



HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

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

INTERIM REPORT
2017/18



HHI

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

CONTENTS

2	Group Results
6	Business Review
14	Financial Review
20	Corporate Sustainability
23	Other Information
30	Report on Review of Condensed Consolidated Financial Statements
31	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
32	Condensed Consolidated Statement of Financial Position
33	Condensed Consolidated Statement of Changes in Equity
35	Condensed Consolidated Statement of Cash Flows
36	Notes to the Condensed Consolidated Financial Statements
45	Appendix — Unaudited Condensed Consolidated Financial Information (Prepared under Proportionate Consolidation Method)
47	10-Year Financial Summary
50	Corporate Information
51	Glossary

Group Results

The Board is pleased to announce that the Group's unaudited interim results for the six months ended 31 December 2017 presented in RMB (million) were as follows:

RMB million	Six months ended 31 December									
	2016					2017				
	Net toll revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results	Net toll revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results
HHI's share										
project contributions:										
GS Superhighway ^{Note 1}	791	662	(228)	(160)	274	782	662	(236)	(165)	261
Western Delta Route	301	253	(107)	(95)	51	340	289	(118)	(107)	64
Total	1,092	915	(335)	(255)	325	1,122	951	(354)	(272)	325
YoY change						+3%	+4%	+6%	+7%	0%
Corporate results:										
Bank deposits interest income					14					10
Other income					–					1
General and administrative expenses and depreciation					(18)					(19)
Finance costs					–					–
Sub-total					(4)					(8)
Profit before net exchange (loss)/gain (after deduction of related income tax)					321					317
YoY change										-1%
Net exchange (loss)/gain (after deduction of related income tax)					(49)					47
Profit for the period					272					364
Profit attributable to non-controlling interests					(5)					(5)
Profit attributable to owners of the Company					267					359
YoY change										+34%

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

During the period under review, the Group's share of the aggregate net toll revenue of its expressway projects increased by 3% from RMB1,092 million to RMB1,122 million. Though GS Superhighway stable growth has been maintained, pursuant to the joint venture agreement, the Group's profit-sharing ratio in the GS Superhighway JV adjusted from 48% to 45% from 1 July 2017 for the next ten years until the end of contractual operation period, i.e. 30 June 2027. The GS Superhighway's net toll revenue shared by the Group decreased slightly by 1% from RMB791 million to RMB782 million. The Western Delta Route continued to record strong growth, with a 13% increase in net toll revenue to RMB340 million. The GS Superhighway and Western Delta Route contributed 70% (RMB782 million) and 30% (RMB340 million) respectively to the Group's share of aggregate net toll revenues.

With healthy core operation, the Group's share of the aggregate EBITDA of toll expressways (excluding exchange differences on the GS Superhighway JV's US Dollar and HK Dollar loans as well as the related income tax) increased by 4% from RMB915 million to RMB951 million. The rise in the Western Delta Route's toll revenue led to a 14% growth in its EBITDA from RMB253 million to RMB289 million, which offset the impact on EBITDA from the Group's profit-sharing ratio adjustment in the GS Superhighway JV.

The Group's share of depreciation and amortisation charges of the GS Superhighway JV increased by 4% from RMB228 million to RMB236 million as a result of persistent growth in its full-length equivalent traffic and completion of additional improvement works, but partly offset by the impact from the Group's profit-sharing ratio adjustment in the GS Superhighway JV. With healthy growth in full-length equivalent traffic of the Western Delta Route, its depreciation and amortisation charges also increased. Hence, the Group's share of aggregate depreciation and amortisation charges increased by 6% to RMB354 million.

The increase in interest expenses of the GS Superhighway JV as a result of an additional 8-year bank loan of RMB2 billion (JV company level) drawn in August 2016 to reimburse past capital expenditure funded by its shareholders and the rise of US interest rate by 0.25% each in March, June and December 2017, had been slightly offset by the impact from the Group's profit-sharing ratio adjustment in the GS Superhighway JV. During the period under review, the West Route JV utilised its surplus cash on hand to prepay bank loan principals of RMB460 million (JV company level) by end of December 2017. Thus, the interest expenses of the West Route JV fell 15% to RMB81 million.

The EIT rate applicable to the GS Superhighway JV is 25% since 2012 and until the expiry of its contractual operation period on 30 June 2027. With reference to the financial statements prepared under International Financial Reporting Standards, the West Route JV first turned profitable in FY16 and had generated sufficient profit thereafter to offset against its accumulated losses, which turned to positive retained profits by end of FY17. Hence, EIT provision of RMB26 million was provided for at the applicable rate of 25% during the period under review.

Group Results (continued)

As a result of the impact from the Group's profit-sharing ratio adjustment in the GS Superhighway JV and the rise in finance costs, its net profit decreased by 5% to RMB261 million. Due to the continuous growth in toll revenue and traffic of the Western Delta Route, net profit shared by the Group increased 25% to RMB64 million from RMB51 million during the period under review. Overall, the aggregate net profit of the toll expressway projects (excluding exchange differences on the GS Superhighway JV's US Dollar and HK Dollar loans as well as the related income tax) maintained at RMB325 million.

The interest income at corporate level decreased from RMB14 million to RMB10 million, resulting in an increase in loss from RMB4 million to RMB8 million at the corporate level.

The Group's profit before net exchange loss/gain (after deduction of the related income tax) decreased by 1% from RMB321 million to RMB317 million. This was mainly due to the impact from the Group's (1) profit-sharing ratio adjustment in the GS Superhighway JV, (2) EIT provision made for the West Route JV and (3) the increased loss at the corporate level. However, a net exchange gain shared by the Group (mainly arisen on the GS Superhighway JV's US Dollar and HK Dollar loans) amounted to RMB47 million has been recorded during the period under review, as compared to a net exchange loss of RMB49 million in the last corresponding period. As a result, the profit attributable to owners of the Company increased by 34% from RMB267 million to RMB359 million or RMB11.64 cents per share.

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

HHI Corporate Level

	30 June 2017 RMB million	31 December 2017 RMB million		30 June 2017 RMB million	31 December 2017 RMB million
Bank balances and cash	469	417	Other liabilities	11	14
Other assets	7	8			
Dividend receivable from GS Superhighway JV	-	24			
	476	449		11	14
			Net assets value of HHI corporate	465	435

Share of JV Companies

GS Superhighway JV (HHI's shared portion)

	30 June 2017 RMB million	31 December 2017 RMB million		30 June 2017 RMB million	31 December 2017 RMB million
Bank balances and cash	379	184	Bank loans		
Concession intangible assets	4,870	4,484	- USD	1,240	1,105
Property & equipment	208	196	- HKD	140	119
Other assets	27	23	- RMB	900	788
			Other liabilities	647	665
	5,484	4,887		2,927	2,677
			Net assets value of GS Superhighway JV	2,557	2,210

West Route JV (HHI's shared portion)

	30 June 2017 RMB million	31 December 2017 RMB million		30 June 2017 RMB million	31 December 2017 RMB million
Bank balances and cash	61	37	Bank loans	3,718	3,488
Concession intangible assets	6,231	6,142	Other liabilities	274	316
Property & equipment	225	211			
Other assets	10	12			
	6,527	6,402		3,992	3,804
			Net assets value of West Route JV	2,535	2,598

	30 June 2017 RMB million	31 December 2017 RMB million		30 June 2017 RMB million	31 December 2017 RMB million
			Total liabilities	6,930	6,495
			Equity attributable to owners of the Company	5,526	5,207
			Non-controlling interests	31	36
Total Assets ^{Note 1}	12,487	11,738	Total Equity & Liabilities	12,487	11,738
			Total net assets	5,557	5,243

Note 1: Excluding elimination of the Group's balance with JV company prepared under proportionate consolidation method.

Business Review

During the period under review, the aggregate average daily toll revenue of the GS Superhighway and the Western Delta Route grew by 7% yoy to RMB13.5 million and the aggregate total toll revenue amounted to RMB2,488 million.

With the support of a healthy economic environment in the PRD region, the traffic of the GS Superhighway continued to maintain a stable growth. During the period under review, its average daily toll revenue increased by 5% yoy to RMB9.7 million. Meanwhile, the average daily full-length equivalent traffic grew by 7% yoy to 106,000 vehicles.

The average daily toll revenue and average daily full-length equivalent traffic of the Western Delta Route amounted to RMB3.8 million and 52,000 vehicles with strong yoy growth of 13% and 12% respectively. Most of the maintenance and upgrading works on National Highway 105 and local roads nearby were finished by the third quarter of 2017 and the positive impact from these works had diminished thereafter. On the other hand, the implementation of truck restriction measures on Foshan Ring Road due to its upgrade works since 1 August 2017, diverted trucks to travel on the Western Delta Route and supported its growth. Such upgrade works are expected to be completed by the end of 2019.

The Group's shared aggregate net toll revenue increased by 3% yoy to RMB1,122 million during the period under review, owing to the adjustment of profit sharing ratio from 48% to 45% in the GS Superhighway JV starting from 1 July 2017. The contribution from the GS Superhighway and the Western Delta Route were 70% and 30% respectively, compared to 73% and 27% during the same period in FY17.

Financial Year	1H 2017	1H 2018	% Change
At JV company level			
GS Superhighway			
Average Daily Toll Revenue# (RMB '000)	9,225	9,719	+5%
Average Daily Full-Length Equivalent Traffic* (No. of vehicles '000)	99	106	+7%
Western Delta Route			
Average Daily Toll Revenue# (RMB '000)	3,373	3,802	+13%
Average Daily Full-Length Equivalent Traffic* (No. of vehicles '000)	46	52	+12%

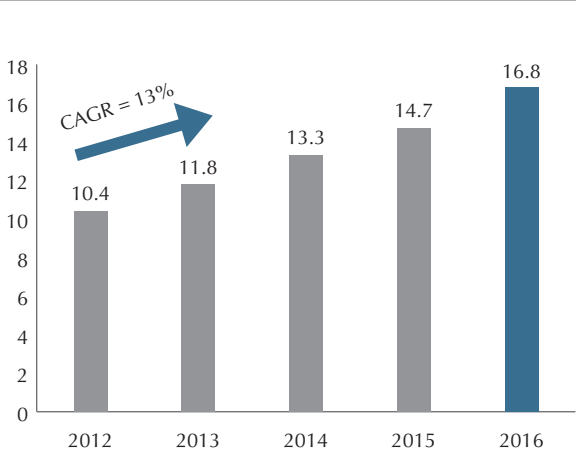
Including tax

* Average daily full-length equivalent traffic is defined as the total distance travelled by all vehicles on the expressway divided by the full length of the expressway and the number of days in the period under review. It can better reflect road usage as it takes into account total travelling distance by all vehicles on the expressway and is a standard operational statistic used throughout the industry

Economic Environment

From 2012 to the end of 2016, total length of expressways in Guangdong reached 7,683 km with a compound annual growth rate of 9%. On the other hand, continuous demand for road usage was caused by growing registered car population, which achieved a compound annual growth of 13% during the same period and grew by 14% yoy to a record high of 16.8 million vehicles at the end of 2016. The growth rate of toll road supply is far lagging behind the demand in Guangdong. Healthy economic development and rising registered car population that generate sustainable demand for road usage will continue to support the growth of the GS Superhighway and Western Delta Route.

Guangdong's registered car population
(No. of vehicles in million)



The economic development in the Guangdong-Hong Kong-Macao Bay Area ("Bay Area") will be further boosted in the coming years. The GS Superhighway and the Western Delta Route, which connect most of the populous cities in the Bay Area, are expected to benefit from the fostered economic development.

Latest Update in Toll Road Industry

Toll discount for trucks on state-owned expressways

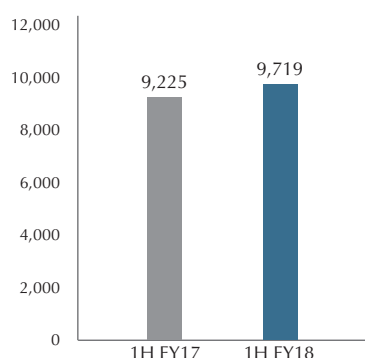
Two major state-owned toll road investors and operators in Guangdong Province, namely Guangdong Provincial Communication Group Company Limited and Guangdong Nanyue Transportation Investment and Construction Company Limited, jointly announced on 29 June 2017 that their 43 state-owned expressways in Guangdong would offer 15% toll discount for trucks using Guangdong Unitoll Card for toll payments starting from 1 July 2017 in order to lower the cost of the logistics industry. The toll discount for trucks is not applicable to the GS Superhighway and the Western Delta Route.

Guangzhou-Shenzhen Superhighway

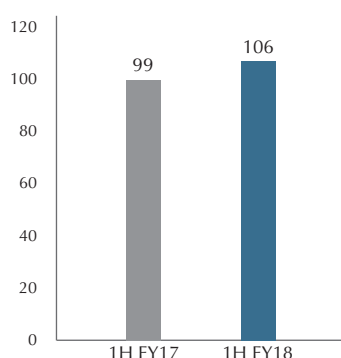
The GS Superhighway is the main expressway connecting the PRD region's three major cities — Guangzhou, Dongguan, Shenzhen and Hong Kong. The solid economic environment in these three PRD cities supported the stable growth of traffic on the GS Superhighway. Their GDP growth in the first three quarters of 2017 was maintained at 7.3%–8.8%. During the period under review, the GS Superhighway's average daily toll revenue increased by 5% yoy to RMB9.7 million. Its total toll revenue amounted to RMB1,788 million. The average daily full-length equivalent traffic rose by 7% yoy to 106,000 vehicles. Passenger vehicles are the major contributors to toll revenue and traffic, accounting for 69.3% and 82.5% of the GS Superhighway's toll revenue and full-length equivalent traffic volume respectively.

The implementation of traffic restriction measures in the peripheral area of Shenzhen Bay border crossing due to road network upgrade works since mid-October 2016 has diverted some passenger cars to travel on the GS Superhighway and resulted in minimal positive impact so far. One year after the start of the aforesaid works, the impact from such works had diminished. The date of the withdrawal of traffic restriction measures is yet to be announced.

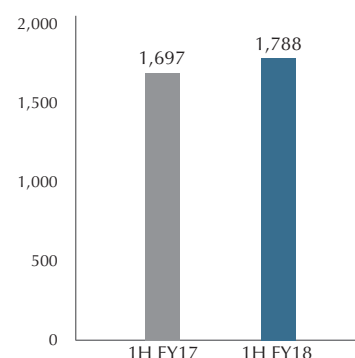
Average Daily Toll Revenue[#]
(RMB thousand)



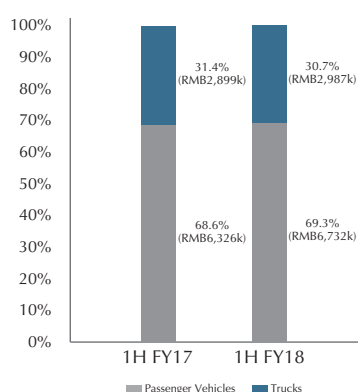
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



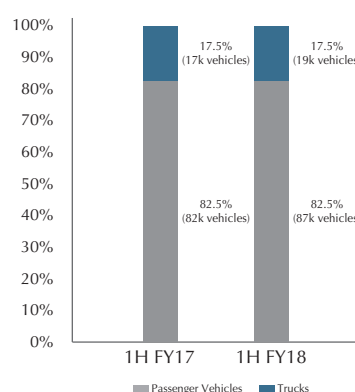
Total Toll Revenue in 6 months[#]
(RMB million)



Average Daily Toll Revenue Breakdown by Vehicle Type



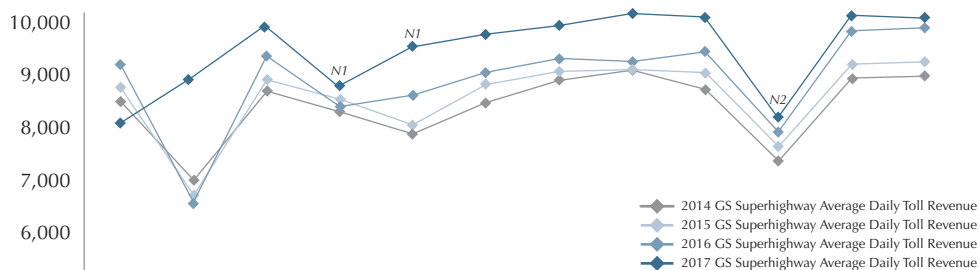
Average Daily Full-Length Equivalent Traffic Breakdown by Vehicle Type



[#] Including tax

GS Superhighway Average Daily Toll Revenue (Monthly)

(RMB thousand)



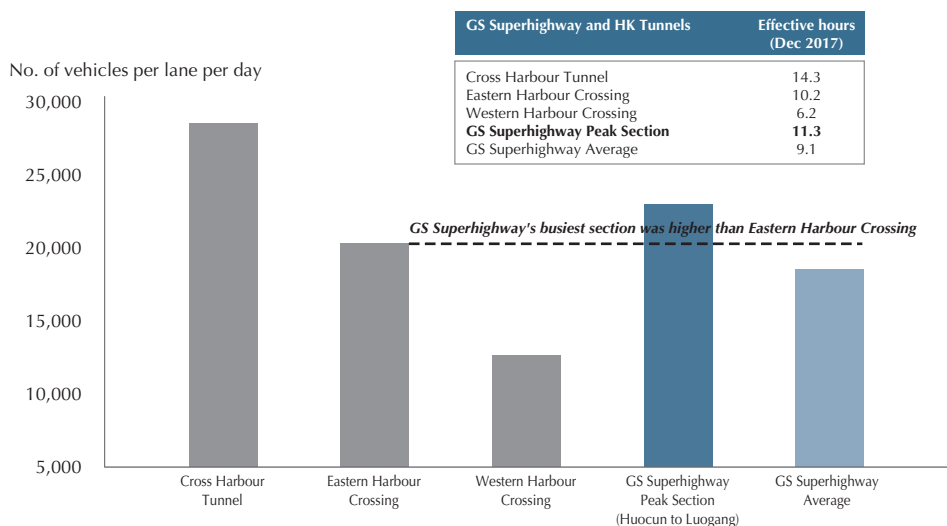
	Jan + Feb (Lunar New Year)	Mar	Apr (Ching Ming Festival)	May (Labour Holiday)	Jun	Jul	Aug	Sep + Oct (National Holiday)	Nov	Dec	CY Yearly Average	yoy change	
												1HCY	2HCY
2014	7,770	8,657	8,276	7,868	8,438	8,857	9,046	8,017	8,903	8,933	8,384	-5%	-6%
2015	7,774	8,867	8,505	8,025	8,775	9,017	9,057	8,300	9,153	9,202	8,567	+2%	+2%
2016	7,921	9,303	8,374	8,584	9,002	9,266	9,204	8,634	9,779	9,831	8,875	+3%	+4%
2017	8,402	9,899	8,708	9,479	9,726	9,896	10,130	9,068	10,096	10,047	9,419	+7%	+5%
2016 vs 2015 yoy	+2%	+5%	-2%	+7%	+3%	+3%	+2%	+4%	+7%	+7%	+4%		
2017 vs 2016 yoy	+6%	+6%	+4%	+10%	+8%	+7%	+10%	+5%	+3%	+2%	+6%		

N1: April: one more day of toll-free holiday in 2017 compared to 2016; May: one less day of toll-free holiday in 2017 compared to 2016

N2: October: one more day of toll-free holiday in 2017 compared to 2016

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

GS Superhighway — Average Daily Cross Sectional Traffic Per Lane and Effective Hour



Remarks:

- 1) Effective hour = no. of vehicles per lane / 2,000 cars per hour per lane
- 2) 10 lanes in dual directions in Wudianmei to Taiping and Hezhou to Fuyong sections after expansion for the GS Superhighway
- 3) Average daily traffic of HK tunnels (November 2017): Cross Harbour Tunnel 115,000, Eastern Harbour Crossing 82,000, Western Harbour Crossing 75,000
- 4) Average daily traffic of GS Superhighway (December 2017)

The GS Superhighway JV has been making incessant progress in enhancing its operational efficiency and its capability to cope with the increasing traffic by installing automated equipment at the toll lanes and entry lanes. Currently, approximately 77% of all the toll lanes at entrances to the GS Superhighway are equipped with ETC or automatic card-issuing machines. The usage of ETC toll lanes has been in a gradually increasing trend.

Western Delta Route

The Western Delta Route was developed in three phases and it was fully opened to traffic on 25 January 2013. It is a 97.9-km closed expressway with a total of 6 lanes in dual directions that runs from north to south along the central axis of western PRD and connects four major cities — Guangzhou, Foshan, Zhongshan and Zhuhai. It is the only main expressway artery between the city centres of Guangzhou and Zhuhai, and offers the most convenient access to Hengqin, Macao and Hong Kong through its connection with Second Hengqin Bridge, the Zhuhai Link Road and the forthcoming HZM Bridge respectively.

During the period under review, its average daily toll revenue and average daily full-length equivalent traffic achieved 13% and 12% yoy growth to RMB3.8 million and 52,000 vehicles respectively. Meanwhile, its total toll revenue amounted to RMB700 million. Passenger vehicles are the major contributors to toll revenue and traffic, accounting for 66.7% and 79.3% of the Western Delta Route's toll revenue and full-length equivalent traffic volume respectively, compared to 69.5% and 81.7% in the last corresponding period. The higher growth in average daily toll revenue compared to average daily full-length equivalent traffic growth was mainly because the average daily full-length equivalent traffic growth of trucks was stronger than that of passenger vehicles, as a result of the Foshan Ring Road upgrading works with traffic restriction measures implemented as described below. During the first three quarters of 2017, the economy of the four main cities alongside the Western Delta Route namely Guangzhou, Foshan, Zhongshan and Zhuhai stayed healthy with GDP growth of 7.3%–9.2%, which supported its continuous growth.

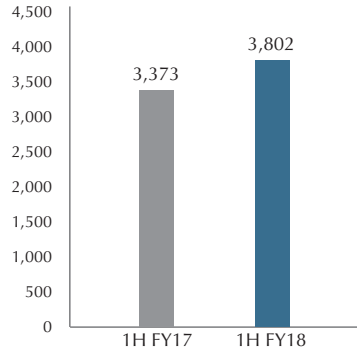
Most of the maintenance and upgrading works on National Highway 105 and local roads nearby that caused diversion of traffic onto the Western Delta Route since mid-August 2016 were completed by the third quarter of 2017, and corresponding traffic restriction measures were removed. As a result, the positive impacts from such maintenance and upgrading works had diminished.

Foshan Ring Road, a major local road of Foshan city which is close to the northern end of the Western Delta Route, is scheduled to be upgraded into several toll expressways. The construction works are being carried out from late June 2017 to the end of 2019. Traffic restriction measures are implemented on some sections and all trucks are forbidden during the construction period from 1 August 2017 to 30 December 2018. It is observed that some trucks have been diverted onto the Western Delta Route since the implementation of such measures.

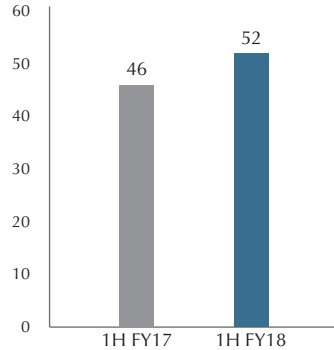
The eastbound of a bridge section on the Western Coastal Expressway, which connects to the southern end of the Western Delta Route, had been closed for urgent repair works from late August 2017 to the end of January 2018. It resulted in slightly negative impact on the traffic of the Western Delta Route during such period.

Business Review (continued)

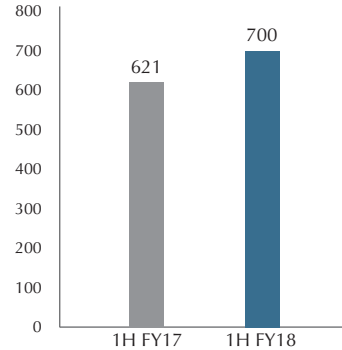
Average Daily Toll Revenue[#]
(RMB thousand)



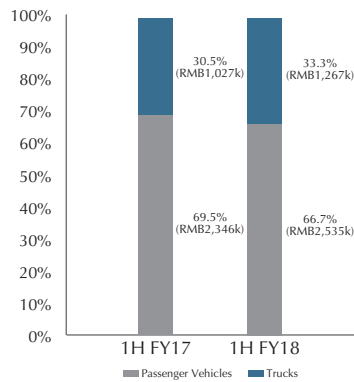
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



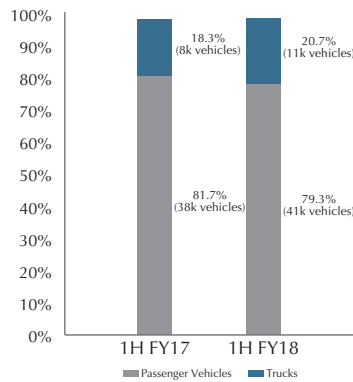
Total Toll Revenue in 6 months[#]
(RMB million)



Average Daily Toll Revenue Breakdown by Vehicle Type

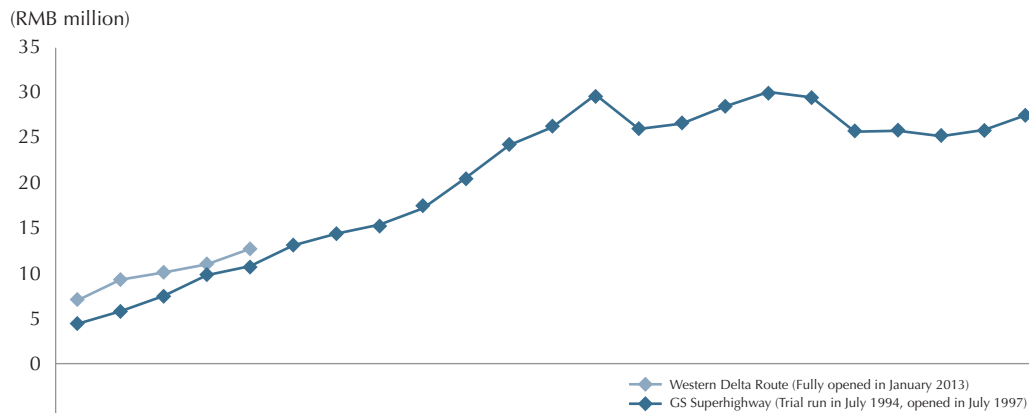


Average Daily Full-Length Equivalent Traffic Breakdown by Vehicle Type



[#] Including tax

Western Delta Route — Annual Toll Revenue* Per Km



Opening Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23
GS Superhighway (FY95)	4.4	5.8	7.5	9.8	10.8	13.1	14.4	15.4	17.2	20.6	24.2	26.2	29.8	26.0	26.6	28.5	30.1	29.5	25.7	25.8	25.2	25.9	27.3
Western Delta Route (FY13)	7.0	9.3	10.1	11.0	12.6																		

* Including tax

The Western Delta Route is located at the heart of western PRD and runs along its central axis. It is well connected with the Guangzhou Ring Road, Guangzhou-Gaoming Expressway, Guangzhou Southern Second Ring Road, Zhongshan-Jiangmen Expressway, Western Coastal Expressway, and will link up with not only the soon-to-open HZM Bridge, but also the Guangzhou-Zhongshan-Jiangmen Expressway, Humen Second Bridge and Shenzhen-Zhongshan Corridor to form a comprehensive regional expressway network.



* According to media

Besides, the soon-to-open HZM Bridge will provide a convenient link between Hong Kong and western PRD. As a result, traffic flow in western PRD, in particular the related feeder traffic, will be boosted subsequent to the opening of the HZM Bridge. It is expected that this will provide impetus to the traffic growth of the Western Delta Route.

Financial Review

Liquidity and Financial Resources

The Group's debt balance comprises its share of the non-recourse bank loans of its JV companies, whereas the Group has no debt at corporate level. The total debt to 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 2017 were shown below. The Group's net cash on hand (excluding JV companies), amounted to RMB417 million.

HHI Corporate Level

	30 June 2017 RMB million	31 December 2017 RMB million		30 June 2017 RMB million	31 December 2017 RMB million
Bank balances and cash			Corporate debt		
– Bank balances and cash	469	417	– Bank loan	–	–
	469	417		–	–
Net cash on hand: RMB417 million (30 June 2017: RMB469 million)					

Share of JV Companies

	30 June 2017 RMB million	31 December 2017 RMB million		30 June 2017 RMB million	31 December 2017 RMB million
Bank balances and cash			Bank loans		
– Bank balances and cash	440	221	– GS Superhighway	2,280	2,012
			– Western Delta Route	3,718	3,488
	440	221		5,998	5,500
Net debt ^{Note 1} : RMB5,279 million (30 June 2017: RMB5,558 million)					

Note 1: Total debt less bank balances and cash

	30 June 2017 RMB million	31 December 2017 RMB million
Total debt		
– Company and subsidiaries	–	–
– Share of JV companies ^{Note 1}	6,399	5,914
Net debt ^{Note 2}	5,490	5,275
Total assets (including share of JV companies' total assets) ^{Note 3}	12,881	12,143
Equity attributable to owners of the Company	5,526	5,207
Total debt to total assets ratio	50%	49%
Gearing ratio	99%	101%

Note 1: The Group's share of JV companies' debt is defined as bank and other loans together with balance with JV partner.

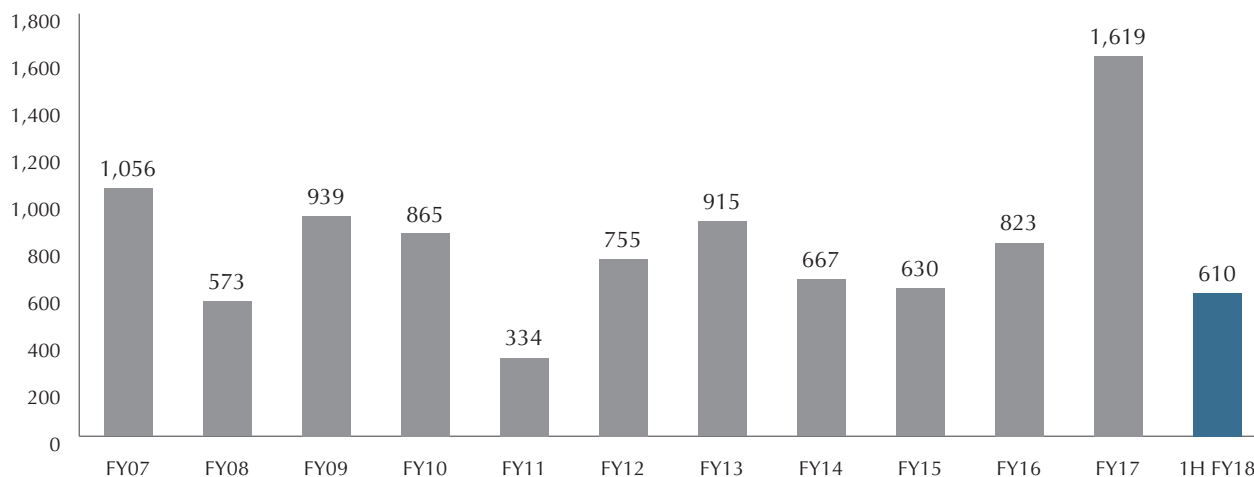
Note 2: Net debt is defined as total debt (including share of JV companies) less total bank balances and cash (including share of JV companies).

Note 3: Concession intangible assets are not valued at market price but are booked at historical cost less amortisation/depreciation.

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

Given no debt at the corporate level, the Group enjoys a strong and solid financial position. As at 31 December 2017, HHI corporate level net cash on hand (excluding JV companies) amounted to RMB417 million (30 June 2017: RMB469 million), or RMB0.14 per share (30 June 2017: RMB0.15 per share), whereas available banking facilities amounted to HKD500 million (or RMB416 million).

Cash Dividend (Net of Tax) from the GS Superhighway JV to the Group (RMB million)



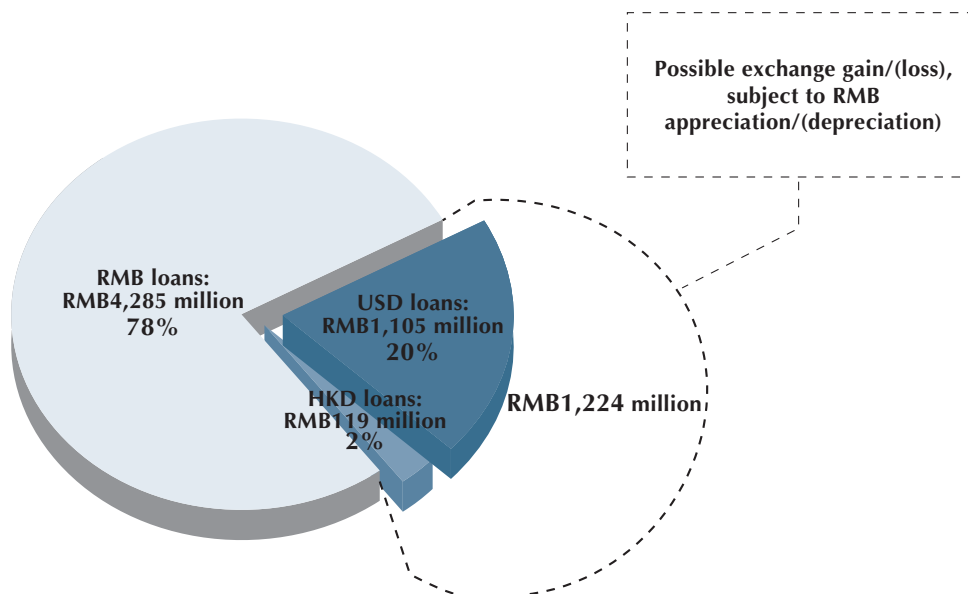
As at 31 December 2017, 99.7% (30 June 2017: 99.8%) of the Group's bank balances and cash (excluding JV companies) on hand were denominated in RMB and 0.3% (30 June 2017: 0.2%) in HK Dollar. The bank balances and cash on hand of the JV companies shared by the Group amounted to RMB221 million (30 June 2017: RMB440 million). The Group received cash dividend from the GS Superhighway JV of RMB610 million during the period under review. In August 2016, the GS Superhighway JV entered into agreement with the bank for the additional 8-year bank loan facility of RMB2 billion to reimburse past capital expenditure funded by its shareholders. Subsequently, the GS Superhighway JV distributed dividend of RMB912 million (net of tax) to the Group out of this loan. The reduction in the cash dividend during FY08 and FY11 were mainly brought about by the repatriation of registered capital by the GS Superhighway JV to the Group and the intercompany borrowings provided by the GS Superhighway JV to the West Route JV respectively. Cash dividend from the GS Superhighway JV restored to their normal levels since FY12. Cash dividend increased during FY13 as a result of the full repayment of intercompany borrowings by the West Route JV to the GS Superhighway JV in December 2012, and the GS Superhighway JV's distribution of a dividend of RMB351 million to the Group out of these funds. As at 31 December 2017, the after-tax cash dividend receivable for the calendar year 2016 from the GS Superhighway JV to the Group had been all distributed.

Bank and Other Borrowings

As at 31 December 2017, the Group had no debt at the corporate level, whereas the total bank and other borrowings of the JV companies shared by the Group (including US Dollar bank loans of equivalent to RMB1,105 million, HK Dollar bank loan of equivalent to RMB119 million, RMB bank loans of RMB4,276 million and RMB other borrowing of RMB9 million), amounted to approximately RMB5,509 million (30 June 2017: RMB6,007 million) with the following profile:

- (a) 99.8% (30 June 2017: 99.9%) consisted of bank loans and 0.2% (30 June 2017: 0.1%) of other loan; and
- (b) 78% (30 June 2017: 77%) was denominated in RMB; 20% (30 June 2017: 21%) was denominated in US Dollar and 2% (30 June 2017: 2%) was denominated in HK Dollar.

Breakdown of HHI's Share of JV Loans ^{Note 1} by Currency (As at 31 December 2017)



Note 1: Represent the Group's share of JV companies' bank loans of RMB5,500 million and other borrowings of RMB9 million.

Financial Review (continued)

Debt Maturity Profile

As at 31 December 2017, the maturity profile of the bank and other borrowings of the JV companies shared by the Group (whereas the Group had no debt at corporate level) were shown below, together with the corresponding figures as at 30 June 2017:

HHI Corporate Level

	30 June 2017		31 December 2017	
	RMB million	%	RMB million	%
Repayable within 1 year	–	–	–	–

Share of JV Companies

	30 June 2017		31 December 2017	
	RMB million	%	RMB million	%
Repayable within 1 year	172	3%	159	3%
Repayable between 1 and 5 years	2,316	38%	2,328	42%
Repayable beyond 5 years	3,519	59%	3,022	55%
	6,007	100%	5,509	100%

As at 31 December 2017, 55% (30 June 2017: 59%) of the bank loans and other borrowings of the JV companies shared by the Group were repayable beyond 5 years.

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 minimise its funding costs and enhance return 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. As at 31 December 2017, 99.7% of the Group's bank balances and cash (excluding JV companies) were denominated in RMB and 0.3% were denominated in HK Dollar. The Group's overall treasury yield on bank deposits was 2.98% during the period under review, compared to 2.07% in 1HFY17.

Contingent Liabilities

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

Except for the above, the Group had no other material contingent liability as at 31 December 2017.

Material Acquisition or Disposal

The Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the period ended 31 December 2017. However, please note that as announced by the Company in the Joint Announcement on "(1) Major Transaction for Hopewell Holdings Limited in relation to the proposed disposal of approximately 66.69% of the issued shares of Hopewell Highway Infrastructure Limited to Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd and (2) possible unconditional mandatory cash offer by CLSA Limited for and on behalf of Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd to acquire all the issued shares of Hopewell Highway Infrastructure Limited (other than those already owned and/or agreed to be acquired by Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd and/or parties acting in concert with it)" issued on 29 December 2017, Hopewell Holdings Limited, our ultimate holding company, had conditionally agreed to dispose of all its stake in our company to Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd, a wholly owned subsidiary of Shenzhen Investment Holdings Co., Ltd. Completion of the disposal is yet to take place.

Corporate Sustainability

This report updates the latest progress of our sustainability initiatives listed in the Sustainability Report FY17.

Road Safety & Traffic Efficiency

Both JV companies were awarded national titles of honour which recognised our achievements in road management, safety operation and service quality in the industry. The awards are listed as follows:

GS Superhighway JV:

'2017 Pioneer Unit for Safety Culture Promotion in National Safety and Health Cup' (2017年全國「安康杯」競賽安全文化宣傳工作先進單位) by All-China Federation of Trade Unions and State Administration of Work Safety

West Route JV:

'2017 National Model Enterprise for Safety Culture Establishment' (2017年全國安全文化建設示範企業) by China Association of Work Safety

In order to increase traffic efficiency at toll plazas, we continued to install Electronic Toll Collection (ETC) payment equipment in more toll lanes to cope with the growth of traffic. During the period under review, one lane was upgraded along the GS Superhighway and another was upgraded along the Western Delta Route.

Environment

We endeavor to minimise consumption and usage of resources through technologies. A total of 252 conventional sodium lamps were replaced by LED lights in the toll plazas of the Western Delta Route to reduce electricity consumption. In addition, 6 new wind-and-solar powered surveillance cameras were installed along the Western Delta Route which increases the total number of energy saving surveillance cameras to 40, accounting for about 23% of total surveillance cameras along the road.

Employee Development

Both JV companies provided various trainings as well as a series of healthy activities so as to promote work-life-balance among employees. Some of the events held were tabulated as follows:

GS Superhighway JV	West Route JV
94 staff participated in a training class on PowerPoint application to improve their business technique on 22 August 2017.	148 participants attended various training sessions and contests for enhancement of business knowledge.
441 front-line staff took part in a 2-day skills and techniques contest to enhance their business capabilities and job efficiency from 8 July to 9 July 2017.	270 staff participated in a hiking activity to celebrate Chongyang Festival on 26 October 2017.
86 staff joined a mooncake baking activity to celebrate Mid-Autumn Festival together in September 2017.	192 staff joined a long-distance race on 14 November 2017.
377 staff participated in a mini-marathon held at Huayang Lake Wetland Park in Dongguan on 28 November 2017.	178 staff attended a singing contest on 28 August 2017.

In order to help our employees obtain a higher level of education and further improve their ability comprehensively, the West Route JV nominated 112 employees to participate in an adult educational programme named “Realise Your Wishful Dream” from 2014 to 2016, which was organised by the Zhongshan Communist Youth League and the Shandong University. In 2017, the West Route JV continued to nominate 28 employees to participate in this programme.

In the GS Superhighway JV, a nine-month Eagle Training Programme for 29 high-talent employees was completed in December 2017. All participants shared that this programme enriched their all-rounded skills and was fruitful for future career development.

Customers and Communities

We are keen on providing safe, reliable and comfortable traffic environment for road users through effective management and high quality services. Our positive efforts in respect of customer services were highly acknowledged. Both JV companies' service areas were awarded national titles of honour as follows:

GS Superhighway JV:

'National Excellent Service Area' (全國優秀服務區) (Houjie south and Houjie north service areas) by the Ministry of Transport of the PRC

West Route JV:

'National Top 100 Model Service Area' (全國百佳示範服務區) (Shunde service area) by the Ministry of Transport of the PRC

'National Excellent Service Area' (全國優秀服務區) (Shaxi service area) by the Ministry of Transport of the PRC

The West Route JV has been honoured by China Association of Communication Enterprise Management for the fourth consecutive year since 2014 to recognise its outstanding achievements in culture establishment. During the period under review, it was awarded the '2017 National Outstanding Enterprise for Transportation Service Culture Establishment' (2017年全國交通運輸服務文化建設優秀單位).

We placed significant emphasis on supporting community activities and actively joined public service programmes. Our staff voluntarily took part in charity events such as "Love Teeth Day" and "Walks for Millions" organised by The Community Chest of Hong Kong. In addition, we participated in "Race to Feed 2017" relay run organised by Heifer Hong Kong in November 2017 to encourage our staff to develop a healthy lifestyle through outdoor sports activities.

The GS Superhighway JV Volunteer Corps was awarded the title of 'The 2016–2017 Top 10 Volunteering Team' by Dongguan Volunteers Association in December 2017 to acknowledge its enthusiasm in participating in volunteering activities.

Other Information

Review of Interim Results

The Audit Committee of the Company had reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the Group's unaudited interim results for the six months ended 31 December 2017.

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

As at 31 December 2017, the interests and short positions of the Directors and the chief executives of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) the Company

Directors	Shares ⁽ⁱ⁾				Total interests	Approximate % of total number of issued shares
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests ⁽ⁱⁱ⁾ (interests of controlled corporation)	Other interests		
Sir Gordon WU	17,471,884	6,815,920	27,051,498	7,670,000 ⁽ⁱⁱⁱ⁾	59,009,302	1.91
Eddie Ping Chang HO	6,274,075	–	17,500	–	6,291,575	0.20
Thomas Jefferson WU	18,000,000	–	–	–	18,000,000	0.58
Alan Chi Hung CHAN	507,750	–	–	–	507,750	0.01

Notes:

- (i) All interests in the shares of the Company were long positions.
- (ii) The corporate interests were beneficially owned by companies in which the relevant Directors were deemed to be entitled under the SFO to exercise or control the exercise of one-third or more of the voting power at its general meeting.
- (iii) The other interests in 7,670,000 shares of the Company represented the interests held by Sir Gordon WU jointly with Lady WU.

Other Information (continued)

(B) Associated Corporation — HHL

Directors	HHL Shares ⁽ⁱ⁾					Approximate % of total number of issued HHL Shares
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests ⁽ⁱⁱ⁾ (interests of controlled corporation)	Other interests	Total interests	
Sir Gordon WU	75,083,240	27,073,300	111,450,000	30,680,000 ⁽ⁱⁱⁱ⁾	244,286,540	28.08
Eddie Ping Chang HO	27,691,500	–	70,000	–	27,761,500	3.19
Thomas Jefferson WU	28,900,000	–	–	–	28,900,000	3.32
Alan Chi Hung CHAN	585,000	–	–	–	585,000	0.06

Notes:

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

Save as disclosed above, as at 31 December 2017, none of the Directors or the chief executives of the Company had any other interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Options

2013 HHI Share Option Scheme

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

Share Awards

- (A) The Share Award Scheme was adopted by the Board on 25 January 2007 (“Adoption Date”). Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for a period of 15 years commencing on the Adoption Date, provided that no new award shall be granted on or after the 10th anniversary of the Adoption Date.
- (B) There were no awarded shares granted, vested, forfeited or outstanding during the six months ended 31 December 2017 and accordingly no dividend income was received in respect of shares held upon the trust for the Share Award Scheme (2016: Nil) during the period under review.

Other Information (continued)

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

As at 31 December 2017, so far is known to the Directors, the interests or short positions of substantial shareholders of the Company (other than the Directors and the chief executives of the Company disclosed above) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Capacity	Number of shares ⁽ⁱ⁾ (corporate interests)	Approximate % of total number of issued shares
Anber Investments Limited	Beneficial owner	2,055,287,337 ^{(ii)&(iii)}	66.69
Delta Roads Limited	Interests of controlled corporation	2,055,287,337 ^{(ii)&(iii)}	66.69
Dover Hills Investments Limited	Interests of controlled corporation	2,055,287,337 ^{(ii)&(iii)}	66.69
Supreme Choice Investments Limited	Interests of controlled corporation	2,055,287,337 ^{(ii)&(iii)}	66.69
HHL	Interests of controlled corporation	2,055,287,337 ^{(ii)&(iii)}	66.69
Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd (深圳投控國際資本控股基建有限公司)	Beneficial owner	2,055,287,337 ⁽ⁱⁱⁱ⁾	66.69
Shenzhen Investment International Capital Holdings Co., Limited (深圳投控國際資本控股有限公司)	Interests of controlled corporation	2,055,287,337 ⁽ⁱⁱⁱ⁾	66.69
Shenzhen Investment Holdings Co., Ltd.* (深圳市投資控股有限公司)	Interests of controlled corporation	2,055,287,337 ⁽ⁱⁱⁱ⁾	66.69

* for identification purpose only

Notes:

- (i) All interests in the shares of the Company were long positions.
- (ii) The 2,055,287,337 shares of the Company (“Sale Shares”) were held by Anber Investments Limited (“Anber”), a wholly-owned subsidiary of Delta Roads Limited (“Delta Roads”) which was wholly-owned by Dover Hills Investments Limited (“Dover Hills”). Dover Hills was in turn 100% owned by Supreme Choice Investments Limited (“Supreme Choice”), a wholly-owned subsidiary of HHL. The interests of Anber, Delta Roads, Dover Hills, Supreme Choice and HHL in the 2,055,287,337 shares of the Company were long positions, represented the same block of shares of the Company and were deemed under the SFO to have same interests with each other. Sir Gordon WU, Mr. Eddie Ping Chang HO and Mr. Thomas Jefferson WU, Directors of the Company, are also directors of Anber, Delta Roads, Dover Hills, Supreme Choice and HHL.
- (iii) Pursuant to the sale and purchase agreement dated 29 December 2017 entered into between Anber as vendor and HHL as vendor’s guarantor and Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd as purchaser and Shenzhen Investment Holdings Co., Ltd.* as purchaser’s guarantor, Anber has conditionally agreed to sell and Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd has conditionally agreed to acquire the Sale Shares, comprising a total of 2,055,287,337 shares of the Company. A joint announcement containing details of the above transaction was published on the website of the Stock Exchange on 29 December 2017 by the Company.

Save as disclosed above, as at 31 December 2017, the Company had not been notified of any other interests or short positions representing 5% or more of the total number of issued shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Employees and Remuneration Policies

The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. It offers share option and share award schemes to eligible employees in order to provide them with incentives and to recognise their contributions and ongoing efforts. In addition, discretionary bonuses are granted to employees based on their individual performance as well as the Group’s business performance. It also provides medical insurance coverage to all staff members and personal accident insurance to senior staff members. As at 31 December 2017, the Group, excluding its JV companies, had 28 employees.

Besides offering competitive remuneration packages, the Group is committed to promoting family friendly employment policies and practices. The Group arranged birthday parties, staff outing, Christmas party, annual dinners and Employee Assistance Programme 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 programs 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.

* for identification purpose only

Other Information (continued)

The Group's training programs 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 programs, the Group also provides comprehensive and relevant training and self-learning opportunities to employees such as on-the-job training, educational sponsorships and examination leave.

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 2017.

Corporate Governance Practices

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

During the period under review, the Company complied with all the code provisions as set out in the CG Code, except for the deviation from code provisions A.5.1 and A.5.6 of the CG Code 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 (the "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 with the Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout the period under review.

Change in Information of Directors

The changes in information of the Directors are set out below:

Mr. Thomas Jefferson WU JP, Managing Director

- appointed as Deputy Chairman of HHL on 13 February 2018
- appointed as a member of the 13th National Committee of the Chinese People's Political Consultative Conference on 24 January 2018

Mr. Yuk Keung IP, Independent Non-executive Director

- appointed as a trustee of the Board of Trustees at Washington University in St. Louis on 1 December 2017
- appointed as an Adjunct Distinguished Professor in Practice of University of Macau instead of being an Adjunct Professor of University of Macau on 1 September 2017
- appointed as an Adjunct Professor of Hong Kong University of Science and Technology during the year of 2017

Mr. Brian David Man Bun LI JP, Independent Non-executive Director

- appointed as a Council Member of the Hong Kong Trade Development Council on 1 January 2018
- appointed as a Vice Chairman of Asian Financial Cooperation Association during the year of 2017

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

On behalf of the Board

Sir Gordon Ying Sheung WU KCMG, FICE
Chairman

Hong Kong, 13 February 2018

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

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

Introduction

We have reviewed the condensed consolidated financial statements of Hopewell Highway Infrastructure Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 31 to 44, which comprise the condensed consolidated statement of financial position as of 31 December 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
13 February 2018

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months Ended 31 December 2017

	NOTES	Six months ended 31 December			
		2016 (Unaudited) RMB'000	2017 (Unaudited) RMB'000	2016 (Unaudited) HK\$'000 (FOR INFORMATION PURPOSE ONLY)	2017 (Unaudited) HK\$'000
Other income and other expense	4	13,496	24,163	15,599	28,437
Depreciation		(99)	(72)	(115)	(84)
General and administrative expenses		(18,175)	(18,801)	(21,003)	(22,007)
Finance costs	5	(12)	(11)	(14)	(12)
Share of results of joint ventures	6	290,853	381,088	334,478	449,346
Profit before tax		286,063	386,367	328,945	455,680
Income tax expense	7	(14,194)	(22,153)	(16,301)	(26,125)
Profit for the period		271,869	364,214	312,644	429,555
Other comprehensive income (expense)					
Item that will not be reclassified to profit or loss:					
Exchange (loss) gain arising on translation to presentation currency		–	–	(296,598)	268,003
Item that may be reclassified subsequently to profit or loss:					
Exchange gain (loss) arising on translation of foreign operations		1,127	(7,419)	–	–
Total comprehensive income for the period		272,996	356,795	16,046	697,558
Profit for the period attributable to:					
Owners of the Company		267,457	358,852	307,581	423,202
Non-controlling interests		4,412	5,362	5,063	6,353
		271,869	364,214	312,644	429,555
Total comprehensive income for the period attributable to:					
Owners of the Company		268,584	351,433	12,581	689,607
Non-controlling interests		4,412	5,362	3,465	7,951
		272,996	356,795	16,046	697,558
Earnings per share	9	RMB Cents	RMB Cents	HK Cents	HK Cents
Basic		8.68	11.64	9.98	13.73

Condensed Consolidated Statement of Financial Position

As at 31 December 2017

	NOTES	30 June 2017 (Audited) RMB'000	31 December 2017 (Unaudited) RMB'000	30 June 2017 (Audited) HK\$'000 (FOR INFORMATION PURPOSE ONLY)	31 December 2017 (Unaudited) HK\$'000
ASSETS					
Non-current Assets					
Interests in joint ventures	10	5,171,922	4,903,392	5,958,054	5,888,974
Investment	11	4,785	4,785	5,513	5,747
Property and equipment		283	95	325	113
		5,176,990	4,908,272	5,963,892	5,894,834
Current Assets					
Deposits and prepayments		941	1,088	1,084	1,307
Interest and other receivables		1,662	1,433	1,915	1,721
Bank balances and cash		469,067	416,740	540,365	500,505
		471,670	419,261	543,364	503,533
Total Assets		5,648,660	5,327,533	6,507,256	6,398,367
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	12	270,603	270,603	308,169	308,169
Share premium and reserves		5,255,732	4,936,782	6,058,169	5,945,900
Equity attributable to owners of the Company		5,526,335	5,207,385	6,366,338	6,254,069
Non-controlling interests		30,826	36,188	35,511	43,462
Total Equity		5,557,161	5,243,573	6,401,849	6,297,531
Non-current Liability					
Deferred tax liability	13	80,215	69,681	92,408	83,687
Current Liability					
Payables and accruals		11,284	14,279	12,999	17,149
Total Liabilities		91,499	83,960	105,407	100,836
Total Equity and Liabilities		5,648,660	5,327,533	6,507,256	6,398,367
Cash and cash equivalents		469,067	416,740	540,365	500,505

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 31 December 2017

	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	The People's Republic of China ("PRC") statutory reserves RMB'000	Translation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at 1 July 2016 (Audited)	270,603	4,646,724	114,710	(794,833)	2,435,416	6,672,620	46,554	6,719,174
Exchange gain arising on translation of foreign operations	-	-	-	1,127	-	1,127	-	1,127
Profit for the period	-	-	-	-	267,457	267,457	4,412	271,869
Total comprehensive income for the period	-	-	-	1,127	267,457	268,584	4,412	272,996
Dividends recognised as distribution during the period (Note 8)	-	(1,541,965)	-	287,703	(246,840)	(1,501,102)	-	(1,501,102)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(21,738)	(21,738)
As at 31 December 2016 (Unaudited)	270,603	3,104,759	114,710	(506,003)	2,456,033	5,440,102	29,228	5,469,330
As at 1 July 2017 (Audited)	270,603	3,104,759	114,710	(499,337)	2,535,600	5,526,335	30,826	5,557,161
Exchange loss arising on translation of foreign operations	-	-	-	(7,419)	-	(7,419)	-	(7,419)
Profit for the period	-	-	-	-	358,852	358,852	5,362	364,214
Total comprehensive (expense) income for the period	-	-	-	(7,419)	358,852	351,433	5,362	356,795
Change in profit sharing of a joint venture	-	-	(7,121)	-	-	(7,121)	-	(7,121)
Dividends recognised as distribution during the period (Note 8)	-	(387,790)	-	80,724	(356,196)	(663,262)	-	(663,262)
As at 31 December 2017 (Unaudited)	270,603	2,716,969	107,589	(426,032)	2,538,256	5,207,385	36,188	5,243,573

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

The special final dividend for the year ended 30 June 2017 of RMB10 cents (2016: for the year ended 30 June 2016 of RMB40 cents) per share amounting to approximately RMB307,066,000 (2016: RMB1,254,262,000) was distributed from the share premium arisen at the time before the change in functional currency of the Company from HKD to RMB. Accordingly, the share premium and the corresponding translation reserve had been debited by RMB387,790,000 (2016: RMB1,541,965,000) and credited by RMB80,724,000 (2016: RMB287,703,000) respectively.

Pursuant to the joint venture agreement of Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS Superhighway JV"), the Group's profit-sharing ratio in the GS Superhighway JV adjusted from 48% to 45% from 1 July 2017 for the next ten years until the end of contractual operation period, i.e. 30 June 2027. Accordingly, the Group's share of the reserves attributable to the GS Superhighway JV had been adjusted.

Condensed Consolidated Statement of Changes in Equity (continued)

For the Six Months Ended 31 December 2017

(FOR INFORMATION PURPOSE ONLY)

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share premium	PRC statutory reserves	Translation reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 July 2016 (Audited)	308,169	4,338,962	110,708	455,551	2,573,558	7,786,948	54,328	7,841,276
Exchange loss on translation to presentation currency	-	-	-	(295,000)	-	(295,000)	(1,598)	(296,598)
Profit for the period	-	-	-	-	307,581	307,581	5,063	312,644
Total comprehensive (expense) income for the period	-	-	-	(295,000)	307,581	12,581	3,465	16,046
Dividends recognised as distribution during the period (Note 8)	-	(1,434,336)	-	-	(294,039)	(1,728,375)	-	(1,728,375)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(25,175)	(25,175)
As at 31 December 2016 (Unaudited)	308,169	2,904,626	110,708	160,551	2,587,100	6,071,154	32,618	6,103,772
As at 1 July 2017 (Audited)	308,169	2,904,626	110,708	348,527	2,694,308	6,366,338	35,511	6,401,849
Exchange gain on translation to presentation currency	-	-	-	266,405	-	266,405	1,598	268,003
Profit for the period	-	-	-	-	423,202	423,202	6,353	429,555
Total comprehensive income for the period	-	-	-	266,405	423,202	689,607	7,951	697,558
Change in profit sharing of a joint venture	-	-	(6,864)	(15,183)	-	(22,047)	-	(22,047)
Dividends recognised as distribution during the period (Note 8)	-	(361,032)	-	-	(418,797)	(779,829)	-	(779,829)
As at 31 December 2017 (Unaudited)	308,169	2,543,594	103,844	599,749	2,698,713	6,254,069	43,462	6,297,531

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

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 31 December 2017

	<i>Six months ended 31 December</i>			
	2016 (Unaudited) RMB'000	2017 (Unaudited) RMB'000	2016 (Unaudited) HK\$'000 (FOR INFORMATION PURPOSE ONLY)	2017 (Unaudited) HK\$'000
NET CASH USED IN OPERATING ACTIVITIES	(15,868)	(15,814)	(17,563)	(18,486)
INVESTING ACTIVITIES				
Purchase of property and equipment	(6)	(75)	(7)	(86)
Proceeds on disposals of property and equipment	–	319	–	376
Dividends received (net of PRC withholding tax)	1,395,217	610,410	1,623,651	709,504
Interest received	13,052	10,842	15,122	12,691
NET CASH FROM INVESTING ACTIVITIES	1,408,263	621,496	1,638,766	722,485
FINANCING ACTIVITIES				
Dividends paid to:				
– owners of the Company	(1,534,735)	(660,428)	(1,728,375)	(779,965)
– non-controlling interests of a subsidiary	(21,738)	–	(25,175)	–
NET CASH USED IN FINANCING ACTIVITIES	(1,556,473)	(660,428)	(1,753,550)	(779,965)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(164,078)	(54,746)	(132,347)	(75,966)
CASH AND CASH EQUIVALENTS AT 1 JULY	652,435	469,067	761,392	540,365
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	34,348	2,419	(45,707)	36,106
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	522,705	416,740	583,338	500,505

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

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 31 December 2017

1. Basis of Preparation

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

The Company’s functional currency and presentation currency are RMB. The presentation of 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 describe below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2017.

Application of amendments to International Financial Reporting Standards (“IFRSs”)

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB that are relevant for the preparation of the Group’s condensed consolidated financial statements:

IFRS 12 (Amendments)	As part of the Annual Improvements to IFRS Standards 2014–2016 Cycle
IAS 7 (Amendments)	Disclosure Initiative
IAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

The application of the other amendments to 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 while the application of IAS 7 (Amendments) will have impact to the disclosures in the consolidated financial statements for the year ending 30 June 2018.

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”), depreciation and amortisation, interest and tax, 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”)
- Western Delta Route

3. Segment Information (continued)

Starting from the year ended 30 June 2017, the management simplified internal report to chief operating decision maker to reflect full operation of Western Delta Route as a whole instead of separated as Phases I, II and III of the Western Delta Route. The comparative figures have been restated for consistent presentation purpose.

Information regarding the above segments is reported below.

Segment revenue and results

	Six months ended 31 December									
	2016 (Restated)					2017				
	Segment revenue	EBITDA	Depreciation and amortisation	Interest and tax	Segment results	Segment revenue	EBITDA	Depreciation and amortisation	Interest and tax	Segment results
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GS Superhighway	791,466	662,516	(227,918)	(160,304)	274,294	781,739	661,816	(236,322)	(164,969)	260,525
Western Delta Route	301,472	252,345	(106,637)	(94,924)	50,784	339,797	289,188	(117,607)	(107,471)	64,110
Total	1,092,938	914,861	(334,555)	(255,228)	325,078	1,121,536	951,004	(353,929)	(272,440)	324,635
Corporate interest income from bank deposits					13,909					10,623
Other income					-					868
Corporate general and administrative expenses and depreciation					(18,274)					(18,873)
Corporate finance costs					(12)					(11)
Corporate income tax expense					-					(60)
Net exchange (loss) gain (net of related income tax) (Note)					(48,832)					47,032
Profit for the period					271,869					364,214
Profit for the period attributable to non-controlling interests					(4,412)					(5,362)
Profit for the period attributable to owners of the Company					267,457					358,852

Note: Net exchange (loss) gain (net of related income tax) is composed of the Group's share of the net exchange gain (net of related income tax) of a joint venture of RMB34,360,000 (six months ended 31 December 2016: net exchange loss (net of related income tax) of RMB48,419,000) and the net exchange gain of the Group of RMB12,672,000 (six months ended 31 December 2016: net exchange loss of RMB413,000).

Notes to the Condensed Consolidated Financial Statements (continued)

For the Six Months Ended 31 December 2017

3. Segment Information (continued)

Segment revenue and results (continued)

(FOR INFORMATION PURPOSE ONLY)

	Six months ended 31 December									
	2016 (Restated)					2017				
	Segment revenue HK\$'000	EBITDA HK\$'000	Depreciation and amortisation HK\$'000	Interest and tax HK\$'000	Segment results HK\$'000	Segment revenue HK\$'000	EBITDA HK\$'000	Depreciation and amortisation HK\$'000	Interest and tax HK\$'000	Segment results HK\$'000
GS Superhighway	907,062	759,386	(261,098)	(183,803)	314,485	922,203	780,687	(278,901)	(194,613)	307,173
Western Delta Route	345,506	289,632	(122,078)	(108,871)	58,683	400,912	340,897	(138,896)	(126,678)	75,323
Total	1,252,568	1,049,018	(383,176)	(292,674)	373,168	1,323,115	1,121,584	(417,797)	(321,291)	382,496
Corporate interest income from bank deposits					16,078					12,428
Other income					-					1,016
Corporate general and administrative expenses and depreciation					(21,118)					(22,091)
Corporate finance costs					(14)					(12)
Corporate income tax expense					-					(70)
Net exchange (loss) gain (net of related income tax) (Note)					(55,470)					55,788
Profit for the period					312,644					429,555
Profit for the period attributable to non-controlling interests					(5,063)					(6,353)
Profit for the period attributable to owners of the Company					307,581					423,202

Note: Net exchange (loss) gain (net of related income tax) is composed of the Group's share of the net exchange gain (net of related income tax) of a joint venture of HK\$40,795,000 (six months ended 31 December 2016: net exchange loss (net of related income tax) of HK\$54,991,000) and the net exchange gain of the Group of HK\$14,993,000 (six months ended 31 December 2016: net exchange loss of HK\$479,000).

The segment revenue represents the Group's share of the joint ventures' toll revenue received and receivable (net of value-added 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, depreciation and amortisation, and interest and tax represent the Group's share of joint ventures' EBITDA, depreciation and amortisation, and interest and tax from the operations of toll expressways in the PRC before net exchange gain/loss, based on the profit-sharing ratios specified in the relevant joint venture agreements.

3. Segment Information (continued)

Segment revenue and results (continued)

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/loss (net of related income tax) based on the profit-sharing ratios specified in the relevant joint venture agreements; (ii) net of the withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures; 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:

	<i>Six months ended 31 December</i>			
	<i>2016</i> <i>RMB'000</i>	2017 RMB'000	<i>2016</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	2017 HK\$'000
Total segment results	325,078	324,635	373,168	382,496
Add:				
Net exchange (loss) gain (net of related income tax)	(48,419)	34,360	(54,991)	40,795
Withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures	14,194	22,093	16,301	26,055
Share of results of joint ventures as presented in condensed consolidated statement of profit or loss and other comprehensive income	290,853	381,088	334,478	449,346

4. Other Income and Other Expense

	<i>Six months ended 31 December</i>			
	<i>2016</i> <i>RMB'000</i>	2017 RMB'000	<i>2016</i> <i>HK\$'000</i> <i>(FOR INFORMATION</i> <i>PURPOSE ONLY)</i>	2017 HK\$'000
Interest income from bank deposits	13,909	10,623	16,078	12,428
Net exchange (loss) gain	(413)	12,672	(479)	14,993
Dividend income from investment	–	600	–	703
Gain on disposal of property and equipment	–	128	–	152
Others	–	140	–	161
	13,496	24,163	15,599	28,437

5. Finance Costs

The amount represents the bank charges for both periods.

Notes to the Condensed Consolidated Financial Statements (continued)

For the Six Months Ended 31 December 2017

6. Share of Results of Joint Ventures

	<i>Six months ended 31 December</i>			
	2016 RMB'000	2017 RMB'000	2016 HK\$'000 <i>(FOR INFORMATION PURPOSE ONLY)</i>	2017 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	334,647	428,582	384,671	505,376
Amortisation of additional cost of investments in joint ventures	(43,794)	(47,494)	(50,193)	(56,030)
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(22,549)	(23,956)	(25,853)	(28,256)
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	22,549	23,956	25,853	28,256
	290,853	381,088	334,478	449,346

7. Income Tax Expense

	<i>Six months ended 31 December</i>			
	2016 RMB'000	2017 RMB'000	2016 HK\$'000 <i>(FOR INFORMATION PURPOSE ONLY)</i>	2017 HK\$'000
The tax charge comprises:				
PRC Enterprise Income Tax ("EIT")	72,422	32,687	84,379	37,993
Deferred tax	(58,228)	(10,534)	(68,078)	(11,868)
	14,194	22,153	16,301	26,125

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

The EIT charge of the Group for the six months ended 31 December 2017 included an amount of RMB32,627,000 (approximately HK\$37,923,000) (six months ended 31 December 2016: RMB72,422,000 (approximately HK\$84,379,000)) 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. Dividends

	<i>Six months ended 31 December</i>			
	2016 RMB'000	2017 RMB'000	2016 HK\$'000 (FOR INFORMATION PURPOSE ONLY)	2017 HK\$'000
Dividends paid and recognised as distribution during the period:				
Final dividend for the year ended 30 June 2017: RMB11.6 cents (equivalent to HK13.58986 cents) (six months ended 31 December 2016: for the year ended 30 June 2016 paid of RMB8.2 cents (equivalent to HK9.54840 cents)) per share	246,840	356,196	294,039	418,797
Special final dividend for the year ended 30 June 2017: RMB10 cents (equivalent to HK11.71540 cents) (six months ended 31 December 2016: for the year ended 30 June 2016 paid of RMB40 cents (equivalent to HK46.57760 cents)) per share	1,254,262	307,066	1,434,336	361,032
	1,501,102	663,262	1,728,375	779,829

The directors do not recommend the payment of an interim dividend for the six months ended 31 December 2017.

As at 4 January 2017, the Directors declared that an interim dividend in respect of the year ended 30 June 2017 of RMB8.6 cents (equivalent to HK9.59416 cents) per share amounting to approximately RMB265,025,000 (approximately HK\$295,662,000) was paid to the shareholders of the Company whose names appear on the register of members on 19 January 2017.

9. Earnings Per Share

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

	<i>Six months ended 31 December</i>			
	2016 RMB'000	2017 RMB'000	2016 HK\$'000 (FOR INFORMATION PURPOSE ONLY)	2017 HK\$'000
Earnings for the purposes of basic earnings per share	267,457	358,852	307,581	423,202

Notes to the Condensed Consolidated Financial Statements (continued)

For the Six Months Ended 31 December 2017

9. Earnings Per Share (continued)

	<i>Six months ended 31 December</i>	
	<i>2016 Number of shares</i>	<i>2017 Number of shares</i>
Number of ordinary shares for the purpose of basic earnings per share	3,081,690,283	3,081,690,283

No diluted earnings per share have been presented as there was no potential ordinary shares in issue during both periods.

10. Interests in Joint Ventures

	<i>30 June 2017 RMB'000</i>	<i>31 December 2017 RMB'000</i>	<i>30 June 2017 HK\$'000 (FOR INFORMATION PURPOSE ONLY)</i>	<i>31 December 2017 HK\$'000</i>
Unlisted investments:				
At cost				
Cost of investment in a joint venture	2,020,789	2,020,789	2,327,949	2,426,968
Additional cost of investments	2,520,218	2,520,218	2,903,291	3,026,782
Share of results of joint ventures before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group (net of dividend received)	1,636,243	1,415,207	1,884,952	1,699,664
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(358,032)	(381,988)	(412,452)	(458,767)
Less: Accumulated amortisation of additional cost of investments	(1,434,039)	(1,481,533)	(1,652,013)	(1,779,322)
	4,385,179	4,092,693	5,051,727	4,915,325
At amortised cost				
Registered capital contribution, at nominal amount	2,449,500	2,449,500	2,821,824	2,941,850
Fair value adjustment on initial recognition	(2,020,789)	(2,020,789)	(2,327,949)	(2,426,968)
Accumulated imputed interest income recognised by the Group	358,032	381,988	412,452	458,767
	786,743	810,699	906,327	973,649
	5,171,922	4,903,392	5,958,054	5,888,974

11. Investment

The investment represents interest in unlisted limited company incorporated in the PRC and is classified as available-for-sale financial asset. It is measured at cost less impairment at the end of the reporting period.

12. Share Capital

	<i>Number of shares</i>	<i>Nominal amount HK\$'000</i>	
Ordinary shares of HK\$0.1 each			
Authorised:			
As at 1 July 2016, 31 December 2016, 30 June 2017, 1 July 2017 and 31 December 2017	10,000,000,000		1,000,000
	<i>Number of shares</i>	<i>Nominal amount Equivalent to HK\$'000 RMB'000</i>	
Issued and fully paid:			
As at 1 July 2016, 31 December 2016, 30 June 2017, 1 July 2017 and 31 December 2017	3,081,690,283	308,169	270,603

Share Option Scheme

There were no share options granted, forfeited, vested, or outstanding in both periods presented.

Share Award Scheme

There were no awarded shares granted, forfeited, vested or outstanding in both periods presented.

13. Deferred Tax Liability

The amount represents the deferred tax liability associated with the undistributed earnings of the joint ventures.

14. Contingent Liability

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

Notes to the Condensed Consolidated Financial Statements (continued)

For the Six Months Ended 31 December 2017

15. Related Party Transactions

Save as disclosed in note 14 to the condensed consolidated financial statements, during the six months ended 31 December 2017, the Group paid rental, air-conditioning, management fee and car parking charges to fellow subsidiaries amounting to RMB688,000 (approximately HK\$806,000) (six months ended 31 December 2016: RMB696,000 (approximately HK\$804,000)).

16. Fair Value

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

17. Events After the Reporting Period

As announced by the Company in the joint announcement on “(1) Major Transaction for Hopewell Holdings Limited in relation to the proposed disposal of approximately 66.69% of the issued shares of Hopewell Highway Infrastructure Limited to Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd and (2) possible unconditional mandatory cash offer by CLSA Limited for and on behalf of Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd to acquire all the issued shares of Hopewell Highway Infrastructure Limited (other than those already owned and/or agreed to be acquired by Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd and/or parties acting in concert with it)” issued on 29 December 2017, Hopewell Holdings Limited, the ultimate holding company, had conditionally agreed to dispose of all its stake in the Company to Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd (深圳投控國際資本控股基建有限公司), a wholly owned subsidiary of Shenzhen Investment Holdings Co., Ltd (深圳市投資控股有限公司). Completion of the disposal is yet to take place.

Appendix — Unaudited Condensed Consolidated Financial Information (Prepared Under Proportionate Consolidation Method)

Condensed Consolidated Statement of Profit or Loss

For the six months ended 31 December 2017

(FOR INFORMATION PURPOSE ONLY)

	<i>Six months ended 31 December</i>			
	2016 RMB'000	2017 RMB'000	2016 HK\$'000	2017 HK\$'000
Toll revenue	1,092,938	1,121,536	1,252,568	1,323,115
Revenue on construction	38,144	34,932	42,568	41,953
Turnover	1,131,082	1,156,468	1,295,136	1,365,068
Other income and other expense (Note i)	(16,164)	104,294	(17,852)	123,383
Construction costs	(38,144)	(34,932)	(42,568)	(41,953)
Provision for resurfacing charges	(16,839)	(20,401)	(19,302)	(24,073)
Toll expressway operation expenses	(143,840)	(134,805)	(164,383)	(159,247)
General and administrative expenses	(59,197)	(56,466)	(67,812)	(66,642)
Depreciation and amortisation charges	(334,654)	(354,001)	(383,291)	(417,881)
Finance costs (Note ii)	(133,524)	(127,031)	(152,999)	(149,824)
Profit before tax	388,720	533,126	446,929	628,831
Income tax expense	(116,851)	(168,912)	(134,285)	(199,276)
Profit for the period	271,869	364,214	312,644	429,555
Profit for the period attributable to:				
Owners of the Company	267,457	358,852	307,581	423,202
Non-controlling interests	4,412	5,362	5,063	6,353
	271,869	364,214	312,644	429,555

Notes:

(i) Other income and other expense

	<i>Six months ended 31 December</i>			
	2016 RMB'000	2017 RMB'000	2016 HK\$'000	2017 HK\$'000
Interest income from bank deposits	15,164	13,232	17,517	15,486
Imputed interest income on interest-free registered capital contributions made by the Group to a joint venture	11,274	11,978	12,926	14,128
Net exchange (loss) gain	(64,972)	58,486	(73,800)	69,386
Rental income	12,121	9,216	13,855	10,891
Others	10,249	11,382	11,650	13,492
	(16,164)	104,294	(17,852)	123,383

(ii) Finance costs

	<i>Six months ended 31 December</i>			
	2016 RMB'000	2017 RMB'000	2016 HK\$'000	2017 HK\$'000
Interest on bank loans	121,889	114,706	139,659	135,286
Imputed interest on:				
Interest-free registered capital contributions made by a joint venture partner	11,274	11,978	12,926	14,128
Others	275	275	315	325
Other financial expenses	133,438	126,959	152,900	149,739
	86	72	99	85
	133,524	127,031	152,999	149,824

Appendix — Unaudited Condensed Consolidated Financial Information (Prepared Under Proportionate Consolidation Method) (continued)

Condensed Consolidated Statement of Financial Position

As at 31 December 2017

(FOR INFORMATION PURPOSE ONLY)

	30 June 2017 RMB'000	31 December 2017 RMB'000	30 June 2017 HK\$'000	31 December 2017 HK\$'000
ASSETS				
Non-current Assets				
Property and equipment	432,935	406,712	498,741	488,461
Concession intangible assets	11,101,501	10,625,955	12,788,929	12,761,772
Balance with a joint venture	393,372	405,350	453,164	486,825
Investment	4,785	4,785	5,513	5,747
	11,932,593	11,442,802	13,746,347	13,742,805
Current Assets				
Inventories	1,115	802	1,285	963
Deposits and prepayments	1,611	2,270	1,855	2,727
Interest and other receivables	35,966	34,602	41,433	41,557
Other receivable from a joint venture	–	24,463	–	29,380
Pledged bank balances and deposits of joint ventures	434,191	211,256	500,188	253,718
Bank balances and cash				
– The Group	469,067	416,740	540,365	500,505
– Joint ventures	6,431	10,480	7,409	12,586
	948,381	700,613	1,092,535	841,436
Total Assets	12,880,974	12,143,415	14,838,882	14,584,241
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	270,603	308,169	308,169
Share premium and reserves	5,255,732	4,936,782	6,058,169	5,945,900
Equity attributable to owners of the Company	5,526,335	5,207,385	6,366,338	6,254,069
Non-controlling interests	30,826	36,188	35,511	43,462
Total Equity	5,557,161	5,243,573	6,401,849	6,297,531
Non-current Liabilities				
Bank and other loans of joint ventures	5,834,763	5,349,272	6,721,647	6,424,476
Balance with a joint venture partner	393,322	405,299	453,106	486,764
Resurfacing obligations	179,787	200,189	207,115	240,426
Deferred tax liabilities	248,998	239,703	286,846	287,884
Other non-current liabilities	39,409	38,313	45,400	46,014
	6,696,279	6,232,776	7,714,114	7,485,564
Current Liabilities				
Provision, other payables, accruals and deposits received	387,056	433,883	445,889	521,094
Bank loans of joint ventures	171,771	159,303	197,880	191,322
Other interest payable	6,523	6,867	7,514	8,247
Tax liabilities	62,184	67,013	71,636	80,483
	627,534	667,066	722,919	801,146
Total Liabilities	7,323,813	6,899,842	8,437,033	8,286,710
Total Equity and Liabilities	12,880,974	12,143,415	14,838,882	14,584,241

10-Year Financial Summary

The financial summary of the Group presented in RMB from 2009 to 2017.

Consolidated Results Prepared under the Equity Method (RMB million)

	Year ended 30 June									Six months ended
	2009	2010	2011	2012	2013	2014	2015	2016	2017	31 December 2017
Share of results of joint ventures	960	958	966	896	653	576	545	556	680	381
Corporate results	(11)	(102)	(84)	(45)	(41)	(12)	(15)	(35)	(48)	(17)
Profit for the year/period	949	856	882	851	612	564	530	521	632	364
Profit for the year/period attributable to:										
Owners of the Company	933	841	866	836	601	553	520	511	623	359
Non-controlling interests	16	15	16	15	11	11	10	10	9	5
Profit for the year/period	949	856	882	851	612	564	530	521	632	364

Segment Revenue and Results (RMB million)

	Year ended 30 June									Six months ended
	2009	2010	2011	2012	2013	2014	2015	2016	2017	31 December 2017
Net toll revenue	1,593	1,706	1,934	1,949	1,803	1,916	1,919	2,002	2,159	1,122
GS Superhighway	1,521	1,628	1,718	1,689	1,470	1,475	1,438	1,480	1,560	782
Western Delta Route ⁽¹⁾	72	78	216	260	333	441	481	522	599	340
EBITDA	1,439	1,487	1,686	1,730	1,545	1,627	1,602	1,705	1,859	951
GS Superhighway	1,380	1,426	1,506	1,516	1,272	1,266	1,209	1,262	1,343	662
Western Delta Route ⁽¹⁾	59	61	180	214	273	361	393	443	516	289
Depreciation and amortisation	(266)	(295)	(369)	(397)	(453)	(519)	(547)	(595)	(671)	354
GS Superhighway	(257)	(286)	(311)	(333)	(360)	(384)	(394)	(414)	(460)	236
Western Delta Route ⁽¹⁾	(9)	(9)	(58)	(64)	(93)	(135)	(153)	(181)	(211)	118
Interest and tax	(270)	(298)	(495)	(524)	(511)	(573)	(548)	(499)	(522)	272
GS Superhighway	(241)	(275)	(363)	(371)	(296)	(291)	(268)	(277)	(324)	165
Western Delta Route ⁽¹⁾	(29)	(23)	(132)	(153)	(215)	(282)	(280)	(222)	(198)	107
Segment results⁽²⁾	903	894	822	809	581	535	507	611	666	325
GS Superhighway	882	865	832	812	616	591	547	571	559	261
Western Delta Route ⁽¹⁾	21	29	(10)	(3)	(35)	(56)	(40)	40	107	64
Segment corporate results⁽³⁾	49	(34)	(16)	0	(5)	24	19	(8)	(17)	(8)
Net exchange gain/(loss)	(3)	(4)	76	42	36	5	4	(82)	(17)	47
Profit for the year/period	949	856	882	851	612	564	530	521	632	364
Profit for the year/period attributable to:										
Owners of the Company	933	841	866	836	601	553	520	511	623	359
Non-controlling interests	16	15	16	15	11	11	10	10	9	5
Profit for the year/period	949	856	882	851	612	564	530	521	632	364

10-Year Financial Summary (continued)

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

	As at 30 June									As at
	2009	2010	2011	2012	2013	2014	2015	2016	2017	31 December
Interests in joint ventures	5,036	5,117	5,893	6,447	6,256	6,131	6,203	6,176	5,172	4,903
Loans to a joint venture	–	–	500	30	1,030	1,000	788	–	–	–
Bank balances and cash	2,447	2,158	2,856	3,756	1,480	814	574	652	469	417
Dividend receivable from a joint venture	1	113	252	279	167	166	86	19	–	–
Investment	–	–	–	–	5	5	5	5	5	5
Property and equipment	3	2	2	1	0	0	0	0	0	0
Other current assets	6	2	32	35	29	12	29	2	3	2
Total assets	7,493	7,392	9,535	10,548	8,967	8,128	7,685	6,854	5,649	5,327
Bank loans	–	–	21	1,058	602	698	237	–	–	–
Corporate bonds	–	–	1,980	1,980	600	–	–	–	–	–
PRC withholding tax liabilities	104	100	132	137	133	133	137	127	80	70
Other current liabilities	29	10	31	36	11	11	12	8	12	14
Total liabilities	133	110	2,164	3,211	1,346	842	386	135	92	84
Non-controlling interests	42	45	50	55	50	50	52	46	31	36
Equity attributable to owners of the Company	7,318	7,237	7,321	7,282	7,571	7,236	7,247	6,673	5,526	5,207

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

	Year ended 30 June									Six months
	2009	2010	2011	2012	2013	2014	2015	2016	2017	ended 31 December 2017
Net cash used in operating activities	(35)	(25)	(46)	(46)	(42)	(38)	(38)	(42)	(37)	(16)
Net cash from (used in) investing activities	985	696	(1,150)	1,077	496	57	1,549	1,456	1,642	622
Net cash from (used in) financing activities	(3,795)	(929)	1,182	103	(2,240)	(1,435)	(1,001)	(1,336)	(1,824)	(660)
Net increase (decrease) in cash and cash equivalents	(2,845)	(258)	(14)	1,134	(1,786)	(1,416)	510	78	(219)	(54)
Cash and cash equivalents at the beginning of year/period	5,275	2,447	2,158	2,133	3,266	1,480	64	574	652	469
Effect of foreign exchange rate changes	17	(31)	(11)	(1)	0	0	0	0	36	2
Cash and cash equivalents at the end of year/period	2,447	2,158	2,133	3,266	1,480	64	574	652	469	417
Time deposits with original maturity over three months	–	–	723	490	–	750	–	–	–	–
Total bank balances and cash	2,447	2,158	2,856	3,756	1,480	814	574	652	469	417

Per Share Basis

	Year ended 30 June									Six months ended
	2009	2010	2011	2012	2013	2014	2015	2016	2017	31 December 2017
Basic earnings per share (RMB cents)	31.5	28.4	29.2	28.2	19.5	17.9	16.9	16.6	20.2	11.6
Dividend per share (RMB cents)										
– Interim	15.0	15.0	13.6	14.7	10.0	9.8	8.4	8.4	8.6	–
– Final	15.9	13.1	14.9	13.0	9.0	8.1	8.4	8.2	11.6	
– Special	73.9	–	–	–	10.0	–	18.0	40.0	10.0	
Net asset value per share (RMB)	2.5	2.4	2.5	2.5	2.5	2.4	2.4	2.2	1.8	1.7
Dividend payout ratio ⁽⁴⁾	98%	99%	98%	98%	97%	100%	100%	100%	100%	

Financial Ratios

	As at 30 June									As at
	2009	2010	2011	2012	2013	2014	2015	2016	2017	31 December 2017
Return on equity attributable to owners of the Company	13%	12%	12%	12%	8%	8%	7%	8%	11%	14%⁽⁵⁾
Prepared under Equity Method										
Total debt ⁽⁶⁾ to total assets	–	–	21%	29%	13%	9%	3%	–	–	–
Gearing ratio (Net debt ⁽⁶⁾ to equity attributable to owners of the Company)	–	–	–	–	–	–	–	–	–	–
Prepared under Proportionate Consolidation Method										
Total debt ⁽⁷⁾ to total assets	37%	40%	46%	51%	46%	44%	42%	43%	50%	49%
Gearing ratio (Net debt ⁽⁷⁾ to equity attributable to owners of the Company)	30%	43%	57%	67%	74%	78%	71%	73%	99%	101%

Notes:

- (1) Phase II and Phase III of the Western Delta Route commenced operation on 25 June 2010 and 25 January 2013 respectively.
- (2) The segment results represent the Group's share of results of joint ventures before exchange difference (net of related income tax) and net of withholding tax attributed to the dividend received from and the undistributed earnings of joint ventures.
- (3) The segment corporate results represent the corporate results before corporate exchange difference and withholding tax attributed to the dividend received from and the undistributed earnings of joint ventures.
- (4) Excluding extraordinary special dividend for FY09 and special final dividend for FY13, FY15, FY16 and FY17.
- (5) Annualised figures.
- (6) Under equity method, total debt include bank loans and corporate bonds of the Group. Net debt is defined as total debt less the bank balances and cash of the Group as at the reporting date.
- (7) Under proportionate consolidation method, total debt include bank loans of the Group, bank and other loans of joint ventures, balance with a joint venture partner and corporate bonds of the Group. Net debt is defined as total debt less the bank balances and cash of the Group and joint ventures together with pledged bank balances and deposits of the joint ventures as at the reporting date.

Corporate Information

Board of Directors

Sir Gordon Ying Sheung WU¹ KCMG, FICE
Chairman

Mr. Eddie Ping Chang HO
Vice Chairman

Mr. Thomas Jefferson WU² JP
Managing Director

Mr. Alan Chi Hung CHAN
Deputy Managing Director

Professor Chung Kwong POON[#] GBS, JP, PhD, DSc

Mr. Yuk Keung IP[#]

Mr. Brian David Man Bun LI[#] JP

Mr. Alexander Lanson LIN[#]

- 1 Also as Alternate Director to Mr. Eddie Ping Chang HO
 - 2 Also as Alternate Director to Sir Gordon Ying Sheung WU
- [#] Independent Non-executive Directors

Audit Committee

Mr. Yuk Keung IP
Chairman

Professor Chung Kwong POON GBS, JP, PhD, DSc

Mr. Brian David Man Bun LI JP

Remuneration Committee

Professor Chung Kwong POON GBS, JP, PhD, DSc
Chairman

Mr. Yuk Keung IP

Mr. Brian David Man Bun LI JP

Company Secretary

Ms. Ching Fan KOO

Registered Office

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

Principal Place of Business

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

Solicitors

Woo Kwan Lee & Lo

Auditor

Deloitte Touche Tohmatsu

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

Listing Information

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

Principal Bankers⁺

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

⁺ names are in alphabetical order

Cayman Islands Share Registrar and Transfer Office

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

Hong Kong Share Registrar and Transfer Office

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

American Depositary Receipt

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

Investor Relations

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

Website

www.hopewellhighway.com

Glossary

“Average daily full-length equivalent traffic”	the total distance travelled by all vehicles on the expressway divided by the full length of the expressway and the number of days in the period under review
“Average daily toll revenue”	average daily toll revenue including tax
“1H FY17”	the first half of FY17
“1H FY18”	the first half of FY18
“Board”	the board of Directors of the Company
“CAGR”	compound annual growth rate
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Company” or “HHI”	Hopewell Highway Infrastructure Limited
“CY”	calendar year
“Director(s)”	director(s) of the Company
“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 ended 30 June 2015
“FY16”	the financial year ended 30 June 2016
“FY17”	the financial year ended 30 June 2017
“FY18”	the financial year ending 30 June 2018
“GDP”	gross domestic product
“Group”	the Company and its subsidiaries
“GS Superhighway”	Guangzhou-Shenzhen Superhighway
“GS Superhighway JV”	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company established for the GS Superhighway
“HHL”	Hopewell Holdings Limited
“HHL Shares”	ordinary shares of HHL
“HK\$”, “HKD” or “HK Dollar(s)”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HZM Bridge”	the Hong Kong-Zhuhai-Macao Bridge

Glossary (continued)

“JV/JVs”	joint venture(s)
“km”	kilometre
“Lady WU”	Lady WU Ivy Sau Ping KWOK
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macao”	the Macao Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Western Coastal Expressway Branch Line”	A non-HHI project owned by Guangdong Provincial Highway Construction Company Limited (the joint venture partner for WDR) and Guangdong Communication Enterprise Investment Company Limited
“PRC” or “China”	the People’s Republic of China
“PRD”	Pearl River Delta
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award Scheme”	the share award scheme adopted by the Board on 25 January 2007
“Sir Gordon WU”	Sir Gordon Ying Sheung WU
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States” or “US” or “USA”	the United States of America
“USD” or “US Dollar(s)”	United States Dollars, the lawful currency of the United States
“West Route JV”	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the Western Delta Route
“Western Delta Route” or “WDR”	the route for a network of toll expressways in the Western PRD, linking Guangzhou to Zhuhai
“yoy” or “YoY”	year-on-year



HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

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

