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Hopewell Highway Infrastructure Limited

合和公路基建有限公司*

(incorporated in the Cayman Islands with limited liability)

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

Highlights

- Profit attributable to owners of the Company was RMB261 million or RMB8.48 cents per share
- GS Superhighway's average daily toll revenue has stabilised at around RMB8.9 million, which is the level in 2013. The Company believes diversion impact from the full opening of Coastal Expressway has fully been realised
- Western Delta Route's EBITDA rose 11% year-on-year to RMB197 million. It is targeted to achieve profit breakeven in the second half of financial year 2015 and will benefit from the People's Bank of China's lending rate cut
- The Company believes HHI's net profit will bottom out in financial year 2015
- Application for Phase II West's registered capital increase is in process and the first tranche has been approved in January 2015. HHI will receive RMB682 million shareholder's loan repayment from West Route JV
- Further capital expenditure will be not more than RMB44 million, which is sufficiently funded by the Company's solid financial position

** For identification purpose only*

GROUP RESULTS

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

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

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

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

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

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

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

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

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

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

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

Net Profit (HHI's shared portion)

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

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

HHI Corporate Level

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

Share of JV Companies

GS Superhighway JV (HHI's shared portion)

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

West Route JV (HHI's shared portion)

	30 June 2014	31 December 2014		30 June 2014	31 December 2014
	RMB million	RMB million		RMB million	RMB million
Bank balances and cash	68	114	Bank loans	3,988	4,017
Concession intangible assets	6,726	6,565	Shareholder's loan from the Company ^(Note1)	500	500
Property and equipment	245	276	Other liabilities	740	641
Other assets	302	293			
	7,341	7,248		5,228	5,158
Net assets value of West Route JV	2,113	2,090			
	30 June 2014	31 December 2014		30 June 2014	31 December 2014
	RMB million	RMB million		RMB million	RMB million
			Total liabilities	8,229	8,323
			Equity attributable to owners of the Company	7,236	7,248
			Non-controlling interests	50	50
Total Assets	15,515	15,621	Total Equity and Liabilities	15,515	15,621
Total net assets	7,286	7,298			

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

DIVIDEND

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

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

BUSINESS REVIEW

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

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

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

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

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

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

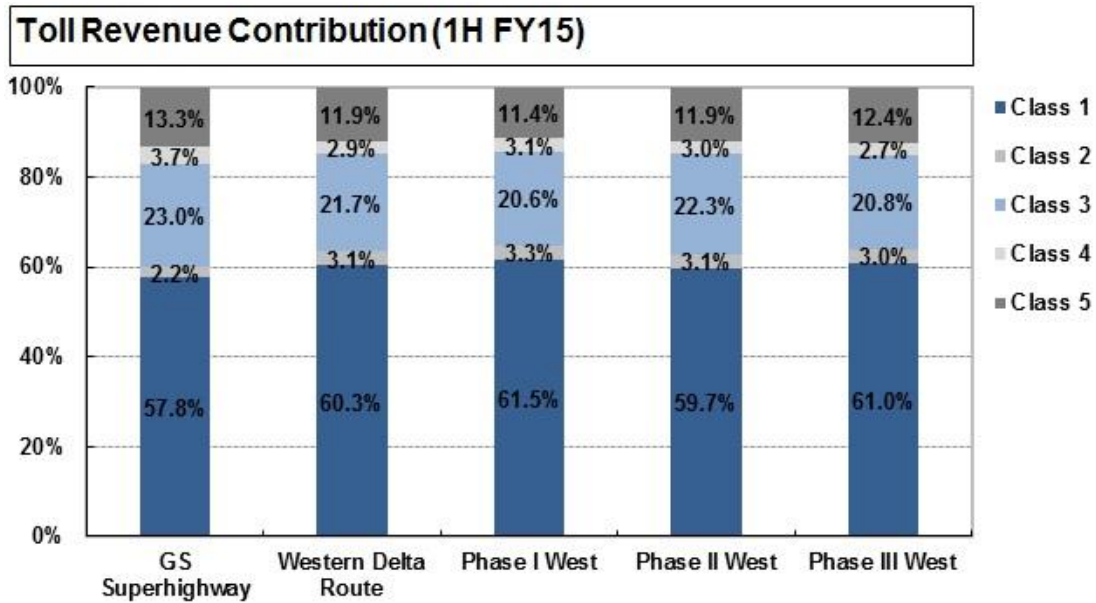
[#] Western Delta Route's traffic figure was smaller than the sum of Phases I, II and III West as each vehicle which travelled across different phases was counted as one vehicle under the traffic of the Western Delta Route.

Economic Environment

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

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

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

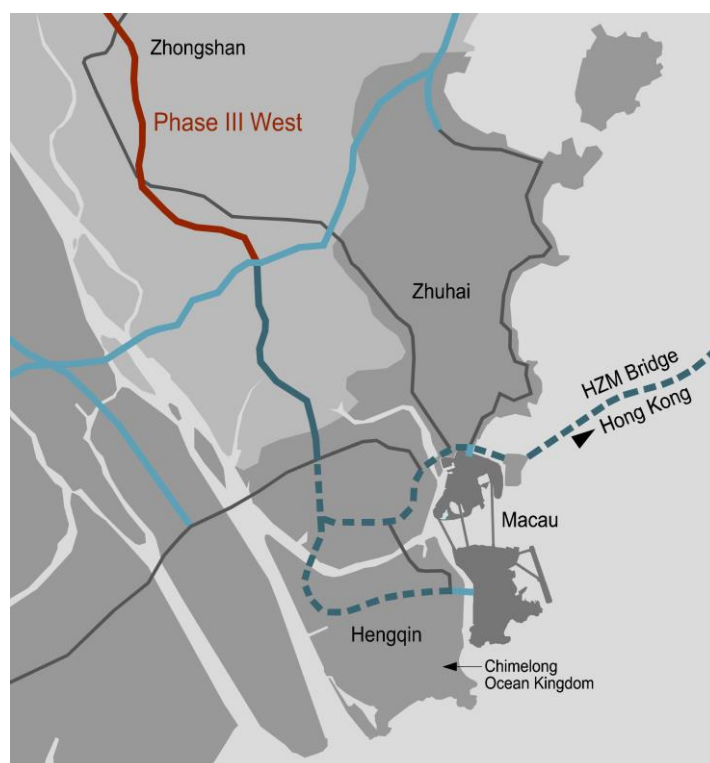


Growth Potential of the Western Delta Route

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

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

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



Hengqin in Zhuhai is the third State-level Strategic New Zone after Shanghai's Pudong District and Tianjin's Binhai area in China. It is being positioned as a new growth hub focusing on the development of business services, tourism, entertainment and technological research. Numerous key development projects, including commercial landmarks, hotels and tourist attractions, will be completed in the coming few years. According to the media, the GDP of Hengqin New Zone is expected to grow robustly by more than 50% in the first ten months of 2014 with ongoing intensive investments. A new batch of expansion projects of Chimelong International Ocean Tourist Resort, which comprises of Circus Hotel, Penguin Hotel and a 5D cinema with a total investment of RMB5 billion, had been initiated in January 2014 and are expected to commence operation in 2015.

After the expansion, the number of guestrooms will be increased to near 5,000. The resort received around 6.5 million visitors in 2014 since its opening, creating a boost to the tourism in Zhuhai. In addition, Zhuhai International Convention and Exhibition Center started trial operation on 30 October 2014. It is expected that more exhibitions will be hosted in Zhuhai in the future that will further give impetus to the traffic of the Western Delta Route. Macau will also increase leisure facilities notably with the expansion and construction of new gaming resorts and hotels starting 2015. Together with Macau Cotai-Hengqin border crossing started 24-hour opening since 18 December 2014 for passengers and passenger cars, the passenger flow between Hengqin and Macau will further increase. The Western Delta Route, being the most direct and the shortest expressway from Guangzhou to Hengqin and Macau, will benefit from the increased demand for passenger and freight transportation brought along by the developments of the region.

Full Opening of a Parallel Road

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

GS Superhighway Average Daily Toll Revenue (Monthly)

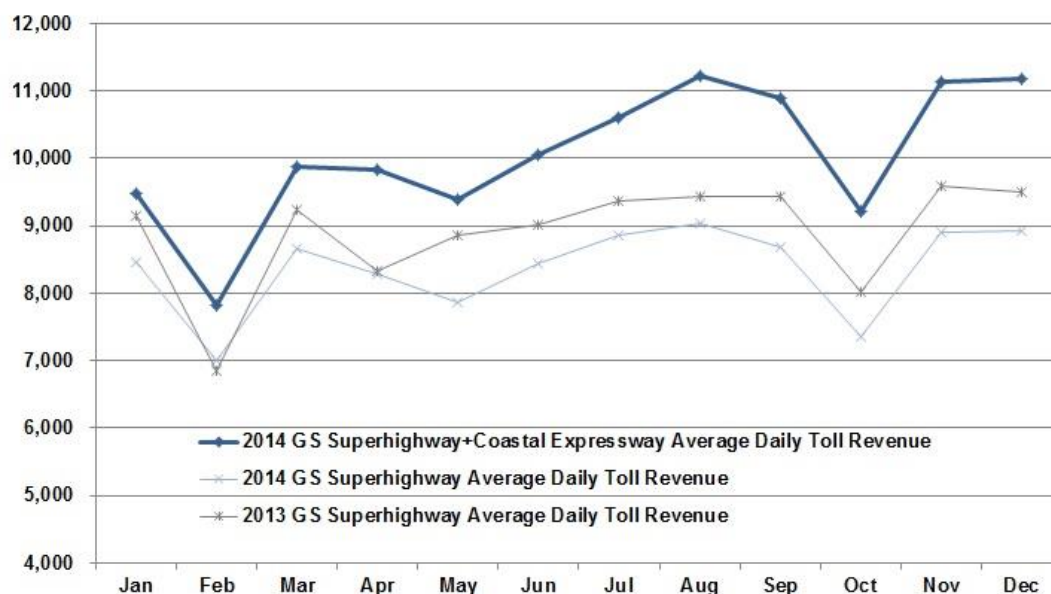


	Jan + Feb (Lunar New Year)	Mar	Apr + May (Labour Holiday)	Jun	Jul	Aug	Sep + Oct (National Holiday)	Nov	Dec	Yearly Average
2012										9,147
2013	8,055	9,228	8,595	9,023	9,371	9,440	8,717	9,592	9,492	8,913
2014	7,770	8,657	8,069	8,438	8,857	9,046	8,017 (Guangzhou Northern Ring Road closure)	8,903	8,933	8,384
yoy change	-4%	-6%	-6%	-6%	-5%	-4%	-8%	-7%	-6%	

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

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

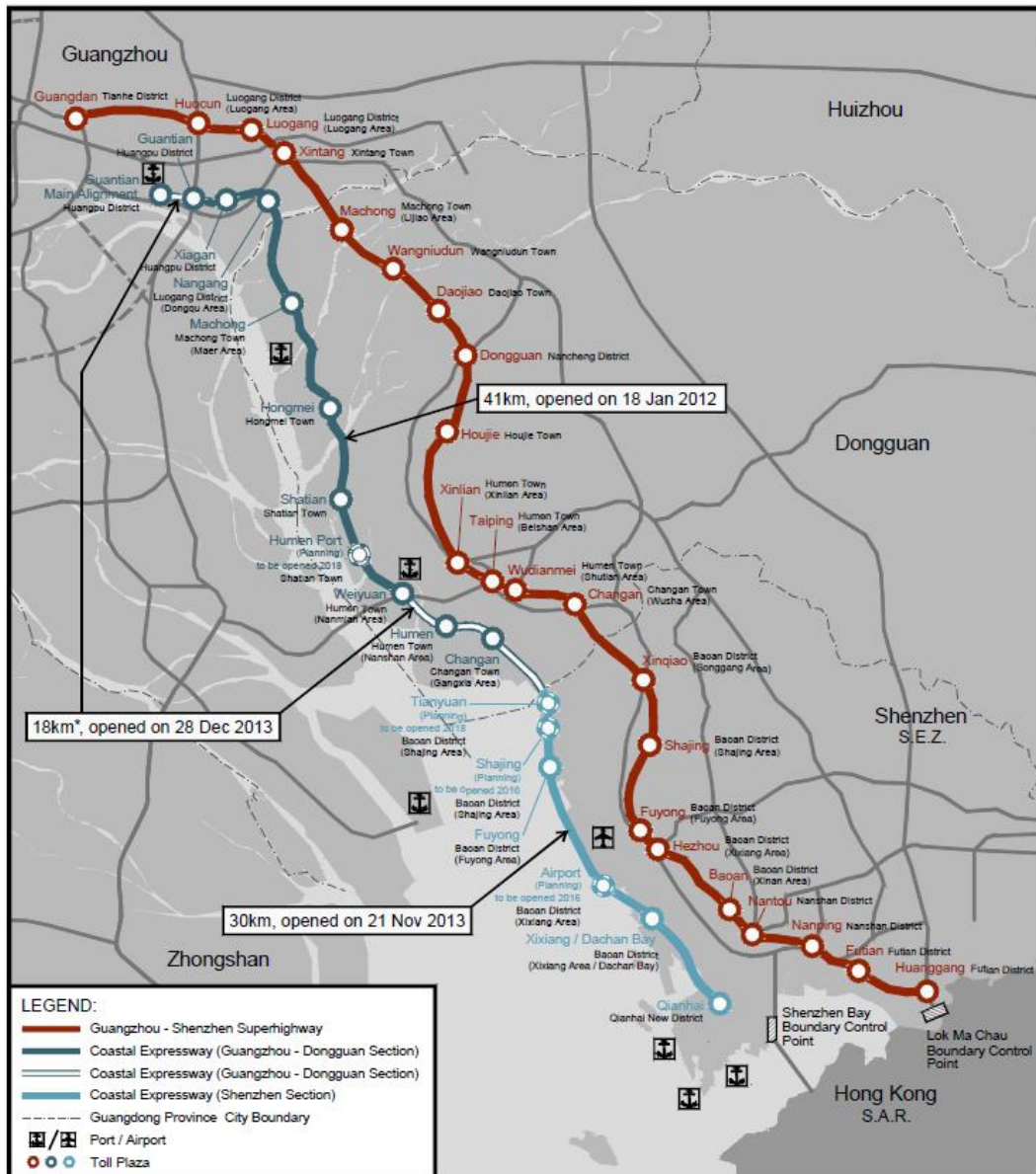
(RMB thousand)



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



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



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

Toll Road Policies

Guangdong Province Toll Integration and Toll-by-weight Scheme

According to the Guangdong Provincial Government's requirements, the province's 4 toll integration sub-districts namely the Eastern, Western, Northern and Central Districts, in which the GS Superhighway and Western Delta Route are located, were integrated into a single and unified toll network on 29 June 2014. After the implementation of Guangdong toll integration, all adjacent expressways in the province are physically connected without toll stations in-between, and every vehicle travelling on expressways in Guangdong only needs to take one entry ticket (with radio frequency identification technology) at an expressway's entrance and pay all the toll charges for its

entire trip at any other expressway's exit, without needing to stop when it travels on a series of connecting expressways. The toll revenues collected by all the expressways in Guangdong will be settled via Guangdong Unitoll Collection Incorporated, which is the clearing house that centralises and manages toll data on a daily basis, by means of the toll integration settlement network. The integration measures will boost the efficiency of the province's toll expressways by greatly shortening the time spent on taking entry tickets and paying tolls at various entrance and exit plazas and help to smooth the flow of traffic.

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

National integration on Electronic Toll Collection (“ETC”) network

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

New vehicle registration policy in Shenzhen

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

Traffic restriction during peak hours in Shenzhen

On 29 December 2014, the Traffic Police Bureau of Shenzhen announced a new traffic restriction on non-Shenzhen registered passenger vehicles. These vehicles are prohibited to travel within the four downtown districts of Shenzhen, namely Futian, Luohu, Nanshan and Yantian, during peak hours

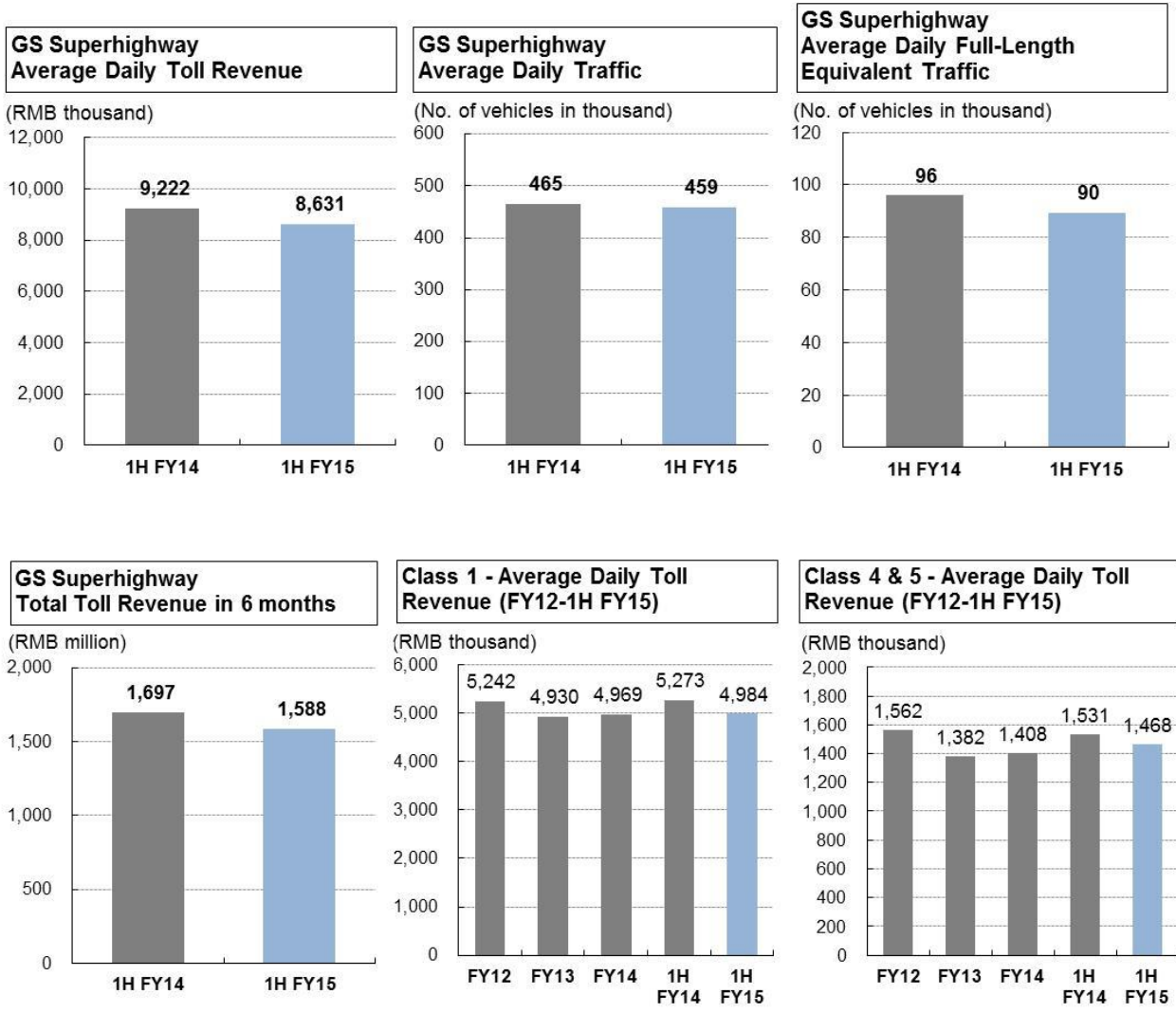
from 07:00 to 09:00 and from 17:30 to 19:30 since 30 December 2014 for five months, except on routes linking the six border crossings. Hence, vehicles travelling along the GS Superhighway to the Huanggang and Futian border crossings will not be affected under this measure.

Regulation on the Administration of Toll Roads (Amendment Proposal)

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

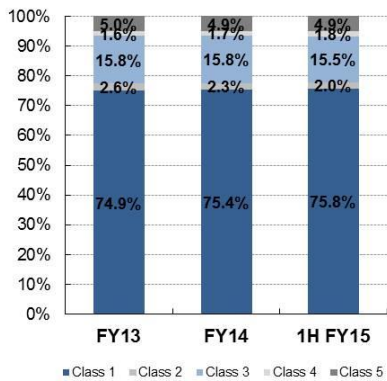
Guangzhou-Shenzhen Superhighway

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

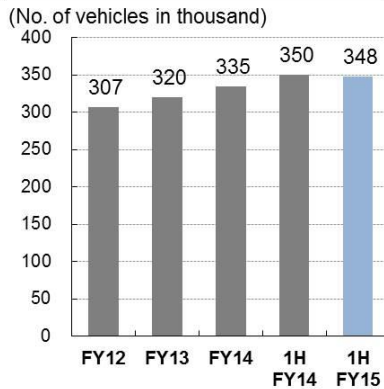


Class 1 small car traffic dropped by 1% year-on-year. It accounted for 75.8% of the GS Superhighway’s total traffic volume, compared to 75.3% in the same period in FY14. The average daily toll revenue of Class 1 small car decreased by 5% to RMB5 million, contributing 57.8% to the total toll revenue.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

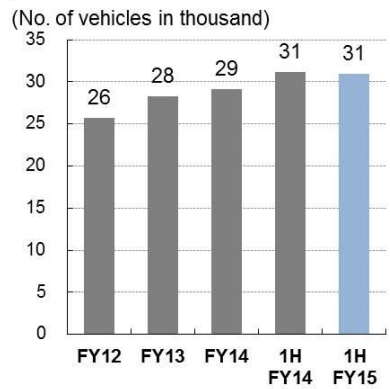
GS Superhighway Traffic Breakdown by Class



Class 1 - Average Daily Traffic (FY12-1H FY15)

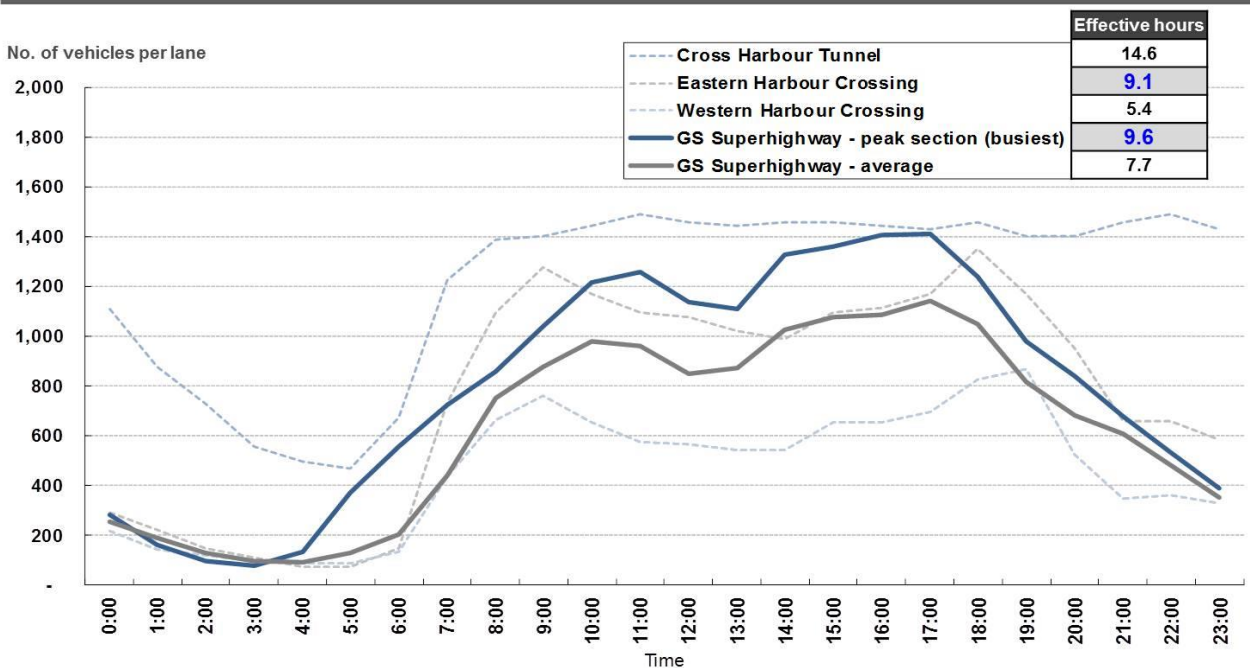


Class 4 & 5 - Average Daily Traffic (FY12-1H FY15)



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

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 (Dec 14)

As mentioned earlier in the section headed "Full Opening of a Parallel Road", the Group believes that the diversion impact from the full opening of the Coastal Expressway on GS Superhighway has fully been realised. In fact, the GS Superhighway is comparable in length and charges the same tariff

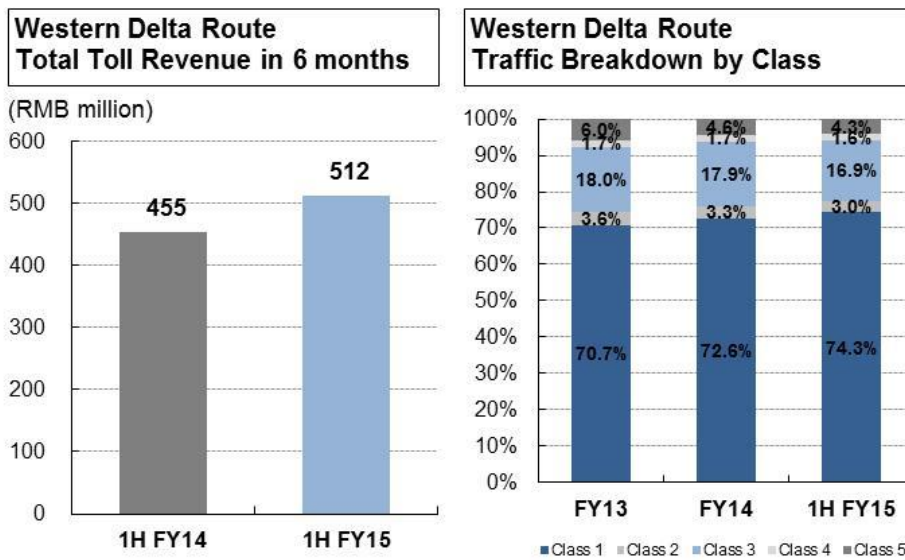
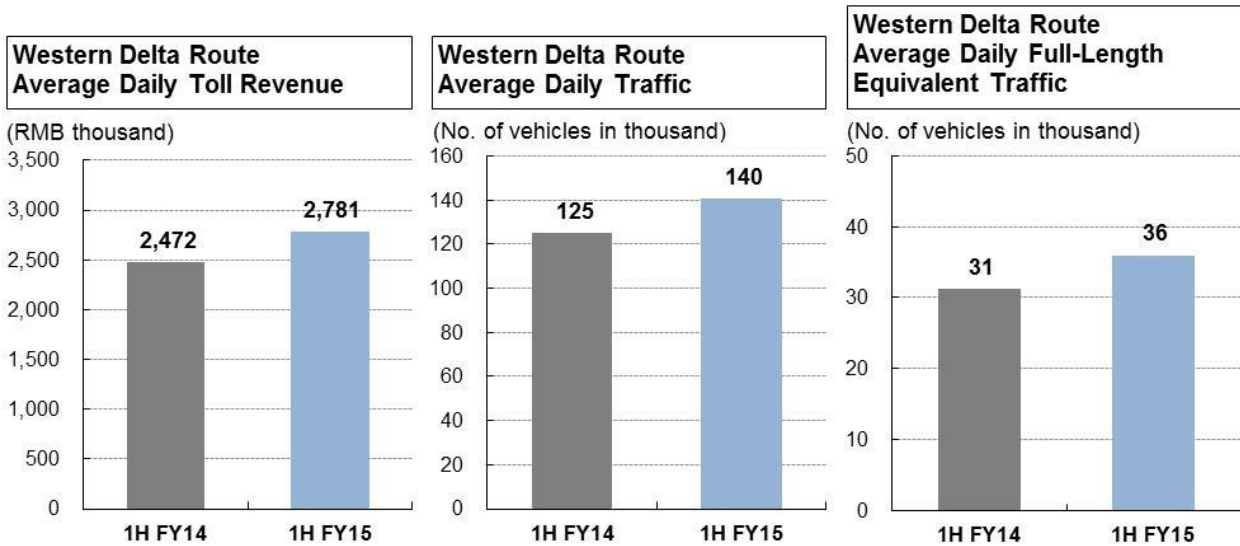
as the Coastal Expressway. However, the two expressways have different target customers, and the GS Superhighway offers a number of competitive advantages, such as convenient access to populous downtown areas and major expressways, well-equipped facilities, efficient patrol and rescue team and high-quality services. Together with the continuous growth of Guangdong's economy, these factors lead the Group to believe that the GS Superhighway will maintain its leading position as the main traffic artery on the eastern bank of the PRD region.

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

Western Delta Route

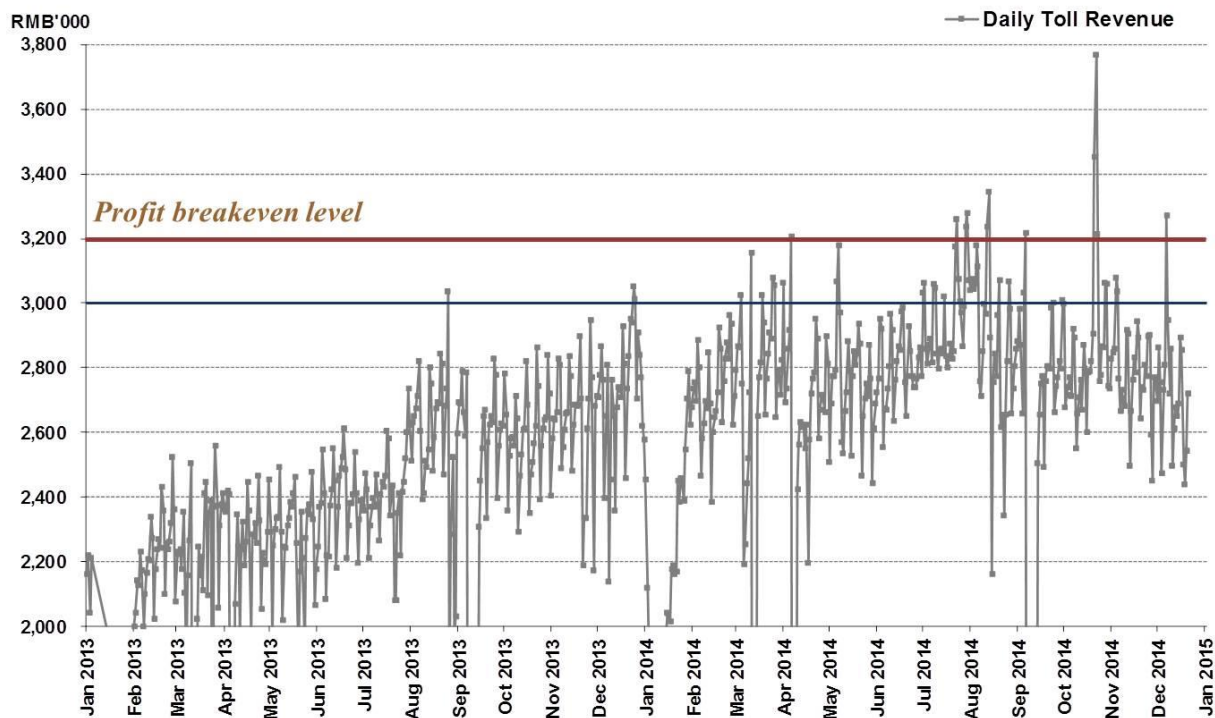
The Western Delta Route is a 97.9-km closed expressway with a total of 6 lanes in dual directions which comprised of Phase I West, Phase II West and Phase III West. It is the central expressway artery on the western bank of the PRD region connecting four major cities – Guangzhou, Foshan, Zhongshan and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

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



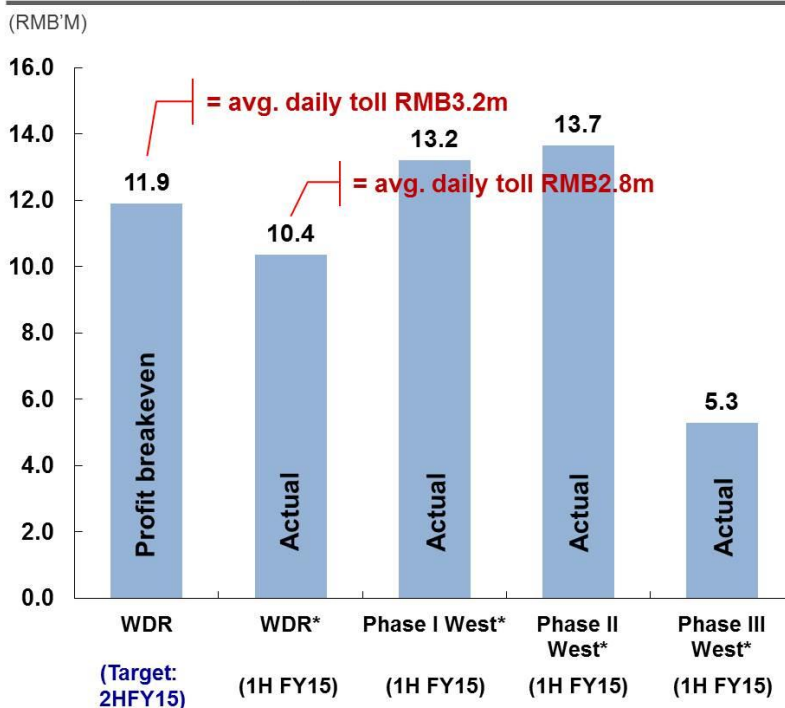
After the opening of Phase III West in the second half of FY13, the Western Delta Route continues to maintain its positive operating cash flow (after taking interest expense payments into account). Its daily toll revenue has exceeded RMB3.2 million for several days in 2014. It is targeted to achieve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

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



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

Annual Toll Revenue per km

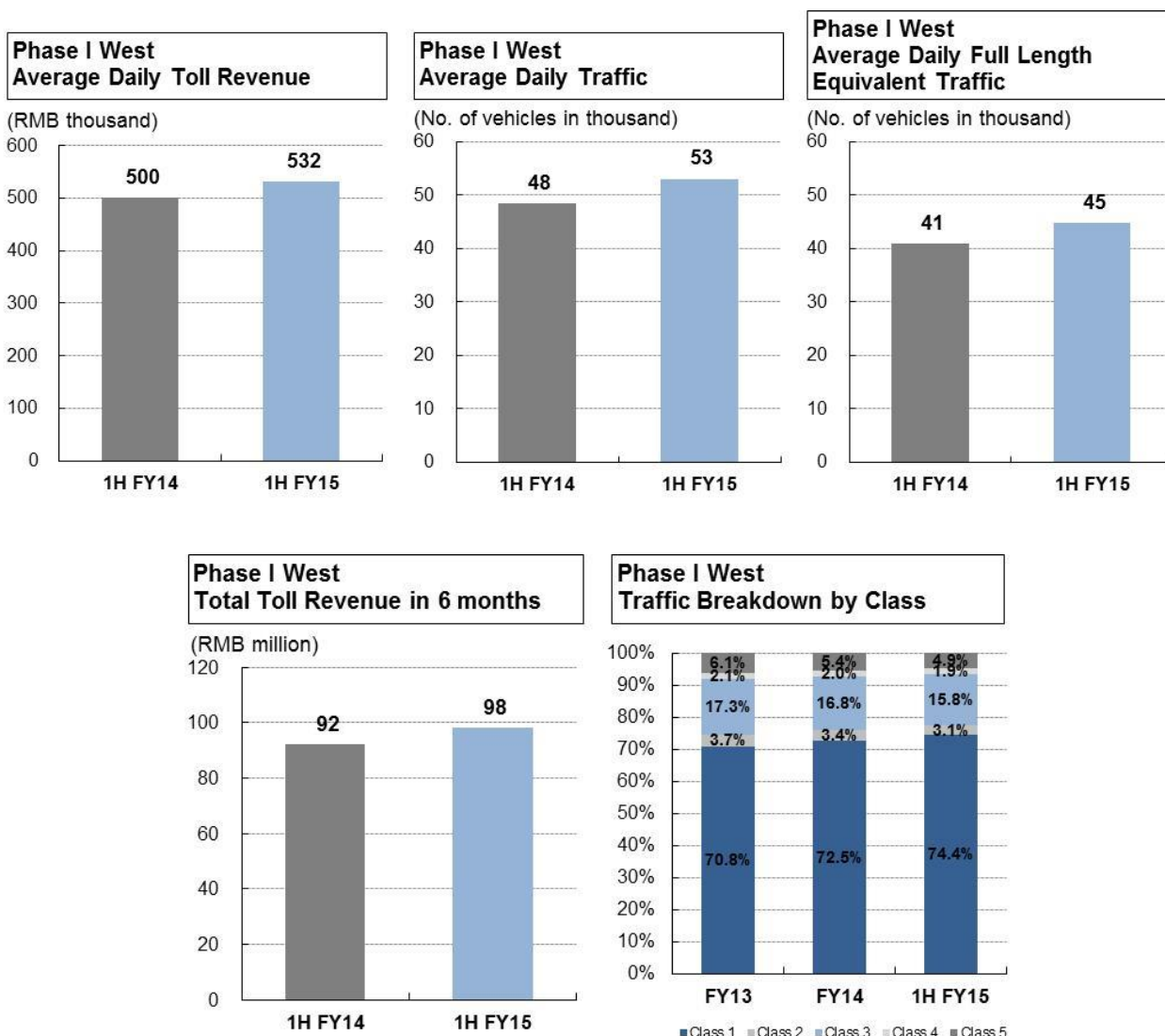


* Annualised figure

Phase I of the Western Delta Route

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

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



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

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

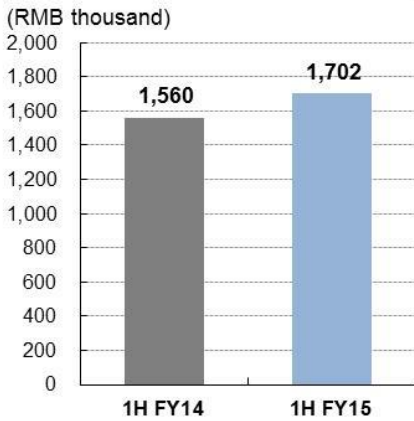
Phase II of the Western Delta Route

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

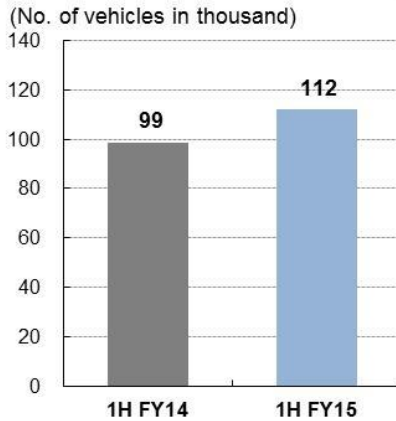
The traffic volume and toll revenue of Phase II West have continued to grow healthily ever since it opened in June 2010. During the period under review, its average daily traffic rose by 14% year-on-year to 112,000 vehicles, whereas its average daily toll revenue grew by 9% to RMB1,702,000. Its total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

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

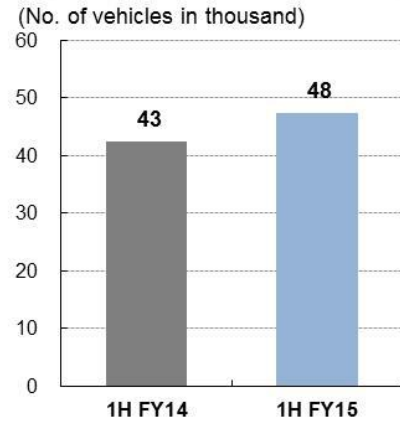
**Phase II West
Average Daily Toll Revenue**



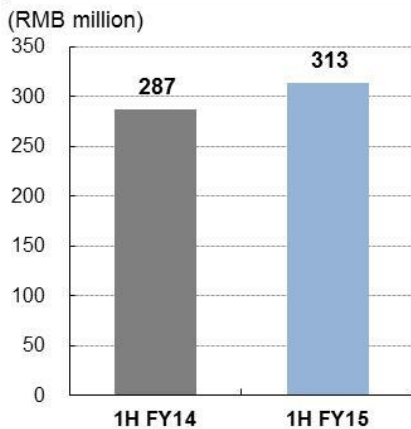
**Phase II West
Average Daily Traffic**



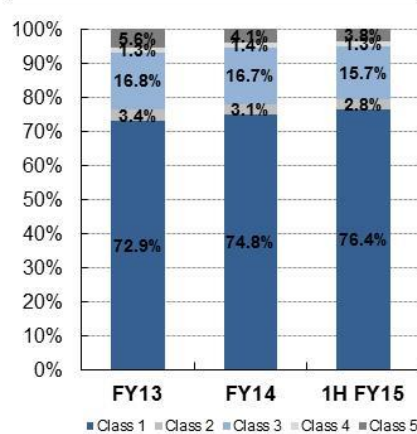
**Phase II West
Average Daily Full Length
Equivalent Traffic**



**Phase II West
Total Toll Revenue in 6 months**



**Phase II West
Traffic Breakdown by Class**

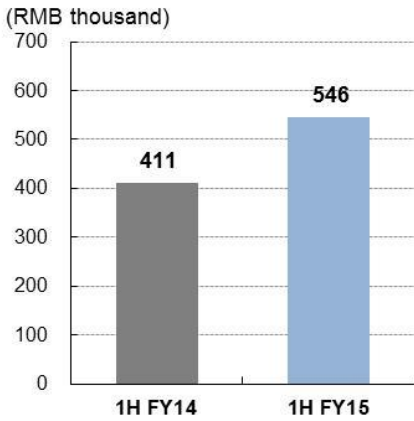


Phase III of the Western Delta Route

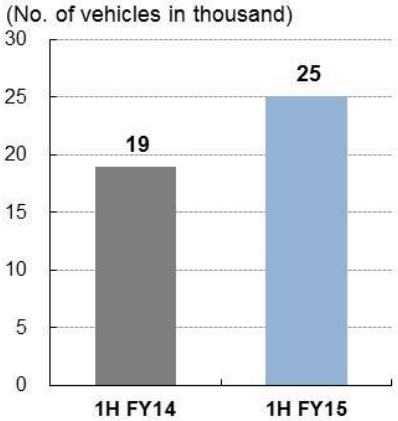
Phase III West is connected to Phase II West at Zhongshan to the north. It extends southwards to link with the Zhuhai expressway network, thus providing a direct access to Hengqin (the State-level Strategic New Zone) in Zhuhai, Macau and the HZM Bridge which is currently under construction. It provides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

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

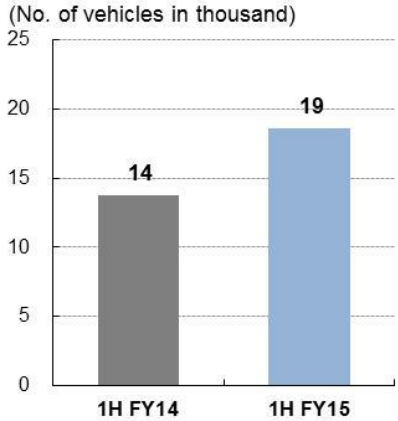
**Phase III West
Average Daily Toll Revenue**



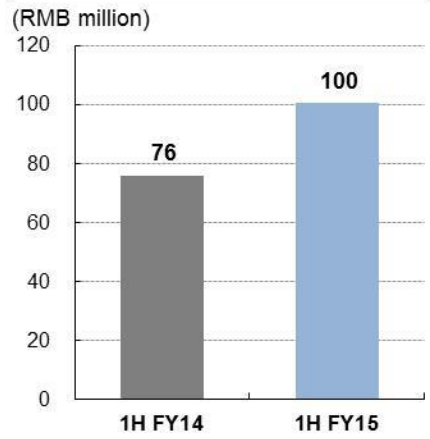
**Phase III West
Average Daily Traffic**



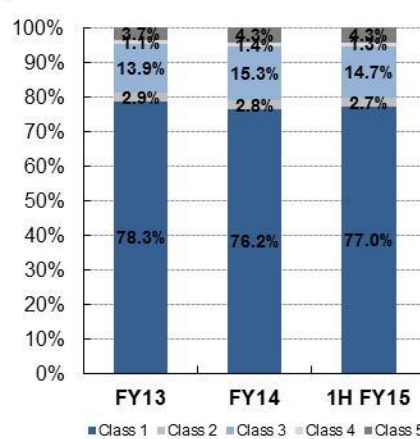
**Phase III West
Average Daily Full Length
Equivalent Traffic**



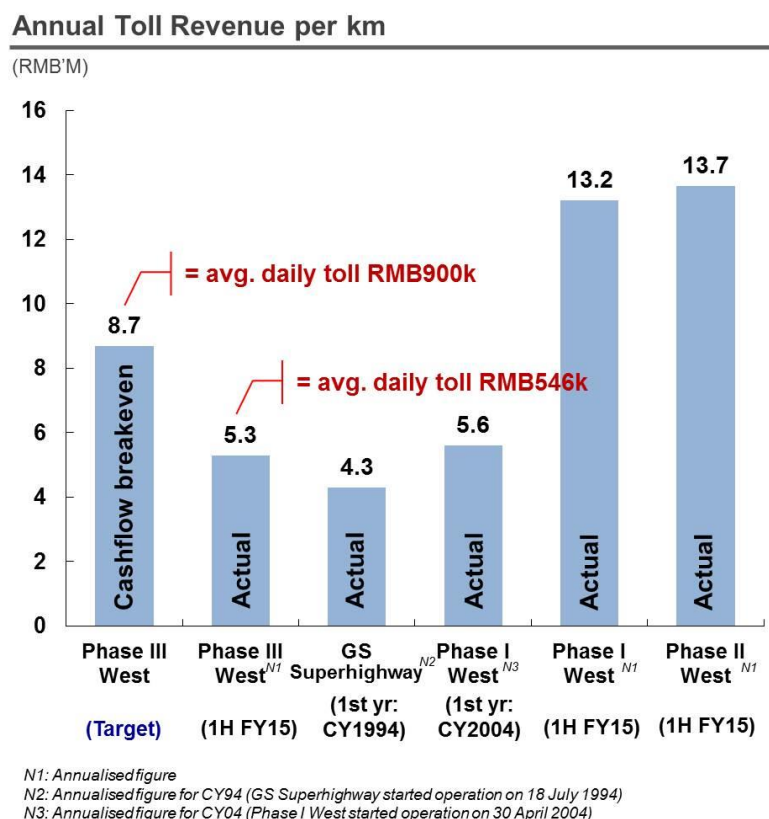
**Phase III West
Total Toll Revenue in 6 months**



**Phase III West
Traffic Breakdown by Class**



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).



FINANCIAL REVIEW

Sound Financial Plan

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

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

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

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

In stages

Before		After		Shareholder's loan repayment to HHI RMB682m
(JV level)	RMB'm	(JV level)	RMB'm	
HHI Shareholder's loan	1,000	HHI's new registered capital	318	
Outstanding project payments	320	PRC JV partner's new registered capital	318	
		New project bank loans	663	
		Cash balance	21	
	1,320		1,320	

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

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

Liquidity and Financial Resources

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

HHI Corporate Level

As at 31 December 2014

	RMB million		RMB million
Bank balances and cash and shareholder's loan to JV company		Corporate debt	
– Bank balances and cash	1,175	– RMB bank loan	500
– Company's shareholder's loan to JV company ^(Note 1)	1,000	– HKD bank loan	456
	2,175		956
Net cash ^(Note 2) : RMB219 million			
Net cash and the Company's shareholder's loan to JV company: RMB1,219 million			

Share of JV Companies

As at 31 December 2014

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

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

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

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

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

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

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

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

Group Financing

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

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

31 December 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 III West	5,980 ^(Note 1)	Not more than 187	100 PRC bank loans 87 Shareholder's loan ^(Note 3)	- Not more than 44
Total				Not more than 44

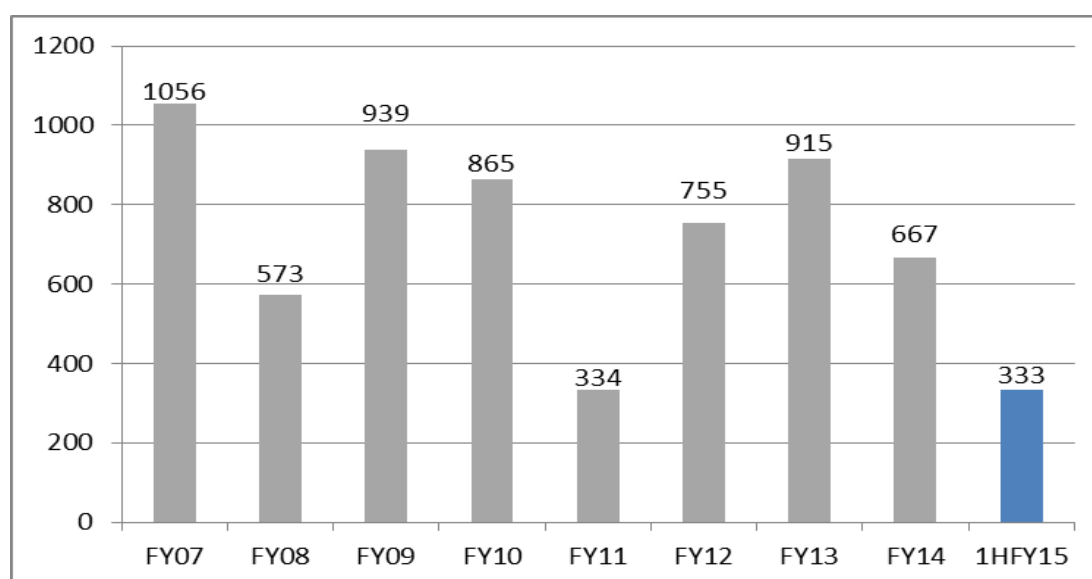
Note1: Previous estimate was RMB6,150million

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

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



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

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

Bank and Other Borrowings

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

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

Debt Maturity Profile

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

HHI Corporate Level

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

Share of JV Companies

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

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

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

Interest Rate and Exchange Rate Exposure

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

Treasury Policies

The Group continues to adopt prudent and conservative treasury policies in its financial and funding management. Its liquidity and financial resources are reviewed on a regular basis, with a view to minimising its funding costs and enhancing the returns on its financial assets. Most of the Group's

cash is placed in deposits denominated in RMB. Holding RMB suits the Group's PRC-based operations, and it can earn higher interest income from RMB deposits than HK Dollar deposits. The percentage of cash the Group held in RMB bank deposits was 79.5% as at 31 December 2014. The Group's overall treasury yield on bank deposits increased to 3.41% during the period under review, compared to 2.99% of the last corresponding period. The Group will continue to strengthen its treasury management and evaluate the options available for improving the yields on its substantial cash-deposit portfolio.

Capital and Other Commitments

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

Pledge of Assets

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

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

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

Contingent Liabilities

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

Material Acquisition or Disposal

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

OTHER INFORMATION

Review of Interim Results

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

Employees and Remuneration Policies

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

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

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

Purchase, Sale or Redemption of Securities

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

Corporate Governance Practices

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

Code Provision A.5.1

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

Code provision A.5.6

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

Model Code for Securities Transactions

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

On behalf of the Board
Sir Gordon Ying Sheung WU KCMG, FICE
Chairman

Hong Kong, 26 January 2015

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For The Six Months Ended 31 December 2014

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2014

1. BASIS OF PREPARATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

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

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

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

3. SEGMENT INFORMATION

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

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

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

Information regarding the above segments is reported below.

Segment revenue and results

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

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

(FOR INFORMATION PURPOSE ONLY)

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

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

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

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

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

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

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

4. OTHER INCOME

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

5. FINANCE COSTS

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

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

6. SHARE OF RESULTS OF JOINT VENTURES

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

7. INCOME TAX EXPENSES

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

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

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

8. PROFIT FOR THE PERIOD

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

9. DIVIDENDS

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

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

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

10. EARNINGS PER SHARE

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

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

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

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

11. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

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

APPENDIX-CONSOLIDATED FINANCIAL INFORMATION
(PREPARED UNDER PROPORTIONATE CONSOLIDATION METHOD)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Six Months Ended 31 December 2014

(FOR INFORMATION PURPOSE ONLY)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

(FOR INFORMATION PURPOSE ONLY)

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

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

Notes:

(i) Reconciliation of loans to a joint venture

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

GLOSSARY

“1H FY14”	the first half of FY14
“1H FY15”	the first half of FY15
“Board”	the board of Directors of the Company
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Coastal Expressway”	Guangzhou-Shenzhen Coastal Expressway
“Company” or “HHI”	Hopewell Highway Infrastructure Limited
“Director(s)”	director(s) of the Company
“EBIT”	earnings before interest and taxation
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EIT”	Enterprise Income Tax
“FY07”	the financial year ended 30 June 2007
“FY08”	the financial year ended 30 June 2008
“FY09”	the financial year ended 30 June 2009
“FY10”	the financial year ended 30 June 2010
“FY11”	the financial year ended 30 June 2011
“FY12”	the financial year ended 30 June 2012
“FY13”	the financial year ended 30 June 2013
“FY14”	the financial year ended 30 June 2014
“FY15”	the financial year ending 30 June 2015
“FY16”	the financial year ending 30 June 2016
“GDP”	Gross Domestic Product
“Group”	the Company and its subsidiaries
“GS Superhighway”	Guangzhou-Shenzhen Superhighway
“GS Superhighway JV”	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company established for the GS Superhighway
“HK\$”, “HKD” or “HK Dollar(s)”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HZM Bridge”	the Hong Kong-Zhuhai-Macau Bridge
“JV”	joint venture
“km”	kilometre
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Macau”	the Macau Special Administrative Region of PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“Phase I West”	Phase I of Western Delta Route
“Phase II West”	Phase II of Western Delta Route
“Phase III West”	Phase III of Western Delta Route
“PRC” or “China”	the People’s Republic of China
“PRD”	Pearl River Delta
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“US Dollar(s)”	United States Dollars, the lawful currency of the United States
“West Route JV”	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the Western Delta Route

“Western Delta Route” the route for a network of toll expressways comprising Phase I West, Phase II West and Phase III West

As at the date of this announcement, the Board comprises five Executive Directors namely, Sir Gordon Ying Sheung WU (Chairman), Mr. Eddie Ping Chang HO (Vice Chairman), Mr. Thomas Jefferson WU (Managing Director), Mr. Alan Chi Hung CHAN (Deputy Managing Director) and Mr. Cheng Hui JIA; and three Independent Non-Executive Directors namely, Professor Chung Kwong POON, Mr. Yuk Keung IP and Mr. Brian David Man Bun LI.