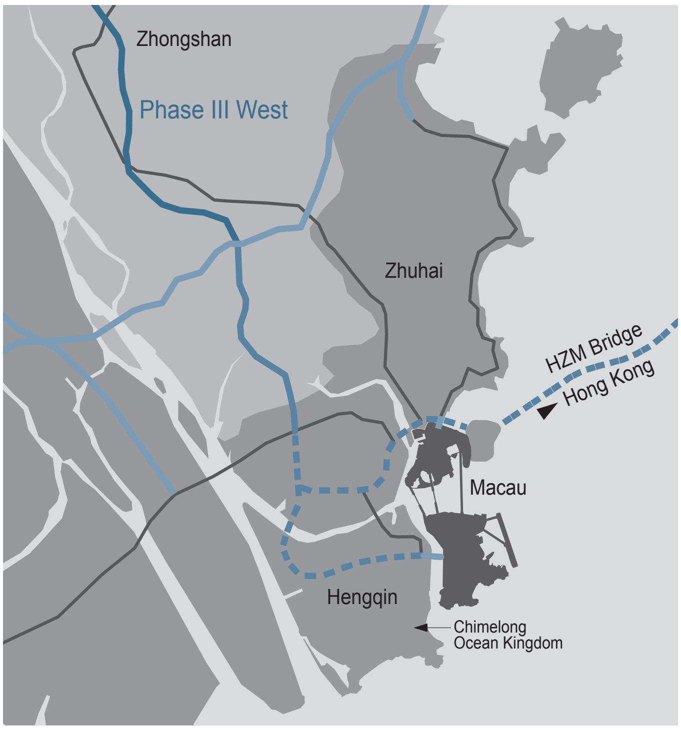


Growth potential of the Western Delta Route

The Western Delta Route is a 97.9-km closed expressway with a total of 6 lanes in dual directions which comprised of Phase I West, Phase II West and Phase III West. It is the most direct and convenient expressway artery in the regional expressway network on the western bank of the PRD region, running from north to south through the most prosperous and populous cities namely Guangzhou, Foshan, Zhongshan and Zhuhai. It offers 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 existing Guangzhou Ring Road, Guangzhou Southern Second Ring Road, Zhongshan-Jiangmen Expressway, Western Coastal Expressway and will link up with the forthcoming Guangzhou-Gaoming Expressway, HZM Bridge, Humen Second Bridge and Shenzhen-Zhongshan Corridor (these infrastructures will be completed by 2016, 2016, 2018 and 2020 respectively, according to the media reports) to form a comprehensive regional expressway network. With reference to the experience of the GS Superhighway, good connectivity will provide continuous and stable traffic flow to the Western Delta Route.

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 via the HZM Bridge in the future instead of spending as much as 4 hours by land or over 1 hour by sea. With reference to the opening of the Hong Kong-Shenzhen Western Corridor in 2007, the number of cross-border 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 in the coming few years. Media reports the total investments of ongoing projects reached over RMB250 billion as of January 2014. The first phase of Chimelong International Ocean Tourist Resort, one of the Hengqin's signature projects comprised of Chimelong Ocean Kingdom, Hengqin Bay Hotel and International Circus Town with investment of over RMB20 billion, was officially opened on 29 March 2014. The Chimelong Ocean Kingdom started off with receiving around 500,000 visitors during the Lunar New Year holidays (trial opening period), creating a boost to the tourism in Hengqin and Zhuhai. This world-class marine park with resorts and hotels facilities aims to attract more than 20 million tourists a year from around the world according to the media. The first China International Circus Festival was held in Hengqin from 20 November to 1 December 2013. It will be a sustainable event held every two years thereafter. In addition, a 5-square-kilometre Guangdong-Macao Co-operation Industrial Park was established as a platform for stepping up regional co-operation and development. The Macao Trade and Investment Promotion Institute has recently recommended 33 qualified post-screening projects to be developed in the park. Most projects concentrate on cultural, creative and tourism industries and the total estimated project investment amounted to RMB140 billion. Macau will also increase leisure facilities notably with the expansion and construction of new gaming resorts and hotels starting in 2015. The Western Delta Route, being the most direct and the shortest expressway from Guangzhou to Hengqin and Macau, will benefit from the increase in passenger flows and the demand for transportation brought along by the development of the region.

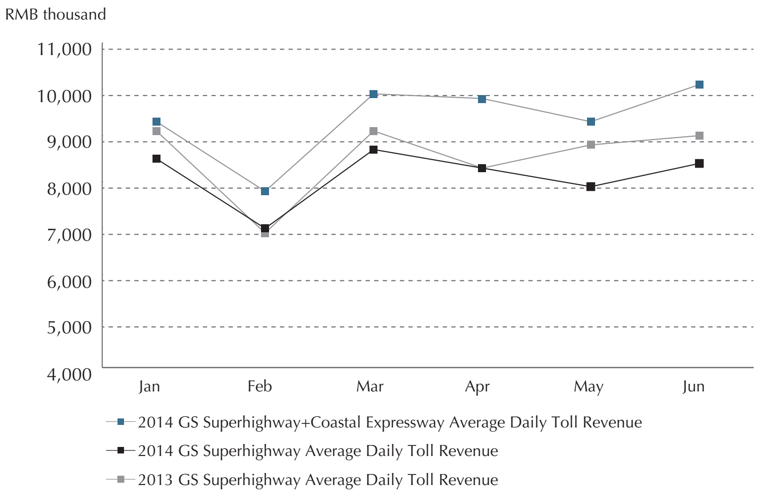
Full Opening of a Parallel Road

The 89-km Coastal Expressway has been fully opened on 28 December 2013 which led to a half-year impact on the FY14 results of the Company. The GS Superhighway's average daily toll revenue dropped by 5% year-on-year in the second half of FY14, mainly due to the full opening of the Coastal Expressway. The Group believes the diversion impact from the full opening of the Coastal Expressway on the GS Superhighway has fully been realised.

An 18-km stretch of the Guangzhou-Dongguan section of the Coastal Expressway was toll-free since its opening but such section resumed tolling starting from 1 August 2014. During 1 to 15 August 2014, the average daily toll revenue and average daily traffic of the GS Superhighway decreased by 5% and 1% year-on-year respectively. The Group will continue to monitor the situation.

Based on the average daily toll revenue, the market comprising the GS Superhighway and the Coastal Expressway grew around 10%. This will be further supported by the solid demand for toll road usage in Guangdong Province. During January 2014 to June 2014, the provincial freight traffic and passenger traffic both increased by 11% year-on-year. 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.

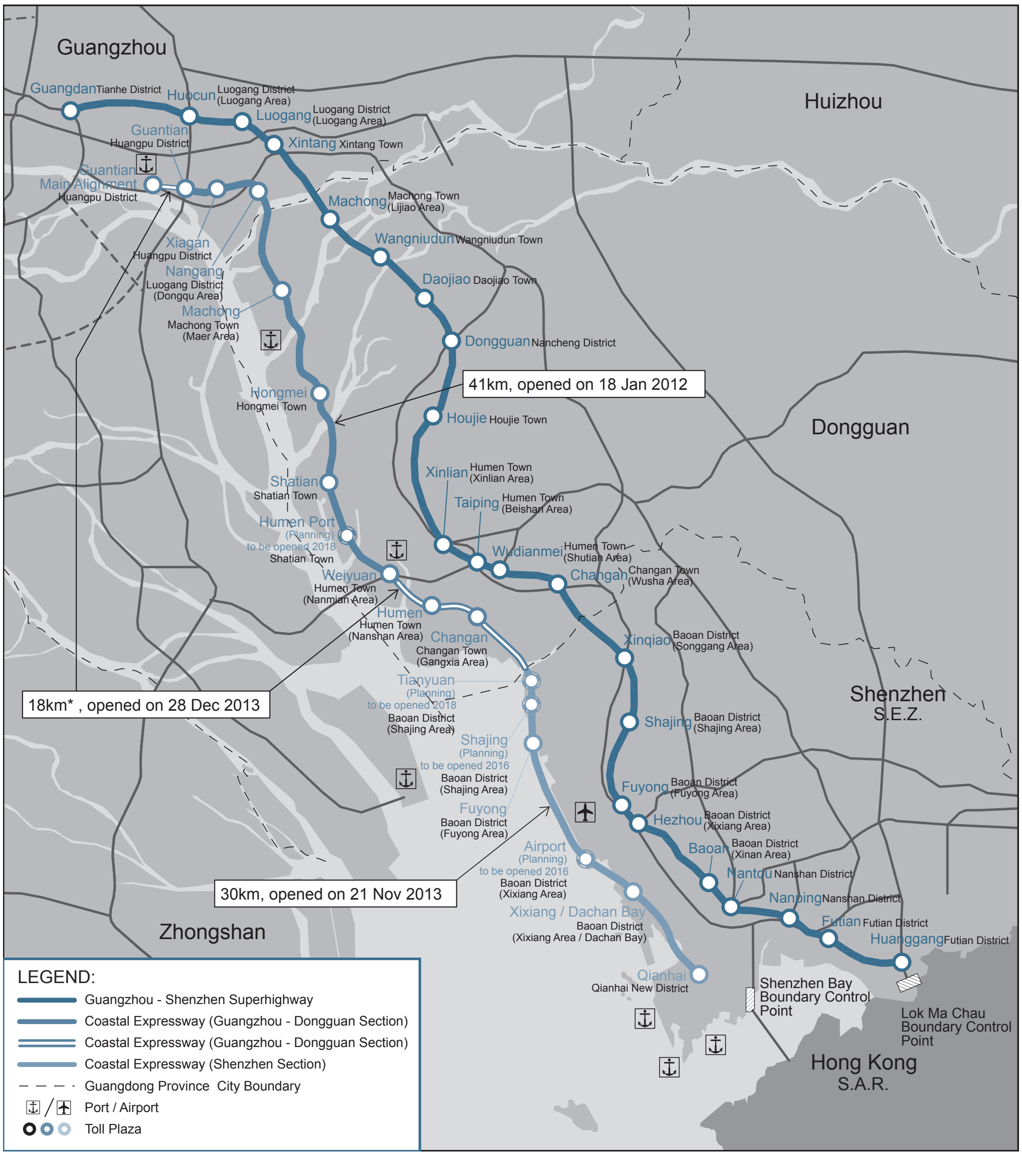
GS Superhighway / Coastal Expressway: Average Daily Toll Revenue (Monthly)



There are two misconceptions concerning the GS Superhighway and the Coastal Expressway. The first is that the travelling distance between Hong Kong and Guangzhou via the GS Superhighway is longer than that via the Coastal Expressway. The second is that the GS Superhighway's tariff is higher than that of the Coastal Expressway. If one includes the connecting roads at both ends of the Coastal Expressway (i.e. the Hong Kong-Shenzhen Western Corridor and the connecting roads to Hong Kong's highway networks and to Guangzhou Ring Road), the total travelling distance from Hong Kong to Guangzhou via the GS Superhighway or the Coastal Expressway differs by about 5%. More specifically, when one compares the entire length of the Coastal Expressway (from its starting point to its ending point) with that of the corresponding section of the GS Superhighway (i.e. the section between 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 since 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.



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

Toll Road Policies

Guangdong 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 Proposal, the average daily toll revenue of the GS Superhighway returned to a positive year-on-year growth of 6% during the first half of FY14, which indicated that the policy impact was subdued. However, mainly affected by the full opening of the Coastal Expressway, the average daily toll revenue recorded a drop of 5% year-on-year in the second half of FY14. 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 year under review, the GS Superhighway, Phase I West, Phase II West and Phase III West implemented this policy during the aforesaid four major statutory holidays for a total of 20 days, comparing to 21 days in FY13. Small cars with 7 or fewer seats were exempted from toll charges on the Group's expressways during the holidays. 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 in FY14 were reduced by less than 3% as a result of such policy, similar to its impact in FY13.

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 from losses of revenue as a result of the Central Government's implementation of the toll-free policy in the form of an extension of their toll collection periods. No additional information has been released since then. The Company will closely monitor the latest developments concerning the amendments.

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

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

Guangdong Province Toll Integration and Toll-by-weight Scheme

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

The toll-by-weight scheme was also implemented for trucks on all expressways in the Central District on 29 June 2014 simultaneously, following its implementation in the Northern District in 2009 and the Eastern and Western Districts in 2011. The tariff rates for passenger cars and normally loaded commercial trucks will remain unchanged under the toll-by-weight scheme. Preferential arrangements will be made for unloaded and lightly-loaded trucks, for which the tariff rate will be one class lower. On the other hand, an additional toll based on the ratio of overloaded weights will be charged for overloaded trucks. Based on the data in July 2014, the impact of the toll-by-weight scheme on the toll revenue of the GS Superhighway and Western Delta Route is neutral. Toll revenue from trucks in July 2014 rose slightly compared to the original tariff scheme and such increase accounted for less than 0.5% of the total toll revenue. Nevertheless, this scheme can help reduce the number of overloaded trucks and the damages so caused to the expressways.

Truck restriction in Guangzhou

In December 2012, the Guangzhou Municipal Government announced the restriction measure for trucks that are not registered in Guangzhou and weighing 15 tons or above to prohibit them from travelling on the Guangzhou Ring Road between 07:00 and 20:00. After a one-year trial period from January 2013 to January 2014, this restriction measure has been further extended for an additional five years since February 2014. The measure had insignificant impact on the Group's expressways ever since it was in force.

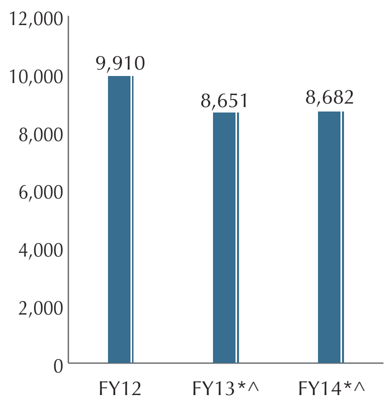
Guangzhou-Shenzhen Superhighway

Project Summary

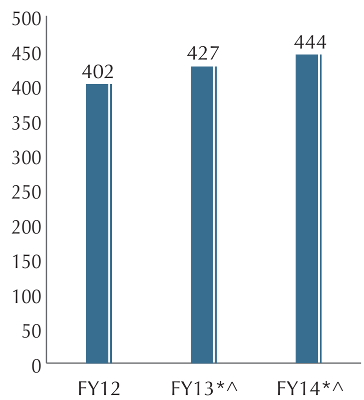
Location	Guangzhou to Shenzhen, Guangdong, PRC
Length	122.8 km
Lanes	A total of 6 lanes in dual directions, except for certain sections being 10 lanes
Class	Expressway
Toll Collection Period	July 1997 – June 2027
Profit Sharing Ratio	Year 1 – 10: 50%; Year 11 – 20: 48%; Year 21 – 30: 45%

The GS Superhighway is the main expressway connecting the PRD region's three major cities — Guangzhou, Dongguan, Shenzhen and Hong Kong. During the year under review, its average daily toll revenue increased by 0.4% year-on-year to RMB8.7 million, whereas its total toll revenue amounted to RMB3,169 million. Although the average daily toll revenue regained growth momentum and returned to a 6% year-on-year growth during the first half of FY14, it dropped by 5% to RMB8.1 million in the second half of FY14 after the full opening of the Coastal Expressway on 28 December 2013. Meanwhile, despite the fact that the average daily traffic during the second half of FY14 recorded minimal growth of 0.1% year-on-year to 423,000 vehicles, it still increased by 4% year-on-year to 444,000 vehicles in FY14.

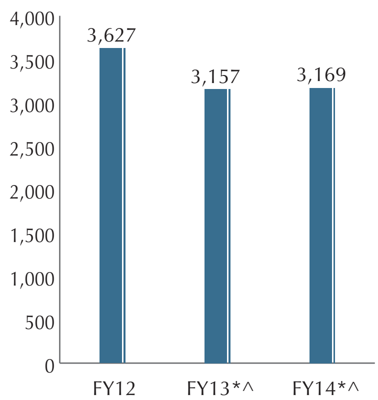
GS Superhighway Average Daily Toll Revenue (RMB thousand)



GS Superhighway Average Daily Traffic (No. of vehicles in thousand)



GS Superhighway Annual Toll Revenue (RMB million)

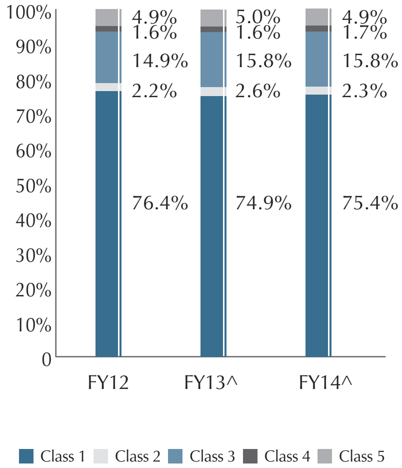


* Guangdong Tariff Proposal was implemented since 1 June 2012.

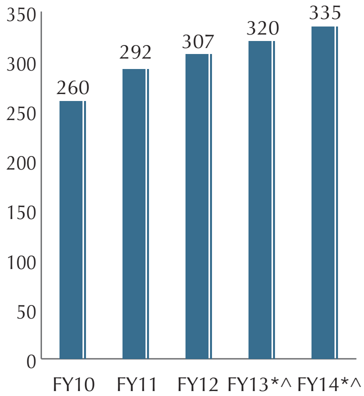
^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and a total of 20 days in FY14.

Class 1 small car traffic has benefited from the unremitting growth of passenger car sales in Guangdong. It continued to grow by 5% year-on-year and reached a historical high level, accounting for 75.4% of the GS Superhighway's total traffic volume. The average daily toll revenue of Class 1 small car increased by 1% to RMB5 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 3% and 2% respectively. The average toll revenue per vehicle per km fell by 2%, from RMB0.79 to RMB0.77.

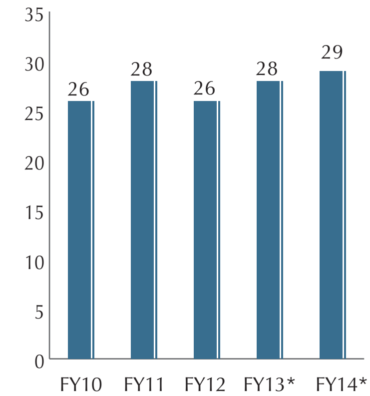
GS Superhighway Traffic Breakdown by Class



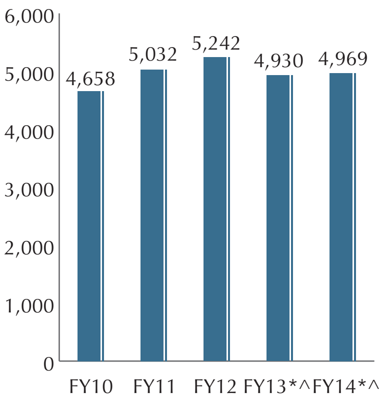
GS Superhighway Class 1 – Average Daily Traffic (FY10-FY14) (No. of vehicles in thousand)



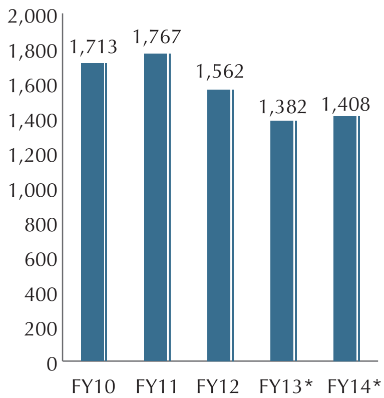
GS Superhighway Class 4 & 5 – Average Daily Traffic (FY10-FY14) (No. of vehicles in thousand)



GS Superhighway Class 1 – Average Daily Toll Revenue (FY10-FY14) (RMB thousand)



GS Superhighway Class 4 & 5 – Average Daily Toll Revenue (FY10-FY14) (RMB thousand)

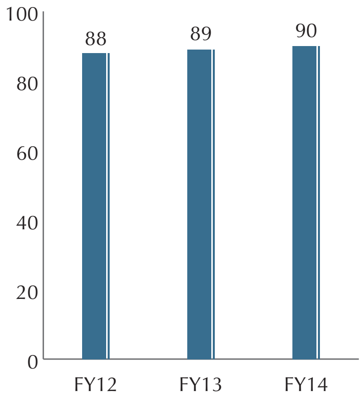


* Guangdong Tariff Proposal was implemented since 1 June 2012.

^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and a total of 20 days in FY14.

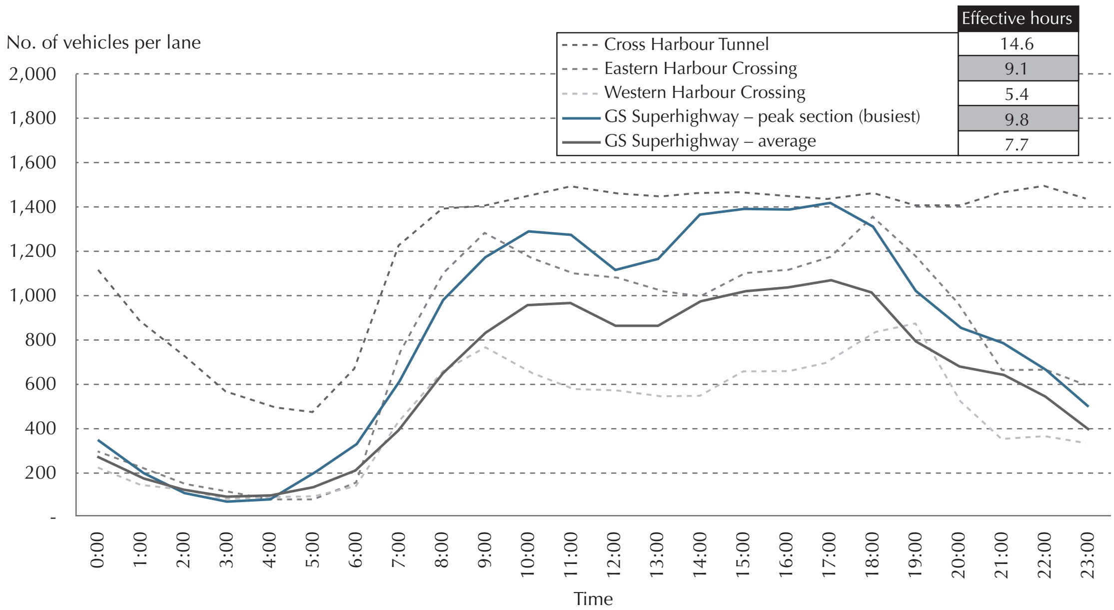
During the year under review, the average daily full-length equivalent traffic volume for the GS Superhighway increased by 1% year-on-year to 90,000 vehicles. This indicates there is still room for traffic to grow on the GS Superhighway.

GS Superhighway Average Daily Full Length Equivalent Traffic
(No. of vehicles in thousand)



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

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 — 2013", Transport Department, The Government of HKSAR
- 3) Average daily traffic of HK tunnels (Dec 13): Cross Harbour Tunnel 117,000, Eastern Harbour Crossing 73,000, Western Harbour Crossing 65,000
- 4) Average daily traffic of GS Superhighway (Mar 14)

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

Shenzhen Baoan International Airport was expanded by the opening of a new passenger terminal located near the Hezhou interchange on 28 November 2013. GS Superhighway's 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 expressway hub for traffic between downtown Shenzhen and the airport, and the GS Superhighway will benefit from the increased volume of passengers and freight arising thereafter.

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 and lower operating cost.

Phase I of the Western Delta Route

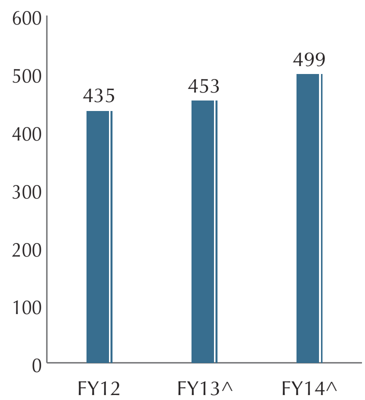
Project Summary

Location	Guangzhou to Shunde, Guangdong, PRC
Length	14.7 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	September 2003 – September 2033
Profit Sharing Ratio	50%

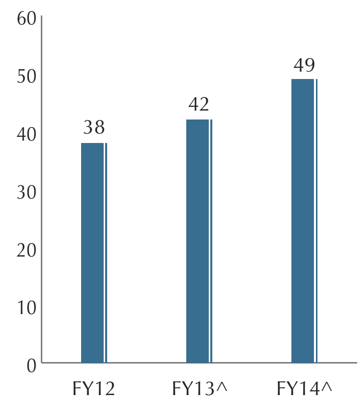
Phase I West connects with the Guangzhou East-South-West Ring Road to the north, and Phase II West and National Highway 105 at Shunde to the south. As the northern part of the Western Delta Route, Phase I West's synergy with Phase II West and Phase III West as well as the on-going economic growth of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

The traffic volume and toll revenue of Phase I West grew steadily, mainly driven by a strong rise in the number of Class 1 small cars. During the year under review, its average daily traffic increased by 15% year-on-year to 49,000 vehicles, whereas its average daily toll revenue increased by 10% to RMB499,000. Its total toll revenue for the year amounted to RMB182 million.

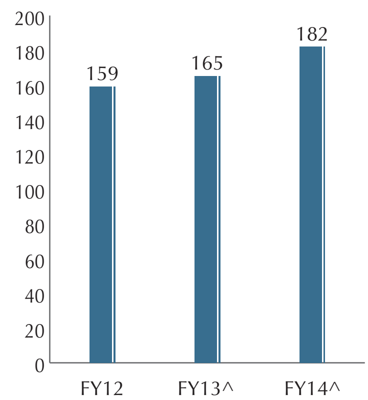
Phase I West Average Daily Toll Revenue (RMB thousand)



Phase I West Average Daily Traffic (No. of vehicles in thousand)



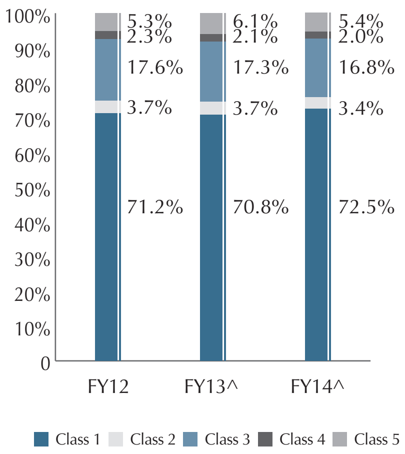
Phase I West Annual Toll Revenue (RMB million)



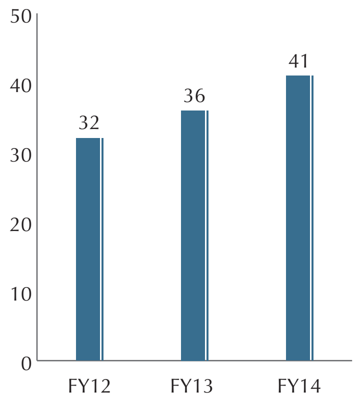
^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and a total of 20 days in FY14.

The traffic and toll revenue for Class 1 small cars continued to grow, accounted for 72.5% of Phase I West's total traffic volume. The average daily full-length equivalent traffic on Phase I West amounted to 41,000 vehicles, which represents a growth of 14%.

Phase I West Traffic Breakdown by Class



Phase I West Average Daily Full Length Equivalent Traffic
(No. of vehicles in thousand)



^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and a total of 20 days in FY14.

A new interchange constructed by Guangzhou-Gaoming Expressway will be connected with Phase I West between its Shizhou and Bijiang interchanges in 2015. This new connection will help to bring in traffic from Foshan to the Western Delta Route.

The Guangzhou Municipal Government announced the imposition of restrictions on trucks not registered in Guangzhou and weighing 15 tons or above in December 2012. Such vehicles have been prohibited from travelling on the Guangzhou Ring Road between 07:00 and 20:00 for one year commencing 10 January 2013. After the one-year trial period, the restriction measure has been extended for an additional five years since 25 February 2014. Its impact on Phase I West has been minimal. The Guangzhou Municipal Government is also 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

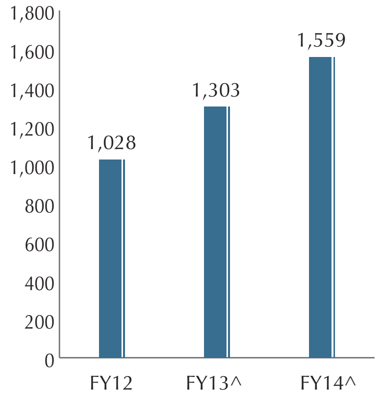
Project Summary

Location	Shunde to Zhongshan, Guangdong, PRC
Length	45.5 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	June 2010 – June 2035
Profit Sharing Ratio	50%

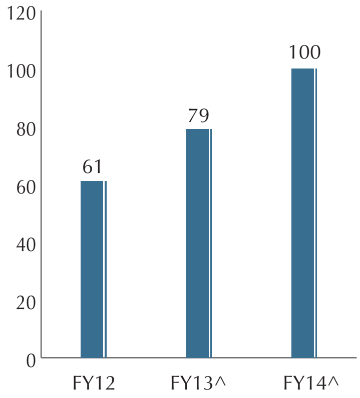
Phase II West is connected to Phase I West at Shunde to the north and Phase III West at Zhongshan to the south. It is also interconnected with National Highway 105, Guangzhou Southern Second Ring Road and Jiangmen-Zhongshan Expressway, and it has a direct connection to downtown Zhongshan at its southern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

The traffic volume and toll revenue of Phase II West have continued to grow robustly ever since it opened in June 2010. During the year under review, its average daily traffic rose by 26% to 100,000 vehicles, whereas its average daily toll revenue grew by 20% to RMB1,559,000 and it became profitable since the first half of FY14. Its total toll revenue for the year amounted to RMB569 million. Class 1 small cars, the main driving force, recorded strong growth and contributed 74.8% 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 24%.

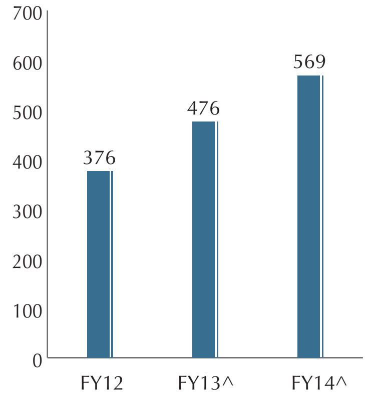
Phase II West Average Daily Toll Revenue (RMB thousand)



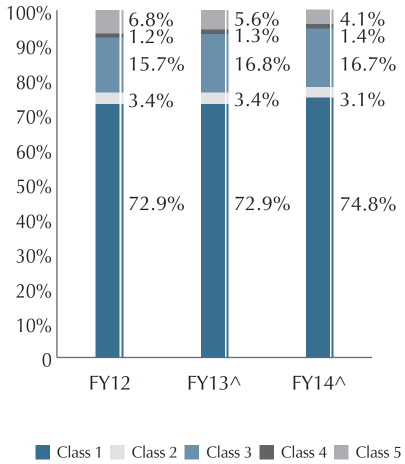
Phase II West Average Daily Traffic (No. of vehicles in thousand)



Phase II West Annual Toll Revenue (RMB million)

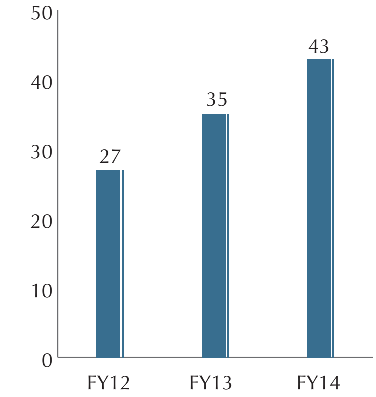


Phase II West Traffic Breakdown by Class



Phase II West Average Daily Full Length Equivalent Traffic

(No. of vehicles in thousand)



^ Holiday Toll-free Policy was implemented for a total of 21 days in FY13 and a total of 20 days in FY14.

Phase III of the Western Delta Route

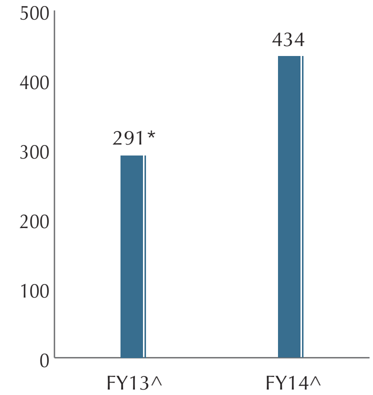
Project Summary

Location	Zhongshan to Zhuhai, Guangdong, PRC
Length	37.7 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	January 2013 – January 2038
Profit Sharing Ratio	50%

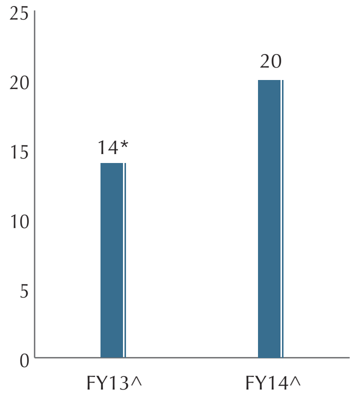
Phase III West is connected to Phase II West at Zhongshan to the north and extends southwards to link with the Zhuhai expressway network, thus providing a direct access to Hengqin (the State-level Strategic New Zone) in Zhuhai, Macau and the HZM Bridge which is under construction. It provides the most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

The traffic volume and toll revenue of Phase III West have been ramping up steadily. During the year under review, its average daily traffic and average daily toll revenue amounted to 20,000 vehicles and RMB434,000, rose by 47% and 49% respectively when comparing to the period since its opening from 25 January to 30 June in 2013. Its total toll revenue for the year amounted to RMB158 million. The average daily full-length equivalent traffic on Phase III West amounted to 15,000 vehicles. In July 2014, Phase III West's average daily traffic went up further by 44% year-on-year to 25,000 vehicles, bringing its average daily toll revenue to a new level at RMB559,000, which represents a year-on-year growth of 49%.

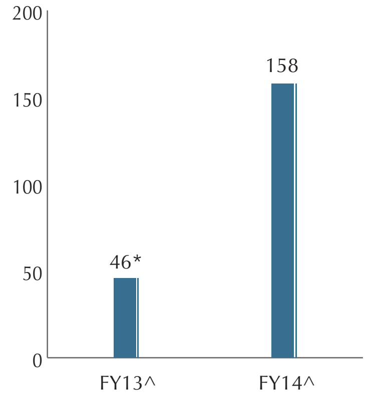
Phase III West Average Daily Toll Revenue (RMB thousand)



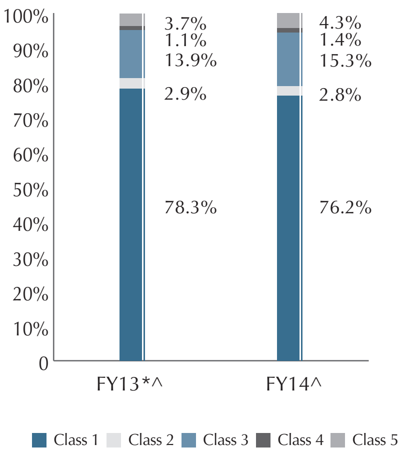
Phase III West Average Daily Traffic (No. of vehicles in thousand)



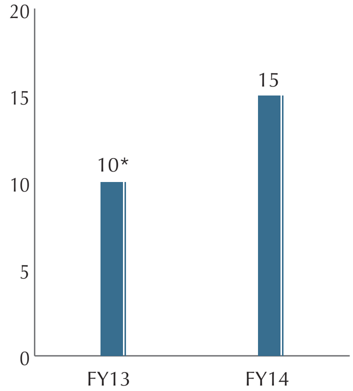
Phase III West Annual Toll Revenue (RMB million)



Phase III West Traffic Breakdown by Class



Phase III West Average Daily Full Length Equivalent Traffic (No. of vehicles in thousand)

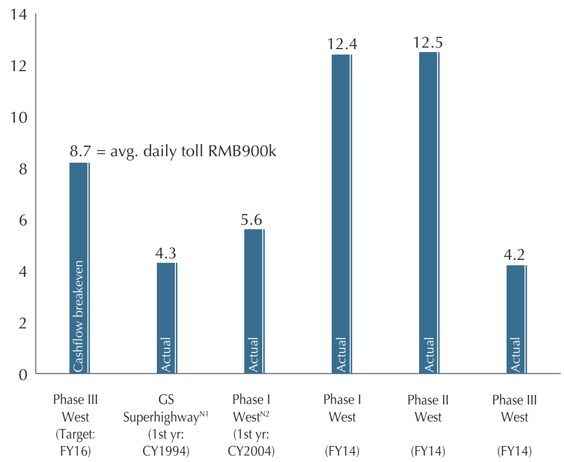


* Phase III West was opened on 25 January 2013.

^ Holiday Toll-free Policy was implemented for a total of 13 days in FY13 and a total of 20 days in 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).

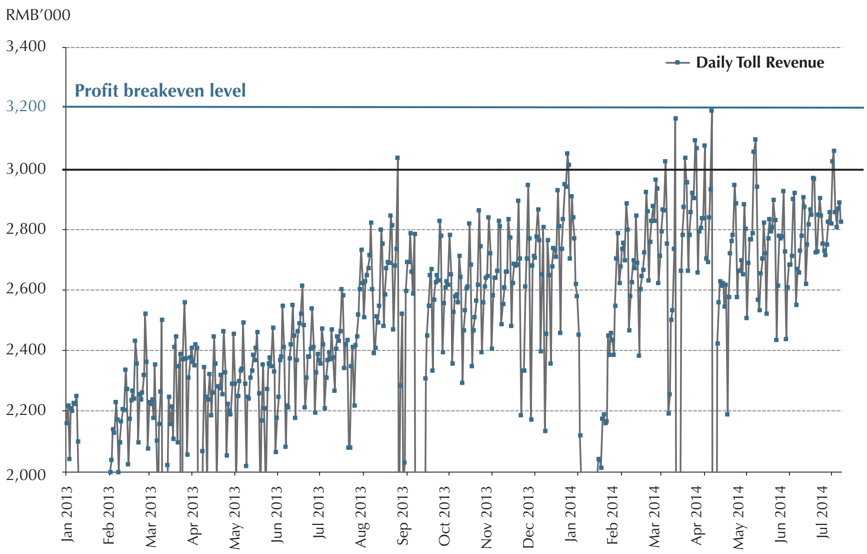
Annual Toll Revenue per km (RMB'm)



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)

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

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



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

Financial Review

The Group's performance for the year ended 30 June 2014 presented in RMB were as follows:

	Year ended 30 June							
	2013				**2014**			
	Net toll revenue RMB million	EBITDA RMB million	EBIT RMB million	Results RMB million	**Net toll revenue RMB million**	**EBITDA RMB million**	**EBIT RMB million**	**Results RMB million**
Project contributions:								
GS Superhighway(Note 1)	1,470	1,272	912	616	**1,475**	**1,266**	**882**	**591**
Western Delta Route	333	273	180	(35)	**441**	**361**	**226**	**(56)**
— Phase I West	*80*	*64*	*51*	*34*	***88***	***66***	***49***	***33***
— Phase II West	*231*	*193*	*126*	*(20)*	***276***	***233***	***152***	***8***
— Phase III West(Note 2)	*22*	*16*	*3*	*(49)*	***77***	***62***	***25***	***(97)***
Net toll revenue/EBITDA/EBIT/ Net profit of projects	1,803	1,545	1,092	581	**1,916**	**1,627**	**1,108**	**535**
Year-on-year change					**+6%**	**+5%**	**+1%**	**-8%**
Corporate results:								
Bank deposits interest income				71				**42**
Interest income from loans made by the Group to a JV company				35				**63**
Other income				1				**2**
General and administrative expenses				(43)				**(38)**
Finance costs				(60)				**(35)**
Income tax expenses				(9)				**(10)**
Sub-total				(5)				**24**
Profit before net exchange gain (after deduction of related income tax)				576				**559**
Year-on-year change								**-3%**
Net exchange gain (after deduction of related income tax)				36				**5**
Profit for the year				612				**564**
Profit attributable to non-controlling interests				(11)				**(11)**
Profit attributable to owners of the Company				601				**553**
Year-on-year change								**-8%**

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 6% from RMB1,803 million to RMB1,916 million for the year ended 30 June 2014. This was mainly due to the fact that the toll revenue of Phase II West continued to grow robustly with its average daily toll revenue exceeding its profit breakeven level of RMB1.5 million and became profitable since the first half of FY14, and the uptake in toll revenue of Phase III West for its first full-year operation (opened on 25 January 2013). The GS Superhighway's toll revenue returned to growth, with an increase of approximately 6% year-on-year in the first half of FY14. However, being mainly affected by the full opening of the Coastal Expressway on 28 December 2013, GS Superhighway's toll revenue declined by 5% year-on-year in the second half of FY14 and resulted in a slight positive growth of 0.4% for the full year of FY14. The GS Superhighway, Phase I West, Phase II West and Phase III West contributed 77% (RMB1,475 million), 5% (RMB88 million), 14% (RMB276 million) and 4% (RMB77 million) respectively to the Group's share of aggregate net toll revenues.

The Group's share of operating expenses of its expressway projects increased as a result of the first full-year operation of Phase III West and the increased staff costs of the two PRC JV companies. The GS Superhighway's toll revenue was offset by the increased staff cost and as a result, the EBITDA of GS Superhighway slightly dropped by 0.5% from RMB1,272 million to RMB1,266 million. However, the increase in operating expenses of the Western Delta Route were fully offset by the rise in its net toll revenue, resulting in a 32% EBITDA growth from RMB273 million to RMB361 million. Phase II West recorded a growth in EBITDA by 21% from RMB193 million to RMB233 million, whereas the uptake in Phase III West recorded a EBITDA growth from RMB16 million to RMB62 million. Thus, the aggregate EBITDA of toll expressways (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) increased by 5%, from RMB1,545 million to RMB1,627 million.

The Group's share of depreciation charges for GS Superhighway JV and West Route JV also increased, mainly due to the rise in traffic volume and the first full-year operation of Phase III West. The aggregate EBIT of toll expressways (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) increased slightly by 1% from RMB1,092 million to RMB1,108 million.

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

The traffic and toll revenue of Phase II West have been growing strongly ever since it opened on 25 June 2010 and became profitable since the first half of FY14. Phase II West made a profit of RMB8 million as compared to a loss of RMB20 million of the previous year. However, the increased operating expenses (mainly staff cost) and depreciation of GS Superhighway has led to a 4% year-on-year decrease in its net profit to RMB591 million. In addition, 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. This resulted in a net loss of RMB97 million in FY14 for Phase III West compared to a net loss of RMB49 million in FY13. Therefore, the aggregate net profit of the four projects (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) fell by 8%, to RMB535 million from RMB581 million.

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. The shareholder's loan was partly used to repay an intercompany loan to GS Superhighway JV and the interest incurred, and partly used to settle outstanding project payments of Phase II West, thus, the Company's total interest income (including bank deposits and loans made to a JV company) amounted to RMB105 million for the year. Moreover, the Company prepaid RMB500 million loan drawn under the RMB1,600 million bank loan facility of the Company in June 2013, reducing the outstanding loan under the facility to RMB500 million, and repaid the RMB600 million corporate bonds in May 2014, resulting in a decrease in finance costs from RMB60 million to RMB35 million. As a result, the net interest income at corporate level increased from RMB46 million to RMB70 million. Taking into account the increase in net interest income, the corporate results improved from a loss of RMB5 million to a profit of RMB24 million.

The Group's profit before the net exchange gain (after deduction of related income tax) fell by 3%, from RMB576 million to RMB559 million. This was mainly attributable to the increased depreciation charges and the net loss generated by Phase III West following its first full-year operation which offset the rise in net toll revenue. A decline in the net exchange gain on GS Superhighway JV's loans denominated in US Dollars and HK Dollars as a result of devaluation in RMB in the second half of FY14 by 1%, only a slight appreciation in RMB by 0.4% was recorded for the full year of FY14. Thus, the profit attributable to owners of the Company decreased by 8% from RMB601 million to RMB553 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	**30 June 2014 RMB million**		30 June 2013 RMB million	**30 June 2014 RMB million**
Bank balances and cash	1,480	**814**	RMB corporate bonds	600	**–**
The Company's shareholder's loan to JV company(Note 1)	1,030	**1,000**	RMB bank loan	500	**500**
			HKD bank loan	102	**198**
Other assets	34	**16**	Other liabilities	12	**10**
	2,544	**1,830**		1,214	**708**
Net assets value of HHI Corporate	1,330	**1,122**			

Share of JV Companies

GS Superhighway JV (HHI's shared portion)

	30 June 2013 RMB million	**30 June 2014 RMB million**		30 June 2013 RMB million	**30 June 2014 RMB million**
Bank balances and cash	176	**133**	Bank loans		
Concession intangible assets	6,231	**5,920**	– USD	1,625	**1,411**
Property & equipment	230	**224**	– HKD	208	**184**
Other assets	62	**67**	Other loan	5	**7**
			Other liabilities	736	**691**
	6,699	**6,344**		2,574	**2,293**
Net assets value of GS Superhighway JV	4,125	**4,051**			

West Route JV (HHI's shared portion)

	30 June 2013 RMB million	**30 June 2014 RMB million**		30 June 2013 RMB million	**30 June 2014 RMB million**
Bank balances and cash	187	**68**	Bank loans	4,011	**3,988**
Concession intangible assets	6,830	**6,726**	Shareholder's loan from		
Property & equipment	267	**245**	the Company(Note 1)	515	**500**
Other assets	280	**302**	Shareholder's loan from		
			PRC JV partner	20	**–**
			Other liabilities	852	**740**
	7,564	**7,341**		5,398	**5,228**
Net assets value of West Route JV	2,166	**2,113**			

	30 June 2013 RMB million	**30 June 2014 RMB million**		30 June 2013 RMB million	**30 June 2014 RMB million**
			Total liabilities	9,186	**8,229**
			Equity attributable to owners of the Company	7,571	**7,236**
			Non-controlling interests	50	**50**
Total Assets	16,807	**15,515**	**Total Equity & Liabilities**	16,807	**15,515**
Total Net Assets	7,621	**7,286**			

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

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

IFRS 11 "Joint Arrangements" was adopted for the current financial year 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, namely GS Superhighway JV and West Route JV, 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 and the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the last corresponding year and the consolidated statement of financial position as at 30 June 2013 have been restated to reflect the change in accounting for the Group's investments in 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 consolidated financial information prepared under proportionate consolidation method has also been presented in the Appendix on pages 150 to 152 for reference purpose.

Sound Financial Plan

Further capital expenditure of the Company will not be more than RMB289 million, which is lower than the previous estimate of not more than RMB383 million as disclosed in the FY14 interim report. This is attributable to the reduction of the planned total investment cost for Phase II West from RMB7,200 million to RMB7,080 million as a result of the saving in land costs. The amount is sufficiently funded by the Group's net cash on hand (excluding JV companies) amounted to RMB116 million and the available committed undrawn banking facilities of RMB582 million as at 30 June 2014. Together with the stable cash dividends from the Group's toll expressway — GS Superhighway, the Group enjoys a strong financial position with sufficient financial resources for its projects.

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

Liquidity and Financial Resources

The Group's debt balance comprised of the Group's bank loans, and its share of the non-recourse project loans of its JV companies. The total debt to total assets (including share of total assets of JV companies) ratio and gearing ratio (net debt to equity attributable to owners of the Company) as at 30 June 2014 were shown below. The Group's net cash on hand (excluding JV companies), together with the shareholder's loan receivable from West Route JV amounted to RMB1,116 million.

HHI Corporate Level

As at 30 June 2014

	RMB million		RMB million
Bank balances and cash and shareholder's loans to JV company		**Corporate debt**	
– Bank balances and cash	**814**	– RMB bank loan	**500**
– Company's shareholder's loan to JV company(Note 1)	**1,000**	– HKD bank loan	**198**
	1,814		**698**
Net cash(Note 2): RMB116 million			
Net cash and the Company's shareholder's loan to JV company: RMB1,116 million			

Share of JV Companies

As at 30 June 2014

	RMB million		RMB million
Bank balances and cash		**Bank loans and shareholder's loan**(Note 3)	
– Bank balances and cash	**201**	– GS Superhighway	**1,595**
		– Western Delta Route	**4,488**
		– Phase I West	**307**
		– Phase II West	**2,318**
		– Phase III West	**1,863**
	201		**6,083**
Net debt: RMB5,882 million			

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

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

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

	As at 30 June	
	2013 RMB million	**2014** **RMB million**
Total debt		
– Company and subsidiaries (including RMB corporate bonds and bank loans)	1,202	(Note 1)**698**
– Share of JV companies	6,217	**5,937**
Net debt(Note 2)	5,576	**5,620**
Total assets (including share of JV companies' total assets)	16,284	**15,013**
Equity attributable to owners of the Company	7,571	**7,236**
Total debt/total assets ratio	46%	**44%**
Gearing ratio	74%	**78%**

Note 1: Taking account of repayment of RMB600 million corporate bonds by the Company in May 2014.

Note 2: Net debt is defined as total debt less bank balances and cash, together with pledged bank balances and deposits for HHI corporate level and share of JV companies.

The major source of the Group's cash inflow during the year was dividends received from GS Superhighway JV. On the other hand, its major cash outflow was the payment of dividends to the Company's shareholders and repayment of RMB600 million corporate bonds in May 2014. 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 30 June 2014, the Group's bank balances and cash on hand (excluding JV companies) amounted to RMB814 million (30 June 2013: RMB1,480 million), or RMB0.26 per share (30 June 2013: RMB0.48 per share). After netting off the Group's bank loans totaled RMB698 million, the Group's net cash on hand (excluding JV companies) amounted to RMB116 million (30 June 2013: RMB278 million) or RMB0.04 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 30 June 2014, the net cash on hand of RMB116 million, together with available committed undrawn banking facilities of RMB582 million, the healthy cash flow and stable cash dividends from the Company's toll expressway project — GS Superhighway JV will provide sufficient financial resources for shareholder's loans to be provided by the Company to Phase II West and Phase III West of not more than RMB289 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 still processing West Route JV's application to increase its investment in Phase II West to RMB7,080 million (as compared with the previous estimate of RMB7,200 million mainly due to the saving of land costs). Once approval is obtained, additional registered capital will be injected into 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, a shareholder's loan of RMB1,000 million was advanced by the Company to West Route JV as interim financing for Phase II West and remained outstanding as of 30 June 2014. The Company will continue to provide financial support to West Route JV until Phase II West's increased investment is approved and additional project bank loans can be obtained. In December 2012, West Route JV used the shareholder's loan provided by the Company to repay in full the intercompany borrowings of RMB731 million to GS Superhighway JV, and to settle the outstanding project payments of Phase II West. As at 30 June 2014, the estimated outstanding project payments for Phase II West amounted to not more than RMB320 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 increased from RMB5,600 million to RMB6,150 million, mainly because the land costs were higher than planned. The project is adequately funded by registered capital, available banking facilities and shareholder's loans. The Group had contributed the full amount of registered capital (a total of RMB980 million) and advanced shareholder's loan totalling RMB530 million to West Route JV as interim financing for Phase III West. Such shareholder's loan had been fully repaid by West Route JV, RMB500 million in FY12 and the remaining balance of RMB30 million in the first half of FY14. As at 30 June 2014, the estimated outstanding project payments for Phase III West amounted to not more than RMB457 million (based on the planned total investment cost of RMB6,150 million), which will be funded by the available PRC project bank loan and the shareholder's loans by the Company and the PRC partner on a 50:50 basis.

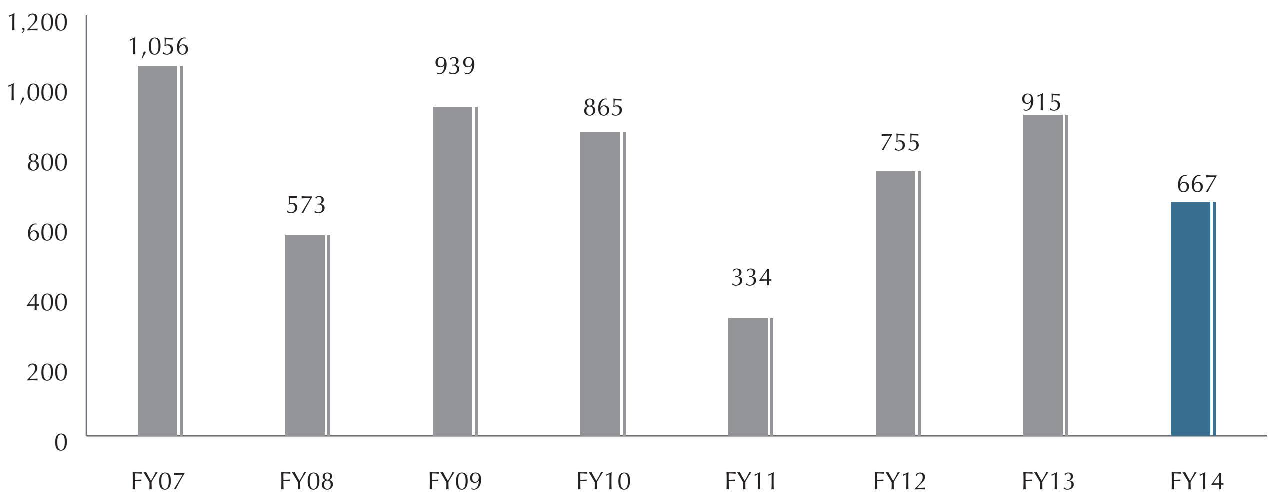
The Group has well-arranged financial resources for the funding requirements of West Route JV, given that the Company signed a RMB1,600 million bank loan facility agreement in May 2012 (which will mature in May 2015 and of which RMB500 million was outstanding and RMB300 million was undrawn as at 30 June 2014); signed a HK$300 million or RMB equivalent 240 million bank loan facility agreement in June 2013 (which will mature in June 2016 and of which HK$248 million or RMB equivalent 198 million was drawn as at 30 June 2014) and also renewed a HK$300 million or RMB equivalent 240 million bank loan facility agreement in March 2014 (which will mature in February 2016 and the whole amount was undrawn as at 30 June 2014).

30 June 2014 (JV level)	Planned Investment RMB million	Estimated outstanding project payments RMB million	Available Funding(Note 2) RMB million		The Group's injection RMB million
Phase II West	7,080(Note 1)	Not more than 320	320	Shareholder's loan(Note 3)	Not more than 160
Phase III West	6,150	Not more than 457	200	PRC bank loans	–
			257	Shareholder's loan(Note 3)	Not more than 129
Total					Not more than 289

Note1: Previous estimate was RMB7,200 million
Note2: Current planning, subject to change
Note3: Will be funded by the Company and the PRC partner on a 50:50 basis

Further capital expenditure of the Company will be not more than RMB289 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 RMB116 million and available committed undrawn banking facilities of RMB582 million. Together with the stable cash dividends from the Group's toll expressway — GS Superhighway, they will also provide sufficient financial resources for the Group.

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



As at 30 June 2014, 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 RMB201 million (30 June 2013: RMB363 million). The Group received cash dividends from GS Superhighway JV of RMB667 million during FY14. The reductions in the cash dividends during FY11 and FY08 were mainly brought about by the intercompany borrowings provided by GS Superhighway JV to West Route JV in respect of Phase II West and the repatriation of registered capital by GS Superhighway JV to the Company respectively. The cash dividends from GS Superhighway JV were restored to their normal levels in FY12. The cash dividends increased during FY13 as a result of the full repayment of intercompany borrowings by West Route JV in respect of Phase II West to GS Superhighway JV in December 2012, and GS Superhighway JV's distribution of a dividend of RMB351 million to the Company out of these funds. The cash dividends received and receivable from GS Superhighway JV make the Group confident that it has sufficient financial resources for its recurring operational activities, as well as its existing and potential investment activities.

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

Bank and Other Borrowings

As at 30 June 2014, the total bank and other borrowings of the JV companies shared by the Group (including US Dollars bank loans of equivalent to RMB1,411 million, HK Dollars bank loan of equivalent to RMB184 million, RMB bank loans of RMB3,988 million and RMB other borrowing of RMB7 million but excluding shareholder's loan), together with the RMB500 million term loan raised by the Company and the Group's HK Dollars bank loan of equivalent to RMB198 million, amounted to approximately RMB6,288 million (30 June 2013: RMB7,051 million (including the Company's RMB corporate bonds with a total value of RMB600 million which were mature in May 2014)) with the following profile:

(a) 99.9% (30 June 2013: 91%) consisted of bank loans and 0.1% (30 June 2013: 9%, including the Company's RMB corporate bonds which were mature in May 2014) of other loans; and

(b) 23% (30 June 2013: 23%) was denominated in US Dollars; 71% (30 June 2013: 73%) was denominated in RMB and 6% (30 June 2013: 4%) was denominated in HK Dollars.

Debt Maturity Profile

As at 30 June 2014, the maturity profile of the bank and other borrowings of the JV companies shared by the Group (excluding shareholder's loan), RMB term loan raised by the Company, together with the Group's bank loans, were shown below, together with the corresponding figures as at 30 June 2013:

HHI Corporate Level

	As at 30 June			
	2013 RMB million	%	**2014 RMB million**	**%**
Repayable within 1 year(Note 1)	702	58%	**500**	**72%**
Repayable between 1 and 5 years(Note 1)	500	42%	**198**	**28%**
	1,202	100%	**698**	**100%**

Share of JV Companies

	As at 30 June			
	2013 RMB million	%	**2014 RMB million**	**%**
Repayable within 1 year	252	4%	**281**	**5%**
Repayable between 1 and 5 years	1,755	30%	**2,102**	**38%**
Repayable beyond 5 years	3,842	66%	**3,207**	**57%**
	5,849	100%	**5,590**	**100%**

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

As at 30 June 2014, 57% (30 June 2013: 66%) of the bank and other borrowings of the JV companies shared by the Group (excluding shareholder's loans) were repayable beyond 5 years and thus the risk of refinancing the bank and other borrowings is relatively low.

Interest Rate and Exchange Rate Exposure

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

Treasury Policies

The Group continues to adopt prudent and conservative treasury policies in its financial and funding management. Its liquidity and financial resources are reviewed on a regular basis, with a view to minimising its funding costs and enhancing the returns on its financial assets. Most of the Group's cash is placed in deposits denominated in RMB. Holding RMB suits the Group's PRC-based operations, and it can earn higher interest income from RMB deposits than HK Dollar deposits. The percentage of cash the Group held in RMB bank deposits was maintained at 99.9% as at 30 June 2014. It has therefore maintained a large proportion of its RMB bank deposits to that of its HK Dollar deposits. There were two cuts in RMB deposit interest rates in the PRC in June and July 2012 respectively. The time deposits which were secured prior to the rate cuts and subject to higher interest rates matured during FY13 gradually. As a result, the Group's overall treasury yield on bank deposits dropped to 3.01%, compared to 3.18% during FY13. 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 2014, the Group had agreed, subject to the approval by the relevant authorities, to make additional capital contributions of approximately RMB402.5 million (30 June 2013: RMB402.5 million) to West Route JV for the development of Phase II West.

Pledge of Assets

As at 30 June 2014, the Group's JV companies pledged certain assets to banks in order to secure the banking facilities granted to them. The carrying amounts of these assets shared by the Group were as follows:

	As at 30 June	
	2013 RMB million	**2014** **RMB million**
Concession intangible assets	5,767	**5,585**
Property and equipment	230	**224**
Inventories	2	**1**
Interest and other receivables	58	**64**
Bank balances and deposits	328	**198**
	6,385	**6,072**

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

Contingent Liabilities

As at 30 June 2014, the Group had no material contingent liabilities.

Material Acquisition or Disposal

The Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the year ended 30 June 2014.

Others

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 30 June 2014, the Group, excluding the joint venture companies, had 26 employees.

Besides offering competitive remuneration packages, the Group is committed to promoting family-friendly employment policies and practices. The Group has arranged birthday parties, christmas party, 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, educational sponsorships and examination leave.

Introduction

This Corporate Social Responsibility Report ("CSR Report") demonstrates HHI's objective, approach and performance on CSR issues within our business and shows our continuing commitment to transparency to stakeholders. Our efforts are well recognized and HHI has been selected as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index from 2011 to 2014.

How we report

This Report has been written by reference to some of the Global Reporting Initiative (GRI) Sustainability Reporting Framework (G3.1). The materiality of the topics covered in this Report was determined through stakeholder engagement which addressed environmental considerations, workplace practices, consumer issues and community involvement and development. In this Report, we reported progress on our commitments related to action plans set in the previous reporting period and established future targets. This enables our stakeholders to better keep track of our progress.

Our performance

(A) Traffic Safety Always Our Top Priority

Enhancing traffic safety on our expressways is one of our top priority goals. The Company and its JV companies collaborated to adequately allocate resources, strictly enforce implementation and effectively ensure sufficient communication to enhance the well-being of our road users on a safe and comfortable expressway.

The GS Superhighway is one of the busiest expressways in mainland China. It is fully monitored by surveillance cameras and covered by a patrol and rescue team of well-trained professionals who can identify accidents and arrive at the scene in the shortest possible time and handle them efficiently. To maintain high quality services, three new towing vehicles were acquired by GS Superhighway JV during the reporting period. Changeable message signboards along our expressways also keep road users informed of the latest traffic conditions ahead and draw their attention to traffic safety. This year, the GS Superhighway JV assisted Guangzhou Daily to distribute over 4,000 copies of World Cup Fans Bible 2014《2014世界杯球迷觀賽金典》 booklets at toll stations of the GS Superhighway. Apart from detailed information on World Cup 2014, one full page inside the booklet delivered messages to remind road users of traffic safety and caution against drunk driving during the World Cup period.

(B) Contributing to a Better Environment

We are keen on incorporating low-carbon and environmental conservation practices in our business operations, including energy-saving initiatives, environmental protection measures and promotion of electric vehicle use. In doing so, we aim at raising corporate awareness of creating a sustainable working and living environment.

Energy Saving

Light is the main source of energy consumption in our expressway operations. Both JV companies installed energy-efficient lighting systems in line with our mission to promote low-carbon operations. The GS Superhighway is a pioneer in Guangdong Province in replacing all conventional low-mast sodium lamps with LED lights on its 122.8-km main alignment. After months of installation and testing since September 2012, the full operation of LED lights on the main alignment started in June 2013. We recorded 46% year-on-year reduction in electricity consumption during this reporting period. Phase III West also adopted energy-saving LED lights along the tunnel sections and toll plazas since its opening in January 2013. In addition, the GS Superhighway JV and the West Route JV encouraged staff to support the WWF Earth Hour 2014. We received heartening support and feedback from our staff as they switched off lights in hostels for one hour on 29 March 2014.

Promoting use of Electric Vehicles (EV)

The Company and its JV companies endeavor to explore possibilities in expanding our green car fleet and charging facilities along our expressways. The GS Superhighway JV purchased one more petrol-electric hybrid vehicle in October 2013. The use of petrol-electric hybrid vehicles reduced about 40% fuel consumption compared with other conventional vehicles in the company. HHI also owned two EVs. We encourage our staff members to use EVs for local and cross-border business trips. The JV companies also looked into the feasibility of installing charging facilities for EVs along our expressways. At present, two test charging points have been installed along the GS Superhighway for internal use. We aim at gradually broadening the use of EVs within our corporate and among communities in the proximity of our expressways.

Environmental Performance Table

Indicator	Unit	FY12 GS Superhighway JV	FY12 West Route JV	FY12 Total	FY13 GS Superhighway JV	FY13 West Route JV	FY13 Total	FY14 GS Superhighway JV	FY14 West Route JV	FY14 Total
Energy use										
Purchased electricity (non-renewable)	MWh	28,082	4,378	32,460	24,038	6,143	30,181	**21,702**	**10,206[4]**	**31,908**
	GJ	101,095	15,761	116,856	86,537	20,272	106,809	**78,127**	**36,742**	**114,869**
Renewable energy[1]	MWh	–	13.49	13.49	–	11.65	11.65	**–**	**12.87**	**12.87**
	GJ	–	48.56	48.56	–	41.94	41.94	**–**	**46.33**	**46.33**
Diesel	Litres	370,364	23,975	394,339	476,192	13,505	489,697	**439,872**	**23,110**	**462,982**
	GJ	13,281	860	14,141	17,076	484	17,561	**15,774**	**829**	**16,603**
Petrol	Litres	559,345	164,903	724,248	545,920	254,963	800,883	**509,007**	**275,949**	**784,956**
	GJ	18,000	5,307	23,306	17,568	8,205	25,772	**16,380**	**8,880**	**25,260**
CO_2e emissions[2]										
Direct CO_2e emissions	Tonnes	2,541	513	3,054	2,798	728	3,526	**2,598**	**811**	**3,409**
Electricity indirect CO_2e emissions	Tonnes	27,414	4,274	31,687	22,461	5,740	28,201	**20,015**	**9,413**	**29,429**
Water										
Fresh water used	m^3	495,624	96,346	591,970	479,912	89,306	569,218	**392,869**	**125,940[4]**	**518,809**
Materials used[3]										
Cement	Tonnes	361,969	314,776	676,745	16,973	81,391	98,364	**17,494**	**186**	**17,680**
Steel	Tonnes	13,200	77,606	90,806	2,238	5,777	8,015	**4,557**	**1**	**4,558**
Steel strand	Tonnes	701	6,560	7,261	21	42	63	**86**	**0**	**86**
Bitumen	m^3	33,240	0	33,240	7,356	25,557	32,913	**9,122**	**0**	**9,122**

Notes:

(1) Estimated data based on the energy consumption of 21 surveillance cameras powered by micro wind and solar power on the Western Delta Route.

(2) Calculation based on the purchased electricity figures applying the default Mainland China Southern Grid emission factor of 922.3gCo/kWh.

(3) Include the consumption of materials for repair and maintenance work in the GS Superhighway and the Western Delta Route.

(4) Data in April, May and June 2014 at some toll stations were estimated based on monthly average usage from July 2013 to March 2014.

The total electricity consumption of the GS Superhighway JV decreased by 10% from 24,038 MWh to 21,702 MWh year-on-year. This resulted from the holistic approach and implementation of energy-saving initiatives, including the replacement of LED lights on the main alignment of the GS Superhighway.

The total electricity consumption of the Western Delta Route increased from 4,378 MWh in FY12 to 10,206 MWh in FY14, mainly due to the opening of Phase III West in January 2013. FY14 was the first full operational year of the entire Western Delta Route, as a result additional electricity consumption for tunnel lighting, toll plaza lighting and new office and staff quarters was incurred. The amount of materials used in FY14 was greatly reduced compared to the previous reporting period as all construction works have been completed.

(C) Caring for Our Customers and Communities

Customer Service

Every year in June or July, both JV companies host a month-long campaign which aims at raising service standards and maintaining customer satisfaction. Both JV companies will provide free travel handbooks and emergency drugs to road users during the period. Service consultation points are set up for public enquiries. During the period, skill level contests and operation knowledge tests for toll collection staff are held to stimulate staff morale and enhance efficiency and service quality.

In order to provide the public with updated traffic conditions along the road, both JV companies share traffic information through a provincial customer service website (www.02096998.com) and radio broadcasting. The GS Superhighway JV also launched a free mobile application in 2012 which provides road users with the latest information about road conditions. The iOS version of this application was launched in 2013.

Community Service

We strive to engage local communities in the proximity of our expressways and 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 at large scale social events. For instance, volunteers of the West Route JV joined 'Firefly Program' and went to rural areas in Shaoguan in October 2013 to donate books and teaching materials to people in need.

Both JV companies installed more noise barriers along the expressways to further mitigate impact to residential areas in the proximity. The GS Superhighway JV and the West Route JV installed around 1-km and 4-km of additional noise barriers along the expressways respectively in this reporting period.

The Company encourages our employees to actively participate in a variety of community activities, such as "2013/2014 Hong Kong and Kowloon Walk" , "Dress Casual Day 2013" and "Love Teeth Day 2013" organised by the Community Chest of Hong Kong and "Red Décor Day 2013" organised by the Hong Kong Red Cross. Several large scale volunteering activities such as Coastal Cleanup Challenge 2013, Hong Kong Tree Planting Day 2014 and Tuen Ng Volunteer Visit to Elderly have also been held, which raised the awareness of our employees and communities towards social and environmental responsibility.

(D) Caring for Our Staff

Work Safety

Both JV companies launched Safety Operation Month 2014 in June this year to enhance knowledge of safety operation law, promote safety operation culture and strengthen safety awareness among staff. The GS Superhighway JV published safety management regulations which were distributed to frontline staff members. In addition to launching 15 internal contests, the GS Superhighway JV held a variety of promotion activities such as gala evenings and puzzles to encourage staff participation and strengthen their safety awareness. A corporate video on safety operation was uploaded onto the intranet of the GS Superhighway JV to promote culture of safety operation. The West Route JV also held an education learning week and launched safety operation checking activities to enhance skills and safety consciousness among staff. Both JV companies organised emergency drills to strengthen staff's technical knowledge and safety awareness.

Staff Development

The GS Superhighway JV invited a senior trainer of Guangdong Association for Quality to launch a two-day training session for 19 Quality Control Group members in June 2014 to enrich and upgrade their knowledge in service standards. The GS Superhighway JV also provided external training for staff to enhance their skills and knowledge. A total of 84 staff members participated in external training in the first half of 2014.

Promotion of Work-life Balance

We continue to promote healthy work-life balance among our staff. Various interest classes such as photography, makeup, wine tasting and bakery classes were held to encourage new interests and build team spirit among staff. In the GS Superhighway JV, a new staff quarter was built near the Baoan interchange to provide a better living environment for staff. Improvement works were also carried out at Taiping and Nantou living areas including water heating system improvements and interior decorations.

Social Performance Table

Indicator	Unit	FY12 GS Superhighway JV	FY12 West Route JV	FY13 GS Superhighway JV	FY13 West Route JV	**FY14 GS Superhighway JV**	**FY14 West Route JV**
Total Full-time Workforce							
by Location	no.						
Hong Kong		3	2	3	2	**3**	**2**
Mainland China		2,648	686	2,578	960	**2,581**	**949**
Total HK and China Employees		2,651	688	2,581	962	**2,584**	**951**
by Gender	%						
Female		39.91	40.41	39.36	37.63	**39.09**	**39.12**
Male		60.09	59.59	60.64	62.37	**60.91**	**60.88**
by Age Group	%						
Under 30 years old		55.90	71.95	53.08	74.95	**52.09**	**72.34**
30-50 years old		42.32	26.16	44.87	23.18	**45.47**	**25.66**
Over 50 years old		1.77	1.89	2.05	1.87	**2.44**	**2.00**
by Employment Category	%						
Senior Management	no. (%)	10 (0.38)	8 (1.16)	8 (0.31)	7 (0.73)	**9 (0.35)**	**8 (0.84)**
Managerial		28 (1.06)	22 (3.20)	31 (1.20)	19 (1.98)	**34 (1.32)**	**18 (1.89)**
General		2,613 (98.57)	658 (95.64)	2,542 (98.49)	936 (97.30)	**2,541 (98.34)**	**925 (97.27)**
Minority groups within workforce	%	1.85	0	1.86	1.56	**1.86**	**2.10**
Governance Bodies							
by Gender	no.						
Female		1	0	1	0	**1**	**0**
Male		9	8	9	8	**9**	**8**
By Age Group							
Under 30 years		0	0	0	0	**0**	**0**
30–50 years old		6	6	5	6	**5**	**6**
Over 50 years old		4	2	5	2	**5**	**2**
Employee turnover rate	**no. (%)**	427 (16.11)	111 (16.13)	509 (19.72)	151 (15.70)	**341 (13.20)**	**180 (18.93)**
by Gender	no. (%)						
Female		191 (7.20)	41 (5.96)	258 (10)	72 (7.48)	**163 (6.31)**	**71 (7.47)**
Male		236 (8.90)	70 (10.17)	251 (9.72)	79 (8.21)	**178 (6.89)**	**109 (11.46)**
by Age Group	no. (%)						
Under 30 years		362 (13.66)	N/A	426 (16.51)	136 (14.14)	**273 (10.57)**	**158 (16.61)**
30–50 years old		65 (2.45)	N/A	78 (3.02)	14 (1.46)	**60 (2.32)**	**22 (2.31)**
Over 50 years old		0 (0)	N/A	5 (0.19)	1 (0.10)	**8 (0.31)**	**0 (0)**
New Employee							
No. of new employee	no.	280	103	440	444	**344**	**171**
Rates of new employee hire	%	10.56	14.97	17.05	46.15	**13.31**	**17.98**
Employees covered under collective bargaining agreement	%	100	100	100	100	**100**	**100**

Indicator	Unit	FY12 GS Superhighway JV	FY12 West Route JV	FY13 GS Superhighway JV	FY13 West Route JV	**FY14 GS Superhighway JV**	**FY14 West Route JV**
Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	no.	1 month	1 month	1 month	1 month	**1 month**	**1 month**
Occupational Injuries							
by Region	no.						
Hong Kong		0	0	0	0	**0**	**0**
Mainland China		5	0	10	2	**8**	**1**
by Gender	no.						
Female		1	0	1	1	**2**	**1**
Male		4	0	9	1	**6**	**0**
Lost Days due to Injuries	Days	N/A	0	N/A	67	**N/A**	**18**
Work-Related Fatalities		0	0	1	0	**0**	**0**
Rate of injury per 1,000 employees		1.89	0	3.87	2.08	**3.10**	**1.05**
Employees receiving regular performance reviews	%	100	100	100	100	**100**	**100**

Continued Sustainable Future

Sustainable development is one of the Group's key strategic focuses. With support from our management, staff and stakeholders, sustainability values have permeated through different levels of our Group and we have been taking active steps to implement various CSR initiatives. Moving forward, we will continue to strive for more progress in our sustainability journey and take the following steps in the year ahead.

The GS Superhighway JV is testing to refit high-pole lamps with energy-saving lights to further reduce electricity consumption. It is also looking into purchasing additional electric vehicles or petrol-electric hybrid vehicles in the future. The West Route JV targets to install an additional 0.4-km of noise barriers along the expressway to further mitigate impact on residential areas in the proximity. A badminton stadium will be built in Zhongshan South living area to promote work-life balance.

Faced with increasing traffic volume on our expressways, maintaining smooth traffic flow and high quality service standards are our management's top priority. Both the GS Superhighway JV and the West Route JV will continue to maintain service standards by providing staff members with professional training, internal contests and educational activities.

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code.

Throughout the year ended 30 June 2014, the Company has complied with all the code provisions as set out in the CG Code except for the deviation from code provisions A.5.1 and A.5.6 of the CG Code, with explanation described below.

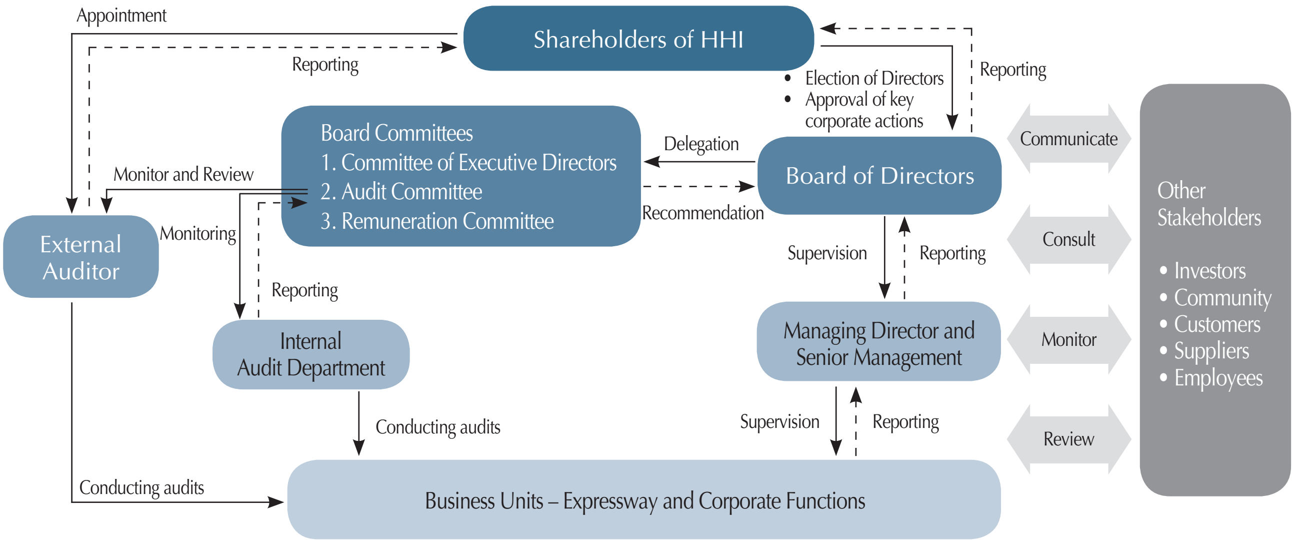
Code Provision A.5.1

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, composition and diversity. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of Independent Non-executive Director, the independence requirements set out in the Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Chairman and/or the Managing Director and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Code provision A.5.6

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

Corporate Governance Structure



Board of Directors

The Board

The Company is managed through the Board which currently comprises five Executive Directors (including the Chairman) and three Independent Non-Executive Directors. The names and biographical details of the Directors, and the relationship amongst them, if any, are set out on pages 10 to 16 of this Annual Report. The remuneration of the Executive Directors, who are regarded as senior management of the Company, are disclosed in note 11 to the consolidated financial statements.

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

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

Independent Non-Executive Directors are selected with the necessary skills and experience to provide strong independent element on the Board and to exercise independent judgement. At least one of the Independent Non-Executive Directors has appropriate professional qualifications or accounting or related financial management expertise as provided under Rule 3.10 of the Listing Rules. The Board has received from each Independent Non-Executive Director a written annual confirmation of independence. All the Independent Non-Executive Directors meet the independence criteria set out in Rule 3.13 of the Listing Rules.

Chairman and Managing Director

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

Appointment, Re-election and Removal

All Independent Non-Executive Directors are appointed for a specific term of three years and are subject to retirement from office and re-election at least once every three years.

In accordance with the Company's Articles of Association, all newly appointed Directors shall hold office until the next following general meeting of the Company after their appointment and shall then be eligible for re-election. Every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his/her (i) last appointment by the Board, (ii) last election or (iii) last re-election, and shall be eligible for re-election subject to the provisions of the Company's Articles of Association.

Newly appointed Director(s) will be given an induction on the information of the Group and a manual on the duties and responsibilities as a director of a listed company both under the Listing Rules and applicable laws.

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

Board Committees

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

The Company also established the Audit Committee and the Remuneration Committee to deal with the specific matters as set out below in the interest of all shareholders in an objective manner. Save for one member of the Remuneration Committee is an Executive Director, members of these two committees currently comprise Independent Non-Executive Directors.

Audit Committee

The Audit Committee comprises three Independent Non-Executive Directors, namely Mr. Yuk Keung IP (Chairman), Professor Chung Kwong POON and Mr. Brian David Man Bun LI. The Company Secretary of the Company, or in his absence, his representative, serves as the secretary of the Audit Committee and minutes of the meetings are sent to the members of the Audit Committee within a reasonable time after the meetings.

At least one of the members of the Audit Committee has appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. None of the members of the Audit Committee was a former partner of the Company's existing external auditor within one year immediately prior to the dates of their respective appointments. All members have appropriate skills and experience in reviewing financial statements as well as addressing significant control and financial issues of the Company.

The Board expects the members of the Audit Committee to exercise independent judgement and delegates the responsibilities of the corporate governance functions to the Audit Committee in order to comply with the requirement of the CG Code. Under the terms of reference of the Audit Committee, the corporate governance functions of the Board has been delegated to the Audit Committee to monitor, procure and manage corporate compliance within the Group.

Major responsibilities and functions of the Audit Committee are:

- consider the appointment, re-appointment and removal of the external auditor
- approve the remuneration and terms of engagement of the external auditor
- monitor the external auditor's independence and objectivity
- review and supervise the Group's financial controls, internal control and risk management systems
- review and monitor the interim and annual financial statements before submission to the Board
- develop and review the Company's policy and practices on corporate governance and make recommendations to the Board
- review and monitor the training and continuous professional development of Directors and senior management
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements
- develop, review and monitor the code of conduct applicable to employees and Directors
- review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report
- review arrangements for concerns about possible improprieties in financial reporting, internal control or other matters

Principal works performed during the year under review included:

- considered and approved the terms of engagement of the external auditor and their remuneration
- reviewed the annual financial statements for the year ended 30 June 2013 and the interim financial statements for the six months ended 31 December 2013
- reviewed the work performed by Internal Audit Department and the Group's internal control system
- reviewed the Company's policies and practices on corporate governance

The terms of reference setting out the Audit Committee's authority and its duties and responsibilities are available on the HHI Website and on the HKEx Website.

Remuneration Committee

The Remuneration Committee comprises two Independent Non-Executive Directors namely, Professor Chung Kwong POON (Chairman) and Mr. Yuk Keung IP and one Executive Director, Mr. Alan Chi Hung CHAN. The head of Group Human Resources Department of the Company serves as the secretary of the Remuneration Committee and minutes of the meetings are sent to the members of the Remuneration Committee within a reasonable time after the meetings.

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of Executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Major responsibilities and functions of the Remuneration Committee are:

- make recommendations to the Board on the Company's policy and structure of all Directors' and senior management's remuneration; and the establishment of a formal and transparent procedure for developing remuneration policy
- review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives
- make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management
- make recommendations to the Board on the remuneration of Independent Non-Executive Directors

Principal works performed during the year under review included:

- reviewed and approved the remuneration of all Executive Directors for the year of 2014 and bonus payment for the year of 2013
- reviewed the level of Directors' fees and made recommendations on the Directors' fees for the year ended 30 June 2014

The terms of reference setting out the Remuneration Committee's authority and its duties and responsibilities are available on the HHI Website and on the HKEx Website.

Attendance at Meetings

During the year under review, the attendance records of the Directors at Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings and the 2013 Annual General Meeting are as follows:

	Number of meetings attended/held			
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	2013 Annual General Meeting
Number of meetings held	6	2	2	1
Executive Directors				
Sir Gordon WU GBS, KCMG, FICE	6/6	N/A	N/A	1/1
Mr. Eddie Ping Chang HO	5/6	N/A	N/A	1/1
Mr. Thomas Jefferson WU	6/6	N/A	N/A	1/1
Mr. Alan Chi Hung CHAN	6/6	N/A	2/2	1/1
Mr. Cheng Hui JIA	6/6	N/A	N/A	1/1
Mr. Alan Ming Fai TAM (resigned as Executive Director on 8 November 2013)	1/1	N/A	N/A	1/1
Independent Non-Executive Directors				
Professor Chung Kwong POON GBS, JP	6/6	2/2	2/2	1/1
Mr. Yuk Keung IP	6/6	2/2	2/2	1/1
Mr. Brian David Man Bun LI JP	5/6	2/2	N/A	1/1

In addition, the Chairman of the Board held a meeting with the Independent Non-Executive Directors without the presence of the Executive Directors in May 2014.

Induction Programme and Training for Board Members

A comprehensive, formal and tailored induction programme on key areas of business operations and practices of the Company is given to newly appointed Board Members by the management of the Company. A Guide on Directors' Duties published by the Companies Registry of Hong Kong and/or a Guide for Independent Non-Executive Directors published by The Hong Kong Institute of Directors have been sent (in case of Independent Non-Executive Director(s)) to each Director for his/her information and ready reference.

During the year under review, Directors received regular updates and presentations on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities. Arrangements were made to have speakers delivering talks and presentations to Directors on relevant topics with emphasis on the roles, functions and duties of directors as well as corporate governance issues. The costs for such trainings are borne by the Company.

Directors' training is an ongoing process. All Directors are encouraged to attend relevant training courses to enrich their knowledge in discharging their duties as a director. Directors are requested to provide the records of training they received to the Company for record.

To summarise, the Directors received trainings on the following areas to update and develop their skills and knowledge during the year under review:

	Corporate Governance	Legal and Regulatory	Group's Businesses
Executive Directors			
Sir Gordon WU GBS, KCMG, FICE	✓	✓	✓
Mr. Eddie Ping Chang HO	✓	✓	✓
Mr. Thomas Jefferson WU	✓	✓	✓
Mr. Alan Chi Hung CHAN	✓	✓	✓
Mr. Cheng Hui JIA	✓	✓	✓
Mr. Alan Ming Fai TAM (resigned as Executive Director on 8 November 2013)	✓	✓	✓
Independent Non-Executive Directors			
Professor Chung Kwong POON GBS, JP	✓	✓	✓
Mr. Yuk Keung IP	✓	✓	✓
Mr. Brian David Man Bun LI JP	✓	✓	✓

Company Secretary

The Company Secretary is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of Directors.

The Company Secretary reports to the Chairman and the Managing Director, plays an essential role in the relationship between the Company and its shareholders, and assists the Board in discharging its obligations to shareholders pursuant to the Listing Rules.

During the year under review, Mr. Richard Cho Wa LAW resigned as the Company Secretary of the Company with effect from 18 April 2014 and upon his resignation, Mr. Po Wah HUEN of Fair Wind Secretarial Services Limited, an external service provider, has been engaged by the Company as its Company Secretary. The primary contact person of the Company with Mr. HUEN is Mr. Alan Chi Hung CHAN, the Deputy Managing Director. Both Mr. HUEN and Mr. LAW have attended no less than 15 hours of relevant professional training during the financial year.

Accountability and Audit

Financial Reporting

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

From April 2012 onwards, all Directors have been provided, on a monthly basis, with the Group's updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under the relevant requirements of the Listing Rules.

External Auditor and their Remuneration

The Company's external auditor is DTT. The responsibilities of the auditor with respect to the financial reporting are set out in the Independent Auditor's Report on pages 85 and 86 of this Annual Report. The independence of the external auditor is monitored by the Audit Committee which is also responsible for making recommendations to the Board on the appointment of the external auditor as well as approving their terms of engagement and remuneration. Apart from the statutory audit of the Group's consolidated financial statements, DTT was also engaged to perform a review on the interim financial information of the Company for the six months ended 31 December 2013.

During the year ended 30 June 2014, the fees payable by the Group to the external auditor in respect of audit and non-audit services provided by them were as follows:

	HK$'000
Audit services	1,602
Non-audit services:	
Interim review	383
Others	50
Total	**2,035**

Internal Controls

The Board is of the opinion that a sound internal control system will help achieve the Group's business objectives, safeguard the Group's assets, and contribute to the effectiveness and efficiency of operations, the reliability of financial reporting and the Group's compliance with applicable laws and regulations.

The Group's internal control procedures include a comprehensive budgeting, information reporting and performance monitoring system.

Business plans and budgets are prepared annually by the management of each business unit and are subject to review and approval by the Executive Directors. During the processes, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks. These plans and budgets are then reviewed quarterly against actual performance for validity and adjustments. Various guidelines and procedures have been established for the approval and control of operating expenses, capital expenditures, project investments, unbudgeted items and acquisitions.

The Executive Directors review monthly management reports and hold periodical meetings with the senior operational and finance management to discuss business performance, budget variances, forecasts, market outlooks, and to address any accounting and finance related matters.

The Board acknowledges its responsibility for the Group's system of internal controls and for reviewing its effectiveness through the Audit Committee. Evaluation of the Group's internal control, including its effectiveness, proper functioning and compliance with internal policies and external regulations, is independently conducted by the Internal Audit Department on an on-going basis for principal operations. Audit findings and risk concerns are raised to responsible management for rectification with significant items reported to the Audit Committee at least twice every year.

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

Business Ethics

The Company considers ethical corporate culture and employees' honesty and integrity to be important assets and endeavours to comply with the laws and regulations of the countries in which we operate. All Directors and employees are required to act responsibly to ensure that the reputation of the Company is not tarnished. To uphold a high standard of integrity in all aspects of everyday activities, the Company adopts a Code of Conduct which provides employees with a set of defined ethical standards for adherence. The Code of Conduct is posted on the Company's intranet for observance by all staff. The Heads of Business Units, through the Human Resources Department, are charged with the responsibility of disseminating the Code of Conduct requirements to the employees concerned.

Remuneration Policy

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

The fixed elements of the Executive Directors' remuneration are reviewed annually and will take into account the job nature, responsibilities, experience and performance of the individual as well as prevailing market salary practices. Directors' fees for the current financial year had been approved by the shareholders at the 2013 Annual General Meeting.

Inside Information Policy

The Board has adopted the Inside Information Policy which contains the guidelines to the Directors, officers and all employees of the Group to ensure that inside information can be promptly identified, assessed and disseminated to public in equal and timely manner in accordance with the applicable laws and regulations.

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 inside 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 year under review.

Shareholders

Communication with Shareholders

The Company recognises the importance of communications with the shareholders of the Company, both individual and institutional as well as potential investors. The Board has adopted a Shareholders Communication Policy of the Company which aims to set out the provisions with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders of the Company to exercise their rights in an informed manner, and to allow shareholders of the Company and potential investors to engage actively with the Company. The Shareholders Communication Policy of the Company is posted on the HHI Website.

Disclosure of information on HHI Website

The Company endeavours to disclose all material information about the Group to all interested parties as widely and as timely as possible. The Company maintains a corporate website at www.hopewellhighway.com where important and updated information about the Group's activities and corporate matters such as annual and interim reports, announcements, business development and operations, corporate governance practices and other information are available for review by shareholders and other stakeholders. The Company also discloses in a timely manner the traffic statistics and toll revenue of the GS Superhighway, Phase I West, Phase II West and Phase III West on monthly basis on the HHI Website. When announcements are made through the Stock Exchange, the same information is made available on the HHI Website.

Annual General Meeting

The Company's annual general meeting is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to communicate face to face with the Directors about the Company's performance and operations. It has been the practice for all the Directors (including the Chairman) and the chairmen of the Audit Committee and the Remuneration Committee together with the external auditor of the Company to attend the annual general meetings to answer shareholders' questions. The 2013 Annual General Meeting was held at Auditorium, 3/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on 21 October 2013. The 2014 Annual General Meeting has been scheduled to be held on 21 October 2014.

Investor Relations

The Company values existing shareholders and potential investors and has been making concerted efforts to foster communications with them.

With a view to maintaining effective two-way communications with investors and shareholders, the Company runs a proactive investor relations program. During the year under review, meetings and conference calls were held regularly to allow the investment community to better grasp the Company's development pulse. Besides, site visit to the Company's toll road project was arranged. The Company also organized road shows and participated in investor conferences in Hong Kong and overseas, with the goal to connect with investors worldwide and reinforce relationship with them.

The Company believes that communications with the investment community can augment their understanding of the Company and ultimately help reflect the Company's value. Going forward, the Company will continue to dedicate efforts to sustain excellence in investor relations and strengthen transparency. Investors are welcome to send any enquiry or suggestion to our investor relations team at ir@hopewellhighway.com.

Shareholders' Rights

The Company recognises the significance and importance of having a governance framework that protects shareholders' rights.

Voting by Poll

Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the HHI Website and on the HKEx Website on the same day of the poll.

Convening of extraordinary general meeting on requisition by shareholders

In accordance with Article 68 of the Company's Articles of Association, (a) any two or more shareholders of the Company holding at the date of deposit of the written requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at the general meeting of the Company or (b) any one shareholder of the Company which is a clearing house (or its nominee) holding at the date of deposit of the written requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, may require the Board to convene an extraordinary general meeting ("EGM"). The written requisition must specify the objects of the meeting, and be signed by the shareholder(s) concerned and deposited at the principal place of business of the Company in Hong Kong at Room 63-02, 63rd Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for the attention of the Company Secretary.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene an EGM, the shareholder(s) concerned or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, provided that the EGM so convened shall not be held after the expiration of 3 months from such date.

The EGM convened by shareholders shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the Board.

Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Investor Relations Department whose contact details are as follows:

Investor Relations Department
Hopewell Highway Infrastructure Limited
Room 63-02, 63rd Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong
Email: ir@hopewellhighway.com
Tel No.: (852) 2528 4975
Fax No.: (852) 2529 8602

Company Secretarial Department, Corporate Communications Department and Investor Relations Department of the Company handle both telephone and written enquiries from shareholders of the Company from time to time.

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the shareholders' questions.

Procedures for putting forward proposals at general meetings by shareholders

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2011 Revision). However, shareholders are requested to follow Article 68 of the Company's Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above.

Pursuant to Article 116 of the Company's Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless (a) he/she is recommended by the Board for election; or (b) a shareholder of the Company shall have given notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected shall have been given to the Company in the period commencing no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for shareholders of the Company to propose a person for election as Director is posted on the HHI Website.

Report of the Directors

The Directors have pleasure in presenting their report on the affairs of the Company and the Group together with the audited financial statements for the year ended 30 June 2014.

Principal Activities

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

Results

The results of the Group for the year ended 30 June 2014 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 87.

Dividends

The Directors recommend the payment of a final dividend of RMB8.1 cents (equivalent to HK10.1806 cents at the exchange rate of RMB1:HK$1.25687) per share (2013: final dividend of RMB9 cents per share and special final dividend of RMB10 cents per share) per share in respect of the year ended 30 June 2014.

Together with the interim dividend of RMB9.8 cents (equivalent to HK12.4590 cents) per share paid on 19 February 2014 (2013: RMB10 cents per share), the total dividends for the year will be RMB17.9 cents (equivalent to HK22.6396 cents) per share (2013: RMB29 cents per share).

Major Projects and Events

Details regarding major projects undertaken by the Group and events that have taken place during the year under review are incorporated under the section “Business Review” as set out on pages 17 to 36.

Share Capital

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

Reserves

Movements in reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity on pages 90 to 91 and note 25 to the consolidated financial statements.

Fixed Assets

Movements in property and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

Major Customers and Suppliers

There are no major customers and suppliers in view of the nature of the Group's business.

Directors and Senior Management

The Directors and their profiles as at the date of this report are set out on pages 10 to 16.

Mr. Alan Ming Fai TAM resigned as an Executive Director on 8 November 2013, there was no other change in respect of the composition of the Board during the year and up to the date of this report.

In accordance with the Company's Articles of Association, every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his last election/re-election and shall be eligible for re-election subject to the provisions of the Company's Articles of Association. Mr. Cheng Hui JIA, Mr. Yuk Keung IP and Mr. Brian David Man Bun LI shall retire from office at the 2014 Annual General Meeting and, being eligible, offered themselves for re-election.

The businesses of the Group are under the direct responsibility of the Executive Directors who are regarded as members of the Group's senior management.

Directors' Interest in Contracts of Significance

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

Directors' Interests in Shares, Underlying Shares and Debentures

As at 30 June 2014, 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	Approximate % 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	4,889,500	–	14,000	–	4,903,500	0.15
Thomas Jefferson WU	16,000,000	–	–	–	16,000,000	0.51
Alan Chi Hung CHAN	478,500	–	–	–	478,500	0.01
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.

(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	Approximate % of issued share capital
Sir Gordon WU	75,083,240	25,420,000	111,250,000	30,680,000[ii]	242,433,240	27.82
Eddie Ping Chang HO	27,691,500	–	70,000	–	27,761,500	3.18
Thomas Jefferson WU	27,600,000	–	–	–	27,600,000	3.16
Alan Chi Hung CHAN	585,000	–	–	–	585,000	0.06
Cheng Hui JIA	241,000	–	–	–	241,000	0.02

Notes:

(i) 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.

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

Save as aforesaid, as at 30 June 2014, 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

2003 HHI Share Option Scheme

(A) A share option scheme of the Company was approved by the written resolutions of the then sole shareholder of the Company passed on 16 July 2003 and approved by shareholders of HHL at an extraordinary general meeting held on 16 July 2003 (the "2003 HHI Share Option Scheme"). The 2003 HHI Share Option Scheme expired on 15 July 2013. No further options may be granted but the provisions of the 2003 HHI Options Scheme shall in all other respects remain in full force and effect and options which were granted during the life of the 2003 HHI Share Option Scheme may continue to be exercisable in accordance with their respective terms of issue. A summary of some of the principal terms of the 2003 HHI Share Option Scheme is set out in (B) below.

(B) The purpose of the 2003 HHI Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to (i) any executive or non-executive directors including independent non-executive directors or any employees of each member of the Group; (ii) any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group; (iii) any consultants, professional and other advisers to each member of the Group; (iv) any chief executives, or substantial shareholders of the Company; (v) any associates of director, chief executive or substantial shareholder of the Company; and (vi) any employees of substantial shareholder of the Company or for such other purposes as the Board may approve from time to time.

The maximum entitlement of each participant under the 2003 HHI Share Option Scheme in any 12-month period must not exceed 1% of the issued share capital of the Company. As at the date of this report, there were still options granted and outstanding under the 2003 HHI Share Option Scheme and 760,000 shares were issuable under the 2003 HHI Share Options Scheme, representing approximately 0.02% of the total issued shares of the Company.

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

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

(C) Details of the movement of share options under the 2003 HHI Share Option Scheme during the year ended 30 June 2014 were as follows:

			Number of share options						
	Date of grant	Exercise price per share (HK$)	Outstanding at 01/07/2013	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30/06/2014	Exercise period	Closing price before date of grant falling within the year (HK$)
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 year.

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

2013 HHI Share Option Scheme

(A) A new share option scheme was approved by both the shareholders of HHL and the Company effective on 22 October 2013 ("2013 HHI Share Option Scheme"). The 2013 HHI Share Option Scheme will expire on 21 October 2023, but any options then outstanding will continue to be exercisable. A summary of some of the principal terms of the 2013 HHI Share Option Scheme is set out in (B) below.

(B) The 2013 HHI Share Option Scheme is designated to provide HHI with an alternative means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to any eligible persons (including substantial shareholders of HHI, directors or employees or consultants, professionals or advisers of/to each member of the HHI Group) and for such other purposes as the Board may approve from time to time.

The maximum number of shares in HHI in respect of which options may be granted (together with shares issued pursuant to options exercised and shares in respect of which any option remains outstanding) under the 2013 HHI Share Option Scheme and any other share option schemes of HHI will not exceed 10% in aggregate the total number of shares in issue as at the date of adoption of the 2013 HHI Share Option Scheme, unless a fresh approval from the shareholders is obtained. The maximum entitlement of each participant under the 2013 HHI Share Option Scheme in any 12-month period must not exceed 1% of the total number of shares in issue. As at the date of this report, no options were granted under the 2013 HHI Share Option Scheme and 308,169,028 shares were issuable under the 2013 HHI Share Option Scheme, representing approximately 10% of the total issued shares of the Company.

The period under which an option may be exercised will be determined by the Board in its discretion, save that an option shall expire not later than 10 years after the date of grant. Unless otherwise determined by the Board and specified in the offer letter at the time of the offer, there is no minimum period for which an option must be held before the option can be exercised. An option is open for acceptance for such time to be determined by the HHI Board, provided that no offer shall be open for acceptance after expiry of the term and/or the period stipulated in the offer letter. The amount payable on acceptance of an option is HK$1. The full amount of exercise price for the subscription of shares has to be paid upon exercise of an option.

The exercise price for an option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option and shall be stated in the letter containing the offer of the grant of option. The exercise price shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant (deemed to be the date of offer), which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share in HHI.

Share Awards

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

(B) The purpose of the Award Scheme is to recognise the contributions by certain employees (including without limitation to employees who are also Directors) of the Group and to give incentive in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

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 were no awarded shares granted or outstanding during the year ended 30 June 2014 and accordingly no dividend income was received in respect of shares hold upon the trust for the Award Scheme (2013: Nil) during the year under review.

Arrangements to Acquire Shares or Debentures

Save as disclosed in the previous sections headed "Share Options" and "Share Awards", at no time during the year ended 30 June 2014 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Directors' Remuneration

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

Retirement and Pension Plan

To comply with the statutory requirements of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of Laws of Hong Kong), the Group has set up the MPF Schemes. Mandatory contributions to these schemes are made by both the employers and employees at 5% of the employees' monthly relevant income capped at HK$25,000 for the period of July 2013 to May 2014, and, HK$30,000 from June 2014 onwards. The employees employed by the PRC subsidiaries are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year are RMB785,000 (approximately HK$991,000) (2013: RMB459,000 (approximately HK$569,000)).

Service Contracts of Directors

No Directors proposed for re-election at the 2014 Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation). All the Independent Non-Executive Directors are appointed for a fixed period but subject to retirement from office and re-election at the annual general meetings of the Company in accordance with the Company's Articles of Association.

Management Contracts

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

Substantial Shareholders' and Other Persons' Interests in Shares

As at 30 June 2014, to the best knowledge of the Directors, the interests of substantial shareholders and other 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)	Approximate % of issued share capital
Anber Investments Limited	Beneficial owner	2,098,850,098[i]	68.10
Delta Roads Limited	Interests of controlled corporation	2,098,850,098[i]	68.10
Dover Hills Investments Limited	Interests of controlled corporation	2,098,850,098[i]	68.10
Supreme Choice Investments Limited	Interests of controlled corporation	2,098,850,098[i]	68.10
HHL	Interests of controlled corporation	2,098,850,098[i]	68.10

Note:

(i) The 2,098,850,098 shares were held by Anber Investments Limited ("Anber"), a wholly-owned subsidiary of Delta Roads Limited ("Delta") which was wholly-owned by Dover Hills Investments Limited ("Dover"). Dover was in turn 100% owned by Supreme Choice Investments Limited ("Supreme"), a wholly-owned subsidiary of HHL. The interests of Anber, Delta, Dover, Supreme and HHL in 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, Dover, Supreme 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 shares of the Company and recorded in the register maintained under Section 336 of the SFO as at 30 June 2014.

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 year ended 30 June 2014.

Pre-emptive Rights

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

Confirmation on Independence

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

Connected Transactions and Continuing Connected Transactions

During the year under review, there were no connected transactions and continuing connected transactions which are required to be disclosed in accordance with the requirements of the Listing Rules. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, none of the related party transactions as disclosed in note 35 to the consolidated financial statements constitutes a connected transaction under Chapter 14A of the Listing Rules.

Public Float

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

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.

Auditor

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the 2014 Annual General Meeting.

On behalf of the Board

Sir Gordon Ying Sheung WU GBS, KCMG, FICE
Chairman

Hong Kong, 26 August 2014

Deloitte.
德勤

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

We have audited the consolidated financial statements of Hopewell Highway Infrastructure Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 87 to 149, which are presented in RMB and comprise the consolidated and Company's statements of financial position as at 30 June 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2014, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
26 August 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	NOTES	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
Other income	6	109,798	**107,398**	136,456	**135,712**
Depreciation		(547)	**(160)**	(673)	**(202)**
General and administrative expenses		(42,708)	**(38,306)**	(53,018)	**(48,414)**
Finance costs	7	(60,523)	**(35,164)**	(75,129)	**(44,431)**
Share of results of joint ventures	8	652,720	**575,589**	812,000	**726,559**
Profit before tax		658,740	**609,357**	819,636	**769,224**
Income tax expenses	9	(46,468)	**(45,702)**	(57,853)	**(57,709)**
Profit for the year	10	612,272	**563,655**	761,783	**711,515**
Other comprehensive income (expense)					
Item that will not be reclassified to profit or loss:					
Exchange gain (loss) arising on translation to presentation currency		–	**–**	319,728	**(104,514)**
Item that may be subsequently reclassified to profit or loss:					
Exchange gain (loss) arising on translation of foreign operations		3,608	**(5)**	–	**–**
Total comprehensive income for the year		615,880	**563,650**	1,081,511	**607,001**
Profit for the year attributable to:					
Owners of the Company		600,744	**552,825**	747,430	**697,840**
Non-controlling interests		11,528	**10,830**	14,353	**13,675**
		612,272	**563,655**	761,783	**711,515**
Total comprehensive income attributable to:					
Owners of the Company		604,352	**552,820**	1,064,969	**595,856**
Non-controlling interests		11,528	**10,830**	16,542	**11,145**
		615,880	**563,650**	1,081,511	**607,001**
		RMB cents	**RMB cents**	HK cents	**HK cents**
Earnings per share	13				
Basic and diluted		19.75	**17.94**	24.57	**22.64**

Consolidated Statement of Financial Position

As at 30 June 2014

	NOTES	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
ASSETS					
Non-current Assets					
Interests in joint ventures	16	6,255,942	**6,130,731**	7,901,255	**7,657,283**
Loans to a joint venture	17	1,000,000	**–**	1,263,000	**–**
Investment	18	4,785	**4,785**	6,044	**5,977**
Property and equipment	19	427	**369**	540	**461**
		7,261,154	**6,135,885**	9,170,839	**7,663,721**
Current Assets					
Deposits and prepayments		3,908	**3,617**	4,936	**4,517**
Dividend and other receivables	22	176,328	**172,740**	222,701	**215,752**
Loans to a joint venture	17	30,000	**1,000,000**	37,890	**1,249,000**
Interest receivable from a joint venture	17	15,612	**1,708**	19,718	**2,134**
Bank balances and cash	23	1,480,436	**813,601**	1,869,790	**1,016,188**
		1,706,284	**1,991,666**	2,155,035	**2,487,591**
Total Assets		8,967,438	**8,127,551**	11,325,874	**10,151,312**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	270,603	**270,603**	308,169	**308,169**
Share premium and reserves		7,300,132	**6,965,425**	9,253,670	**8,729,630**
Equity attributable to owners of the Company		7,570,735	**7,236,028**	9,561,839	**9,037,799**
Non-controlling interests		49,860	**49,780**	62,973	**62,176**
Total Equity		7,620,595	**7,285,808**	9,624,812	**9,099,975**
Non-current Liabilities					
Bank loans	26	500,000	**198,479**	631,500	**247,900**
Deferred tax liabilities	27	132,673	**133,136**	167,566	**166,287**
		632,673	**331,615**	799,066	**414,187**
Current Liabilities					
Payables and accruals		9,385	**8,771**	11,853	**10,956**
Interest payable		1,500	**96**	1,894	**120**
Bank loans	26	101,821	**500,000**	128,600	**624,500**
Corporate bonds	28	600,000	**–**	757,800	**–**
Tax liabilities		1,464	**1,261**	1,849	**1,574**
		714,170	**510,128**	901,996	**637,150**
Total Liabilities		1,346,843	**841,743**	1,701,062	**1,051,337**
Total Equity and Liabilities		8,967,438	**8,127,551**	11,325,874	**10,151,312**
Time deposits with original maturity over three months		–	**749,994**	–	**936,743**
Cash and cash equivalents		1,480,436	**63,607**	1,869,790	**79,445**
Total bank balances and cash		1,480,436	**813,601**	1,869,790	**1,016,188**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

Company's Statement of Financial Position

As at 30 June 2014

	NOTES	2013 RMB'000	**2014 RMB'000**	2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000** (FOR INFORMATION PURPOSE ONLY)
ASSETS					
Non-current Assets					
Investments in subsidiaries	15	2,377,473	**2,379,819**	3,002,748	**2,972,394**
Amount due from a subsidiary	20	2,133,746	**2,199,006**	2,694,921	**2,746,559**
		4,511,219	**4,578,825**	5,697,669	**5,718,953**
Current Assets					
Deposits and prepayments		3,706	**1,321**	4,680	**1,650**
Interest and other receivables		567	**376**	716	**470**
Amounts due from subsidiaries	21	2,111,197	**1,060,537**	2,666,442	**1,324,610**
Bank balances and cash	23	16,372	**186,828**	20,678	**233,348**
		2,131,842	**1,249,062**	2,692,516	**1,560,078**
Total Assets		6,643,061	**5,827,887**	8,390,185	**7,279,031**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	25	5,211,508	**4,863,162**	6,615,737	**6,103,903**
		5,482,111	**5,133,765**	6,923,906	**6,412,072**
Non-current Liability					
Bank loan	26	500,000	**–**	631,500	**–**
Current Liabilities					
Payables and accruals		4,913	**5,075**	6,204	**6,339**
Interest payable		1,431	**–**	1,807	**–**
Bank loan	26	–	**500,000**	–	**624,500**
Corporate bonds	28	600,000	**–**	757,800	**–**
Amounts due to subsidiaries	21	54,606	**189,047**	68,968	**236,120**
		660,950	**694,122**	834,779	**866,959**
Total Liabilities		1,160,950	**694,122**	1,466,279	**866,959**
Total Equity and Liabilities		6,643,061	**5,827,887**	8,390,185	**7,279,031**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2014

	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	260,941	5,309,971	114,710	(951,467)	4,050	2,543,978	7,282,183	55,335	7,337,518
Exchange gain on translation of foreign operations	–	–	–	3,608	–	–	3,608	–	3,608
Profit for the year	–	–	–	–	–	600,744	600,744	11,528	612,272
Total comprehensive income for the year	–	–	–	3,608	–	600,744	604,352	11,528	615,880
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 year (Note 12)	–	–	–	–	–	(691,596)	(691,596)	–	(691,596)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(17,003)	(17,003)
As at 30 June 2013	270,603	5,676,105	114,710	(947,859)	4,050	2,453,126	7,570,735	49,860	7,620,595
Exchange loss on translation of foreign operations	–	–	–	(5)	–	–	(5)	–	(5)
Profit for the year	–	–	–	–	–	552,825	552,825	10,830	563,655
Total comprehensive income for the year	–	–	–	(5)	–	552,825	552,820	10,830	563,650
Expiry of vested share options	–	–	–	–	(3,384)	3,384	–	–	–
Dividends recognised as distribution during the year (Note 12)	–	(308,169)	–	–	–	(579,358)	(887,527)	–	(887,527)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(10,910)	(10,910)
As at 30 June 2014	**270,603**	**5,367,936**	**114,710**	**(947,864)**	**666**	**2,429,977**	**7,236,028**	**49,780**	**7,285,808**

For the purpose of presenting the 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	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	–	–	–	317,539	–	–	317,539	2,189	319,728
Profit for the year	–	–	–	–	–	747,430	747,430	14,353	761,783
Total comprehensive income for the year	–	–	–	317,539	–	747,430	1,064,969	16,542	1,081,511
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 year (Note 12)	–	–	–	–	–	(854,132)	(854,132)	–	(854,132)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(21,077)	(21,077)
As at 30 June 2013	**308,169**	**5,397,662**	**110,708**	**1,142,203**	**4,582**	**2,598,515**	**9,561,839**	**62,973**	**9,624,812**
Exchange loss on translation to presentation currency	**–**	**–**	**–**	**(101,984)**	**–**	**–**	**(101,984)**	**(2,530)**	**(104,514)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**697,840**	**697,840**	**13,675**	**711,515**
Total comprehensive income for the year	**–**	**–**	**–**	**(101,984)**	**–**	**697,840**	**595,856**	**11,145**	**607,001**
Expiry of vested share options	**–**	**–**	**–**	**–**	**(3,826)**	**3,826**	**–**	**–**	**–**
Dividends recognised as distribution during the year (Note 12)	**–**	**(387,341)**	**–**	**–**	**–**	**(732,555)**	**(1,119,896)**	**–**	**(1,119,896)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(11,942)**	**(11,942)**
As at 30 June 2014	**308,169**	**5,010,321**	**110,708**	**1,040,219**	**756**	**2,567,626**	**9,037,799**	**62,176**	**9,099,975**

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 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.

Consolidated Statement of Cash Flows

For the year ended 30 June 2014

	2013 RMB'000 (restated)	**2014** **RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014** **HK$'000**
OPERATING ACTIVITIES				
Profit before tax	658,740	**609,357**	819,636	**769,224**
Adjustments for:				
Interest income	(106,367)	**(104,803)**	(132,186)	**(132,427)**
Interest expenses	54,586	**31,828**	67,702	**40,219**
Net exchange gain	(1,204)	**(574)**	(1,506)	**(732)**
Depreciation	547	**160**	673	**202**
Share of results of joint ventures	(652,720)	**(575,589)**	(812,000)	**(726,559)**
Operating cash flows before movements in working capital	(46,418)	**(39,621)**	(57,681)	**(50,073)**
Decrease in deposits and prepayments	6,818	**291**	8,629	**364**
Decrease in other receivables	152	**1,049**	190	**1,311**
Decrease in payables and accruals	(2,188)	**(142)**	(2,913)	**(145)**
Cash used in operations	(41,636)	**(38,423)**	(51,775)	**(48,543)**
Income taxes paid	(144)	**(168)**	(182)	**(214)**
NET CASH USED IN OPERATING ACTIVITIES	(41,780)	**(38,591)**	(51,957)	**(48,757)**
INVESTING ACTIVITIES				
Purchases of property and equipment	(366)	**(102)**	(448)	**(128)**
Advance to a joint venture	(1,000,000)	**–**	(1,245,440)	**–**
Repayment from a joint venture	–	**30,000**	–	**38,160**
Placement of time deposits with original maturity over three months	(400,000)	**(2,003,077)**	(498,000)	**(2,525,327)**
Withdrawal of time deposits with original maturity over three months	890,000	**1,253,083**	1,116,260	**1,563,727**
Acquisition of investment	(3,785)	**–**	(4,709)	**–**
Dividends received (net of PRC withholding tax)	914,312	**666,707**	1,136,693	**842,453**
Interest received	105,250	**120,299**	131,040	**151,863**
Income tax paid for interest received	(9,581)	**(10,234)**	(12,049)	**(12,825)**
NET CASH FROM INVESTING ACTIVITIES	495,830	**56,676**	623,347	**57,923**

	2013 RMB'000 (restated)	**2014** **RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014** **HK$'000**
FINANCING ACTIVITIES				
New bank loans raised	86,814	**195,904**	107,800	**247,900**
Repayment of bank loans	(539,494)	**(101,821)**	(683,000)	**(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)	**(600,000)**	(1,683,600)	**(745,200)**
Interest paid	(73,851)	**(33,230)**	(91,908)	**(41,990)**
Dividends paid to:				
— owners of the Company	(691,596)	**(884,875)**	(854,132)	**(1,128,574)**
— non-controlling interests of a subsidiary	(17,003)	**(10,910)**	(21,077)	**(11,942)**
NET CASH USED IN FINANCING ACTIVITIES	(2,239,334)	**(1,434,932)**	(2,759,179)	**(1,808,406)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,785,284)	**(1,416,847)**	(2,187,789)	**(1,799,240)**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	3,265,752	**1,480,436**	3,984,218	**1,869,790**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(32)	**18**	73,361	**8,895**
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,480,436	**63,607**	1,869,790	**79,445**
TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS	–	**749,994**	–	**936,743**
TOTAL BANK BALANCES AND CASH	1,480,436	**813,601**	1,869,790	**1,016,188**

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

1. General Information

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

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

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries and the joint ventures are set out in notes 32 and 16 respectively.

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

2. Adoption of New and Revised International Financial Reporting Standards

In the current year, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board.

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 year has had no material effect on the amounts reported and/or disclosures set out in these consolidated financial statements.

2. Adoption of New and Revised International Financial Reporting Standards (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 (Revised 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 year ended 30 June 2013 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.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. Details of these new disclosure are set out in notes 16 and 32.

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

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 year by line items presented in the consolidated statement of profit or loss and other comprehensive income is as follows:

	For the year ended 30 June 2013 (originally stated) RMB'000	*Adjustments RMB'000*	*For the year ended 30 June 2013 (restated) RMB'000*
Toll revenue	1,803,100	(1,803,100)	–
Revenue on construction	683,120	(683,120)	–
Other income	201,029	(91,231)	109,798
Construction costs	(683,120)	683,120	–
Provision for resurfacing charges	(22,651)	22,651	–
Toll expressway operation expenses	(215,721)	215,721	–
Depreciation and amortisation charges	(453,741)	453,194	(547)
General and administrative expenses	(102,381)	59,673	(42,708)
Finance costs	(299,471)	238,948	(60,523)
Share of results of joint ventures	–	652,720	652,720
Income tax expenses	(297,892)	251,424	(46,468)
Profit for the year	612,272	–	612,272

(FOR INFORMATION PURPOSE ONLY)

	For the year ended 30 June 2013 (originally stated) HK$'000	*Adjustments HK$'000*	*For the year ended 30 June 2013 (restated) HK$'000*
Toll revenue	2,244,122	(2,244,122)	–
Revenue on construction	861,893	(861,893)	–
Other income	250,679	(114,223)	136,456
Construction costs	(861,893)	861,893	–
Provision for resurfacing charges	(28,188)	28,188	–
Toll expressway operation expenses	(268,440)	268,440	–
Depreciation and amortisation charges	(565,023)	564,350	(673)
General and administrative expenses	(127,253)	74,235	(53,018)
Finance costs	(373,276)	298,147	(75,129)
Share of results of joint ventures	–	812,000	812,000
Income tax expenses	(370,838)	312,985	(57,853)
Profit for the year	761,783	–	761,783

2. Adoption of New and Revised International Financial Reporting Standards (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 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*
Interests in joint ventures	–	6,255,942	6,255,942
Property and equipment	497,179	(496,752)	427
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
Dividend 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 loan 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, 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)
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. Adoption of New and Revised International Financial Reporting Standards (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
Interests in joint ventures	–	7,901,255	7,901,255
Property and equipment	627,937	(627,397)	540
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
Dividend 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 loan 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, 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)
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. Adoption of New and Revised International Financial Reporting Standards (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	Financial Instruments[7]
IFRS 10, IFRS 12 and IAS 27 (Amendments)	Investment Entities[1]
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[4]
IFRS 14	Regulatory Deferral Accounts[5]
IFRS 15	Revenue from Contracts with Customers[6]
IAS 16 and IAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
IAS 16 and IAS 41 (Amendments)	Agriculture: Bearer Plants[4]
IAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[2]
IAS 27 (Amendments)	Equity Method in Separate Financial Statements[4]
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 Effective for annual periods beginning on or after 1 January 2016.
5 Effective for first annual IFRS financial statements beginning on or after 1 January 2016.
6 Effective for annual periods beginning on or after 1 January 2017.
7 Effective for annual periods beginning on or after 1 January 2018.

The Directors are in the process of assessing the impact of IAS 38 (Amendments) on amortisation of concession intangible assets held by joint ventures of the Group. Other than the above, the Directors anticipate that the application of the other new or revised IFRSs will have no material impact on the results and the financial positions of the Group.

3. Significant Accounting Policies

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

The consolidated financial statements have been prepared on the historical cost basis, as explained in the principal accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value of inventories or value in use of impairment of assets, if any.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. Significant Accounting Policies (continued)

Investments in subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any identified impairment loss.

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The requirements of IAS 39 "Financial Instruments: Recognition and Measurement" are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group has incurred additional development expenditure for the construction and development of the toll expressways operated by the joint ventures, which were not accounted for by those entities. Such cost are included in additional cost of investments in joint ventures and are amortised over the joint venture period on the same basis as that adopted by the relevant joint ventures in respect of amortisation of its project cost, commencing from the date of operation of the project undertaken. On disposal of a joint venture, the attributable amount of the unamortised additional cost of investments is included in the determination of the profit or loss on disposal.

When a group entity transacts a sale or contribution of assets with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3. Significant Accounting Policies (continued)

Property and equipment

Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Revenue recognition

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the Group's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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

Leasing

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

Operating leases payment is recognised as an expense on a straight-line basis over the term of the relevant leases.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. Significant Accounting Policies (continued)

Foreign currencies (continued)

For the purpose of presenting the consolidated financial statements of the Group in RMB, the assets and liabilities of the Group's foreign operation for the consolidated statement of financial position are translated into RMB at the closing rate at the date of the consolidated statement of financial position. Income and expenses for the consolidated statement of profit or loss and other comprehensive income are translated at the average exchange rates for the month of the transactions, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expenses in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. Significant Accounting Policies (continued)

Taxation (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Any difference arising on initial recognition between the fair value and the consideration given/received is recognised as fair value adjustment in profit or loss to the extent that this difference does not represent a capital contribution by the equity participant/distributions to equity participant.

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

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

Financial assets

The financial assets of the Group and the Company are classified as loans and receivables and available-for-sale financial assets.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables (including loans to a joint venture, dividend and other receivables, amounts due from subsidiaries, bank balances and deposits, and cash) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Investment in equity securities that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

Financial liabilities and equity instruments

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

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis for debt instruments.

Financial liabilities

Financial liabilities (including payables and accruals, amounts due to subsidiaries, bank loans, interest payable and corporate bonds) are subsequently measured at amortised cost using the effective interest method.

Equity instruments

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

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition

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

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

Provision

Provision is recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provision is measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Equity-settled share-based payment transactions

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

At the end of the reporting period, the Group revises its estimates of the number of share options and the awarded shares that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to share option reserve.

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

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. Significant Accounting Policies (continued)

Impairment losses on tangible assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

Classification of GS Superhighway JV and West Route JV as joint ventures

Both GS Superhighway JV and West Route JV are limited liability companies whose legal form confers separation between the parties to the joint arrangement and the Company itself. Furthermore, there are no contractual arrangements or any other facts and circumstances that specify that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, GS Superhighway JV and West Route JV are classified as joint ventures of the Group. Details are set out in note 16.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty

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

Share of results of joint ventures

(i) Amortisation of concession intangible assets of the joint ventures

Amortisation of concession intangible assets of the joint ventures of the Group is calculated based on the ratio of actual traffic volume of the underlying toll expressways compared to the total expected traffic volume of the underlying toll expressways over the remaining concession periods of the service concession agreements. As part of the established policy of the Group, the management has reviewed the total expected traffic volume at the end of the reporting periods. Adjustments may need to be made to the carrying amounts of concession intangible assets should there be a material difference between the total expected traffic volume and the actual results.

In the current year, the share of results of joint ventures included the share of amortisation of concession intangible assets of RMB459,092,000 (approximately HK$579,392,000) (2013: RMB405,745,000 (approximately HK$505,053,000)). The management considers that the amortisation is calculated by reference to the best estimates of the total expected traffic volumes of the underlying toll expressways and they should not be materially different from the actual traffic volumes in future. The current year amortisation of concession intangible assets is less than the amortisation estimated in the prior financial year based on the then expected traffic volumes for future financial years and the effect on share of results of joint ventures is approximate to RMB10,862,000 (approximately HK$13,560,000) (2013: RMB48,419,000 (approximately HK$61,153,000)).

(ii) Resurfacing obligations of the joint ventures

The joint ventures of the Group have contractual obligations under the contractual service arrangements to maintain the toll expressways to a specified level of serviceability over the respective concession periods. These obligations to maintain or restore the toll expressways, except for upgrade services, are to be recognised and measured as resurfacing obligations. Resurfacing obligations had been made at the present value of expenditures expected to be incurred by the joint ventures to settle the obligations. As at 30 June 2014, the effect of the provision to the Group consolidated financial statements, as included in interests in joint ventures, amounting to RMB100,682,000 (approximately HK$125,752,000) (2013: RMB80,011,000 (approximately HK$101,053,000)).

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

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

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

The management are of the view that the discount rate currently used in the current estimate should reflect the time value of money and the risks specific to the obligations.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Share of results of joint ventures (continued)

(iii) Income taxes of a joint venture

As at 30 June 2014, as included in interests in joint ventures, amount of RMB40,134,000 (approximately HK$50,127,000) (2013: RMB28,490,000 (approximately HK$35,983,000)) represents the deferred tax asset of a joint venture in relation to its unused tax losses. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. If the actual future profits generated are less than expected, a reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

5. Segment Information

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

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

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

5. Segment Information (continued)

Information regarding the above segments is reported below.

Segment revenue and results

	2013				2014			
	Segment revenue RMB'000	EBITDA RMB'000	EBIT RMB'000	Segment result RMB'000	Segment revenue RMB'000	EBITDA RMB'000	EBIT RMB'000	Segment result RMB'000
GS Superhighway	1,470,113	1,271,947	912,240	615,823	**1,475,348**	**1,265,785**	**881,564**	**590,782**
Phase I West	80,180	64,151	51,180	34,027	**88,268**	**65,846**	**49,121**	**32,966**
Phase II West	230,665	192,675	125,616	(19,852)	**275,949**	**233,324**	**152,176**	**8,570**
Phase III West	22,142	16,219	2,762	(49,155)	**76,868**	**61,824**	**24,661**	**(97,304)**
Total	1,803,100	1,544,992	1,091,798	580,843	**1,916,433**	**1,626,779**	**1,107,522**	**535,014**
Corporate interest income from bank deposits				71,319				**41,755**
Corporate interest income from loans made by the Group to a joint venture				35,048				**63,048**
Other income				1,312				**2,021**
Corporate general and administrative expenses				(43,255)				**(38,466)**
Corporate finance costs				(60,523)				**(35,164)**
Corporate income tax expenses				(8,828)				**(10,199)**
Net exchange gain (net of related income tax expenses) (Note)				36,356				**5,646**
Profit for the year				612,272				**563,655**
Profit for the year attributable to non-controlling interests				(11,528)				**(10,830)**
Profit for the year attributable to owners of the Company				600,744				**552,825**

Note: Net exchange gain (net of related income tax expenses) is composed of the Group's share of the exchange gain (net of related income tax expenses) of a joint venture of RMB5,072,000 (2013: RMB35,152,000) and the net exchange gain of the Group of RMB574,000 (2013: RMB1,204,000).

5. Segment Information (continued)

Segment revenue and results (continued)

(FOR INFORMATION PURPOSE ONLY)

	2013				**2014**			
	Segment revenue HK$'000	EBITDA HK$'000	EBIT HK$'000	Segment result HK$'000	**Segment revenue HK$'000**	**EBITDA HK$'000**	**EBIT HK$'000**	**Segment result HK$'000**
GS Superhighway	1,829,348	1,582,756	1,134,983	766,170	**1,862,523**	**1,597,614**	**1,112,583**	**745,679**
Phase I West	99,793	79,830	63,675	42,336	**111,378**	**82,990**	**61,887**	**41,500**
Phase II West	287,137	239,889	156,392	(24,720)	**348,130**	**294,246**	**191,868**	**10,615**
Phase III West	27,844	20,426	3,501	(61,732)	**96,940**	**77,980**	**31,102**	**(122,806)**
Total	2,244,122	1,922,901	1,358,551	722,054	**2,418,971**	**2,052,830**	**1,397,440**	**674,988**
Corporate interest income from bank deposits				88,340				**52,800**
Corporate interest income from loans made by the Group to a joint venture				43,846				**79,627**
Other income				1,624				**2,553**
Corporate general and administrative expenses				(53,691)				**(48,616)**
Corporate finance costs				(75,129)				**(44,431)**
Corporate income tax expenses				(10,989)				**(12,878)**
Net exchange gain (net of related income tax expenses) (Note)				45,728				**7,472**
Profit for the year				761,783				**711,515**
Profit for the year attributable to non-controlling interests				(14,353)				**(13,675)**
Profit for the year attributable to owners of the Company				747,430				**697,840**

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$6,740,000 (2013: HK$44,222,000) and the net exchange gain of the Group of HK$732,000 (2013: HK$1,506,000).

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

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

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

5. Segment Information (continued)

Segment revenue and results (continued)

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

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000	**2014 HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
Total segment results	580,843	**535,014**	722,054	**674,988**
Add:				
Net exchange gain (net of related income tax expenses)	35,152	**5,072**	44,222	**6,740**
Withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture (Note 9)	37,640	**35,503**	46,864	**44,831**
Less:				
Others	(915)	**–**	(1,140)	**–**
Share of results of joint ventures as presented in consolidated statement of profit or loss and other comprehensive income	652,720	**575,589**	812,000	**726,559**

Other segment information

2013

	GS Superhighway RMB'000	Phase I West RMB'000	Phase II West RMB'000	Phase III West RMB'000	Segment total RMB'000	Elimination RMB'000 (Note i)	Unallocated RMB'000	Consolidated total RMB'000
Amounts included in the measure of segment profit or loss:								
Depreciation and amortisation	359,707	12,971	67,059	13,457	453,194	(453,194)	547	547
Interest income	(11,493)	(166)	(389)	(441)	(12,489)	12,489	(106,367)	(106,367)
Interest expenses	19,071	17,153	145,468	51,917	233,609	(233,609)	54,586	54,586
Income tax expenses	277,346	–	–	–	277,346	(277,346)	46,468	46,468

2014

	GS Superhighway RMB'000	**Phase I West RMB'000**	**Phase II West RMB'000**	**Phase III West RMB'000**	**Segment total RMB'000**	**Elimination RMB'000 (Note i)**	**Unallocated RMB'000**	**Consolidated total RMB'000**
Amounts included in the measure of segment profit or loss:								
Depreciation and amortisation	**384,221**	**16,725**	**81,148**	**37,163**	**519,257**	**(519,257)**	**160**	**160**
Interest income	**(1,834)**	**(210)**	**(492)**	**(995)**	**(3,531)**	**3,531**	**(104,803)**	**(104,803)**
Interest expenses	**14,944**	**16,155**	**143,606**	**121,965**	**296,670**	**(296,670)**	**31,828**	**31,828**
Income tax expenses	**275,838**	**–**	**–**	**–**	**275,838**	**(275,838)**	**45,702**	**45,702**

5. Segment Information (continued)

Other segment information (continued)

(FOR INFORMATION PURPOSE ONLY)

2013

	GS Superhighway HK$'000	Phase I West HK$'000	Phase II West HK$'000	Phase III West HK$'000	Segment total HK$'000	Elimination HK$'000 (Note i)	Unallocated HK$'000	Consolidated total HK$'000
Amounts included in the measure of segment profit or loss:								
Depreciation and amortisation	447,773	16,155	83,497	16,925	564,350	(564,350)	673	673
Interest income	(14,195)	(206)	(487)	(554)	(15,442)	15,442	(132,186)	(132,186)
Interest expenses	23,705	21,339	181,112	65,233	291,389	(291,389)	67,702	67,702
Income tax expenses	345,108	–	–	–	345,108	(345,108)	57,853	57,853

2014

	GS Superhighway HK$'000	Phase I West HK$'000	Phase II West HK$'000	Phase III West HK$'000	Segment total HK$'000	Elimination HK$'000 (Note i)	Unallocated HK$'000	Consolidated total HK$'000
Amounts included in the measure of segment profit or loss:								
Depreciation and amortisation	**485,031**	**21,103**	**102,378**	**46,878**	**655,390**	**(655,390)**	**202**	**202**
Interest income	**(2,313)**	**(264)**	**(621)**	**(1,272)**	**(4,470)**	**4,470**	**(132,427)**	**(132,427)**
Interest expenses	**18,864**	**20,387**	**181,253**	**153,908**	**374,412**	**(374,412)**	**40,219**	**40,219**
Income tax expenses	**348,040**	**–**	**–**	**–**	**348,040**	**(348,040)**	**57,709**	**57,709**

Note:

(i) The above other segment information, included in the measure of segment profit or loss, represents the Group's share of depreciation and amortisation, interest income, interest expenses and income tax expenses of the joint ventures. Such amounts relating to the joint ventures are eliminated under equity method of accounting to reconcile from "Segment total" to "Consolidated total".

Geographical information

The operations of the Group's joint ventures are located in the PRC. All of the joint ventures' revenue from external customers was generated from the services provided in the PRC and the location of the non-current assets excluding interests in joint ventures, loans to a joint venture and investment amounting to RMB369,000 (approximately HK$461,000) (2013: RMB427,000 (approximately HK$540,000)) are in Hong Kong.

Segment assets and liabilities

Segment assets and liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to chief operating decision maker for the purpose of resource allocation and performance assessment.

6. Other Income

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION	**2014 HK$'000** PURPOSE ONLY)
Interest income from:				
Bank deposits	71,319	**41,755**	88,340	**52,800**
Loans made by the Group to a joint venture	35,048	**63,048**	43,846	**79,627**
Net exchange gain	1,204	**574**	1,506	**732**
Management fee income from joint ventures	2,227	**2,021**	2,764	**2,553**
	109,798	**107,398**	136,456	**135,712**

7. Finance Costs

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION	**2014 HK$'000** PURPOSE ONLY)
Interests on:				
Bank loans	43,934	**23,624**	54,512	**29,833**
Corporate bonds	10,652	**8,204**	13,190	**10,386**
	54,586	**31,828**	67,702	**40,219**
Other financial expenses	5,937	**3,336**	7,427	**4,212**
	60,523	**35,164**	75,129	**44,431**

8. Share of Results of Joint Ventures

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'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	727,347	**654,127**	904,883	**825,714**
Amortisation of additional costs of investments in joint ventures	(74,627)	**(78,538)**	(92,883)	**(99,155)**
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(30,333)	**(32,254)**	(37,750)	**(40,700)**
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	30,333	**32,254**	37,750	**40,700**
	652,720	**575,589**	812,000	**726,559**

9. Income Tax Expenses

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000** (FOR INFORMATION PURPOSE ONLY)
The tax charge comprises:				
PRC Enterprise Income Tax ("EIT")	51,123	**45,239**	63,848	**57,212**
Deferred taxation (Note 27)	(4,655)	**463**	(5,995)	**497**
	46,468	**45,702**	57,853	**57,709**

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 year ended 30 June 2014 included an amount of RMB35,040,000 (approximately HK$44,334,000) (2013: RMB42,295,000 (approximately HK$52,859,000)) representing the 5% withholding tax imposed on dividends declared during the year by a joint venture of the Group of which the corresponding amount had already been provided for deferred tax in prior years in respect of undistributed earnings of a joint venture.

9. Income Tax Expenses (continued)

The income tax expenses for the year can be reconciled to the profit before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	2013 RMB'000 (restated)	2014 RMB'000	2013 HK$'000 (restated)	2014 HK$'000
			(FOR INFORMATION PURPOSE ONLY)	
Profit before tax	658,740	**609,357**	819,636	**769,224**
Tax at normal PRC income tax rate of 25% (2013: 25%)	164,685	**152,339**	204,909	**192,306**
Effect of different tax rates on income tax expenses	(15,627)	**(12,794)**	(19,407)	**(16,166)**
Tax effect of income not taxable for tax purposes	(2,694)	**(3,894)**	(3,342)	**(4,927)**
Tax effect of expenses not deductible for tax purposes	25,644	**18,445**	31,829	**23,305**
Tax effect of share of results of joint ventures	(163,180)	**(143,897)**	(203,000)	**(181,640)**
Deferred tax on undistributed earnings of a joint venture (Note 27)	(4,655)	**463**	(5,995)	**497**
Withholding tax on earnings distributed by a joint venture	42,295	**35,040**	52,859	**44,334**
Income tax expenses	46,468	**45,702**	57,853	**57,709**

10. Profit for the Year

	2013 RMB'000 (restated)	2014 RMB'000	2013 HK$'000 (restated)	2014 HK$'000
			(FOR INFORMATION PURPOSE ONLY)	
Profit for the year has been arrived at after charging:				
Auditor's remuneration	1,291	**1,269**	1,602	**1,602**
Directors' remuneration (Note 11)	19,973	**15,921**	24,797	**20,139**
Other staff costs	12,669	**12,782**	15,728	**16,138**
Total staff costs	32,642	**28,703**	40,525	**36,277**
Depreciation of property and equipment	547	**160**	673	**202**

11. Directors' and Five Highest Paid Individuals' Emoluments

Directors' emoluments

The emoluments paid or payable to each of the 9 (2013: 11) Directors were as follows:

	2013					**2014**				
	Directors' fees RMB'000	Salaries and other benefits RMB'000	Bonus RMB'000	Contributions to retirement benefits plans RMB'000	Total RMB'000	**Directors' fees RMB'000**	**Salaries and other benefits RMB'000**	**Bonus RMB'000**	**Contributions to retirement benefits plans RMB'000**	**Total RMB'000**
Sir Gordon Ying Sheung WU	242	2,563	852	–	3,657	**238**	**2,518**	**–**	**–**	**2,756**
Eddie Ping Chang HO	201	2,050	511	–	2,762	**198**	**2,014**	**–**	**–**	**2,212**
Thomas Jefferson WU	161	2,417	557	12	3,147	**158**	**2,374**	**–**	**12**	**2,544**
Alan Chi Hung CHAN	161	2,589	588	12	3,350	**158**	**2,528**	**476**	**12**	**3,174**
Cheng Hui JIA	161	2,776	639	–	3,576	**158**	**2,726**	**517**	**–**	**3,401**
Alan Ming Fai TAM (Note a)	161	1,858	409	12	2,440	**57**	**749**	**310**	**4**	**1,120**
Chung Kwong POON (Note b)	242	–	–	–	242	**238**	**–**	**–**	**–**	**238**
Yuk Keung IP (Note c)	242	–	–	–	242	**238**	**–**	**–**	**–**	**238**
Brian David Man Bun LI	242	–	–	–	242	**238**	**–**	**–**	**–**	**238**
Kojiro NAKAHARA (Note d)	242	–	–	–	242	**–**	**–**	**–**	**–**	**–**
Philip Tsung Cheng FEI (Note e)	73	–	–	–	73	**–**	**–**	**–**	**–**	**–**
	2,128	14,253	3,556	36	19,973	**1,681**	**12,909**	**1,303**	**28**	**15,921**

(FOR INFORMATION PURPOSE ONLY)

	2013					**2014**				
	Directors' fees HK\$'000	Salaries and other benefits HK\$'000	Bonus HK\$'000	Contributions to retirement benefits plans HK\$'000	Total HK\$'000	**Directors' fees HK\$'000**	**Salaries and other benefits HK\$'000**	**Bonus HK\$'000**	**Contributions to retirement benefits plans HK\$'000**	**Total HK\$'000**
Sir Gordon Ying Sheung WU	300	3,180	1,060	–	4,540	**300**	**3,180**	**–**	**–**	**3,480**
Eddie Ping Chang HO	250	2,544	636	–	3,430	**250**	**2,544**	**–**	**–**	**2,794**
Thomas Jefferson WU	200	3,000	692	15	3,907	**200**	**3,000**	**–**	**15**	**3,215**
Alan Chi Hung CHAN	200	3,212	732	15	4,159	**200**	**3,195**	**610**	**15**	**4,020**
Cheng Hui JIA	200	3,445	795	–	4,440	**200**	**3,445**	**663**	**–**	**4,308**
Alan Ming Fai TAM (Note a)	200	2,307	509	15	3,031	**71**	**949**	**397**	**5**	**1,422**
Chung Kwong POON (Note b)	300	–	–	–	300	**300**	**–**	**–**	**–**	**300**
Yuk Keung IP (Note c)	300	–	–	–	300	**300**	**–**	**–**	**–**	**300**
Brian David Man Bun LI	300	–	–	–	300	**300**	**–**	**–**	**–**	**300**
Kojiro NAKAHARA (Note d)	300	–	–	–	300	**–**	**–**	**–**	**–**	**–**
Philip Tsung Cheng FEI (Note e)	90	–	–	–	90	**–**	**–**	**–**	**–**	**–**
	2,640	17,688	4,424	45	24,797	**2,121**	**16,313**	**1,670**	**35**	**20,139**

11. Directors' and Five Highest Paid Individuals' Emoluments (continued)

Directors' emoluments (continued)

Notes:

(a) Mr. Alan Ming Fai TAM resigned as an Executive Director of the Company with effect from 8 November 2013.

(b) Professor Chung Kwong POON was appointed as a member of the Audit Committee of the Company in place of Mr. Kojiro NAKAHARA with effect from 30 June 2013.

(c) Mr. Yuk Keung IP was appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company on 1 July 2011 and was appointed as a member of the Remuneration Committee of the Company on 12 May 2012. He was appointed as the chairman of the Audit Committee of the Company in place of Mr. Philip Tsung Cheng FEI with effect from 18 October 2012.

(d) Mr. Kojiro NAKAHARA resigned as an Independent Non-Executive Director and a member of the Audit Committee of the Company with effect from 30 June 2013.

(e) Mr. Philip Tsung Cheng FEI ceased to be an Independent Non-Executive Director, the chairman and a member of the Audit Committee of the Company upon his retirement from the Board at the conclusion of the 2012 Annual General Meeting held on 18 October 2012.

Five highest paid individuals' emoluments

The five highest paid individuals of the Group in 2013 and 2014 were all Directors of the Company and details of their emoluments are disclosed above.

During the two years ended 30 June 2014, no emoluments were paid by the Group to any of the persons who are Directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office and none of the persons who are Directors of the Company waived any emoluments.

12. Dividends

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000** (FOR INFORMATION PURPOSE ONLY)
Dividends paid and recognised as a distribution during the year:				
Interim dividend paid of RMB9.8 cents (equivalent to HK12.4590 cents) (2013: RMB10 cents (equivalent to HK12.3394 cents)) per share	308,169	**302,006**	380,262	**383,948**
Final dividend for the year ended 30 June 2013 paid of RMB9 cents (equivalent to HK11.3122 cents) (2013: year ended 30 June 2012 paid of HK16 cents (approximately RMB12.95 cents)) per share	383,427	**277,352**	473,870	**348,607**
Special final dividend for the year ended 30 June 2013 of RMB10 cents (equivalent to HK12.5691 cents) (2013: Nil) per share	–	**308,169**	–	**387,341**
	691,596	**887,527**	854,132	**1,119,896**
Final dividend proposed of RMB8.1 cents (equivalent to HK10.1806 cents) (2013: final dividend proposed of RMB9 cents (equivalent to HK11.3122 cents) and special final dividend proposed of RMB10 cents (equivalent to HK12.5691 cents)) per share	585,521	**249,617**	735,948	**313,735**

A final dividend in respect of the year ended 30 June 2014 of RMB8.1 cents (equivalent to HK10.1806 cents) per share is proposed by the Board of Directors. The dividends are subject to approval by shareholders at the forthcoming annual general meeting and have not been included as liabilities in these consolidated financial statements. The proposed final dividend is calculated based on the number of shares in issue at the date of approval of these consolidated financial statements.

13. Earnings per Share

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

	2013 RMB'000 (restated)	2014 RMB'000	2013 HK$'000 (restated)	2014 HK$'000
			(FOR INFORMATION PURPOSE ONLY)	
Earnings for the purposes of basic and diluted earnings per share	600,744	**552,825**	747,430	**697,840**

	2013 Number of shares	2014 Number of shares
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	3,042,238,228	**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 for shares for years ended 30 June 2013 and 30 June 2014.

14. Retirement Benefits Plans

The Group has established a Mandatory Provident Fund Scheme (the "MPF Scheme") for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the employees' monthly relevant income capped at HK$25,000 (increases to HK$30,000 effective from 1 June 2014). In addition, the PRC employees employed by the Group are members of the state-managed retirement benefit schemes operated by the PRC Government. The Group is required to contribute 18% of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. At 30 June 2014, there were no forfeited contributions available to reduce future obligations. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year are RMB785,000 (approximately HK$991,000) (2013: RMB459,000 (approximately HK$569,000)).

15. Investments in Subsidiaries

The Company

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
Investment in subsidiaries	1,816,650	**1,816,650**	2,294,429	**2,268,996**
Capital contributions to subsidiaries	560,823	**563,169**	708,319	**703,398**
	2,377,473	**2,379,819**	3,002,748	**2,972,394**

Particulars of the principal subsidiaries are set out in note 32.

16. Interests in Joint Ventures

The Group

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
Unlisted investments:				
At cost				
Cost of investment in a joint venture	1,817,535	**1,817,535**	2,295,547	**2,270,101**
Additional cost of investments	2,520,218	**2,520,218**	3,183,035	**3,147,752**
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	**2,667,396**	3,427,869	**3,331,578**
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(207,923)	**(240,177)**	(262,607)	**(299,981)**
Less: Accumulated amortisation of additional cost of investments	(1,109,845)	**(1,188,383)**	(1,401,734)	**(1,484,291)**
	5,734,054	**5,576,589**	7,242,110	**6,965,159**
At amortised cost				
Registered capital contribution, at nominal amount	2,131,500	**2,131,500**	2,692,085	**2,662,244**
Fair value adjustment on initial recognition	(1,817,535)	**(1,817,535)**	(2,295,547)	**(2,270,101)**
Accumulated imputed interest income recognised by the Group	207,923	**240,177**	262,607	**299,981**
	521,888	**554,142**	659,145	**692,124**
	6,255,942	**6,130,731**	7,901,255	**7,657,283**

16. Interests in Joint Ventures (continued)

Particulars of the Group's joint ventures as at 30 June 2014 and 2013 are as follows:

Name of company	*Place of establishment and principal place of operation*	*Registered capital contribution*	*Principal activity*	*Proportion of registered capital contribution*	*Proportion of voting rights held*
廣深珠高速公路有限公司 Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited	The PRC	nil (Note i)	Development, operation and management of an expressway	Not applicable	50%
廣東廣珠西綫高速公路有限公司 Guangdong Guangzhou-Zhuhai West Superhighway Company Limited	The PRC	RMB4,263,000,000 (Note ii)	Development, operation and management of an expressway	50%	50%

Both joint ventures are sino-foreign co-operative joint venture enterprises established to invest in toll expressways projects in the PRC.

The principal terms of the joint venture agreements entered into between the relevant subsidiaries and the corresponding joint venture partner under which the joint ventures operate are as follows:

(i) GS Superhighway JV

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

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

The registered capital amounting to HK$702,000,000 (equivalent to RMB471,000,000) previously injected by the Group to GS Superhighway JV had been repaid to the Group by GS Superhighway JV during the year ended 30 June 2008.

(ii) West Route JV

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

16. Interests in Joint Ventures (continued)

(ii) West Route JV (continued)

The initial estimated total investment for the Phase II West was RMB4,900,000,000, 35% of which was funded by an increase in the registered capital of West Route JV by RMB1,715,000,000 in total which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB857,500,000). On 2 September 2008, the Group entered into amendment agreements in relation to Phase II West with the PRC joint venture partner to increase the total investment for Phase II West by RMB2,300,000,000 to RMB7,200,000,000. 35% of the increase in total investment will be funded by an increase in the registered capital of West Route JV by RMB805,000,000 to be contributed by the Group and the PRC joint venture partner in equal shares. The additional capital contribution thereon to be made by the Group to West Route JV for the development of Phase II West is RMB402,500,000. The amendment agreements have been approved by the shareholders of the Company and HHL during the year ended 30 June 2009 and are being processed by the relevant PRC authorities as at the date of these consolidated financial statements approved for issuance. The operation period for Phase II West is 25 years commencing from 25 June 2010.

The total investment for the Phase III West is RMB5,600,000,000, 35% of which was funded by an increase in the registered capital of West Route JV by RMB1,960,000,000 in total which had been contributed by the Group and the PRC joint venture partner in equal shares (i.e. each to contribute RMB980,000,000). The operation period for Phase III West is 25 years commencing from 25 January 2013.

As at 30 June 2014, the approved registered capital of West Route JV was RMB4,263,000,000 (2013: RMB4,263,000,000).

The Group is entitled to 50% of the distributable profits from operation of West Route JV. At the end of the respective operation periods of Phase I West, Phase II West and Phase III West, all the immovable assets and facilities of each phase will be reverted to relevant PRC governmental authority which regulates transportation without compensation. The registered capital contributions are required to be repaid to both the Group and the PRC joint venture partner. The repayments are required to be approved by the Board of Directors of West Route JV.

Summarised financial information of joint ventures

Summarised financial information in respect of the Group's joint ventures and reconciliation of the summarised financial information to the carrying amount of the interests in joint ventures recognised in the consolidated financial statements are set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures (continued)

In respect of the year ended 30 June 2013 and 30 June 2014:

	2013			2014		
	GS Superhighway JV RMB'000	West Route JV RMB'000	Total RMB'000	GS Superhighway JV RMB'000	West Route JV RMB'000	Total RMB'000
Non-current Assets						
Property and equipment	479,682	533,115	1,012,797	**466,810**	**489,169**	**955,979**
Concession intangible assets	10,219,348	13,582,842	23,802,190	**9,745,647**	**13,375,691**	**23,121,338**
	10,699,030	14,115,957	24,814,987	**10,212,457**	**13,864,860**	**24,077,317**
Current Assets						
Bank balance and cash						
— Cash and cash equivalents	316,583	374,217	690,800	**226,423**	**137,080**	**363,503**
— Time deposits with original maturity over three months	50,000	–	50,000	**50,000**	**–**	**50,000**
Others	118,460	37,879	156,339	**128,194**	**47,303**	**175,497**
	485,043	412,096	897,139	**404,617**	**184,383**	**589,000**
Non-current Liabilities						
Resurfacing obligations	(171,087)	(40,361)	(211,448)	**(196,415)**	**(57,390)**	**(253,805)**
Non-current financial liabilities						
— Bank and other loans	(3,350,702)	(7,978,282)	(11,328,984)	**(2,824,878)**	**(7,906,310)**	**(10,731,188)**
— Loans made by the Group	–	(1,000,000)	(1,000,000)	**–**	**–**	**–**
Others	(489,478)	(28,128)	(517,606)	**(383,553)**	**(88,740)**	**(472,293)**
	(4,011,267)	(9,046,771)	(13,058,038)	**(3,404,846)**	**(8,052,440)**	**(11,457,286)**
Current Liabilities						
Current financial liabilities						
— Bank loans	(480,318)	(43,000)	(523,318)	**(513,054)**	**(70,500)**	**(583,554)**
— Balance with a joint venture partner	–	(172,581)	(172,581)	**–**	**(138,321)**	**(138,321)**
— Dividend payable	(391,026)	–	(391,026)	**(346,750)**	**–**	**(346,750)**
— Interest payable	(890)	(29,140)	(30,030)	**(746)**	**(15,205)**	**(15,951)**
— Loans made by the Group	–	(30,000)	(30,000)	**–**	**(1,000,000)**	**(1,000,000)**
Others	(613,285)	(946,609)	(1,559,894)	**(635,010)**	**(623,816)**	**(1,258,826)**
	(1,485,519)	(1,221,330)	(2,706,849)	**(1,495,560)**	**(1,847,842)**	**(3,343,402)**
Net assets of joint ventures	5,687,287	4,259,952	9,947,239	**5,716,668**	**4,148,961**	**9,865,629**
Proportion of the Group's interest	48%	50%		**48%**	**50%**	
Net assets shared by the Group	2,729,898	2,129,976	4,859,874	**2,744,001**	**2,074,481**	**4,818,482**
Effect for change in profit-sharing ratio of a joint venture over the operation period	(14,305)	–	(14,305)	**(19,586)**	**–**	**(19,586)**
Net assets contributable to the Group	2,715,593	2,129,976	4,845,569	**2,724,415**	**2,074,481**	**4,798,896**
Carrying amount of additional cost of investments	1,371,677	38,696	1,410,373	**1,293,412**	**38,423**	**1,331,835**
Carrying amount of the Group's interests in joint ventures	4,087,270	2,168,672	6,255,942	**4,017,827**	**2,112,904**	**6,130,731**

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures (continued)

(FOR INFORMATION PURPOSE ONLY)

	2013			2014		
	GS Superhighway JV HK$'000	West Route JV HK$'000	Total HK$'000	**GS Superhighway JV HK$'000**	**West Route JV HK$'000**	**Total HK$'000**
Non-current Assets						
Property and equipment	605,838	673,324	1,279,162	**583,046**	**610,972**	**1,194,018**
Concession intangible assets	12,907,037	17,155,130	30,062,167	**12,172,313**	**16,706,238**	**28,878,551**
	13,512,875	17,828,454	31,341,329	**12,755,359**	**17,317,210**	**30,072,569**
Current Assets						
Bank balance and cash						
— Cash and cash equivalents	399,844	472,637	872,481	**282,802**	**171,213**	**454,015**
— Time deposits with original maturity over three months	63,150	–	63,150	**62,450**	**–**	**62,450**
Others	149,615	47,841	197,456	**160,114**	**59,082**	**219,196**
	612,609	520,478	1,133,087	**505,366**	**230,295**	**735,661**
Non-current Liabilities						
Resurfacing obligations	(216,083)	(50,976)	(267,059)	**(245,322)**	**(71,680)**	**(317,002)**
Non-current financial liabilities						
— Bank and other loans	(4,231,937)	(10,076,570)	(14,308,507)	**(3,528,273)**	**(9,874,981)**	**(13,403,254)**
— Loans made by the Group	–	(1,263,000)	(1,263,000)	**–**	**–**	**–**
Others	(618,211)	(35,526)	(653,737)	**(479,057)**	**(110,836)**	**(589,893)**
	(5,066,231)	(11,426,072)	(16,492,303)	**(4,252,652)**	**(10,057,497)**	**(14,310,149)**
Current Liabilities						
Current financial liabilities						
— Bank loans	(606,642)	(54,309)	(660,951)	**(640,804)**	**(88,055)**	**(728,859)**
— Balance with a joint venture partner	–	(217,970)	(217,970)	**–**	**(172,763)**	**(172,763)**
— Dividend payable	(493,866)	–	(493,866)	**(433,091)**	**–**	**(433,091)**
— Interest payable	(1,124)	(36,804)	(37,928)	**(932)**	**(18,991)**	**(19,923)**
— Loan made by the Group	–	(37,890)	(37,890)	**–**	**(1,249,000)**	**(1,249,000)**
Others	(774,579)	(1,195,566)	(1,970,145)	**(793,127)**	**(779,146)**	**(1,572,273)**
	(1,876,211)	(1,542,539)	(3,418,750)	**(1,867,954)**	**(2,307,955)**	**(4,175,909)**
Net assets of joint ventures	7,183,042	5,380,321	12,563,363	**7,140,119**	**5,182,053**	**12,322,172**
Proportion of the Group's interest	48%	50%		**48%**	**50%**	
Net assets shared by the Group	3,447,860	2,690,161	6,138,021	**3,427,257**	**2,591,027**	**6,018,284**
Effect for change in profit-sharing ratio of a joint venture over the operation period	(18,067)	–	(18,067)	**(24,462)**	**–**	**(24,462)**
Net assets contributable to the Group	3,429,793	2,690,161	6,119,954	**3,402,795**	**2,591,027**	**5,993,822**
Carrying amount of additional cost of investments	1,732,428	48,873	1,781,301	**1,615,471**	**47,990**	**1,663,461**
Carrying amount of the Group's interests in joint ventures	5,162,221	2,739,034	7,901,255	**5,018,266**	**2,639,017**	**7,657,283**

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures (continued)

	2013			2014		
	GS Superhighway JV RMB'000	*West Route JV RMB'000*	*Total RMB'000*	***GS Superhighway JV RMB'000***	***West Route JV RMB'000***	***Total RMB'000***
Toll revenue	3,062,736	665,973	3,728,709	**3,073,642**	**882,170**	**3,955,812**
Construction revenue	173,062	1,200,100	1,373,162	**109,455**	**–**	**109,455**
Total revenue	3,235,798	1,866,073	5,101,871	**3,183,097**	**882,170**	**4,065,267**
Construction costs	(173,062)	(1,200,100)	(1,373,162)	**(109,455)**	**–**	**(109,455)**
Other income	166,605	13,677	180,282	**64,110**	**23,392**	**87,502**
Provision of resurfacing	(33,234)	(13,397)	(46,631)	**(34,617)**	**(17,028)**	**(51,645)**
Toll expressway operation expenses	(358,554)	(87,229)	(445,783)	**(357,061)**	**(126,606)**	**(483,667)**
Depreciation and amortisation charges	(594,151)	(186,748)	(780,899)	**(637,408)**	**(269,528)**	**(906,936)**
General and administrative expenses	(91,925)	(32,934)	(124,859)	**(94,935)**	**(39,939)**	**(134,874)**
Finance costs	(39,732)	(429,076)	(468,808)	**(31,133)**	**(563,451)**	**(594,584)**
Income tax expenses	(523,800)	–	(523,800)	**(504,220)**	**–**	**(504,220)**
Profit (loss) for the year (Note)	1,587,945	(69,734)	1,518,211	**1,478,378**	**(110,990)**	**1,367,388**

(FOR INFORMATION PURPOSE ONLY)

	2013			2014		
	GS Superhighway JV HK$'000	*West Route JV HK$'000*	*Total HK$'000*	***GS Superhighway JV HK$'000***	***West Route JV HK$'000***	***Total HK$'000***
Toll revenue	3,811,142	829,548	4,640,690	**3,880,256**	**1,112,895**	**4,993,151**
Construction revenue	218,577	1,513,951	1,732,528	**136,709**	**–**	**136,709**
Total revenue	4,029,719	2,343,499	6,373,218	**4,016,965**	**1,112,895**	**5,129,860**
Construction costs	(218,577)	(1,513,951)	(1,732,528)	**(136,709)**	**–**	**(136,709)**
Other income	208,466	17,082	225,548	**81,705**	**29,517**	**111,222**
Provision of resurfacing	(41,359)	(16,672)	(58,031)	**(43,681)**	**(21,464)**	**(65,145)**
Toll expressway operation expenses	(446,053)	(108,670)	(554,723)	**(450,820)**	**(160,156)**	**(610,976)**
Depreciation and amortisation charges	(739,664)	(232,857)	(972,521)	**(804,624)**	**(340,030)**	**(1,144,654)**
General and administrative expenses	(114,324)	(40,998)	(155,322)	**(120,375)**	**(50,359)**	**(170,734)**
Finance costs	(49,385)	(535,367)	(584,752)	**(39,300)**	**(711,096)**	**(750,396)**
Income tax expenses	(652,051)	–	(652,051)	**(636,367)**	**–**	**(636,367)**
Profit (loss) for the year (Note)	1,976,772	(87,934)	1,888,838	**1,866,794**	**(140,693)**	**1,726,101**
Other comprehensive income (expenses)	256,258	142,655	398,913	**(75,777)**	**(42,132)**	**(117,909)**
Total comprehensive income (expenses)	2,233,030	54,721	2,287,751	**1,791,017**	**(182,825)**	**1,608,192**

Note: Profit (loss) for the year of GS Superhighway JV included the amount of approximately RMB10,567,000 (approximately HK$14,042,000) (2013: approximately RMB73,233,000 (approximately HK$92,129,000)) representing the exchange gain (net of related income tax expenses).

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

	2013 RMB'000 (restated)	***2014 RMB'000***	*2013 HK$'000 (restated)*	***2014 HK$'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	**1,249,000**
Interest receivable for loans from the Group to a joint venture	15,612	**1,708**	19,718	**2,134**
	1,045,612	**1,001,708**	1,320,608	**1,251,134**
Analysed for reporting purpose:				
Non-current assets	1,000,000	**–**	1,263,000	**–**
Current assets	45,612	**1,001,708**	57,608	**1,251,134**
	1,045,612	**1,001,708**	1,320,608	**1,251,134**

The loans made by the Group to West Route JV amounting to RMB1,000,000,000 are unsecured, carry fixed interest rates at 6.15% (2013: 6.15%) per annum and repayable within one year (2013: two years) from the end of the reporting period. As at 30 June 2013, the remaining balances amounting to RMB30,000,000 were unsecured, carried fixed interest rate at 5.99% per annum and repaid during the year ended 30 June 2014 (2013: repayable within twelve months from the end of the reporting period).

18. Investment

The investment represents interest in unlisted limited company incorporated in the PRC and is classified as available-for-sale financial asset. It is measured at cost less impairment at the end of the reporting period because the Directors are of the opinion that its fair value cannot be measured reliably.

19. Property and Equipment

	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000	Motor vehicles HK$'000	Furniture, fixtures and equipment HK$'000	Total HK$'000
				(FOR INFORMATION PURPOSE ONLY)		
COST						
As at 1 July 2012, as restated	582	4,928	5,510	710	6,012	6,722
Exchange adjustments	–	–	–	38	213	251
Additions	310	56	366	378	70	448
Disposals/written off	–	(58)	(58)	–	(73)	(73)
As at 30 June 2013, as restated	**892**	**4,926**	**5,818**	**1,126**	**6,222**	**7,348**
Exchange adjustments	**–**	**–**	**–**	**(12)**	**(64)**	**(76)**
Additions	**–**	**102**	**102**	**–**	**128**	**128**
Disposals/written off	**–**	**(363)**	**(363)**	**–**	**(460)**	**(460)**
As at 30 June 2014	**892**	**4,665**	**5,557**	**1,114**	**5,826**	**6,940**
DEPRECIATION						
As at 1 July 2012, as restated	582	4,320	4,902	710	5,270	5,980
Exchange adjustments	–	–	–	27	203	230
Charge for the year	52	495	547	63	610	673
Eliminated on disposals/written off	–	(58)	(58)	–	(75)	(75)
As at 30 June 2013, as restated	**634**	**4,757**	**5,391**	**800**	**6,008**	**6,808**
Exchange adjustments	**–**	**–**	**–**	**(9)**	**(62)**	**(71)**
Charge for the year	**62**	**98**	**160**	**78**	**124**	**202**
Eliminated on disposals/written off	**–**	**(363)**	**(363)**	**–**	**(460)**	**(460)**
As at 30 June 2014	**696**	**4,492**	**5,188**	**869**	**5,610**	**6,479**
CARRYING AMOUNTS						
As at 30 June 2013, as restated	258	169	427	326	214	540
As at 30 June 2014	**196**	**173**	**369**	**245**	**216**	**461**

The above items of property and equipment are depreciated over their estimated useful lives 3 to 5 years from the date on which they became available for their intended use using the straight-line method.

20. Amount due from a Subsidiary

The Company

The amount due from a subsidiary classified under non-current assets is interest-free, unsecured and with no fixed repayment term. In the opinion of the Directors, based on their assessment as at 30 June 2013 and 2014 of the estimated future cash flows from a subsidiary, the amount due from a subsidiary will not be repayable within one year from the end of the reporting period, accordingly this amount is classified as non-current. The effective interest rate on the amount due from a subsidiary at the end of the reporting period ranged from 0.66% to 4.92% (2013: 0.66% to 4.92%) per annum, representing the borrowing rates of that subsidiary. As at 30 June 2014, the amount due from a subsidiary amounting to RMB491,210,000 (approximately HK$613,522,000) (2013: RMB471,664,000 (approximately HK$595,712,000)) are denominated in HKD and the remaining amount due from a subsidiary amounting to RMB1,707,796,000 (approximately HK$2,133,037,000) (2013: RMB1,662,082,000 (approximately HK$2,099,209,000)) are denominated in RMB.

21. Amounts due from/to Subsidiaries

The Company

The current portion of amounts due from subsidiaries and the amounts due to subsidiaries are unsecured, interest-free and repayable on demand. As at 30 June 2014, amounts due from subsidiaries of RMB40,765,000 (approximately HK$50,915,000) (2013: RMB809,848,000 (approximately HK$1,022,838,000)) are denominated in HKD and the remaining amounts due from subsidiaries of RMB1,019,772,000 (approximately HK$1,273,695,000) (2013: RMB1,301,349,000 (approximately HK$1,643,604,000)) are denominated in RMB.

As at 30 June 2014, the amounts due to subsidiaries of RMB93,698,000 (approximately HK$117,029,000) (2013: RMB54,606,000 (approximately HK$68,968,000)) are denominated in HKD and remaining amounts due to subsidiaries of RMB95,349,000 (approximately HK$119,091,000) (2013: Nil) are denominated in RMB.

22. Dividend and Other Receivables

The Group

The following is an analysis of the dividend and other receivables outstanding at the end of the reporting period:

	2013 *RMB'000* *(restated)*	***2014*** ***RMB'000***	*2013* *HK$'000* *(restated)*	***2014*** ***HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Dividend receivable from a joint venture	167,387	**166,440**	211,409	**207,884**
Interest receivable	7,282	**5,690**	9,197	**7,107**
Others	1,659	**610**	2,095	**761**
Total dividend and other receivables	176,328	**172,740**	222,701	**215,752**

23. Bank Balances and Cash

The Group

Bank balances and cash include time deposits of RMB749,994,000 (approximately HK$936,743,000) (2013: Nil) with maturity period over three months carry interest at prevailing interest rate of range from 3.08% to 3.70% per annum. Remaining bank balances and cash carry interest at market rates which range from 0.1% to 3.55% (2013: 0.01% to 4.05%) per annum.

Analysis of the bank balances and cash of the Group by currency:

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
RMB	1,479,608	**812,463**	1,868,744	**1,014,766**
United States dollars ("USD")	26	**24**	33	**29**
HKD	802	**1,114**	1,013	**1,393**
	1,480,436	**813,601**	1,869,790	**1,016,188**

The Company

Bank balances and cash of the Company include time deposits of RMB183,646,000 (approximately HK$229,374,000) (2013: Nil) with original maturity period over three months that carry interest at prevailing interest rates range 3.55% to 3.70% per annum. Remaining bank balances and cash carry interest at market rates which ranged from 0.01% to 3.55% (2013: 0.01% to 4.05%) per annum.

Analysis of the bank balances and cash of the Company by currency:

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
RMB	15,970	**186,544**	20,171	**232,993**
USD	21	**23**	26	**28**
HKD	381	**261**	481	**327**
	16,372	**186,828**	20,678	**233,348**

24. Share Capital

The Group and the Company

	Number of shares	Nominal amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
As at 1 July 2012, 30 June 2013 and 30 June 2014	10,000,000,000	1,000,000

	Number of shares	Nominal amount HK$'000	Nominal amount 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 30 June 2013 and 30 June 2014	**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

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

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

Upon the expiry of the 2003 HHI Share Option Scheme on 15 July 2013, no further options may be granted but the provisions of the 2003 HHI Share Option Scheme shall in all other respects remain in full force and effect and options which were granted during the life of the 2003 HHI Share Option Scheme may continue to be exercisable in accordance with their respective terms of issue.

24. Share Capital (continued)

Share option scheme (continued)

The following table discloses the details of share options granted under the 2003 HHI Share Option Scheme by the Company to employees at nominal consideration:

		Number of shares under options granted						
		At 1 July 2012	Movements during the year			At 30 June 2013		
Date of grant	*Subscription price per share HK$*	*Outstanding*	*Granted*	*Exercised*	*Lapsed*	*Outstanding*	*Exercisable*	*Weighted average share price at the date of exercise HK$*
17 October 2006	5.858	4,080,000	–	–	–	4,080,000	4,080,000	N/A
19 November 2007	6.746	360,000	–	–	–	360,000	360,000	N/A
24 July 2008	5.800	400,000	–	–	–	400,000	320,000	N/A
		4,840,000	–	–	–	4,840,000	4,760,000	
Weighted average exercise price		HK$5.919	N/A	N/A	N/A	HK$5.919	HK$5.921	

		Number of shares under options granted						
		At 1 July 2013	**Movements during the year**			**At 30 June 2014**		
Date of grant	***Subscription price per share*** *HK$*	***Outstanding***	***Granted***	***Exercised***	***Lapsed***	***Outstanding***	***Exercisable***	***Weighted average share price at the date of exercise*** *HK$*
17 October 2006	5.858	4,080,000	–	–	(4,080,000)	**–**	**–**	N/A
19 November 2007	6.746	360,000	–	–	–	**360,000**	**360,000**	N/A
24 July 2008	5.800	400,000	–	–	–	**400,000**	**400,000**	N/A
		4,840,000	–	–	(4,080,000)	**760,000**	**760,000**	
Weighted average exercise price		HK$5.919	N/A	N/A	HK$5.858	**HK$6.248**	**HK$6.248**	

24. Share Capital (continued)

Share option scheme (continued)

The followings are the particulars of share options granted under the 2003 HHI Share Option Scheme:

Date of Grant	*Number of share options*	*Vesting period*	*Exercisable period*	*Exercise price per share* *HK$*
17 October 2006	1,240,000	1 December 2006 to 30 November 2007	1 December 2007 to 30 November 2013	5.858
17 October 2006	1,240,000	1 December 2006 to 30 November 2008	1 December 2008 to 30 November 2013	5.858
17 October 2006	1,240,000	1 December 2006 to 30 November 2009	1 December 2009 to 30 November 2013	5.858
17 October 2006	1,240,000	1 December 2006 to 30 November 2010	1 December 2010 to 30 November 2013	5.858
17 October 2006	1,240,000	1 December 2006 to 30 November 2011	1 December 2011 to 30 November 2013	5.858
19 November 2007	152,000	19 November 2007 to 30 November 2008	1 December 2008 to 30 November 2014	6.746
19 November 2007	152,000	19 November 2007 to 30 November 2009	1 December 2009 to 30 November 2014	6.746
19 November 2007	152,000	19 November 2007 to 30 November 2010	1 December 2010 to 30 November 2014	6.746
19 November 2007	152,000	19 November 2007 to 30 November 2011	1 December 2011 to 30 November 2014	6.746
19 November 2007	152,000	19 November 2007 to 30 November 2012	1 December 2012 to 30 November 2014	6.746
24 July 2008	160,000	1 August 2008 to 31 July 2009	1 August 2009 to 31 July 2015	5.800
24 July 2008	160,000	1 August 2008 to 31 July 2010	1 August 2010 to 31 July 2015	5.800
24 July 2008	160,000	1 August 2008 to 31 July 2011	1 August 2011 to 31 July 2015	5.800
24 July 2008	160,000	1 August 2008 to 31 July 2012	1 August 2012 to 31 July 2015	5.800
24 July 2008	160,000	1 August 2008 to 31 July 2013	1 August 2013 to 31 July 2015	5.800

24. Share Capital (continued)

Share option scheme (continued)

Share option expenses charged to the profit or loss are based on valuation determined using the Binomial model. Share options granted were valued based on the following assumptions:

Date of grant	Number of options granted	Fair values of options granted *HK$*	Closing share price at date of grant *HK$*	Expected price *HK$*	Exercise volatility	Option life	Risk-free rate	Expected dividend yield	Suboptimal exercise factor
17 October 2006	6,200,000	5,814,000	5.70	5.858	23.00%	7 years	3.969%	4.75%	2
19 November 2007	760,000	705,000	6.55	6.746	23.83%	7 years	3.330%	5.78%	2
24 July 2008	800,000	843,000	5.80	5.800	25.94%	7 years	3.600%	4.66%	1.31

Expected volatility was determined by using the historical volatility of the Company's share price over the previous year. The effects of time to vest, non-transferability, exercise restrictions and behavioural considerations have been taken into account in the model. The variables and assumptions used in computing the fair value of the share options are based on the management's best estimate. The value of share options varies with different variables of certain subjective assumptions.

A new share option scheme was approved by both the shareholders of HHL and the Company effective on 22 October 2013 (the "2013 HHI Share Option Scheme"). The 2013 HHI Share Option Scheme shall be valid and effective for a period of ten years and the purpose of which is to provide the Company with an alternative means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to (i) any Director, chief executive or employee (whether full-time or part-time) of any member of the Group; (ii) any discretionary object of a discretionary trust established by any Director, chief executive or employee (whether full-time or part-time) of any member of the Group; (iii) a company beneficially owned by any Director, chief executive or employee (whether full-time or part-time) of any member of the Group; (iv) any consultant, professional and other adviser to any member of the Group or any consultant, professional and other adviser proposed to be appointed to any member of the Group (including any of their employees, partners, Directors or executives); (v) any associates of any Director, chief executive, or substantial shareholder of any member of the Group; and (vi) any Director, chief executive or employee (whether full-time or part-time) of the HHL Group (excluding the Group).

No share option of the Company was granted during the year.

25. Share Premium and Reserves

The Company

The Company's reserves available for distribution represent the share premium and retained profits. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of a dividend, the Company is able to pay its debt as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can only be distributed out of the retained profits and share premium of the Company. As at 30 June 2014, the Company's reserves available for distribution to its shareholders amounting to RMB5,833,450,000 (approximately HK$5,506,081,000) (2013: RMB6,178,412,000 (approximately HK$5,938,134,000)), comprising retained profits of RMB465,514,000 (approximately HK$495,760,000) (2013: RMB502,307,000 (approximately HK$540,472,000)) and share premium of RMB5,367,936,000 (approximately HK$5,010,321,000) (2013: RMB5,676,105,000 (approximately HK$5,397,662,000)).

	Share premium *RMB'000*	**Translation reserve** *RMB'000* *(Note i)*	**Share option reserve** *RMB'000*	**Retained profits** *RMB'000*	**Total** *RMB'000*
As at 1 July 2012	5,309,971	(970,954)	4,050	522,054	4,865,121
Profit and total comprehensive income for the year	–	–	–	671,849	671,849
Shares issued	376,738	–	–	–	376,738
Transaction costs related to issue of shares	(10,604)	–	–	–	(10,604)
Dividends recognised as distribution during the year (Note 12)	–	–	–	(691,596)	(691,596)
As at 30 June 2013	**5,676,105**	**(970,954)**	**4,050**	**502,307**	**5,211,508**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**539,181**	**539,181**
Expiry of vested share options	**–**	**–**	**(3,384)**	**3,384**	**–**
Dividends recognised as distribution during the year (Note 12)	**(308,169)**	**–**	**–**	**(579,358)**	**(887,527)**
As at 30 June 2014	**5,367,936**	**(970,954)**	**666**	**465,514**	**4,863,162**

25. Share Premium and Reserves (continued)

(FOR INFORMATION PURPOSE ONLY)

	Share premium HK$'000	Translation reserve HK$'000 (Note ii)	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
As at 1 July 2012	4,942,924	458,782	4,582	551,339	5,957,627
Exchange gain on translation to presentation currency	–	214,239	–	–	214,239
Profit for the year	–	–	–	843,265	843,265
Total comprehensive income for the year	–	214,239	–	843,265	1,057,504
Shares issued	467,909	–	–	–	467,909
Transaction costs related to issue of shares	(13,171)	–	–	–	(13,171)
Dividends recognised as distribution during the year (Note 12)	–	–	–	(854,132)	(854,132)
As at 30 June 2013	**5,397,662**	**673,021**	**4,582**	**540,472**	**6,615,737**
Exchange loss on translation to presentation currency	**–**	**(75,955)**	**–**	**–**	**(75,955)**
Profit for the year	**–**	**–**	**–**	**684,017**	**684,017**
Total comprehensive income for the year	**–**	**(75,955)**	**–**	**684,017**	**608,062**
Expiry of vested share options	**–**	**–**	**(3,826)**	**3,826**	**–**
Dividends recognised as distribution during the year (Note 12)	**(387,341)**	**–**	**–**	**(732,555)**	**(1,119,896)**
As at 30 June 2014	**5,010,321**	**597,066**	**756**	**495,760**	**6,103,903**

Notes:

(i) 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.

(ii) The translation reserve represented the accumulated net exchange difference arising on translation of the Company's financial statements denominated in RMB, the functional currency of the Company, to the presentation currency of the Company after the change in functional currency of the Company.

26. Bank Loans

The Group

Analysis of the bank loans of the Group by currency:

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
RMB (Note i)	500,000	**500,000**	631,500	**624,500**
HKD (Note ii)	101,821	**198,479**	128,600	**247,900**
	601,821	**698,479**	760,100	**872,400**
Carrying amount repayable:				
Within one year	101,821	**500,000**	128,600	**624,500**
More than one year, but not exceeding two years	500,000	**198,479**	631,500	**247,900**
	601,821	**698,479**	760,100	**872,400**

Notes:

(i) The bank loan is unsecured, carries interest at fixed rate of 3.98% per annum.

(ii) The bank loans are unsecured, carried interests at prevailing commercial lending rates. The effective interest rates for bank loans for the year were ranged from 1.32% to 1.86% (2013: 1.12% to 1.93%) per annum.

As at 30 June 2014, the Group has available unutilised banking facilities of RMB742,034,000 (approximately HK$926,800,000) (2013: RMB831,591,000 (approximately HK$1,050,300,000)).

The Company

The bank loan of the Company amounting to RMB500,000,000 (approximately HK$624,500,000) (2013: RMB500,000,000 (approximately HK$631,500,000)), denominated in RMB, is unsecured, carries interest at fixed rate of 3.98% per annum and repayable within one year (2013: two years) from the end of reporting period.

As at 30 June 2014, the Company has available unutilised banking facilities of RMB300,000,000 (approximately HK$374,700,000) (2013: RMB300,000,000 (approximately HK$378,900,000)).

27. Deferred Tax Liabilities

The Group

The amounts represent the deferred tax liabilities associated with the undistributed earnings of a joint venture. The movement of deferred tax liabilities is as follows:

	RMB'000	*HK$'000* (FOR INFORMATION PURPOSE ONLY)
As at 1 July 2012, as restated	137,328	167,540
Exchange adjustments	–	6,021
Charge to profit or loss	37,640	46,864
Release to profit or loss upon payment of withholding tax	(42,295)	(52,859)
As at 30 June 2013, as restated	**132,673**	**167,566**
Exchange adjustments	**–**	**(1,776)**
Charge to profit or loss	**35,503**	**44,831**
Release to profit or loss upon payment of withholding tax	**(35,040)**	**(44,334)**
As at 30 June 2014	**133,136**	**166,287**

28. Corporate Bonds

As at 30 June 2013, the corporate bonds with principal amounts of RMB600,000,000 (approximately HK$757,800,000) carried interest at fixed rate of 1.55% per annum and have been repaid on 18 May 2014.

29. Capital Risk Management

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

The capital structure of the Group consist of bank loans and corporate bonds disclosed in notes 26 and 28, respectively, equity attributable to owners of the Company, comprising issued capital, share premium, retained profits and other reserves.

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

The Directors of the Company monitor the utilisation of bank loans and ensures full compliance with loan covenants during the year.

30. Financial Instruments

(a) Categories of financial instruments

The Group

	2013 RMB'000 (restated)	**2014 RMB'000**	2013 HK$'000 (restated)	**2014 HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
Financial assets				
Loans and receivables including cash and cash equivalents	2,702,376	**1,988,049**	3,413,099	**2,483,074**
Available-for-sales financial asset	4,785	**4,785**	6,044	**5,977**
	2,707,161	**1,992,834**	3,419,143	**2,489,051**
Financial liabilities				
Amortised cost	1,208,429	**702,924**	1,526,246	**877,952**

The Company

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000	**2014 HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
Financial assets				
Loans and receivables including cash and cash equivalents	4,261,882	**3,446,747**	5,382,757	**4,304,987**
Financial liabilities				
Amortised cost	1,159,178	**692,228**	1,464,042	**864,594**

(b) Financial risk management objectives

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

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

30. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

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

(i) Foreign currency risk management

The Group and the Company undertake certain transactions denominated in foreign currencies, hence exposure to exchange fluctuation arise. Certain of the financial assets and liabilities of the Group and the Company are denominated in HKD or USD which are currencies other than their respective functional currencies of the Company and its subsidiaries. The Group manages its foreign currency risk by constantly monitoring the movement of the foreign exchange rates. Besides, the joint ventures of the Group had outstanding bank borrowings denominated in HKD and USD that are not the functional currencies of the joint ventures.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and liabilities of the Group and the Company at the end of the reporting period are as follows:

The Group

	Assets				*Liabilities*			
	2013 RMB'000 (restated)	***2014 RMB'000***	*2013 HK$'000 (restated)* (FOR INFORMATION PURPOSE ONLY)	***2014 HK$'000***	*2013 RMB'000 (restated)*	***2014 RMB'000***	*2013 HK$'000 (restated)* (FOR INFORMATION PURPOSE ONLY)	***2014 HK$'000***
USD	26	**24**	33	**29**	–	**–**	–	**–**
HKD	802	**1,114**	1,013	**1,393**	3,933	**3,796**	4,967	**4,741**

The Company

	Assets				*Liabilities*			
	2013 RMB'000	***2014 RMB'000***	*2013 HK$'000* (FOR INFORMATION PURPOSE ONLY)	***2014 HK$'000***	*2013 RMB'000*	***2014 RMB'000***	*2013 HK$'000* (FOR INFORMATION PURPOSE ONLY)	***2014 HK$'000***
USD	21	**23**	26	**28**	–	**–**	–	**–**
HKD	1,281,893	**532,256**	1,619,031	**664,788**	57,741	**96,758**	72,926	**120,850**

The Group and the Company currently do not have a foreign currency hedging policy in respect of foreign currency exposure.

Sensitivity analysis

The foreign currency risk of the Group and its joint ventures, and the Company is mainly concentrated on the fluctuation of RMB, the functional currency of the Company, its subsidiaries and its joint ventures as at 30 June 2014, against USD and HKD. The following sensitivity analysis includes currency risk related to USD and HKD denominated monetary items of the Company, the subsidiaries and the joint ventures. The sensitivity analysis of the Group also includes currency risk exposure on inter-company balances.

30. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(i) Foreign currency risk management (continued)

Sensitivity analysis (continued)

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

The Group

	2013			2014		
	RMB strengthen (weaken)	Increase (decrease) in profit before tax RMB'000 (restated)	Increase (decrease) in profit before tax HK$'000 (restated) (FOR INFORMATION PURPOSE ONLY)	RMB strengthen (weaken)	Increase (decrease) in profit before tax RMB'000	Increase (decrease) in profit before tax HK$'000 (FOR INFORMATION PURPOSE ONLY)
USD	5%	81,269	102,642	5%	71,379	89,153
	(5%)	(81,269)	(102,642)	(5%)	(71,379)	(89,153)
HKD	5%	10,537	13,308	5%	9,457	11,812
	(5%)	(10,537)	(13,308)	(5%)	(9,457)	(11,812)

The Company

	2013			2014		
	RMB strengthen (weaken)	Increase (decrease) in profit before tax RMB'000	Increase (decrease) in profit before tax HK$'000 (FOR INFORMATION PURPOSE ONLY)	RMB strengthen (weaken)	Increase (decrease) in profit before tax RMB'000	Increase (decrease) in profit before tax HK$'000 (FOR INFORMATION PURPOSE ONLY)
USD	5%	(1)	(1)	5%	(1)	(1)
	(5%)	1	1	(5%)	1	1
HKD	5%	(61,208)	(77,305)	5%	(21,775)	(27,197)
	(5%)	61,208	77,305	(5%)	21,775	27,197

30. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(ii) Interest rate risk management

The cash flows interest rate risk of the Group primarily to variable rate bank loans, bank balances and deposits with details as set out in notes 23 and 26 and the variable rate bank loans, bank balances and deposits of its joint ventures. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. Management continues to monitor the cash flow of the operations and the debt markets, when considered appropriate, the Group will refinance these borrowings with instruments with a lower cost.

The Group and the Company are exposed to fair value interest risk in relation to amount due from a subsidiary, fixed rate bank loan and corporate bonds, with details as set out in notes 20, 26 and 28 respectively. The management continues to monitor the fair value interest rate exposure of the Group and the Company.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates in relation to the variable rate bank loans, bank balances and deposits of the Group and its joint ventures at the end of the reporting period. The analysis is prepared assuming the amount of asset and liability outstanding at the end of the reporting period was outstanding for the whole year. The 50 (2013: 50) basis point increase or decrease represents the management's assessment of the reasonably possible changes in interest rate.

The Group

If interest rate had been 50 (2013: 50) basis points higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 30 June 2014, would decrease/ increase by RMB27,666,000 (approximately HK$34,555,000) (2013: RMB30,505,000 (approximately HK$38,528,000)).

(iii) Credit risk management

The Group

The Group's credit risk is primarily attributable to its loans to a joint venture, interest receivables from a joint venture, dividend and other receivables, bank balances and deposits.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group has significant concentration of credit risk in its loans to a joint venture, interest receivables from a joint venture and dividend receivable from a joint venture. The management is responsible to exercise the joint control on the relevant activities of the joint ventures with a PRC joint venture partner to ensure the joint ventures maintaining favourable financial position in order to reduce such credit risk.

In addition, the management and the respective joint ventures are responsible for monitoring the procedures to ensure that follow-up actions are taken to recover overdue debts, in order to minimise other credit risks. The management is also responsible for reviewing the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

30. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(iii) Credit risk management (continued)

The Company

The Company's credit risk is primarily attributable to amounts due from subsidiaries and the amount of contingent liabilities in relation to financial guarantee issued by the Company as disclosed in note 36. The Company has concentration of risk as 87% (2013: 67%) of total amounts due from subsidiaries represented the two largest amounts due from subsidiaries. The credit risk is limited because the subsidiaries are under the same management with same financial risk management policies.

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

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

(iv) Liquidity risk management

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

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on undiscounted cash flows of financial liabilities (including interest payments computed using contractual rates or, if floating, based on rate current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

The Group

	Interest rate %	*Repayable on demand RMB'000 (restated)*	*Less than 1 year RMB'000 (restated)*	*1–2 years RMB'000 (restated)*	*Total undiscounted cash flows RMB'000 (restated)*	*Carrying amounts RMB'000 (restated)*
2013						
Payables and accruals	–	5,108	–	–	5,108	5,108
Interest payable	–	–	1,500	–	1,500	1,500
Bank loans	1.63–3.98	101,821	20,176	517,302	639,299	601,821
Corporate bonds	1.55	–	608,204	–	608,204	600,000
		106,929	629,880	517,302	1,254,111	1,208,429

	Interest rate %	***Repayable on demand RMB'000***	***Less than 1 year RMB'000***	***1–2 years RMB'000***	***Total undiscounted cash flows RMB'000***	***Carrying amounts RMB'000***
2014						
Payables and accruals	**–**	**4,349**	**–**	**–**	**4,349**	**4,349**
Interest payable	**–**	**–**	**96**	**–**	**96**	**96**
Bank loans	**1.36–3.98**	**–**	**520,058**	**201,220**	**721,278**	**698,479**
		4,349	**520,154**	**201,220**	**725,723**	**702,924**

30. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(iv) Liquidity risk management (continued)

The Group (continued)

(FOR INFORMATION PURPOSE ONLY)

	Interest rate %	*Repayable on demand HK$'000 (restated)*	*Less than 1 year HK$'000 (restated)*	*1–2 years HK$'000 (restated)*	*Total undiscounted cash flows HK$'000 (restated)*	*Carrying amounts HK$'000 (restated)*
2013						
Payables and accruals	–	6,452	–	–	6,452	6,452
Interest payable	–	–	1,894	–	1,894	1,894
Bank loans	1.63–3.98	128,600	25,483	653,352	807,435	760,100
Corporate bonds	1.55	–	768,162	–	768,162	757,800
		135,052	795,539	653,352	1,583,943	1,526,246

	Interest rate %	***Repayable on demand HK$'000***	***Less than 1 year HK$'000***	***1–2 years HK$'000***	***Total undiscounted cash flows HK$'000***	***Carrying amounts HK$'000***
2014						
Payables and accruals	**–**	**5,432**	**–**	**–**	**5,432**	**5,432**
Interest payable	**–**	**–**	**120**	**–**	**120**	**120**
Bank loans	**1.36–3.98**	**–**	**649,553**	**251,324**	**900,877**	**872,400**
		5,432	**649,673**	**251,324**	**906,429**	**877,952**

The Company

	Interest rate %	*Repayable on demand RMB'000*	*Less than 1 year RMB'000*	*1–2 years RMB'000*	*Total undiscounted cash flows RMB'000*	*Carrying amounts RMB'000*
2013						
Payables and accruals	–	3,141	–	–	3,141	3,141
Interest payable	–	–	1,431	–	1,431	1,431
Amounts due to subsidiaries	–	54,606	–	–	54,606	54,606
Bank loan	3.98	–	20,176	517,302	537,478	500,000
Corporate bonds	1.55	–	608,204	–	608,204	600,000
Financial guarantee contracts	–	101,821	–	–	101,821	–
		159,568	629,811	517,302	1,306,681	1,159,178

	Interest rate %	***Repayable on demand RMB'000***	***Less than 1 year RMB'000***	***1–2 years RMB'000***	***Total undiscounted cash flows RMB'000***	***Carrying amounts RMB'000***
2014						
Payables and accruals	**–**	**3,181**	**–**	**–**	**3,181**	**3,181**
Amounts due to subsidiaries	**–**	**189,047**	**–**	**–**	**189,047**	**189,047**
Bank loan	**3.98**	**–**	**517,302**	**–**	**517,302**	**500,000**
Financial guarantee contracts	**–**	**198,479**	**–**	**–**	**198,479**	**–**
		390,707	**517,302**	**–**	**908,009**	**692,228**

30. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(iv) Liquidity risk management (continued)

The Company (continued)
(FOR INFORMATION PURPOSE ONLY)

	Interest rate %	Repayable on demand HK$'000	Less than 1 year HK$'000	1–2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
2013						
Payables and accruals	–	3,967	–	–	3,967	3,967
Interest payable	–	–	1,807	–	1,807	1,807
Amounts due to subsidiaries	–	68,968	–	–	68,968	68,968
Bank loan	3.98	–	25,483	653,352	678,835	631,500
Corporate bonds	1.55	–	768,162	–	768,162	757,800
Financial guarantee contracts	–	128,600	–	–	128,600	–
		201,535	795,452	653,352	1,650,339	1,464,042

	Interest rate %	***Repayable on demand HK$'000***	***Less than 1 year HK$'000***	***1–2 years HK$'000***	***Total undiscounted cash flows HK$'000***	***Carrying amounts HK$'000***
2014						
Payables and accruals	**–**	**3,974**	**–**	**–**	**3,974**	**3,974**
Amounts due to subsidiaries	**–**	**236,120**	**–**	**–**	**236,120**	**236,120**
Bank loan	**3.98**	**–**	**646,110**	**–**	**646,110**	**624,500**
Financial guarantee contracts	**–**	**247,900**	**–**	**–**	**247,900**	**–**
		487,994	**646,110**	**–**	**1,134,104**	**864,594**

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subjected to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

(c) Fair value

The fair values of financial assets and financial liabilities are determined on a recurring basis in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

31. Total Assets Less Current Liabilities/Net Current Assets

The Group

The Group's total assets less current liabilities as at 30 June 2014 amounted to RMB7,617,423,000 (approximately HK$9,514,162,000) (2013, as restated: RMB8,253,268,000 (approximately HK$10,423,878,000)). The Group's net current assets as at 30 June 2014 amounted to RMB1,481,538,000 (approximately HK$1,850,441,000) (2013, as restated: RMB992,114,000 (approximately HK$1,253,039,000)).

The Company

The Company's total assets less current liabilities as at 30 June 2014, amounted to RMB5,133,765,000 (approximately HK$6,412,072,000) (2013: RMB5,982,111,000 (approximately HK$7,555,406,000)). The Company's net current assets as at 30 June 2014 amounted to RMB554,940,000 (approximately HK$693,119,000) (2013: RMB1,470,892,000 (approximately HK$1,857,737,000)).

32. Particulars of Principal Subsidiaries

The following list contains the particulars of the subsidiaries of the Company at 30 June 2014 and 2013 which principally affect the results, assets or liabilities of the Group as the Directors of the Company are of the opinion that a full list of all the subsidiaries would be of excessive length. None of the subsidiaries had issued any debt securities during the year or at the end of the year.

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

Except HHI Finance Limited, all the above subsidiaries are indirectly held by the Company.

33. Operating Leases

The Group as lessee

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
Minimum lease payments paid under operating lease for premises during the year	1,553	**1,929**	1,927	**2,437**

At the end of the reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases in respect of premises which fall due as follows:

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2014 HK$'000**
Within one year	–	**1,209**	–	**1,510**

Leases are negotiated for a lease term of one year with fixed rentals.

34. Capital Commitments

As at 30 June 2014, the Group has agreed, subject to approval of relevant authorities, to make additional capital contributions to West Route JV for development of Phase II West of RMB402,500,000 (approximately HK$502,723,000) (2013: RMB402,500,000 (approximately HK$508,358,000)).

35. Related Party Transactions

Amounts due to and from related parties are disclosed in the consolidated statement of financial position and relevant notes. During the year ended 30 June 2014, the Group paid rentals, air-conditioning, management fee and car parking charges to fellow subsidiaries amounting to RMB2,379,000 (approximately HK$3,005,000) (2013: RMB2,180,000 (approximately HK$2,705,000)).

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.

Compensation of key management personnel

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

36. Guarantee

As at 30 June 2014, the revolving credit facilities of the Company's wholly-owned subsidiary in the aggregate amount of RMB640,512,000 (approximately HK$800,000,000) (2013: RMB633,413,000 (approximately HK$800,000,000)) are guaranteed by the Company. The Company is able to control the utilisation of the facilities. As at 30 June 2014, the subsidiary had utilised part of such facilities of RMB198,479,000 (approximately HK$247,900,000) (2013: RMB101,821,000 (approximately HK$128,600,000)).

37. Approval of Financial Statements

The consolidated financial statements on page 87 to 149 were approved and authorised for issue by the Board of Directors on 26 August 2014.

Consolidated Statement of Profit or Loss

For the year ended 30 June 2014
(FOR INFORMATION PURPOSE ONLY)

	2013	***2014***	*2013*	***2014***
	RMB'000	***RMB'000***	*HK$'000*	***HK$'000***
Toll revenue	1,803,100	**1,916,433**	2,244,122	**2,418,971**
Revenue on construction	683,120	**52,538**	861,893	**65,620**
Turnover	2,486,220	**1,968,971**	3,106,015	**2,484,591**
Other income	201,029	**165,995**	250,679	**210,039**
Construction costs	(683,120)	**(52,538)**	(861,893)	**(65,620)**
Provision for resurfacing charges	(22,651)	**(25,131)**	(28,188)	**(31,699)**
Toll expressway operation expenses	(215,721)	**(234,692)**	(268,440)	**(296,472)**
Depreciation and amortisation charges	(453,741)	**(519,417)**	(565,023)	**(655,592)**
General and administrative expenses	(102,381)	**(103,845)**	(127,253)	**(131,374)**
Finance costs	(299,471)	**(347,961)**	(373,276)	**(439,193)**
Profit before tax	910,164	**851,382**	1,132,621	**1,074,680**
Income tax expenses	(297,892)	**(287,727)**	(370,838)	**(363,165)**
Profit for the year	612,272	**563,655**	761,783	**711,515**
Profit for the year attributable to:				
Owners of the Company	600,744	**552,825**	747,430	**697,840**
Non-controlling interests	11,528	**10,830**	14,353	**13,675**
	612,272	**563,655**	761,783	**711,515**

Consolidated Statement of Financial Position

As at 30 June 2014
(FOR INFORMATION PURPOSE ONLY)

	2013 *RMB'000*	***2014*** ***RMB'000***	*2013* *HK$'000*	***2014*** ***HK$'000***
ASSETS				
Non-current Assets				
Property and equipment	497,179	**468,970**	627,937	**585,743**
Concession intangible assets	13,060,456	**12,645,704**	16,495,355	**15,794,484**
Balance with a joint venture	260,944	**277,071**	329,572	**346,062**
Loans to a joint venture (Note i)	500,000	**–**	631,500	**–**
Investment	4,785	**4,785**	6,044	**5,977**
	14,323,364	**13,396,530**	18,090,408	**16,732,266**
Current Assets				
Inventories	1,853	**1,320**	2,341	**1,649**
Deposits and prepayments	6,654	**5,206**	8,405	**6,502**
Interest and other receivables	85,565	**93,999**	108,068	**117,405**
Loans to a joint venture (Note i)	22,806	**500,854**	28,804	**625,567**
Pledged bank balances and deposits of joint ventures	328,394	**197,439**	414,762	**246,601**
Bank balances and cash				
— The Group	1,480,436	**813,601**	1,869,790	**1,016,188**
— Joint ventures	34,674	**3,784**	43,793	**4,726**
	1,960,382	**1,616,203**	2,475,963	**2,018,638**
Total Assets	16,283,746	**15,012,733**	20,566,371	**18,750,904**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	7,300,132	**6,965,425**	9,253,670	**8,729,630**
Equity attributable to owners of the Company	7,570,735	**7,236,028**	9,561,839	**9,037,799**
Non-controlling interests	49,860	**49,780**	62,973	**62,176**
Total Equity	7,620,595	**7,285,808**	9,624,812	**9,099,975**
Non-current Liabilities				
Bank loans of the Group	500,000	**198,479**	631,500	**247,900**
Bank and other loans of joint ventures	5,597,060	**5,308,698**	7,069,087	**6,630,564**
Balance with a joint venture partner	260,895	**277,021**	329,510	**345,999**
Resurfacing obligations	80,011	**100,682**	101,053	**125,752**
Deferred tax liabilities	325,723	**318,980**	411,388	**398,405**
Other non-current liabilities	51,488	**38,156**	65,029	**47,657**
	6,815,177	**6,242,016**	8,607,567	**7,796,277**

Consolidated Statement of Financial Position (continued)

As at 30 June 2014
(FOR INFORMATION PURPOSE ONLY)

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000	**2014 HK$'000**
Current Liabilities				
Provision, other payables, accruals and deposits received	707,387	**568,451**	893,431	**709,996**
Balance with a joint venture partner	106,595	**69,160**	134,629	**86,381**
Bank loans				
— The Group	101,821	**500,000**	128,600	**624,500**
— Joint ventures	252,053	**281,516**	318,342	**351,613**
Corporate bonds	600,000	**–**	757,800	**–**
Other interest payable	8,690	**7,203**	10,976	**8,996**
Tax liabilities	71,428	**58,579**	90,214	**73,166**
	1,847,974	**1,484,909**	2,333,992	**1,854,652**
Total Liabilities	8,663,151	**7,726,925**	10,941,559	**9,650,929**
Total Equity and Liabilities	16,283,746	**15,012,733**	20,566,371	**18,750,904**

Notes:

(i) Reconciliation of loans to a joint venture

	2013 RMB'000	**2014 RMB'000**	2013 HK$'000	**2014 HK$'000**
Principal amount of loans from the Group to a joint venture	1,030,000	**1,000,000**	1,300,890	**1,249,000**
Interest receivable for loans from the Group to a joint venture	15,612	**1,708**	19,718	**2,134**
Less: Elimination of the Group's proportionate share of the corresponding amounts of a joint venture	(522,806)	**(500,854)**	(660,304)	**(625,567)**
	522,806	**500,854**	660,304	**625,567**
Analysed for reporting purpose:				
Non-current assets	500,000	**–**	631,500	**–**
Current assets	22,806	**500,854**	28,804	**625,567**
	522,806	**500,854**	660,304	**625,567**

Glossary

"2013 Annual General Meeting"	the annual general meeting of the Company held at Auditorium, 3/F., Kowloonbay International Trade and Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 21 October 2013 at 10:00 a.m.
"2014 Annual General Meeting"	the annual general meeting of the Company to be held at Auditorium, 3/F., Kowloonbay International Trade and Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 21 October 2014 at 10:00 a.m.
"Award Scheme"	the share award scheme adopted by the Board on 25 January 2007
"Board"	the board of Directors of the Company
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Coastal Expressway"	Guangzhou-Shenzhen Coastal Expressway
"Company" or "HHI"	Hopewell Highway Infrastructure Limited
"Director(s)"	director(s) of the Company
"DTT"	Deloitte Touche Tohmatsu
"EBIT"	earnings before interest and tax
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"EIT"	Enterprise Income Tax
"FY07"	the financial year ended 30 June 2007
"FY08"	the financial year ended 30 June 2008
"FY09"	the financial year ended 30 June 2009
"FY10"	the financial year ended 30 June 2010
"FY11"	the financial year ended 30 June 2011
"FY12"	the financial year ended 30 June 2012
"FY13"	the financial year ended 30 June 2013
"FY14"	the financial year ended 30 June 2014
"FY15"	the financial year ending 30 June 2015
"FY16"	the financial year ending 30 June 2016
"GDP"	Gross Domestic Product
"Group"	the Company and its subsidiaries
"GS Superhighway"	Guangzhou-Shenzhen Superhighway
"GS Superhighway JV"	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company established for the GS Superhighway

"HHI Website"	the website of the Company at www.hopewellhighway.com
"HHL"	Hopewell Holdings Limited
"HHL Shares"	ordinary shares of HHL
"HK$", "HKD" or "HK Dollar(s)"	Hong Kong Dollars, the lawful currency of Hong Kong
"HKEx Website"	the website of the Stock Exchange at www.hkexnews.hk
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Government"	the Government of Hong Kong
"HZM Bridge"	the Hong Kong-Zhuhai-Macau Bridge
"JV"	joint venture
"km"	kilometre
"Lady WU"	Lady WU Ivy Sau Ping KWOK
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Mainland China"	the PRC, excluding Hong Kong and Macau
"MPF Scheme"	the mandatory provident fund scheme set up by the Group
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"Phase I West"	Phase I of Western Delta Route
"Phase II West"	Phase II of Western Delta Route
"Phase III West"	Phase III of Western Delta Route
"PRC" or "China"	the People's Republic of China
"PRD"	Pearl River Delta
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong
"Sir Gordon WU"	Sir Gordon Ying Sheung WU
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States"	the United States of America
"US$" or "US Dollar(s)"	US 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

Corporate Information

Board of Directors
Sir Gordon Ying Sheung WU GBS, KCMG, FICE
Chairman
Mr. Eddie Ping Chang HO
Vice Chairman
Mr. Thomas Jefferson WU*
Managing Director
Mr. Alan Chi Hung CHAN
Deputy Managing Director
Mr. Cheng Hui JIA
Professor Chung Kwong POON GBS, JP#
Mr. Yuk Keung IP#
Mr. Brian David Man Bun LI JP#

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

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

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

Company Secretary
Mr. Po Wah HUEN

Registered Office
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business
Room 63-02, 63rd Floor
Hopewell Centre
183 Queen's Road East
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

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

Financial Calendar

Interim dividend announcement	2 January 2014
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	2 January 2014
Ex-dividend Date	15 January 2014
Closure of Register of Members	17 January 2014
Interim results announcement	27 January 2014
Deadline for submission of dividend election form	7 February 2014
Interim dividend paid ***(RMB9.8 cents or HK12.4590 cents per share)***	19 February 2014
Final results announcement	26 August 2014
Exchange rate determined for payment of final dividend in Hong Kong Dollars	26 August 2014
Closure of Register of Members	15 October 2014 to 21 October 2014 *(both days inclusive)*
2014 Annual General Meeting	21 October 2014
Ex-dividend Date	23 October 2014
Closure of Register of Members	27 October 2014
Deadline for submission of dividend election form	13 November 2014
Proposed final dividend payable# ***Final dividend: RMB8.1 cents or HK10.1806 cents per share***	25 November 2014

Subject to approval by shareholders at the 2014 Annual General Meeting to be held on 21 October 2014.

Design and Production by: REF Financial Press Limited
www.ref.com.hk

HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

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

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC™ C102904