HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

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

ANNUAL REPORT 2014/15

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.

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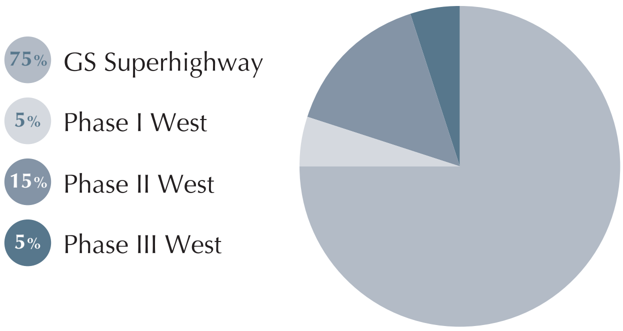
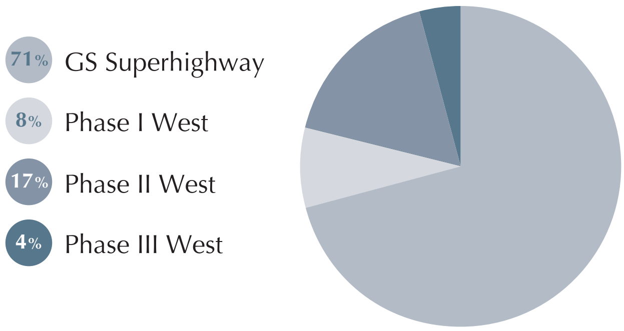
Financial Highlights(Note 1)

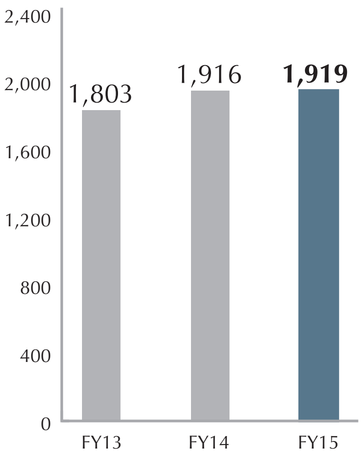
Toll Revenue by Expressway



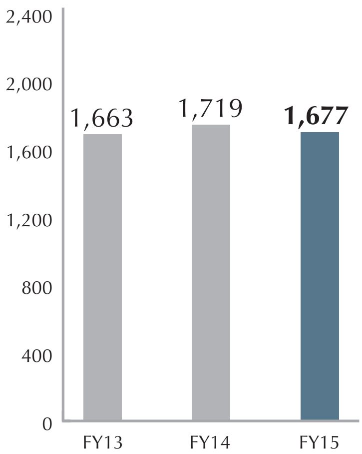
Total Traffic by Expressway



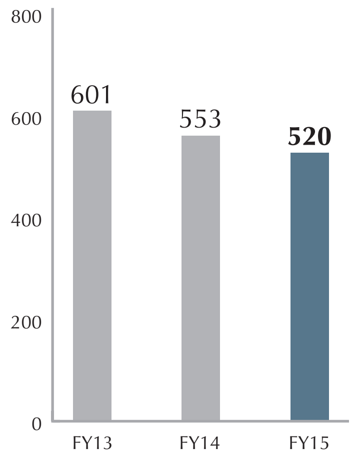
Net Toll Revenue
(RMB million)



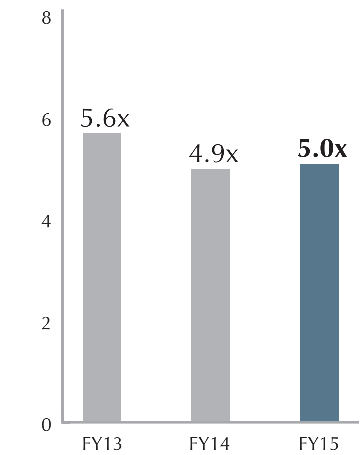
EBITDA
(RMB million)



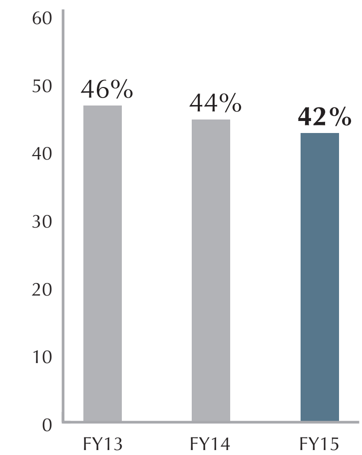
Profit Attributable to Owners of the Company
(RMB million)



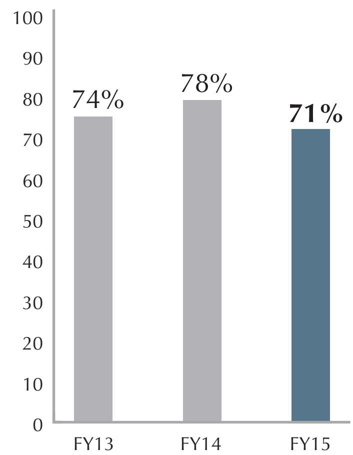
Interest Coverage
(EBITDA/Interest)



Total Debt(Note 2) to Total Assets



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



Note 1: Presented under proportionate consolidation method.

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

10-Year Financial Summary

The financial summary of the Group presented in RMB from 2006 to 2015.

Consolidated Results Prepared under the Equity Method (RMB million)

	Year ended 30 June									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Share of results of joint ventures	1,090	1,207	1,031	960	958	966	896	653	576	**545**
Corporate results	118	186	81	(11)	(102)	(84)	(45)	(41)	(12)	**(15)**
Gain on disposal of ESW Ring Road[1]	–	–	814	–	–	–	–	–	–	**–**
Profit for the year	1,208	1,393	1,926	949	856	882	851	612	564	**530**
Profit for the year attributable to:										
Owners of the Company	**1,187**	**1,367**	**1,909**	**933**	**841**	**866**	**836**	**601**	**553**	**520**
Non-controlling interests	21	26	17	16	15	16	15	11	11	**10**
Profit for the year	**1,208**	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**564**	**530**

Segment Revenue and Results (RMB million)

	Year ended 30 June									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Net toll revenue	**1,801**	**2,026**	**1,601**	**1,593**	**1,706**	**1,934**	**1,949**	**1,803**	**1,916**	**1,919**
GS Superhighway	1,558	1,776	1,485	1,521	1,628	1,718	1,689	1,470	1,475	**1,438**
Phase I West	60	67	72	72	77	82	77	80	88	**93**
Phase II West	–	–	–	–	1	134	183	231	276	**292**
Phase III West	–	–	–	–	–	–	–	22	77	**96**
ESW Ring Road[1]	183	183	44	–	–	–	–	–	–	**–**
EBITDA	**1,672**	**1,876**	**1,398**	**1,439**	**1,487**	**1,686**	**1,730**	**1,545**	**1,627**	**1,602**
GS Superhighway	1,448	1,668	1,311	1,380	1,426	1,506	1,516	1,272	1,266	**1,209**
Phase I West	48	57	62	59	61	64	62	64	66	**72**
Phase II West	–	–	–	–	0	116	152	193	233	**249**
Phase III West	–	–	–	–	–	–	–	16	62	**72**
ESW Ring Road[1]	176	151	25	–	–	–	–	–	–	**–**
Depreciation and amortisation	**(303)**	**(347)**	**(288)**	**(266)**	**(295)**	**(369)**	**(397)**	**(453)**	**(519)**	**(547)**
GS Superhighway	(255)	(295)	(266)	(257)	(286)	(311)	(333)	(360)	(384)	**(394)**
Phase I West	(5)	(8)	(9)	(9)	(9)	(11)	(11)	(13)	(17)	**(18)**
Phase II West	–	–	–	–	0	(47)	(53)	(67)	(81)	**(92)**
Phase III West	–	–	–	–	–	–	–	(13)	(37)	**(43)**
ESW Ring Road[1]	(43)	(44)	(13)	–	–	–	–	–	–	**–**
Interest and tax	**(399)**	**(502)**	**(450)**	**(270)**	**(298)**	**(495)**	**(524)**	**(511)**	**(573)**	**(548)**
GS Superhighway	(287)	(318)	(351)	(241)	(275)	(363)	(371)	(296)	(291)	**(268)**
Phase I West	(26)	(24)	(32)	(29)	(21)	(16)	(17)	(17)	(16)	**(16)**
Phase II West	–	–	–	–	(2)	(116)	(136)	(146)	(144)	**(139)**
Phase III West	–	–	–	–	–	–	–	(52)	(122)	**(125)**
ESW Ring Road[1]	(86)	(160)	(67)	–	–	–	–	–	–	**–**
Segment results[2]	**970**	**1,027**	**660**	**903**	**894**	**822**	**809**	**581**	**535**	**507**
GS Superhighway	906	1,055	694	882	865	832	812	616	591	**547**
Phase I West	17	25	21	21	31	37	34	34	33	**38**
Phase II West	–	–	–	–	(2)	(47)	(37)	(20)	8	**18**
Phase III West	–	–	–	–	–	–	–	(49)	(97)	**(96)**
ESW Ring Road[1]	47	(53)	(55)	–	–	–	–	–	–	**–**
Segment corporate results[3]	**96**	**144**	**75**	**49**	**(34)**	**(16)**	**0**	**(5)**	**24**	**19**
Net exchange gain/(loss)	142	222	377	(3)	(4)	76	42	36	5	**4**
Gain on disposal of ESW Ring Road[1]	–	–	814	–	–	–	–	–	–	**–**
Profit for the year	1,208	1,393	1,926	949	856	882	851	612	564	**530**
Profit for the year attributable to:										
Owners of the Company	**1,187**	**1,367**	**1,909**	**933**	**841**	**866**	**836**	**601**	**553**	**520**
Non-controlling interests	21	26	17	16	15	16	15	11	11	**10**
Profit for the year	**1,208**	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**564**	**530**

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

	As at 30 June									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Interests in joint ventures	7,258	6,590	4,063	5,036	5,117	5,893	6,447	6,256	6,131	**6,203**
Loans to a joint venture	–	–	–	–	–	500	30	1,030	1,000	**788**
Bank balances and cash	3,101	3,805	5,275	2,447	2,158	2,856	3,756	1,480	814	**574**
Dividend receivable from a joint venture	363	393	939	1	113	252	279	167	166	**86**
Investment	–	–	–	–	–	–	–	5	5	**5**
Property and equipment	1	1	7	3	2	2	1	0	0	**0**
Other current assets	27	28	23	6	2	32	35	29	12	**29**
Total assets	**10,750**	**10,817**	**10,307**	**7,493**	**7,392**	**9,535**	**10,548**	**8,967**	**8,128**	**7,685**
Bank loans	–	–	–	–	–	21	1,058	602	698	**237**
Corporate bonds	–	–	–	–	–	1,980	1,980	600	–	**–**
Balance with ESW Ring Road	230	245	–	–	–	–	–	–	–	**–**
PRC withholding tax liabilities	–	–	60	104	100	132	137	133	133	**137**
Other current liabilities	38	45	44	29	10	31	36	11	11	**12**
Total liabilities	**268**	**290**	**104**	**133**	**110**	**2,164**	**3,211**	**1,346**	**842**	**386**
Non-controlling interests	37	43	45	42	45	50	55	50	50	**52**
Equity attributable to owners of the Company	**10,445**	**10,484**	**10,158**	**7,318**	**7,237**	**7,321**	**7,282**	**7,571**	**7,236**	**7,247**

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

	Year ended 30 June									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Net cash used in operating activities	(32)	(48)	(43)	(35)	(25)	(46)	(46)	(42)	(38)	**(38)**
Net cash from (used in) investing activities	1,906	1,808	3,227	985	696	(1,150)	1,077	496	57	**1,549**
Net cash from (used in) financing activities	(514)	(887)	(1,231)	(3,795)	(929)	1,182	103	(2,240)	(1,435)	**(1,001)**
Net increase (decrease) in cash and cash equivalents	1,360	873	1,953	(2,845)	(258)	(14)	1,134	(1,786)	(1,416)	**510**
Cash and cash equivalents at the beginning of year	1,816	3,101	3,805	5,275	2,447	2,158	2,133	3,266	1,480	**64**
Effect of foreign exchange rate changes	(75)	(169)	(483)	17	(31)	(11)	(1)	0	0	**0**
Cash and cash equivalents at the end of year	3,101	3,805	5,275	2,447	2,158	2,133	3,266	1,480	64	**574**
Time deposits with original maturity over three months	–	–	–	–	–	723	490	–	750	**–**
Total bank balances and cash	**3,101**	**3,805**	**5,275**	**2,447**	**2,158**	**2,856**	**3,756**	**1,480**	**814**	**574**

Per Share Basis

	Year ended 30 June									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Basic earnings per share (RMB cents)	40.0	46.0	64.3	31.5	28.4	29.2	28.2	19.5	17.9	**16.9**
Dividend per share (RMB cents)										
— Interim	12.0	15.1	15.9	15.0	15.0	13.6	14.7	10.0	9.8	**8.4**
— Final	17.5	19.5	11.4	15.9	13.1	14.9	13.0	9.0	8.1	**8.4**
— Special	–	–	31.2	73.9	–	–	–	10.0	–	**18.0**
Net asset value per share (RMB)	3.5	3.5	3.4	2.5	2.4	2.5	2.5	2.5	2.4	**2.4**
Dividend payout ratio	74%	75%	91%	98%[4]	99%	98%	98%	97%[5]	99.8%	**99.6%[6]**

Financial Ratios

	As at 30 June									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Return on equity attributable to owners of the Company	12%	13%	19%	13%	12%	12%	12%	8%	8%	**7%**
Prepared under Equity Method										
Total debt[7]/total assets ratio	–	–	–	–	–	21%	29%	13%	9%	**3%**
Gearing ratio (Net debt[7] to equity) attributable to owners of the Company	–	–	–	–	–	–	–	–	–	**–**
Prepared under Proportionate Consolidation Method										
Total debt[8]/total assets ratio	33%	33%	29%	37%	40%	46%	51%	46%	44%	**42%**
Gearing ratio (Net debt[8] to equity) attributable to owners of the Company	18%	14%	0%	30%	43%	57%	67%	74%	78%	**71%**

Notes:

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

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

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

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

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

(6) Excluding special final dividend of RMB18.0 cents per share.

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

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

Chairman Statement

I am pleased to report the Group's results for the financial year ended 30 June 2015. The Group's shared aggregate net toll revenue increased slightly from RMB1,916 million to RMB1,919 million. This was mainly due to the continuous growth in toll revenue of the Western Delta Route, which offset the fall in toll revenue of the GS Superhighway as a result of the diversion impact from the Coastal Expressway.

The aggregate EBITDA of toll expressways (excluding an exchange gain on the GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) decreased slightly by 1%, from RMB1,627 million to RMB1,602 million. The Group's net profit from its toll road projects decreased by 5% from RMB535 million to RMB507 million. Meanwhile, the profit attributable to owners of the Company declined by 6%, from RMB553 million to RMB520 million. Basic earnings per share for the year decreased by 6% from the previous year's RMB17.94 cents to RMB16.86 cents.

Final Dividend and Special Final Dividend

The Board has proposed a final dividend of RMB8.4 cents (equivalent to HK10.1665 cents at the exchange rate of RMB1:HK$1.21030) per share and a special final dividend of RMB18 cents (equivalent to HK21.7854 cents at the exchange rate of RMB1:HK$1.21030) per share for the financial year ended 30 June 2015. Together with an interim dividend of RMB8.4 cents per share that has already been paid, the total regular dividends for the year will amount to RMB16.8 cents per share. This represents a decrease of 6% on the last financial year's total regular dividends of RMB17.9 cents per share. Excluding the special final dividend of RMB18 cents per share, the Company's total dividend for the year represents a regular dividend payout ratio of 99.6% of the Company's profit attributable to owners of the Company and will be 0.2% lower than that of the previous year.

Subject to shareholders' approval at the 2015 Annual General Meeting to be held on Monday, 26 October 2015, the proposed final dividend and special final dividend will be paid on Tuesday, 1 December 2015 to shareholders who were registered at the close of business on Friday, 30 October 2015.

If the proposed final dividend and special final dividend are approved by the shareholders at the 2015 Annual General Meeting, they will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB to HKD as published by The People's Bank of China on Wednesday, 26 August 2015 and shareholders will be given the option of electing to receive the final dividend and special final dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars.

To make the dividend election, shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 19 November 2015. **If no dividend election is made by a shareholder, such shareholder will receive the final dividend and special final dividend in HK Dollars.**

Closure of Register

To ascertain shareholders' eligibility to attend and vote at the 2015 Annual General Meeting to be held on Monday, 26 October 2015, the Register of Members of the Company will be closed from Monday, 19 October 2015 to Monday, 26 October 2015, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the 2015 Annual General Meeting, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 16 October 2015.

To ascertain shareholders' entitlement to the proposed final dividend and special final dividend, the Register of Members of the Company will be closed for one day on Friday, 30 October 2015, if and only if the proposed final dividend and special final dividend are approved by the shareholders at the 2015 Annual General Meeting. No transfer of shares of the Company will be effected on the aforementioned book-close date. To qualify for the proposed final dividend and special final dividend, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 29 October 2015.

Business Review

During the year under review, though US Federal Reserve had concluded its Quantitative Easing Programme and further poised to increase US dollar interest rate, Europe and Japan launched their quantitative easing programmes in order to support their economic growth. Overall speaking, the low interest rate environment in developed countries continued to support the recovery of the world economy. Benefiting from lower oil price and temporary settlement of the haunting Greece debt problem, economies of the European countries were stabilised and showed signs of improvement. The US economy continued its slow paced economic recovery, as evidenced by the all-time low unemployment rate since 2008 and gradual rise in housing prices.

The PRC's economy remained as the growth engine to the world's economy. In order to maintain the GDP growth momentum at the target rate of 7%, the PRC government persisted in its policies to stimulate domestic consumption, ease money market liquidity, liberate interest rate, open up capital markets and invest in large-scale infrastructure projects. The PRC's economy will be adapting to the "New Normal" with a steadfast and sustainable expansion. Its GDP in the second quarter of 2015 grew by 7% year-on-year, a similar figure to 2014's.

During the year under review, the aggregate average daily traffic volume on the GS Superhighway and the Western Delta Route rose 4% to 593,000 vehicles, while their aggregate average daily toll revenue maintained at the same level as FY14 at RMB11.2 million. The average daily toll revenue of the GS Superhighway dropped 3% for FY15 to RMB8.5 million mainly due to the full opening of the Coastal Expressway. The average daily toll revenue of the Western Delta Route rose 9% to RMB2.7 million mainly due to the strong growth in Class 1 vehicle traffic. The aggregate toll revenue of the GS Superhighway and the Western Delta Route amounted to RMB4,080 million.

Prospects

Gradual recovery of the global economy is likely to continue. The US economy is expected to maintain mild economic recovery in the coming year. Eurozone economy is forecasted to achieve moderate growth despite the Greece debt problem and geopolitical tension in Europe. Benefiting from lower oil price and depreciation of Japanese Yen, Japan economy is sluggishly meliorating. Although US had concluded its quantitative easing measures and poised to let its interest rate hike, many other central banks have been easing their monetary policies which further support the global financial and asset markets.

The PRC government continues to shift the economy from a credit-, fixed asset investment- and export-driven one, to a more consumption-oriented, technology-advanced and environmental sustainable growth economy. In order to maintain its GDP growth momentum at a "New Normal" level of 7%, the PRC authorities have been fine-tuning policies to infuse liquidity at targeted reforms. The PRC GDP growth would still be the main contributor to the world's economic growth. With the improving economic outlook of the US and Eurozone as well as the accommodative economic growth policy of the PRC, Hong Kong is well-positioned to leverage on the opportunities brought about by the PRC recent reforming strategies.

According to the media, the GDP of Guangdong province continued to be the highest among other provinces and municipalities in the PRC. The registered car population of Guangdong increased by 13% and reached a new record high of 13.3 million at the end of 2014, in which over 70% was accounted for the cities where the Group's expressways run through. Thanks to the continuous outstripping registered car population growth rate (CAGR 14%) in Guangdong which was double of the expressway length growth rate (CAGR 7%) in Guangdong from 2010 to 2014, the robust demand for road traffic will continue to support the growth of the Group's expressways.

The Group believes the diversion impact from the full opening of the Coastal Expressway on the GS Superhighway has fully been realised as the average daily toll revenue of the GS Superhighway rebounded by 2% in the second half of FY15, compared to a 6% fall in the first half of FY15. The Group is confident that this regained growth momentum in the second half of FY15 will continue in the coming years.

The Western Delta Route is the most direct and convenient expressway artery in the regional expressway network that covers the most prosperous and populous cities on the PRD's western bank, including Guangzhou, Foshan, Zhongshan and Zhuhai. It offers convenient access to the Hengqin State-level Strategic New Zone, Macau and Hong Kong via its connection with the HZM Bridge, which is expected to be completed by the end of 2017 according to media.

The Group has a sound financial plan and enjoys a strong and solid financial position with net cash on hand amounted to RMB337 million as of 30 June 2015. Moreover, the GS Superhighway JV is engaging with the banks to arrange loan rescheduling, which will help accelerate the dividend distribution by the GS Superhighway JV to the Group and further enhance the Group's liquidity. In view of the continuous interest rate cut in the PRC, the Group will continue to benefit from the lowering interest expenditure.

Appreciation

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

Sir Gordon Ying Sheung WU KCMG, FICE
Chairman

Hong Kong, 26 August 2015

Profile of Directors

Executive Directors

Sir Gordon Ying Sheung WU KCMG, FICE

Aged 79, he is the Chairman of the Board since July 2003 and is a director of various subsidiaries of the Company. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Chairman of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the SFO.

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

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

<u>In the PRC</u>

Council Member	United Nations Association of China
Advisor	China Development Bank

<u>In Hong Kong</u>

Vice President	The Real Estate Developers Association of Hong Kong

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

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

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

He also received Honorary Doctorate Degrees from the following universities:

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

His additional awards and honours include:

Awards and Honours	Year Awarded
The HKIE Gold Medal 2015 by The Hong Kong Institution of Engineers	2015
The Lifetime Achievement Award of 2013 Hong Kong Business Awards by the South China Morning Post and DHL	2013
The Lifetime Achievement Award of the 9th Asia Business Leaders Award by CNBC	2010
Officer de L'Ordre de la Couronne by HM Albert II, King of Belgium	2007
The Order of Croatian Danica with figure of Blaz Lorkovic by the Republic of Croatia	2007
Gold Bauhinia Star (G.B.S.) by the Hong Kong Government	2004
Leader of the Year 2003 (Business/Finance) by Sing Tao Newspaper Group	2004
Personality of the Year 2003 by the Asian Freight & Supply Chain Awards	2003
Knight Commander of the Order of St. Michael and St. George (KCMG) by the Queen of England	1997
Industry All-Star Award by Independent Energy, USA	1996
International CEO of the Year by George Washington University, USA	1996
Among "the Best Entrepreneurs" by Business Week	1994
Man of the Year by the International Road Federation, USA	1994
Business Man of the Year by the South China Morning Post and DHL	1991
Asia Corporate Leader by Asia Finance Magazine, Hong Kong	1991
Chevalier de L'Ordre de la Couronne by the King of Belgium	1985

Mr. Eddie Ping Chang HO

Aged 82, he has been the Vice Chairman of the Company since July 2003 and is a director of various subsidiaries of the Company. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Vice Chairman of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the SFO. He has extensive experience in implementation of property development and major infrastructure strategic development projects and has been involved in developing all the projects of HHL and the Company in the PRC, including highway, hotel and power station projects. He is an Honorary Citizen of the cities of Guangzhou, Foshan and Shenzhen, and the Shunde District in the PRC.

Mr. Thomas Jefferson WU

Aged 42, he is the Managing Director of the Company since 2003 and is a director of various subsidiaries of the Company. Mr. WU is responsible for strategic planning, corporate policy and overall management of the Company and has upgraded its financial and management accounting systems. He is also a director of Anber Investments Limited, Delta Roads Limited, Dover Hills Investments Limited and Supreme Choice Investments Limited and the Managing Director of HHL, all of them are substantial shareholders of the Company within the meaning of Part XV of the SFO.

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

Mr. WU joined the Company in 1999 as the manager of the Executive Committee Office, and was promoted to Group Controller the following year. He has been involved in the review of the Company's operational performance, strategic planning and organisational effectiveness, and has upgraded its financial and management accounting systems. An Executive Director of the Company since 2001, he was appointed as the Chief Operating Officer in 2002, Deputy Managing Director in 2003, Co-Managing Director in 2007, and re-designated as the Managing Director in 2009.

Mr. WU is active in public service in both Hong Kong and Mainland China. He serves in a number of advisory roles at different levels of government. In Mainland China, he is a member of the Heilongjiang Provincial Committee of the 11th Chinese People's Political Consultative Conference, a Standing Committee member and a member of the Huadu District Committee of The Chinese People's Political Consultative Conference, among other public service capacities.

In Hong Kong, Mr. WU's major public service appointments include being a member of the Hong Kong Government's Standing Committee on Disciplined Services Salaries and Conditions of Service, the Vice Patron of the Community Chest of Hong Kong, a member of Hong Kong Tourism Board and a board member of Asian Youth Orchestra Limited. He is also a member of the Business School Advisory Council of The Hong Kong University of Science and Technology. In addition, he is an independent non-executive director of Melco Crown Entertainment Limited, a company listed on NASDAQ Global Select Market in USA and de-listed voluntarily from the Stock Exchange on 3 July 2015. Previously, he was a council member of The Hong Kong Polytechnic University and The Hong Kong Baptist University and a member of the Court of The Hong Kong University of Science of Technology.

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

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

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

Mr. Alan Chi Hung CHAN

Aged 56, he has been an Executive Director of the Company since January 2003 and was appointed the Deputy Managing Director in July 2003. He is a director of various subsidiaries of the Company. He is a member of the 7th Guangzhou Tianhe District Committee of The Chinese People's Political Consultative Conference. He was awarded a Bachelor of Science degree from The Chinese University of Hong Kong in 1983 and a Postgraduate Diploma in Management Studies from The City University of Hong Kong in 1989. He is responsible for project coordination, project finance, management and administration of the expressway infrastructure and other projects of the Company in the PRC. He was a member of the Remuneration Committee of the Company during the period from 3 May 2011 to 26 August 2015 and an Executive Director of HHL during the period from 1 January 2002 to 25 July 2003.

Mr. Cheng Hui JIA

Aged 74, he has been an Executive Director of the Company since 3 July 2003. He is responsible for liaison and project coordination with various PRC government authorities. He was primarily engaged in the development of projects in the PRC during the 18 years with HHL. He was an assistant to Chairman and China Project Controller. He previously worked in aerospace research in the PRC for many years. He graduated from Harbin Industry University in 1964 with a Bachelor of Science degree.

Independent Non-executive Directors

Professor Chung Kwong POON GBS, JP, PhD, DSc

Aged 75, he was appointed as an Independent Non-executive Director and the Chairman of the Remuneration Committee of the Company on 1 July 2009. He was further appointed as a member of the Audit Committee of the Company on 30 June 2013. Professor Poon obtained a Bachelor of Science (honours) degree from the University of Hong Kong, a Doctor of Philosophy degree and a Higher Doctor of Science degree from the University of London. He was a postdoctoral fellow at The California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from The Hong Kong Polytechnic University in 2009. Professor POON is the President Emeritus and Emeritus Professor of The Hong Kong Polytechnic University and had devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at The Hong Kong Polytechnic University. He was honoured as one of the "Ten Outstanding Young Persons in Hong Kong" in 1979; was appointed a Non-official Justice of the Peace (JP) in 1989; received the OBE award in 1991, the Gold Bauhinia Star (GBS) in 2002 and also the "Leader of the Year Awards 2008 (Education)".

Professor POON is a non-executive director of Lee & Man Paper Manufacturing Limited and an independent non-executive director of Henderson Land Development Company Limited, The Hong Kong and China Gas Company Limited and Chevalier International Holdings Limited, all are listed on the main board of the Stock Exchange. He was an independent non-executive director of K. Wah International Holdings Limited (2009–2015), which is also listed on the main board of the Stock Exchange.

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

Mr. Yuk Keung IP

Aged 63, he was appointed as an Independent Non-executive Director and a member of the Audit Committee of the Company on 1 July 2011. He was appointed as a member of the Remuneration Committee and the Chairman of the Audit Committee of the Company on 12 May 2012 and 18 October 2012 respectively. He is also an Independent Non-executive Director and a member of the Audit Committee of HHL. Mr. IP is an international banking and real estate professional with 33 years of experience at Citigroup, First National Bank of Chicago, Wells Fargo and Merrill Lynch in Hong Kong, Asia and United States. His areas of expertise are in real estate, corporate banking, risk management, transaction banking and wealth management. Mr. IP was named Managing Director of Citigroup in 2003 and Senior Credit Officer/Real Estate Specialist of Citicorp in 1990. He held senior positions at Citigroup such as North Asia Real Estate Head, Hong Kong Corporate Bank Head, Head of Transaction Banking — Hong Kong, and Head of Asia Regional Investment Finance of Global Wealth Management. He was a Managing Director of Investments at Merrill Lynch (Asia Pacific).

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

Mr. Ip is a council member and an Adjunct Professor of Lingnan University, an Adjunct Professor at City University of Hong Kong, a member of the International Advisory Committee at University of Macau, an Executive Fellow in Asia at Washington University in St. Louis, a Research Fellow of the Institute for Financial Economics at Singapore Management University, a member of the Board of Governors of World Green Organization Limited, and a member of Legal Aid Services Council of the Hong Kong Special Administrative Region. He is a member of the Committee on Certification for Principalship under the Education Bureau of the Hong Kong Government.

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

Mr. IP had been appointed as an Independent Non-executive Director and a member of the Audit Committee of the Company and HHL on 13 August 2007 and resigned from all the aforesaid positions on 29 February 2008 due to his other business commitments. In view of his valuable experience in banking, accounting and real estate finance, Mr. IP was invited to re-join the board of the Company and HHL in July 2011 and April 2015 respectively.

Mr. Brian David Man Bun LI JP

Aged 40, he was appointed as an Independent Non-executive Director and a member of the Audit Committee of the Company on 1 July 2011. He was further appointed as a member of the Remuneration Committee of the Company on 26 August 2015. Mr. LI is an Executive Director & Deputy Chief Executive of The Bank of East Asia, Limited ("BEA"), a company listed on the Stock Exchange. He was General Manager & Head of Wealth Management Division of BEA from July 2004 to March 2009, and was appointed as Deputy Chief Executive in April 2009. He was further appointed as Executive Director of BEA in August 2014. Mr. LI is currently an independent non-executive director of Towngas China Company Limited and China Overseas Land & Investment Limited, both of which are listed on the Stock Exchange.

Mr. LI holds a number of public and honorary positions, including being a member of the Twelfth National Committee of the Chinese People's Political Consultative Conference, a member of the Advisory Committee of the Securities and Futures Commission of Hong Kong, Chairman of the Traffic Accident Victims Assistance Advisory Committee of the Government of the Hong Kong Special Administrative Region ("HKSARG"), a member of the HKSARG Small and Medium Enterprises Committee, a member of the HKSARG Aviation Development and Three-runway System Advisory Committee, and a member of Market Development Committee of the HKSARG Financial Services Development Council.

Mr. LI is a member of the Hong Kong-Europe Business Council, a member of the Hong Kong-Taiwan Business Co-operation Committee, a member of Asian Financial Forum 2016 Steering Committee, a committee member of the Hong Kong Chapter, the Institute of Chartered Accountants in England and Wales (the "ICAEW"), a member of the Inaugural Financial Consulting Committee for Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, and a council member of The Hong Kong Management Association.

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

Business Review

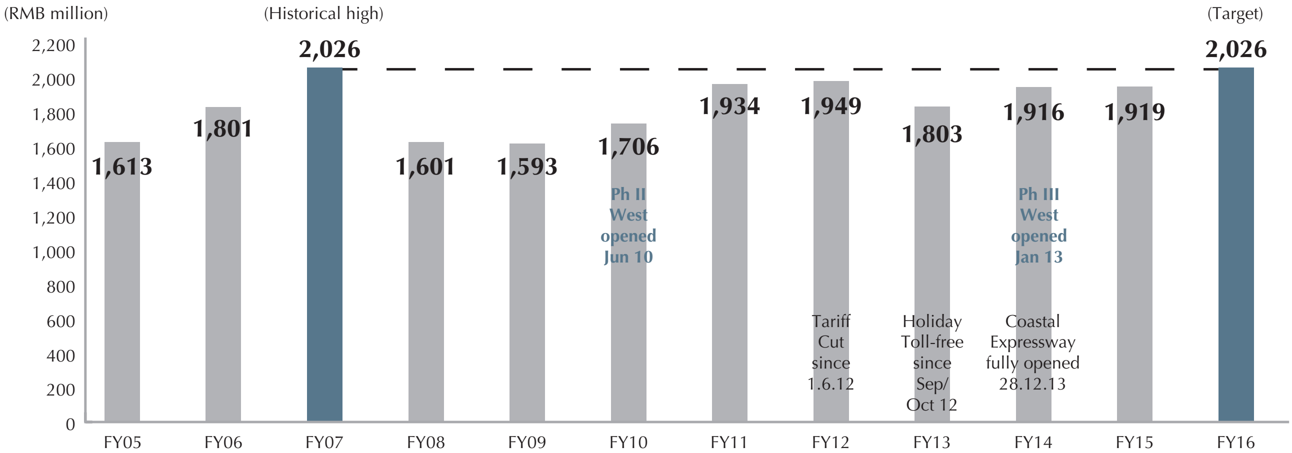
During the year under review, the aggregate average daily traffic on the GS Superhighway and the Western Delta Route rose 4% to 593,000 vehicles while the aggregate average daily toll revenue maintained at the same level as FY14 at RMB11.2 million. The combined toll revenue of the Group's four projects amounted to RMB4,080 million.

One year after the full opening of the Coastal Expressway, the average daily toll revenue of the GS Superhighway rebounded by 2% year-on-year in the second half of FY15, compared to a 6% fall in the first half of FY15, resulting in a 3% mild drop to RMB8.5 million during the year under review. It indicates that the diversion impact from the Coastal Expressway has fully been realised. Its average daily traffic increased by 2% to 455,000 vehicles and the traffic of Class 1 vehicles continued to grow and reached a historical high level.

The average daily traffic and average daily toll revenue of the Western Delta Route continued to grow steadily by 10% and 9% to 138,000 vehicles and RMB2.7 million respectively. Both Phase I West and Phase II West maintained steady growth. The average daily traffic and average daily toll revenue of Phase I West grew by 10% and 5%, amounted to 53,000 vehicles and RMB525,000 respectively. The average daily traffic and average daily toll revenue of Phase II West were 109,000 vehicles and RMB1,651,000, representing a growth of 10% and 6% respectively. Phase III West's traffic and toll revenue continued to ramp up robustly. Its average daily traffic and average daily toll revenue grew by 25% and 24% to 25,000 vehicles and RMB540,000 respectively.

The Group's shared aggregate net toll revenue increased slightly from RMB1,916 million to RMB1,919 million during the year under review, with the GS Superhighway and the Western Delta Route contributing 75% and 25% respectively (FY14: 77% and 23% respectively). Benefiting from the stable economic environment and continuous growth of Guangdong's registered car population, the Group targets the aggregate net toll revenue of FY16 to reach the historical high of RMB2,026 million recorded in FY07.

Aggregate Net Toll Revenue of the GS Superhighway and the Western Delta Route* (HHI's share)



* After business tax

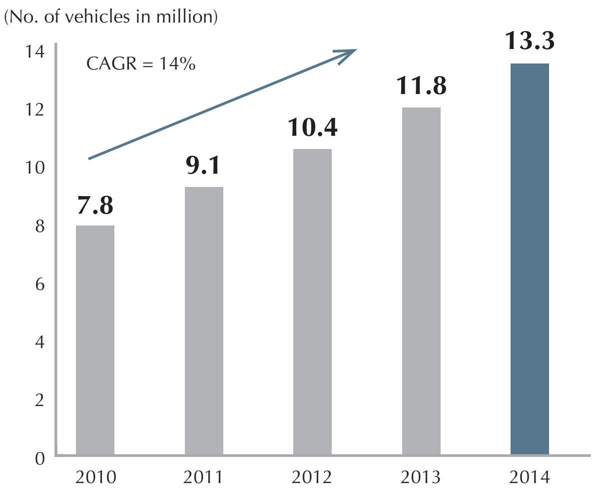
Financial Year	2014	**2015**	% Change
GS Superhighway (at JV company level)			
Average Daily Toll Revenue (RMB '000)	8,682	**8,462**	–3%
Average Daily Traffic (No. of vehicles '000)	444	**455**	+2%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	90	**88**	–2%
Western Delta Route (at JV company level)			
Average Daily Toll Revenue (RMB '000)	2,492	**2,715**	+9%
Average Daily Traffic (No. of vehicles '000)	126#	**138#**	+10%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	32	**36**	+12%
Phase I West (at JV company level)			
Average Daily Toll Revenue (RMB '000)	499	**525**	+5%
Average Daily Traffic (No. of vehicles '000)	49	**53**	+10%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	41	**45**	+9%
Phase II West (at JV company level)			
Average Daily Toll Revenue (RMB '000)	1,559	**1,651**	+6%
Average Daily Traffic (No. of vehicles '000)	100	**109**	+10%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	43	**47**	+9%
Phase III West (at JV company level)			
Average Daily Toll Revenue (RMB '000)	434	**540**	+24%
Average Daily Traffic (No. of vehicles '000)	20	**25**	+25%
Average Daily Full-Length Equivalent Traffic (No. of vehicles '000)	15	**19**	+27%

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

Economic Environment

China's economy has entered into an era of the New Normal. The national GDP of China and Guangdong grew at a more moderate pace of 7% and 7.7% respectively in the first half of 2015. As the core economic region of Guangdong Province, the PRD region's economy posted a strong growth. In the first half of 2015, the GDP of the three main cities namely Guangzhou, Dongguan and Shenzhen, where the GS Superhighway passes through, recorded a 8.1%, 7.4% and 8.4% growth respectively; while the GDP of Foshan, Zhongshan and Zhuhai, where the Western Delta Route passes through, grew by 8%, 8.2% and 9% respectively. The growth of the above six cities (except for Dongguan) outstripped the average of the province and altogether they contributed over 70% to Guangdong's GDP. On the other hand, the registered car population of Guangdong increased by 13% and reached a new record high of 13.3 million vehicles at the end of 2014, in which over 70% was accounted for the aforesaid six cities. The number of vehicles in Guangdong continued to climb as there were approximately 0.8 million vehicles newly registered during the first half of 2015 according to media reports.

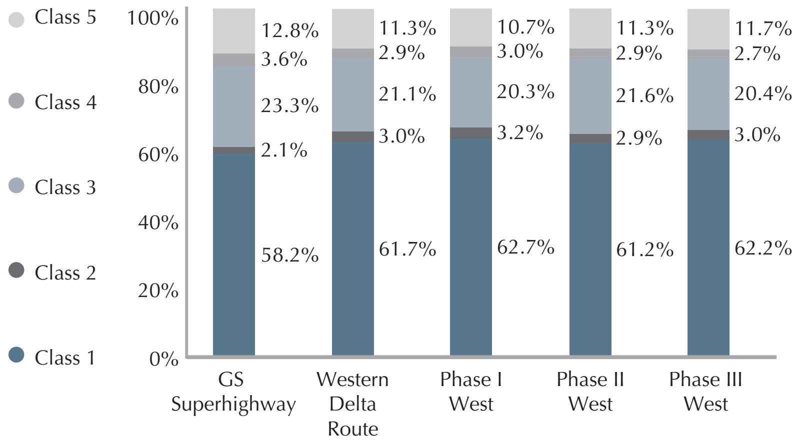
Guangdong registered car population



From 2010 to the end of 2014, total length of expressways in Guangdong reached 6,280 km with a compound annual growth rate of 7%. On the other hand, continuous demand for road usage was reflected in a compound annual growth of registered car population at 14% during the same period. The growth in demand for road usage doubled the growth of expressway length. The prosperous economic development and the rising registered car population that generate sustained demand for road traffic will continue to support the growth of the Group's expressways.

The vehicle sales market in China, which showed a modest expansion in 2014, continued to be the world's largest market for the sixth consecutive year. According to the China Association of Automobile Manufacturers, vehicle sales in the PRC in the first half of 2015 was 12 million units at an annual growth rate of 1%, mainly driven by the demand in passenger cars. Given that Class 1 small cars contributed over 50% to the toll revenue of the Company's expressway projects, the Company believes that the GS Superhighway and Western Delta Route will continue to benefit from the stable growth of the PRC's passenger car sales.

Toll Revenue Contribution (FY15^)



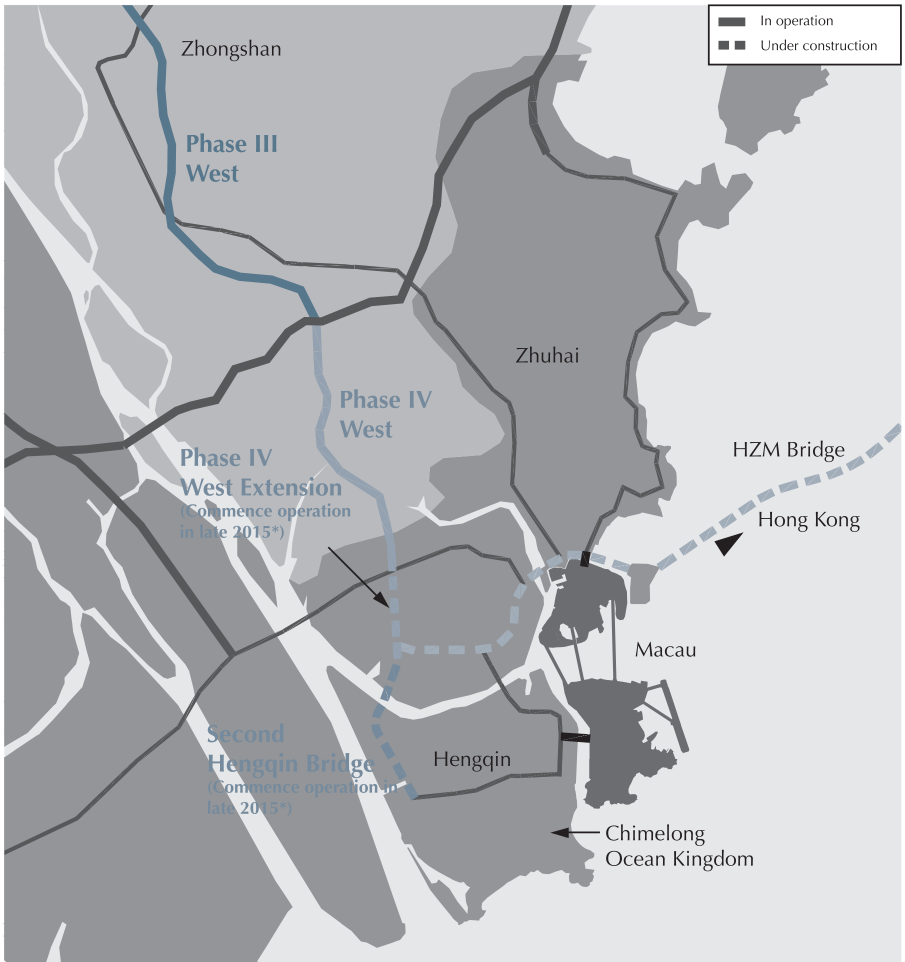
^ Data up to 25 June 2015 as change of vehicle classification to national standard became effective since 26 June 2015

Growth Potential of the Western Delta Route

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

The Western Delta Route is located at the heart and runs along the central axis of the western bank of the PRD region. It is well connected with the existing Guangzhou Ring Road, Guangzhou Southern Second Ring Road, Zhongshan-Jiangmen Expressway, Western Coastal Expressway and will link up with the forthcoming Guangzhou-Gaoming Expressway, Guangzhou-Zhongshan-Jiangmen Expressway, HZM Bridge, Humen Second Bridge and Shenzhen-Zhongshan Corridor (these infrastructures will be completed by 2015, 2016, 2017, 2018 and 2020 respectively, according to the media reports) to form a comprehensive regional expressway network. Moreover, a new Second Hengqin Bridge that directly links up Zhuhai's Hengqin is expected to open to traffic in late 2015 and will further facilitate the traffic to and fro Hengqin through the Western Delta Route. It is believed that good connectivity will provide continuous and stable traffic flow to the Western Delta Route.

According to the media reports, 60% of construction works of HZM Bridge was completed by the end of April 2015 and the opening date will be postponed one year to late 2017 due to the delayed work progress. Upon its completion, cities on the western bank of the PRD region will fall into a 3-hour commuting radius from Hong Kong. The cross border passenger and freight traffic between the western bank of the PRD region and Hong Kong will be stimulated due to more convenient land transport and shorter travelling time. The travelling time between Hong Kong and Zhuhai will be substantially shortened to approximately 30 minutes via the HZM Bridge in the future instead of spending as long as 4 hours by land or over 1 hour by sea. With reference to the opening of the Hong Kong-Shenzhen Western Corridor in 2007, the number of cross-border licenses for private cars had significantly been increased to utilise the enlarged capacity of the border crossings. It is expected that more private car cross-border licenses will be issued for the new HZM Bridge border crossing shortly after its opening. The HZM Bridge's opening will further foster the region's economic development and integration.



Project	Length	Owner
Phase IV West Extension	~5km	Zhuhai Section of Guangdong Western Coastal Expressway Co., Ltd
Second Hengqin Bridge	~6.8km	Zhuhai Communication Group

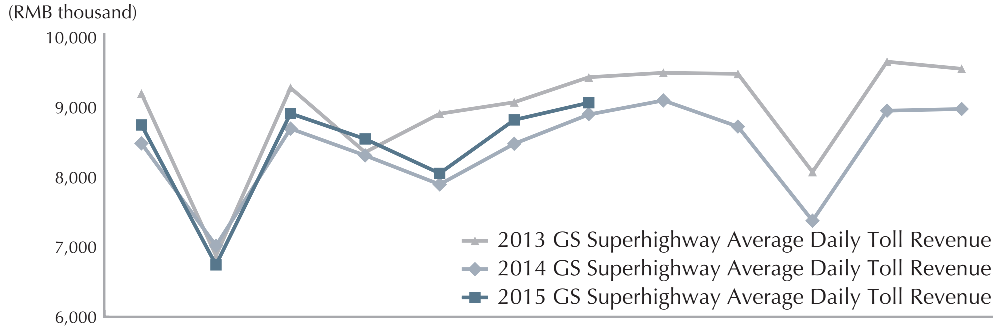
* According to media

Hengqin in Zhuhai is the third State-level Strategic New Zone following Shanghai's Pudong District and Tianjin's Binhai area in China. It is also being incorporated as part of the China (Guangdong) Pilot Free Trade Zone which was established in April 2015. Hengqin is being positioned as a new growth hub focusing on the development of business services, tourism, entertainment and technological research. Numerous key development projects, including commercial landmarks, hotels and tourist attractions, will be completed in the coming few years. The total investments of projects under construction within Hengqin New Zone have reached RMB290 billion as of June 2015 as reported by the media. Chimelong International Ocean Tourist Resort, one of the signature projects in Hengqin, is expanding its facilities. In February 2015, Circus Hotel and Penguin Hotel had been completed and opened for business. Together with Hengqin Bay Hotel, the number of guestrooms has been increased to near 5,000. In addition, the construction of phase two of Chimelong International Ocean Tourist Resort had been initiated since January 2015. On the other hand, Macau will also increase leisure facilities notably starting 2015 with the expansion and construction of new gaming resorts and hotels, among which phase two of Galaxy Macau was opened on 27 May 2015 and Studio City is planned to start business in October 2015. These new landmarks will provide fresh experience of entertainment and hospitality in the region propelling a second wave of growth in Macau's tourism. Together with the 24-hour opening of Macau Cotai-Hengqin border crossing for passengers and passenger cars since 18 December 2014, the passenger flow between Hengqin and Macau will be boosted. The Western Delta Route, being the most direct and the shortest expressway from Guangzhou to Hengqin and Macau, will benefit from the increased demand for passenger and freight transportation brought along by the developments of the region.

Full Opening of a Parallel Road

The 89-km Coastal Expressway was fully opened on 28 December 2013. An 18-km stretch of its Guangzhou-Dongguan section being toll-free since its opening had resumed tolling from 1 August 2014. However, one year after the full opening of the Coastal Expressway, the GS Superhighway's average daily toll revenue rebounded by 2% year-on-year in the second half of FY15, compared to a 6% fall in the first half of FY15. The Group believes that the diversion impact from the Coastal Expressway on the GS Superhighway has fully been realised.

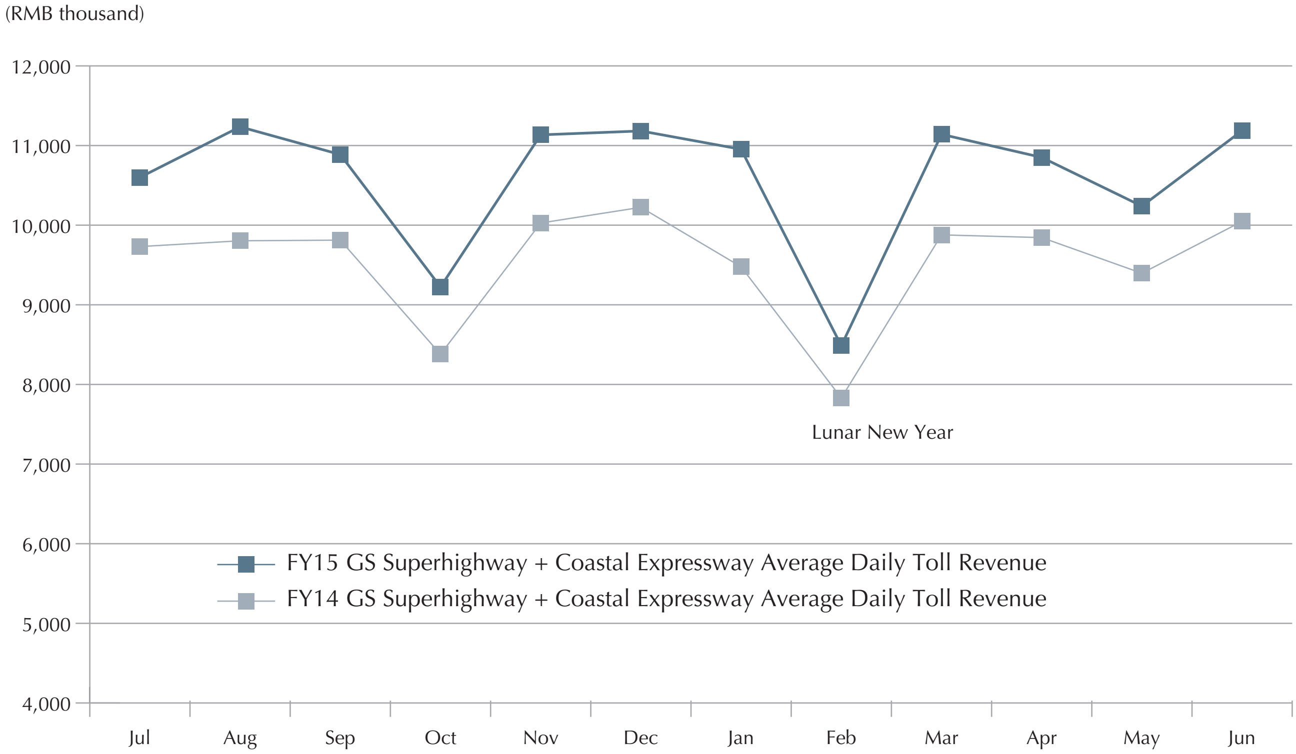
GS Superhighway Average Daily Toll Revenue (Monthly)



	Jan + Feb (Lunar New Year)	**Mar**	**Apr** (Ching Ming Festival)	**May** (Labour Holiday)	**Jun**	**Jul**	**Aug**	**Sep + Oct** (National Holiday)	**Nov**	**Dec**	**Yearly Average**	**yoy change**	
												Jan – Jun	**Jul – Dec**
2013	8,055	9,228	8,321	8,860	9,023	9,371	9,440	8,717	9,592	9,492	**8,913**		
2014	7,770	8,657	8,276	7,868	8,438	8,857	9,046	8,017 (Guangzhou Northern Ring Road closure)	8,903	8,933	**8,384**	–5%	–6%
2015	7,774	8,867	8,505	8,025	8,775	9,017						+2%	
yoy change	**+0%**	**+2%**	**+3%**	**+2%**	**+4%**	**+2%**							

Based on the average daily toll revenue, the market comprising the GS Superhighway and the Coastal Expressway, grew approximately 11% in FY15. This had been further supported by the solid demand for toll road usage in Guangdong Province.

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



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

Integration to national ETC network

Under the direction of Ministry of Transport, expressways in all provinces in the PRC will form a nationwide inter-connecting ETC network by the end of 2015. Upon completion, the electronic payment cards issued by different provinces can be commonly used in all ETC toll lanes in every expressway within the network in the PRC. On 30 June 2015, Guangdong, Henan, Guizhou and Hubei Provinces were integrated to the national ETC network, following other 14 provinces which had already been integrated in 2014.

Change of vehicle classification to national standard and change of toll-by-weight scheme to total weight basis

In order to integrate to the national ETC network, Department of Communications and Transportation of Guangdong Province and Guangdong Development and Reform Commission jointly announced that the vehicle classification in Guangdong would be changed to national standard, effective from 26 June 2015. Passenger vehicles and trucks have been re-classified according to the number of seats and loading weight in tonnage respectively. Nevertheless, the tariff rate for each class remains unchanged. In addition, the toll-by-weight scheme applied to trucks has been changed to total weight basis.

Passenger Vehicles

Small passenger vehicles with seats equal to or less than 7, which constitutes the majority of customers on the Group's expressways, are not affected and are still being classified as Class 1. Coaches with seats equal to or more than 40 are re-classified as Class 4 but preferentially tolled as Class 3 in order to promote public transportation and stabilise the coach fares. Table 1 below shows the changes in details.

Table 1 : Classification Summary

	Original Guangdong classification parameters for passenger vehicles and trucks			
Class	Number of axles	Number of wheels	Height of vehicles at first axle (metres)	Distance between two axles (metres)
1	2	2–4	<1.3	<3.2
2	2	4	≥1.3	≥3.2
3	2	6	≥1.3	≥3.2
4	3	6–10	≥1.3	≥3.2
5	>3	>10	≥1.3	≥3.2

	National classification parameters		
	Passenger vehicles	Trucks	Tariff Rate*
Class	Number of seats	Loading (tonnes)	RMB per km
1	≤7	≤2	0.6
2	8–19	2–5 (including 5)	0.9
3	20–39	5–10 (including 10)	1.2
4	≥40	10–15 (including 15) and 20 ft. container	1.8
5	N/A	>15 and 40 ft. container	2.1

* Tariff rate under the national classification standard for trucks will be used only when the weighing equipment is out of order

Trucks

Toll-by-weight scheme was implemented in all expressways in Guangdong since June 2014 and the tariff rate for trucks was based on the original Guangdong classification. While preferential rate was given to the unloaded or lightly-loaded trucks, additional toll was charged to the overloaded trucks based on the ratio of overloaded weights. During the year under review, impact from the toll-by-weight scheme was insignificant and the total traffic and toll revenue of trucks remained at a stable level for both the GS Superhighway and the Western Delta Route.

Together with the vehicle re-classification on 26 June 2015, the toll under the toll-by-weight scheme based on the original Guangdong classification has been replaced with a new method based on the total weight of the truck in tonnage. The underlying principle of the new toll calculation is "user pays" whereby trucks are charged according to their weights, which had already been implemented in most of the other provinces in the PRC few years ago. The basic tariff rate for trucks on expressways with six lanes or above is RMB0.12 per tonne per km. Toll is calculated based on a pre-set formula and actual weight measured by weighing equipment at exit toll lane. In general, heavier trucks will be charged a higher toll than lighter trucks and additional toll will be levied on overloaded trucks as penalty. However, in case weighing equipment at exit toll lane is out of order, as a contingency plan, toll for trucks will be based on the corresponding tariff rates under the national classification standard as shown in Table 1 above.

Despite the above changes, the average daily toll revenue on the GS Superhighway and the Western Delta Route increased by 2% and 5% year-on-year respectively in July 2015, which is in line with the growth rate in the second half of FY15. The impact of the new arrangements on the Group's expressway projects is expected to be neutral going forward.

Toll Road Policies

New vehicle registration policy in Shenzhen

Shenzhen has the highest car ownership figure in Guangdong, with registered car population reaching over 3 million vehicles at the end of 2014, representing 289 vehicles per 1,000 people comparing to only 124 vehicles per 1,000 people in Guangdong. On 29 December 2014, the Shenzhen Government announced that new registration of small- and mini-sized passenger vehicles would be limited to 100,000 units per year. The policy aims to enhance the transportation system of Shenzhen in order to relieve traffic congestion and improve air quality.

Traffic restriction during peak hours in Shenzhen

On 29 December 2014, the Traffic Police Bureau of Shenzhen announced a new traffic restriction on non-Shenzhen registered passenger vehicles. These vehicles are prohibited from travelling within the four downtown districts of Shenzhen, namely Futian, Luohu, Nanshan and Yantian, during peak hours from 07:00 to 09:00 and from 17:30 to 19:30 since 30 December 2014 for five months, except on routes linking the six border crossings. Hence, vehicles travelling along the GS Superhighway to the Huanggang and Futian border crossings will not be affected under this measure. On 20 May 2015, the Traffic Police Bureau of Shenzhen further announced to extend this measure to 31 December 2015.

Regulation on the Administration of Toll Roads (Amendment Proposal)

On 8 May 2013, the Ministry of Transport proposed amendments to the existing Regulation on the Administration of Toll Roads and invited opinions from the public and relevant industries. Recently, on 21 July 2015, the Ministry of Transport announced a new version of amendment and invited opinions from the public again. The major new clauses affecting the toll road companies under operation include (1) the toll collection period can be up to 30 years instead of the prevailing 25 years; (2) the operation period can be extended due to increased investment in traffic capacity expansion and (3) the local government, which launches a toll-free policy violating the legal rights of the toll road companies resulting in any revenue loss, needs to compensate the toll road companies. The Company will closely monitor the development on this issue.

Guangzhou-Shenzhen Superhighway

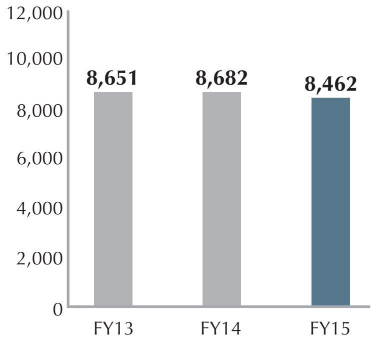
Project Summary

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

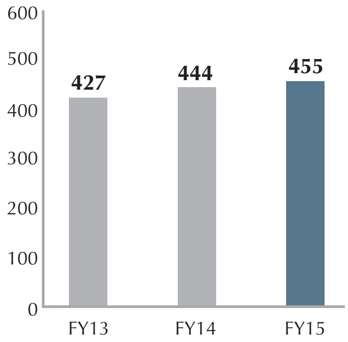
The GS Superhighway is the main expressway connecting the PRD region's three major cities — Guangzhou, Dongguan, Shenzhen and Hong Kong. During the year under review, its average daily toll revenue decreased mildly by 3% year-on-year to RMB8.5 million, and its total toll revenue amounted to RMB3,089 million. In the second half of FY15, one year after the full opening of the Coastal Expressway, the average daily toll revenue of the GS Superhighway rebounded by 2% year-on-year, compared to a 6% fall in the first half of FY15. This indicates that the diversion impact has been fully realised. Despite the average daily toll revenue rebounded to RMB8.3 million in the second half of FY15, it had not returned to the RMB8.6 million level recorded in the same period in FY13 before the full opening of the Coastal Expressway. This was mainly due to the moderating growth of China's economy. Meanwhile, the average daily traffic regained growth momentum and increased by 2% year-on-year to a historical high level of 455,000 vehicles, mainly driven by Class 1 vehicle traffic. The average daily full-length equivalent traffic volume for the GS Superhighway dropped by 2% year-on-year to 88,000 vehicles, implying 34% upside for it to reach historical peak at 118,000 vehicles on 18 September 2013. This indicates there is still room for traffic to grow on the GS Superhighway.

Growth in Class 1 small car traffic continued, with the average daily traffic up 4% year-on-year. It accounted for 76.3% of the GS Superhighway's total traffic volume, compared to 75.4% in FY14. The average daily toll revenue of Class 1 small car reduced by 1% to RMB4.9 million, contributing 58.2% to the total toll revenue. The average daily traffic and average daily toll revenue of Classes 4 and 5 vehicles rose by 1% and dropped by 1% respectively. The average toll revenue per vehicle per km remained unchanged at RMB0.77.

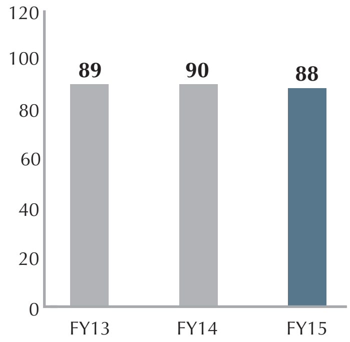
GS Superhighway Average Daily Toll Revenue
(RMB thousand)



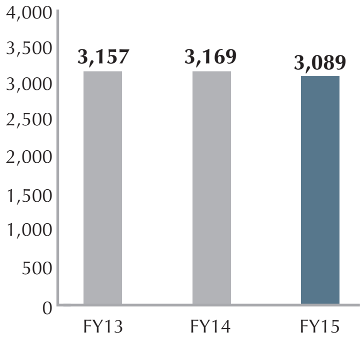
GS Superhighway Average Daily Traffic
(No. of vehicles in thousand)



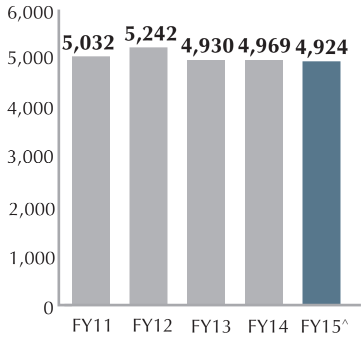
GS Superhighway Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



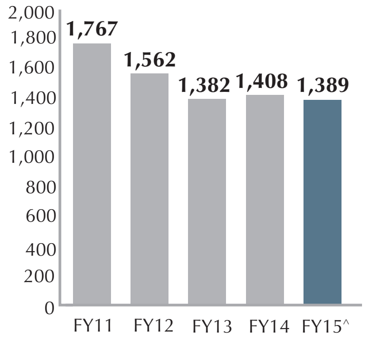
GS Superhighway Annual Toll Revenue
(RMB million)



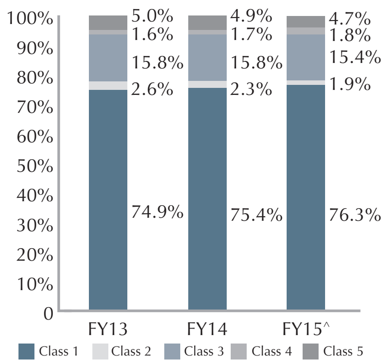
Class 1 — Average Daily Toll Revenue (FY11–FY15^)
(RMB thousand)



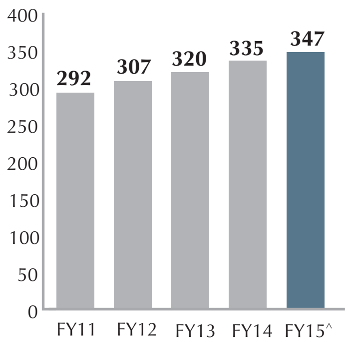
Class 4 & 5 — Average Daily Toll Revenue (FY11–FY15^)
(RMB thousand)



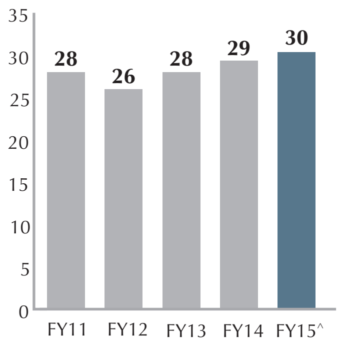
GS Superhighway Traffic Breakdown by Class



Class 1 — Average Daily Traffic (FY11–FY15^)
(No. of vehicles in thousand)



Class 4 & 5 — Average Daily Traffic (FY11–FY15^)
(No. of vehicles in thousand)

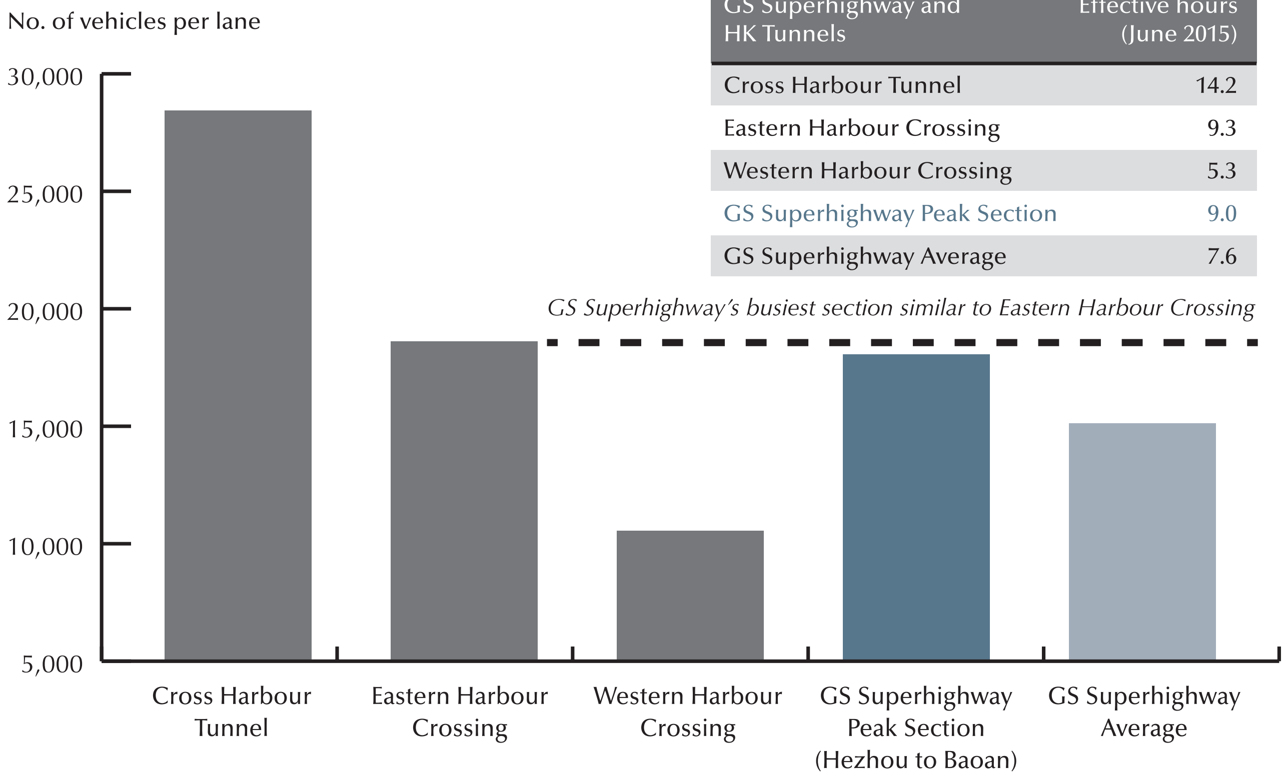


^ Data up to 25 June 2015 as change of vehicle classification to national standard became effective since 26 June 2015

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

GS Superhighway — Average Daily Cross Sectional Traffic per lane and Effective Hour

GS Superhighway and HK Tunnels	Effective hours (June 2015)
Cross Harbour Tunnel	14.2
Eastern Harbour Crossing	9.3
Western Harbour Crossing	5.3
GS Superhighway Peak Section	9.0
GS Superhighway Average	7.6



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 (May 2015): Cross Harbour Tunnel 114,000, Eastern Harbour Crossing 74,000, Western Harbour Crossing 63,000
4) Average daily traffic of GS Superhighway (June 2015)

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

Both Guangzhou Northern Ring Road and Guangzhou East-South-West Ring Road, which are connected to Guangdan interchange of the GS Superhighway, started maintenance works in some sections from mid-June 2015. These works are planned to be completed by early August 2015 and mid-June 2016 respectively. Traffic between these roads and the GS Superhighway may be slightly interrupted. However, its average daily toll revenue and average daily traffic in July 2015, which grew 2% and 7% year-on-year respectively, reflected that the impact on the GS Superhighway is insignificant.

The GS Superhighway JV has been making incessant progress in increasing 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 67% of all the toll lanes at entrances to the GS Superhighway are equipped with ETC or automatic card-issuing machines. Furthermore, energy-saving LED lights were installed at the toll plazas and along its entire main alignment in order to reduce energy consumption and lower operating cost.

Mr. De Gong Tong (Chairman of Guangdong Provincial Highway Construction Company Limited, left) and
Mr. Chi Hung Chan (Deputy Managing Director of Hopewell Highway Infrastructure Limited)
in a working meeting with the GS Superhighway JV

Western Delta Route

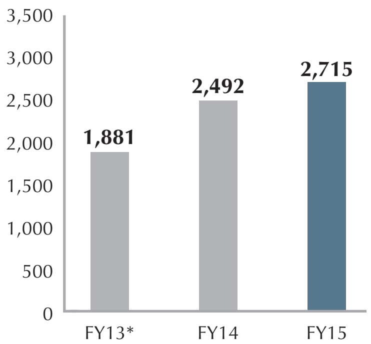
Project Summary

Location	Guangzhou to Zhuhai, Guangdong, PRC
Length	97.9 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	Phase I West (September 2003 to September 2033) Phase II West (June 2010 to June 2035) Phase III West (January 2013 to January 2038)
Profit Sharing Ratio	50%

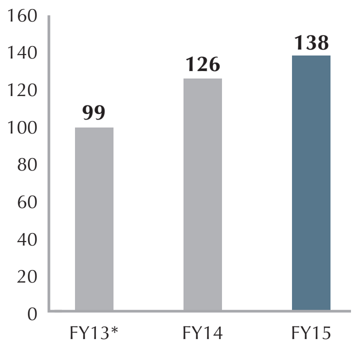
The Western Delta Route is a 97.9-km closed expressway with a total of 6 lanes in dual directions which is comprised of Phase I West, Phase II West and Phase III West. It is the central expressway artery on the western bank of the PRD region connecting four major cities — Guangzhou, Foshan, Zhongshan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

During the year under review, benefiting from strong growth in Class 1 vehicle traffic and development of tourism in Hengqin, the average daily traffic and average daily toll revenue of the Western Delta Route continued to grow steadily and achieved 10% and 9% year-on-year growth to 138,000 vehicles and RMB2.7 million respectively. Meanwhile, its total toll revenue amounted to RMB991 million. The average daily full-length equivalent traffic for the Western Delta Route grew by 12% to 36,000 vehicles.

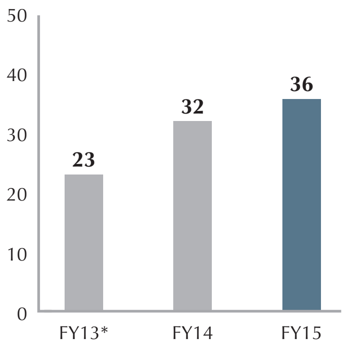
**Western Delta Route
Average Daily Toll Revenue**
(RMB thousand)



**Western Delta Route
Average Daily Traffic**
(No. of vehicles in thousand)

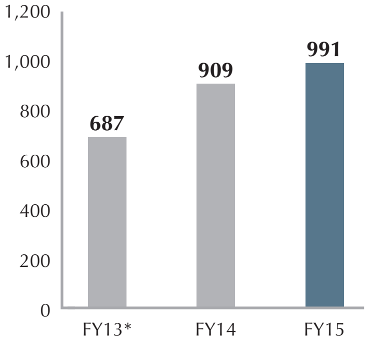


**Western Delta Route
Average Daily Full-Length Equivalent Traffic**
(No. of vehicles in thousand)

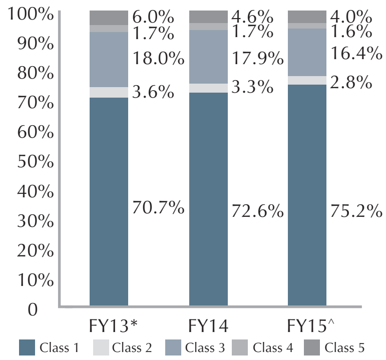


* Phase III West was opened on 25 January 2013

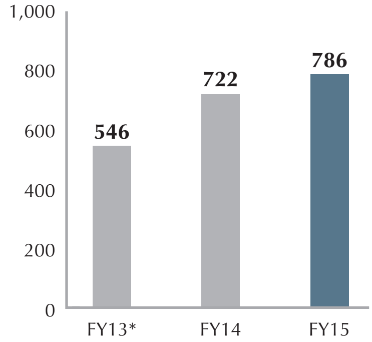
Western Delta Route
Annual Toll Revenue
(RMB million)



Western Delta Route
Traffic Breakdown by Class



Western Delta Route (JV level)
EBITDA
(RMB million)

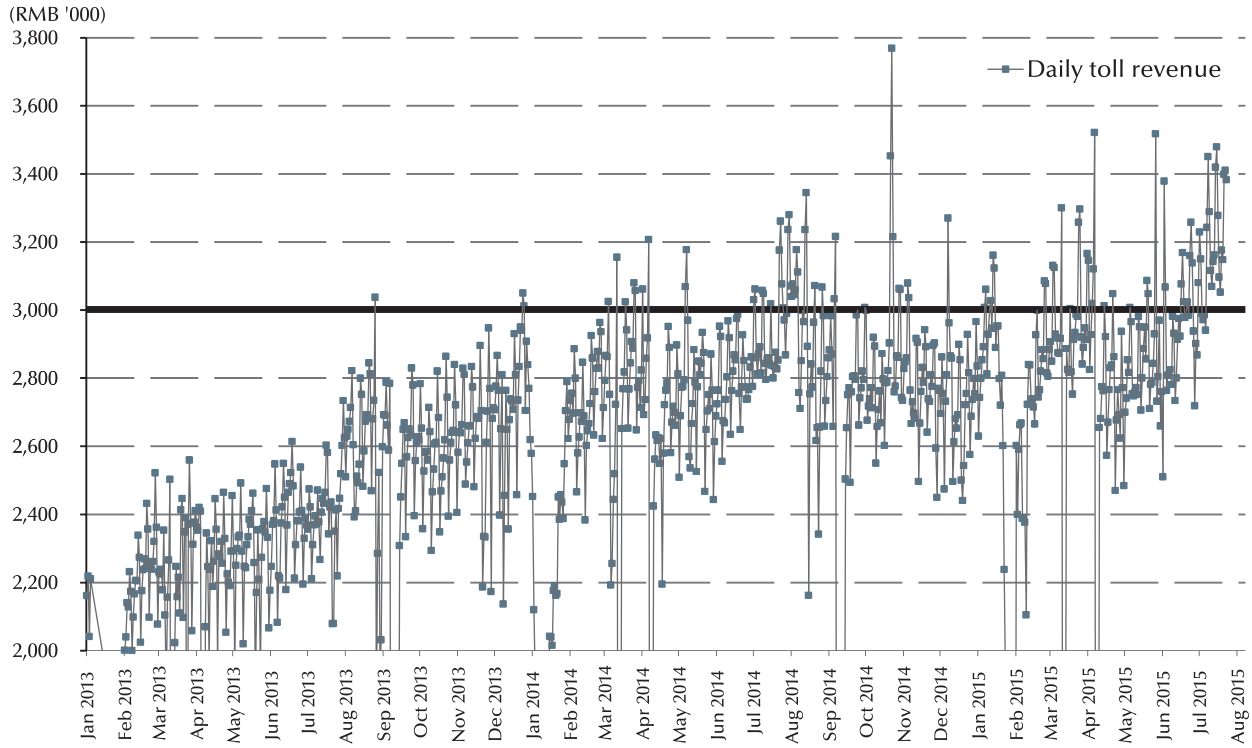


* Phase III West was opened on 25 January 2013
^ Data up to 25 June 2015 as change of vehicle classification to national standard became effective since 26 June 2015

In FY15, EBITDA of the Western Delta Route (JV level) rose 9% to approximately RMB800 million from RMB722 million in FY14, and it is targeted to increase by approximately RMB100 million per year until the HZM Bridge opens in 2017 as reported by the media. After the opening of Phase III West in the second half of FY13, the Western Delta Route continues to maintain its positive operating cash flow (after taking interest expense payments into account). As the People's Bank of China started a series of lending rate cuts since the fourth quarter of 2014, together with the initiation of Phase II West's new financial plan, the interest expense of the Western Delta Route is lowered. As a result, the level of average daily toll revenue for the Western Delta Route to achieve profit breakeven is reduced from RMB3.2 million as disclosed previously to below RMB3 million. It is targeted to achieve profit breakeven in FY16 instead of the second half of FY15 as previously targeted, mainly due to a mild growth of Phase II West. The Western Delta Route has shown encouraging revenue generation since opening when comparing with other projects of the Company. Given its locational advantages on the western bank of the Pearl River Delta, it is well-positioned to grow with the prosperous economic development in the region.

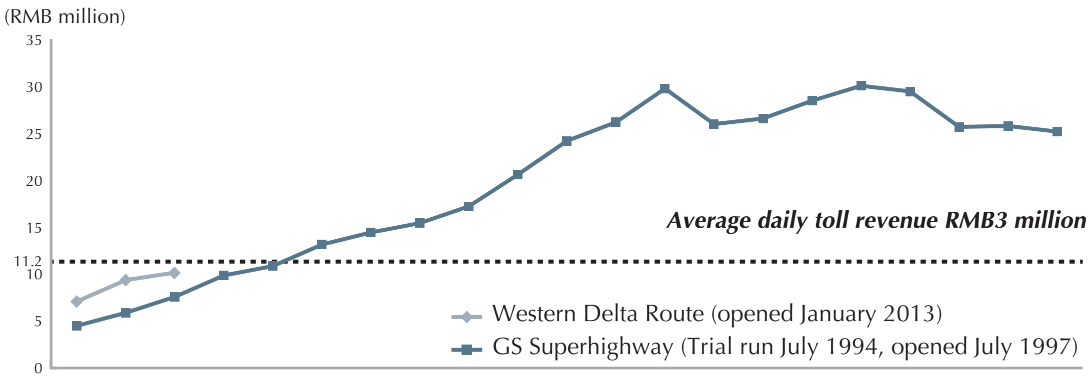
Mr. De Gong Tong (Chairman of Guangdong Provincial Highway Construction Company Limited, left),
Mr. Chi Hung Chan (Deputy Managing Director of Hopewell Highway Infrastructure Limited) and
Mr. Shang Gan Wu (General Manager of Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, right)
in a working meeting with the West Route JV

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



* Data from 25 January 2013 (when Phase III West commenced operation) to 16 August 2015

Western Delta Route — Annual Toll Revenue per km



Opening Year / RMB 'm	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
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
Western Delta Route (FY13)	7.0	9.3	10.1																		

Phase I of the Western Delta Route

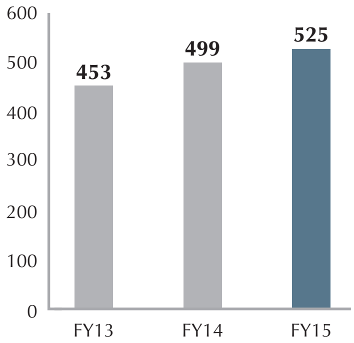
Project Summary

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

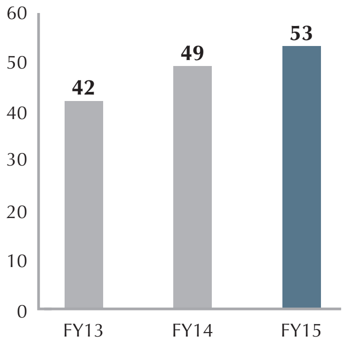
Phase I West connects with Guangzhou East-South-West Ring Road to the north, and Phase II West and National Highway 105 at Shunde to the south. As the northern part of the Western Delta Route, Phase I West's synergy with Phase II West and Phase III West as well as the on-going economic growth of Guangzhou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

The traffic volume and toll revenue of Phase I West grew steadily, mainly driven by a strong rise in the number of Class 1 small cars. During the year under review, its average daily traffic increased by 10% year-on-year to 53,000 vehicles, whereas its average daily toll revenue increased by 5% to RMB525,000. Its total toll revenue for the year amounted to RMB192 million. The traffic and toll revenue for Class 1 small cars continued to grow, accounted for 75.3% of Phase I West's total traffic volume. The average daily full-length equivalent traffic on Phase I West amounted to 45,000 vehicles, representing a year-on-year growth of 9%.

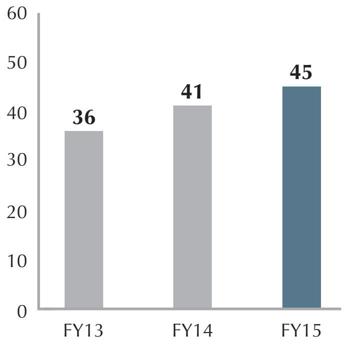
Phase I West
Average Daily Toll Revenue
(RMB thousand)



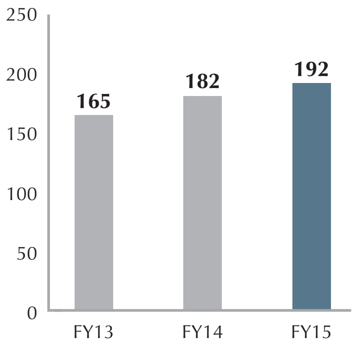
Phase I West
Average Daily Traffic
(No. of vehicles in thousand)



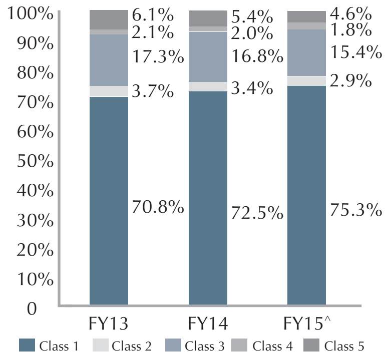
Phase I West
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



Phase I West
Annual Toll Revenue
(RMB million)



Phase I West
Traffic Breakdown by Class



^ Data up to 25 June 2015 as change of vehicle classification to national standard became effective since 26 June 2015

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

Phase II of the Western Delta Route

Project Summary

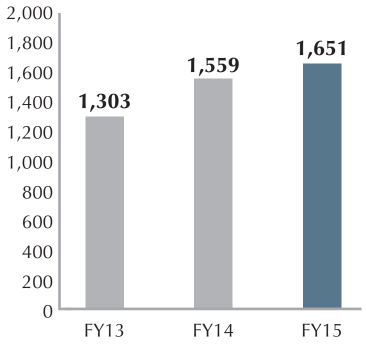
Location	Shunde to Zhongshan, Guangdong, PRC
Length	45.5 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	June 2010 – June 2035
Profit Sharing Ratio	50%

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

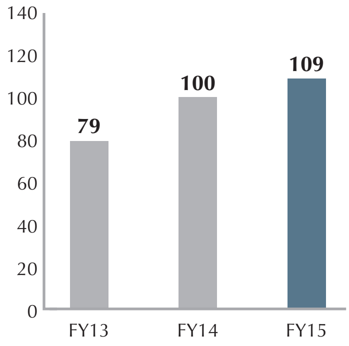
The traffic volume and toll revenue of Phase II West grew steadily during the year under review. Its average daily traffic rose by 10% year-on-year to 109,000 vehicles, and its average daily toll revenue grew by 6% to RMB1,651,000. Its total toll revenue for the year amounted to RMB602 million. Class 1 small cars, which were the main driving force, recorded robust growth and contributed 77.3% to Phase II West's total traffic volume. The average daily full-length equivalent traffic on Phase II West amounted to 47,000 vehicles, representing a year-on-year growth of 9%.

In October 2014, upgrading work on Shunde to Zhongshan section of National Highway 105, which runs parallel to Ronggui interchange to Zhongshanxi interchange of Phase II West, had been completed. The traffic on National Highway 105 becomes smoother, causing the traffic on Phase II West to grow at a mild pace during the second half of FY15. Supported by the on-going economic development in Shunde and Zhongshan, it is expected that the traffic volume will continue to maintain a steady growth.

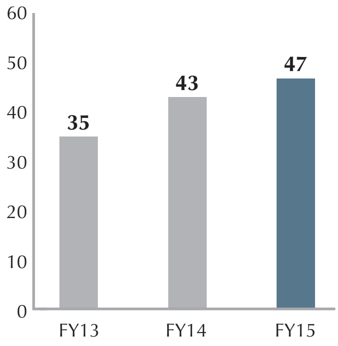
Phase II West
Average Daily Toll Revenue
(RMB thousand)



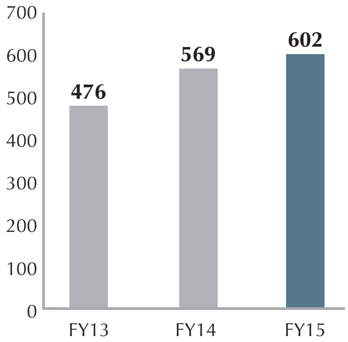
Phase II West
Average Daily Traffic
(No. of vehicles in thousand)



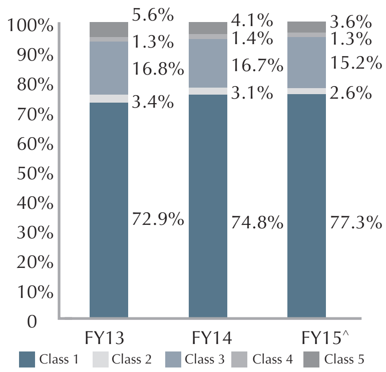
Phase II West
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



Phase II West
Annual Toll Revenue
(RMB million)



Phase II West
Traffic Breakdown by Class



^ Data up to 25 June 2015 as change of vehicle classification to national standard became effective since 26 June 2015

Phase III of the Western Delta Route

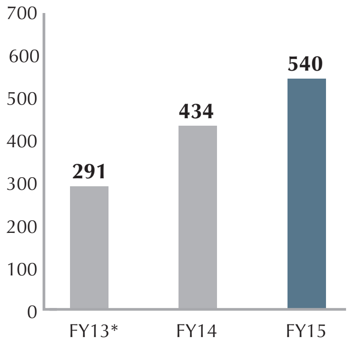
Project Summary

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

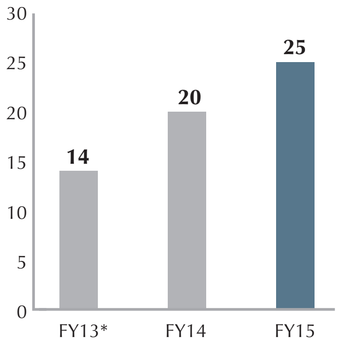
Phase III West is connected to Phase II West at Zhongshan to the north. It extends southwards to link with the Zhuhai expressway network, thus providing a direct access to Hengqin (the State-level Strategic New Zone) in Zhuhai, Macau and the HZM Bridge which is currently under construction. It provides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

The traffic volume and toll revenue of Phase III West have been ramping up robustly. During the year under review, its average daily traffic and average daily toll revenue amounted to 25,000 vehicles and RMB540,000, up 25% and 24% respectively. Its total toll revenue for the year amounted to RMB197 million. The average daily full-length equivalent traffic on Phase III West grew by 27% year-on-year to 19,000 vehicles.

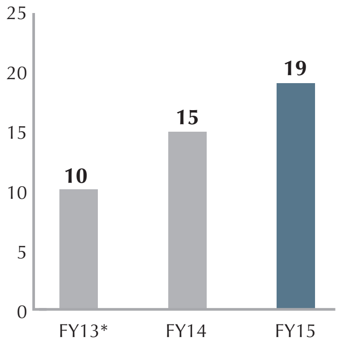
Phase III West
Average Daily Toll Revenue
(RMB thousand)



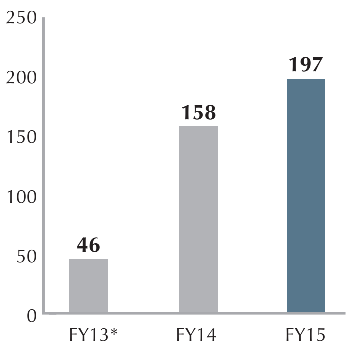
Phase III West
Average Daily Traffic
(No. of vehicles in thousand)



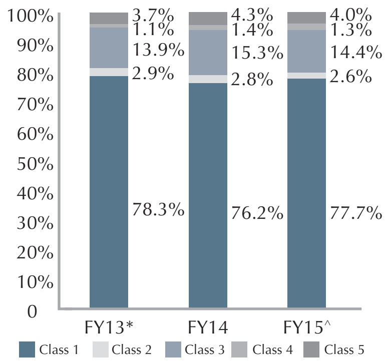
Phase III West
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



Phase III West
Annual Toll Revenue
(RMB million)



Phase III West
Traffic Breakdown by Class



* Phase III West was opened on 25 January 2013
^ Data up to 25 June 2015 as change of vehicle classification to national standard became effective since 26 June 2015

A new Second Hengqin Bridge that directly links up Zhuhai's Hengqin is expected to commence operation in late 2015 according to media. It will further facilitate the traffic to and fro Hengqin through Phase III West. It is believed that good connectivity will provide continuous and stable traffic flow to the Western Delta Route.

Financial Review

The Group's performance for the year ended 30 June 2015 presented in RMB (million) were as follows:

	Year ended 30 June									
	2014					**2015**				
RMB million	Net toll revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results	**Net toll revenue**	**EBITDA**	**Depreciation and amortisation**	**Interest and tax**	**Results**
Project contributions:										
GS Superhighway (Note 1)	1,475	1,266	(384)	(291)	591	**1,438**	**1,209**	**(394)**	**(268)**	**547**
Western Delta Route	441	361	(135)	(282)	(56)	**481**	**393**	**(153)**	**(280)**	**(40)**
– Phase I West	*88*	*66*	*(17)*	*(16)*	*33*	***93***	***72***	***(18)***	***(16)***	***38***
– Phase II West	*276*	*233*	*(81)*	*(144)*	*8*	***292***	***249***	***(92)***	***(139)***	***18***
– Phase III West	*77*	*62*	*(37)*	*(122)*	*(97)*	***96***	***72***	***(43)***	***(125)***	***(96)***
Net toll revenue/EBITDA/Depreciation and amortisation/Interest and tax/ Net profit of projects	1,916	1,627	(519)	(573)	535	**1,919**	**1,602**	**(547)**	**(548)**	**507**
Year-on-year change						**+0.1%**	**–1%**	**+5%**	**–4%**	**–5%**
Corporate results:										
Bank deposits interest income					42					**31**
Interest income from loans made by the Group to a JV company					63					**57**
Other income					2					**3**
General and administrative expenses and depreciation					(38)					**(39)**
Finance costs					(35)					**(24)**
Income tax expenses					(10)					**(9)**
Sub-total					24					**19**
Profit before net exchange gain (after deduction of related income tax)					559					**526**
Year-on-year change										**–6%**
Net exchange gain (after deduction of related income tax)					5					**4**
Profit for the year					564					**530**
Profit attributable to non-controlling interests					(11)					**(10)**
Profit attributable to owners of the Company					553					**520**
Year-on-year change										**–6%**

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

The Group's share of the aggregate net toll revenue of its expressway projects increased slightly from RMB1,916 million to RMB1,919 million for FY15. The GS Superhighway's toll revenue declined by 3% year-on-year during FY15, which was mainly attributable to the full opening of the Coastal Expressway on 28 December 2013 and the temporary traffic diversion due to the closure of Guangzhou Northern Ring Road for maintenance from 10 September to 24 October 2014. However, the Company believes the impact of diversion by the Coastal Expressway had been fully realised and the GS Superhighway's toll revenue rebounded by 2% year-on-year in the second half of FY15, compared to a 6% fall year-on-year in the first half of FY15. Meanwhile, the decline in the GS Superhighway's toll revenue was fully offset by the continuous growth in the toll revenue of the Western Delta Route, which recorded a 9% increase in net toll revenue to RMB481 million. The GS Superhighway, Phase I West, Phase II West and Phase III West contributed 75% (RMB1,438 million), 5% (RMB93 million), 15% (RMB292 million) and 5% (RMB96 million) respectively to the Group's share of aggregate net toll revenues.

The Group's share of operating expenses of its expressway projects increased mainly due to expenses on the GS Superhighway's asphalt road surface repair of approximately RMB12 million, which was capitalised in FY14 and the one-off expenses incurred by Phase III West for finalising its project cost of RMB5 million. The drop in GS Superhighway's EBITDA by 5% from RMB1,266 million to RMB1,209 million was mainly due to the decline in its toll revenue and the expenses on asphalt road surface repair of approximately RMB12 million. On the other hand, the rise in Western Delta Route's toll revenue led to a 9% EBITDA growth from RMB361 million to RMB393 million. However, Phase II West's EBITDA only grew by 7% from RMB233 million to RMB249 million. This was mainly because the upgrading work of Shunde to Zhongshan section of National Highway 105, which runs parallel to Ronggui interchange to Zhongshanxi interchange of Phase II West, was completed in October 2014. The traffic on National Highway 105 becomes smoother, therefore the traffic on Phase II West grew at a slower pace in the second half of FY15. RMB5 million one-off expenses incurred by Phase III West for finalising its project cost during FY15 had been fully offset by the robust growth in its toll revenue and thus, it recorded a EBITDA growth of 16% from RMB62 million to RMB72 million. Given an increase in operating expenses with flat net toll revenue, the aggregate EBITDA of toll expressways (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) decreased by 1%, from RMB1,627 million to RMB1,602 million.

The Group's share of depreciation and amortisation charges of GS Superhighway JV increased slightly by 3% from RMB384 million to RMB394 million as a result of the additional improvement works completed but partly offset by the decline in its full-length equivalent of traffic due to the full opening of the Coastal Expressway. With healthy growth in traffic volume of Western Delta Route, its depreciation and amortisation charges also increased. Hence, the Group's share of aggregate depreciation and amortisation charges increased by 5% to RMB547 million.

In January 2015, West Route JV obtained approval for the first tranche of additional registered capital of RMB212 million in Phase II West, out of the total of RMB636 million, which had been injected by the Group and the PRC JV partner on a 50:50 basis. The shareholder's loan advanced by the Group to West Route JV as interim financing for Phase II West reduced from RMB1,000 million to RMB788 million after the repayment by West Route JV. Thus, the interest expenses of Phase II West reduced.

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

The decline in net toll revenue, increased operating expenses as well as increased depreciation and amortisation charges of GS Superhighway led to a 7% year-on-year decrease in its net profit to RMB547 million. As the traffic and toll revenue of Phase II West have been growing continuously since it opened on 25 June 2010, it became profitable since the first half of FY14. Phase II West made a profit of RMB18 million in FY15 as compared to a profit of RMB8 million of the last corresponding year. Net loss of Phase III West reduced slightly from RMB97 million to RMB96 million in FY15 mainly due to RMB5 million one-off expenses incurred for finalising project cost in FY15. The total net loss of Western Delta Route improved from RMB56 million to RMB40 million during FY15. As a result, the aggregate net profit of the four projects (excluding an exchange gain on GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax expenses) fell by 5%, from RMB535 million to RMB507 million during FY15.

The Company repaid the RMB600 million corporate bonds in May 2014 and RMB500 million bank loan matured in May 2015 (a RMB1,600 million loan facility agreement signed in May 2012 of which RMB1,000 million was drawn and RMB500 million had been prepaid in June 2013), resulting in a decrease in finance costs from RMB35 million to RMB24 million during FY15. However, these repayments also resulted in a reduction of the Group's bank deposits. Moreover, following the repayment by the West Route JV, the decrease in shareholder's loan advanced by the Group to West Route JV as interim financing for Phase II West from RMB1,000 million to RMB788 million during the second half of FY15 also reduced the Group's interest income. Thus, the Group's total interest income (including that on bank deposits and shareholder's loan advanced to West Route JV) decreased from RMB105 million to RMB88 million during FY15. Given the drop in finance costs was offset by the fall in total interest income, the net interest income at corporate level decreased slightly from RMB70 million to RMB64 million during FY15 and resulted in a 21% drop in profit to RMB19 million at the corporate level.

The Group's profit before net exchange gain (after deduction of related income tax) fell by 6%, from RMB559 million to RMB526 million during FY15. This was mainly attributable to the decrease in net toll revenue of GS Superhighway. A decline in the net exchange gain on GS Superhighway JV's loans denominated in US Dollars and HK Dollars was recorded as there was only slight appreciation in RMB by 0.6% for FY15.

Overall, mainly as a result of the fall in net profit of the toll expressway projects and drop in net interest income at corporate level, the profit attributable to owners of the Company decreased by 6% from RMB553 million to RMB520 million.

The Company believes the Group's net profit had bottomed out in FY15, given (i) GS Superhighway's average daily toll revenue rebounded by 2% year-on-year in the second half of FY15, one year after the full opening of the Coastal Expressway on 28 December 2013; (ii) Western Delta Route maintains healthy growth. Its EBITDA (JV level) increased to approximately RMB800 million in FY15 and it is targeted to increase by approximately RMB100 million per year until the HZM Bridge opens in 2017 as reported by the media. The Western Delta Route is targeted to achieve profit breakeven in FY16; (iii) the series of People's Bank of China's lending rate cuts for RMB loan announced on 21 November 2014, 28 February 2015, 10 May 2015, 27 June 2015 and 25 August 2015 will benefit the Western Delta Route by lowering its finance costs. The Group's share of interest expenses of its expressway projects is expected to be saved by approximately RMB39 million and RMB50 million in FY16 and FY17 respectively; and (iv) Phase II West's new financial plan will reduce debt and interest expense. The projects' performances and financial restructuring provide strong base for strong dividend to HHI's shareholders.

Western Delta Route's Net Profit (HHI's shared portion)

RMB million	First half	Second half	Total	Positive factors
FY15				
Western Delta Route	**(23)**	**(17)**	**(40)**	(i) Western Delta Route's net toll revenue growth (ii) People's Bank of China lending rate cut: ↓RMB0.9 million interest expense (iii) Net loss narrowed to RMB40 million (FY14: net loss RMB56 million)
Phase I West (opened April 2004)	*19*	*19*	*38*	
Phase II West (opened June 2010)	*8*	*10*	*18*	
Phase III West (opened January 2013)	*(50)*	*(46)*	*(96)*	
FY16	**Target Profit Breakeven**			(i) Western Delta Route' s net toll revenue growth (ii) People's Bank of China lending rate cut: ↓RMB39 million interest expense
FY17				(i) Western Delta Route' s net toll revenue growth (ii) People's Bank of China lending rate cut: ↓RMB50 million interest expense

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

HHI Corporate Level

	30 June 2014 RMB million	**30 June 2015 RMB million**		30 June 2014 RMB million	**30 June 2015 RMB million**
Bank balances and cash	814	**574**	RMB bank loan (fully repaid in May 2015)	500	**–**
The Group's shareholder's loan to JV company(Note1)	1,000	**788**	HKD bank loan	198	**237**
Other assets	16	**32**	Other liabilities	10	**13**
	1,830	**1,394**		708	**250**
Net assets value of HHI corporate	1,122	**1,144**			

Share of JV Companies

GS Superhighway JV (HHI's shared portion)

	30 June 2014 RMB million	**30 June 2015 RMB million**		30 June 2014 RMB million	**30 June 2015 RMB million**
Bank balances and cash	133	**143**	Bank loans		
Concession intangible assets	5,920	**5,600**	– USD	1,411	**1,182**
Property & equipment	224	**214**	– HKD	184	**158**
Other assets	67	**78**	Other liabilities	698	**720**
	6,344	**6,035**		2,293	**2,060**
Net assets value of GS Superhighway JV	4,051	**3,975**			

West Route JV (HHI's shared portion)

	30 June 2014 RMB million	**30 June 2015 RMB million**		30 June 2014 RMB million	**30 June 2015 RMB million**
Bank balances and cash	68	**130**	Bank loans	3,988	**4,028**
Concession intangible assets	6,726	**6,555**	Shareholder's loan from the Group(Note1)	500	**394**
Property & equipment	245	**259**			
Other assets	25	**23**	Other liabilities	463	**365**
	7,064	**6,967**		4,951	**4,787**
Net assets value of West Route JV	2,113	**2,180**			

	30 June 2014 RMB million	**30 June 2015 RMB million**		30 June 2014 RMB million	**30 June 2015 RMB million**
			Total liabilities	7,952	**7,097**
			Equity attributable to owners of the Company	7,236	**7,247**
			Non-controlling interests	50	**52**
Total Assets(Note 2)	15,238	**14,396**	**Total Equity & Liabilities**	15,238	**14,396**
Total net assets	7,286	**7,299**			

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

Note 2: Excluding elimination of the Group's proportionate share of the shareholder's loan to JV company and corresponding shareholder's loan interest receivable, and balance with JV company prepared under proportionate consolidation method.

Sound Financial Plan

Financial positions of the JV companies are strengthened by (i) loan rescheduling of the GS Superhighway and Phase I West and (ii) Phase II West's new financial plan, which will help to reduce the West Route JV's debt and result in the full repayment of RMB682 million of net shareholder's loan to the Group with expected completion by October 2015. Hence, no further capital expenditure is needed for the Group in respect of the West Route JV, which is financially self-sufficient until FY18 even if assuming no growth in the average daily toll revenue during the period.

GS Superhighway's loans rescheduling

The GS Superhighway JV is engaging with the banks to extend the maturity dates of the existing US Dollar loans (equivalent to RMB2,463 million) and HK Dollar loan (equivalent to RMB329 million) by 6 years from 2018 and 2019 to 2025. The loan rescheduling will help accelerate the dividend distributions by the GS Superhighway JV to the Group and further enhance the Group's liquidity. Dividend amounting to approximately RMB200 million per year during CY15 to CY19 will be accelerated and paid to the Group.

Phase I West's loan rescheduling

For the purpose of improving financing flexibility, West Route JV is under negotiation with the bank to extend the maturity date of Phase I West's bank loans totalling RMB576 million by 5 years from 2019 to 2024.

GS Superhighway's and Phase I West's loans rescheduling plan

JV Level	Bank Loan	Original Maturity	New Maturity	Fall in principal repayment/year (CY2015–CY2019)
GS Superhighway	USD403 million; HKD417 million (RMB2,792 million equivalent)	CY2018 and CY2019	CY2025	RMB471 million
Phase I West	RMB576 million	CY2019	CY2024	RMB102 million

Phase II West's new financial plan

The total investment of Phase II West is RMB7,080 million and it will be funded mainly by registered capital and banking facilities. Under the new capital regulations, application for increasing investment in Phase II West is now processed at the provincial level instead of the national level, resulting in the acceleration of the approval process.

Based on the current planning and subject to the approvals of the relevant PRC authorities, a total of approximately RMB636 million of additional registered capital will be injected into West Route JV by the Group and the PRC JV partner on a 50:50 basis in three tranches. Besides, West Route JV entered into agreements to borrow additional project bank loans of approximately RMB615 million in August 2015. The total additional registered capital of RMB318 million to be injected by the Group will be provided by capitalising an equivalent amount from the RMB1,000 million shareholder's loan advanced by the Group to West Route JV as interim financing previously. Subsequently, West Route JV will use the funds obtained from the additional registered capital from the PRC JV partner and project bank loans to repay the remaining shareholder's loan of RMB682 million provided by the Group, and to settle the outstanding project payments of not more than RMB251 million. By reducing debt and interest expense of Phase II West, the above-mentioned new financial plan of Phase II West will improve the Group's liquidity and West Route JV's financial position. Besides, the Group no longer needs to inject shareholder's loan into Phase II West.

In January 2015, West Route JV obtained approval for the first tranche of additional registered capital of RMB212 million in Phase II West, out of the total of RMB636 million, which had been injected by the Group and the PRC JV partner on a 50:50 basis in February 2015. Of the RMB1,000 million shareholder's loan advanced by the Group to West Route JV as interim financing for Phase II West, RMB106 million was used as additional registered capital for Phase II West and West Route JV had used the funds obtained from the additional registered capital injection by the PRC JV partner to repay RMB106 million to the Group. As a result, the outstanding amount of shareholder's loan advanced by the Group to West Route JV reduced to RMB788 million as of 30 June 2015.

The second tranche of additional registered capital of RMB212 million was approved in May 2015 and the additional registered capital had been injected by the Group and the PRC JV partner on a 50:50 basis in July 2015. Of the RMB788 million outstanding shareholder's loan, RMB106 million was used as additional registered capital by the Group and West Route JV had used the funds obtained from the additional registered capital injection by the PRC JV partner to repay RMB106 million to the Group. As a result, the outstanding amount of shareholder's loan advanced by the Group to West Route JV had further reduced from RMB788 million to RMB576 million as of 16 August 2015. The application for the remaining tranche of additional registered capital of RMB212 million is currently being processed by the relevant authority. The increase in registered capital is targeted to complete in the third quarter of 2015, while the full repayment and the receipt of remaining RMB470 million, out of the net shareholder's loan repayment of RMB682 million, by the Group is targeted to complete by October 2015.

Phase II West's new financial plan[Note 1] — in stages

Before	
(JV level)	**RMB million**
HHI Shareholder's loan	1,000
Outstanding project payments	251
	1,251

After	
(JV level)	**RMB million**
HHI's new registered capital	318
PRC JV partner's new registered capital	318
New project bank loans	615
	1,251

Net shareholder's loan repayment to HHI: RMB682 m (of which RMB212 m received as of 16 August 2015)[Note 2]

Note 1: Based on the current planning and subject to the approvals of the relevant PRC authorities (under new capital regulation, application to increase investment in Phase II West has been delegated to be approved at the provincial level instead of the national level).

Note 2: As of 30 June 2015, of the RMB682 million of shareholder's loan repayment, HHI had received RMB106 million.

Phase III West's financing

The planned total investment for Phase III West decreased from RMB6,150 million to RMB5,980 million, mainly due to the saving of land costs. The project is adequately funded by registered capital, available banking facilities, shareholder's loans and cash flow from operation by West Route JV. The Group had contributed the full amount of registered capital (a total of RMB980 million) and advanced shareholder's loan totalling RMB530 million to West Route JV as interim financing for Phase III West. Such shareholder's loan had been fully repaid by West Route JV. As at 30 June 2015, the estimated outstanding project payments for Phase III West amounted to not more than RMB187 million (based on the planned total investment of RMB5,980 million), which will be sufficiently funded by the available PRC project bank loan and the cash flow from operation by West Route JV. Besides, the Group and the PRC JV partner no longer need to inject shareholder's loan into Phase III West. Hence, no further capital expenditure is needed for HHI in respect of the Western Delta Route.

Liquidity and Financial Resources

The Group's debt balance comprised of the Group's bank loans, and its share of the non-recourse project loans of its JV companies. The total debt to total assets (including share of total assets of JV companies) ratio and gearing ratio (net debt to equity attributable to owners of the Company) as at 30 June 2015 were shown below. The Group's net cash on hand (excluding JV companies), together with the shareholder's loan receivable from West Route JV (net of registered capital injection) amounted to RMB913 million. The liquidity of the Group is expected to further improve when West Route JV repays in full the shareholder's loan advanced by the Group in respect of Phase II West in addition to the completion of the loans rescheduling of GS Superhighway JV.

HHI Corporate Level

	30 June 2014 RMB million	**30 June 2015 RMB million**		30 June 2014 RMB million	**30 June 2015 RMB million**
Bank balances and cash and shareholder's loan to JV company			**Corporate debt**		
– Bank balances and cash	814	**574**	– RMB bank loan	500	**–**
– Shareholder's loan receivable from JV company[Note 1]	1,000	**788**	– HKD bank loan	198	**237**
• By HHI	[Note 2] 1,000	**576**			
• For HHI's registered capital injection in Phase II West	[Note 2] –	**212**			
	1,814	**1,362**		698	**237**

Decrease due to RMB212 million repaid by Phase II West (of which RMB106 million was used as Phase II West's registered capital)

RMB500 million loan repaid in May 2015

Net cash[Note 3] : RMB337 million (30 June 2014: RMB116 million)
Net cash and shareholder's loan receivable from JV company (net of registered capital injection): RMB913 million (30 June 2014: RMB1,116 million)

Share of JV Companies

	30 June 2014 RMB million	**30 June 2015 RMB million**		30 June 2014 RMB million	**30 June 2015 RMB million**
Bank balances and cash			**Bank loans and shareholder's loan**		
– Bank balances and cash	201	**273**	– GS Superhighway	1,595	[Note 5] **1,340**
			– Western Delta Route	4,488	**4,422**
			Phase I West	*307*	***288***
			Phase II West[Note 4]	*2,318*	***2,196***
			Phase III West	*1,863*	***1,938***
	201	**273**		6,083	**5,762**

Decrease due to partial repayment of shareholder's loan to HHI

Net debt[Note 6] : RMB5,489 million (30 June 2014: RMB5,882 million)

Note 1: The Group's shareholder's loan was made to West Route JV for Phase II West as interim financing due to inability of West Route JV to borrow from PRC banks for Phase II West before the official approval for its increased investment.
Note 2: Phase II West's new financial plan was under planning as at 30 June 2014.
Note 3: Net cash is defined as bank balances and cash less corporate debt.
Note 4: Including bank loans and the shareholder's loan to Phase II West shared by the Group amounting to RMB394 million (30 June 2014: RMB500 million).
Note 5: USD loans and HKD loan equivalent to RMB1,182 million and RMB158 million respectively.
Note 6: Net debt is defined as the Group's share of bank loans and shareholder's loan less bank balance and cash shared by the Group.

	30 June 2014 RMB million	**30 June 2015** **RMB million**
Total debt		
– Company and subsidiaries	698	**237**
– Share of JV companies(Note 1)	5,937	**5,747**
Net debt(Note 2)	5,620	**5,137**
Total assets (including share of JV companies' total assets)	15,013	**14,299**
Equity attributable to owners of the Company	7,236	**7,247**
Total debt/total assets ratio	44%	**42%**
Gearing ratio	78%	**71%**

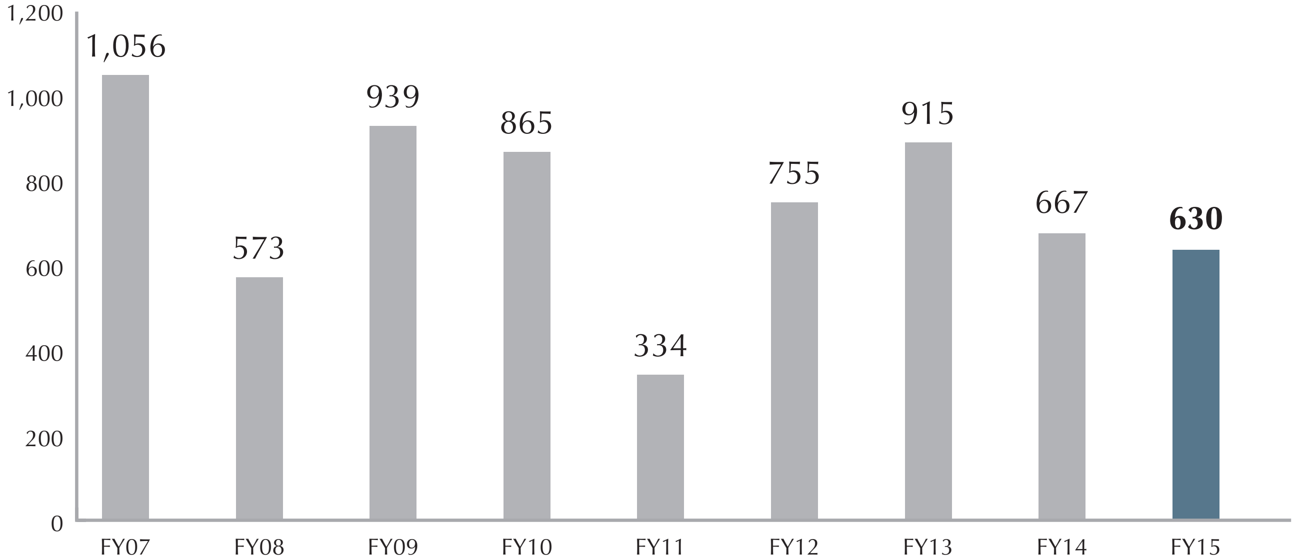
Note 1: The Group's share of JV companies' debt is defined as bank and other loans together with balance with JV partner but excluding the shareholder's loan to Phase II West shared by the Group.

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).

The major source of the Group's cash inflow during FY15 was dividends received from GS Superhighway JV. On the other hand, its major cash outflow was the payment of dividends to the Company's shareholders and repayment of RMB500 million bank loan matured in May 2015 (a RMB1,600 million loan facility agreement signed in May 2012 of which RMB1,000 million was drawn and RMB500 million had been prepaid in June 2013). The Group will continue to optimise its balance sheet, improve its cash flow and strengthen its financial position.

The Group enjoys a strong and solid financial position. As at 30 June 2015, the Group's bank balances and cash on hand (excluding JV companies) amounted to RMB574 million (30 June 2014: RMB814 million), or RMB0.19 per share (30 June 2014: RMB0.26 per share). After netting off the Group's bank loans totaled RMB237 million, the Group's net cash on hand (excluding JV companies) amounted to RMB337 million (30 June 2014: RMB116 million) or RMB0.11 per share (30 June 2014: RMB0.04 per share). As at 30 June 2015, the net cash on hand of RMB337 million, together with available committed undrawn banking facilities of RMB243 million and stable cash dividends from the GS Superhighway JV will provide sufficient financial resources for its operations and potential investments.

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



As at 30 June 2015, 99.8% (30 June 2014: 99.9%) of the Group's bank balances and cash (excluding JV companies) on hand were denominated in RMB and 0.2% (30 June 2014: 0.1%) in HK Dollars. The bank balances and cash on hand of the JV companies shared by the Group amounted to RMB273 million (30 June 2014: RMB201 million). The Group received cash dividends from GS Superhighway JV of RMB630 million during FY15. The reductions in the cash dividends during FY11 and FY08 were mainly brought about by the intercompany borrowings provided by GS Superhighway JV to West Route JV in respect of Phase II West and the repatriation of registered capital by GS Superhighway JV to the Group respectively. The cash dividends from GS Superhighway JV were restored to their normal levels since FY12. The cash dividends increased during FY13 as a result of the full repayment of intercompany borrowings by West Route JV in respect of Phase II West to GS Superhighway JV in December 2012, and GS Superhighway JV's distribution of a dividend of RMB351 million to the Group out of these funds. The cash dividends received and receivable from GS Superhighway JV make the Group confident that it has sufficient financial resources for its operations and potential investments.

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

Bank and Other Borrowings

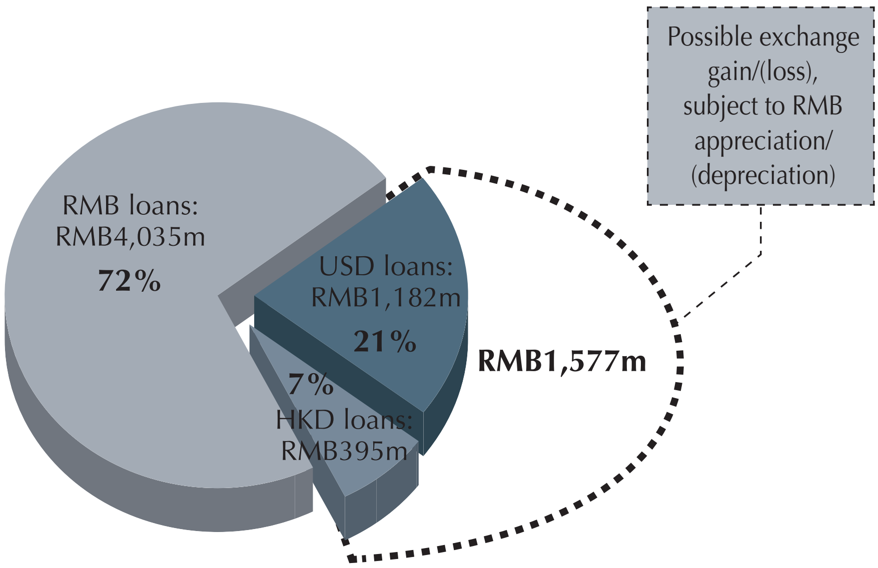
As at 30 June 2015, the total bank and other borrowings of the JV companies shared by the Group (including US Dollar bank loans of equivalent to RMB1,182 million, HK Dollar bank loan of equivalent to RMB158 million, RMB bank loans of RMB4,028 million and RMB other borrowing of RMB7 million but excluding shareholder's loan), together with the Group's HK Dollar bank loan of equivalent to RMB237 million, amounted to approximately RMB5,612 million (30 June 2014: RMB6,288 million) with the following profile:

(a) 99.9% (30 June 2014: 99.9%) consisted of bank loans and 0.1 % (30 June 2014: 0.1%) of other loan; and

(b) 72% (30 June 2014: 71%) was denominated in RMB; 21% (30 June 2014: 23%) was denominated in US Dollar and 7% (30 June 2014: 6%) was denominated in HK Dollar. The Group may incur exchange gain or loss from the US Dollar and HK Dollar loans subject to RMB appreciation or depreciation.

HHI's Share(Note 1)

(as at 30 June 2015)



Note 1: Represent HHI's share of JVs' bank and other borrowings of RMB5,375 million together with HHI corporate bank loans of RMB237 million, but excluding shareholder's loan to JV.

Debt Maturity Profile

As at 30 June 2015, the maturity profile of the bank and other borrowings of the JV companies shared by the Group (excluding shareholder's loan), together with the Group's bank loans, were shown below, together with the corresponding figures as at 30 June 2014:

HHI Corporate Level

	30 June 2014		**30 June 2015**	
	RMB million	%	**RMB million**	**%**
Repayable within 1 year(Note 1)	500	72%	**237**	**100%**
Repayable between 1 and 5 years	198	28%	**–**	**–**
	698	100%	**237**	**100%**

Share of JV Companies

	30 June 2014		**30 June 2015**		**Pro forma(Note 2)**	
	RMB million	%	**RMB million**	**%**	**RMB million**	**%**
Repayable within 1 year	281	5%	**365**	**7%**	**124**	**2%**
Repayable between 1 and 5 years	2,102	38%	**2,181**	**40%**	**1,142**	**21%**
Repayable beyond 5 years	3,207	57%	**2,829**	**53%**	**4,109**	**77%**
	5,590	100%	**5,375**	**100%**	**5,375**	**100%**

Note 1: The Company's RMB term loan of RMB500 million repaid in May 2015.
Note 2: Upon completion of loan rescheduling of the GS Superhighway JV and West Route JV in respect of Phase I West.

As at 30 June 2015, 53% (30 June 2014: 57%) of the bank loans and other borrowings of the JV companies shared by the Group (excluding shareholder's loans) were repayable beyond 5 years. This proportion will increase to 77% after the completion of loan rescheduling of the GS Superhighway JV and West Route JV in respect of Phase I West. Thus the risk of refinancing the bank loans and other borrowings will continue to remain relatively low.

Interest Rate and Exchange Rate Exposure

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

Treasury Policies

The Group continues to adopt prudent and conservative treasury policies in its financial and funding management. Its liquidity and financial resources are reviewed on a regular basis, with a view to minimising its funding costs and enhancing the returns on its financial assets. Most of the Group's cash is placed in deposits denominated in RMB. Holding RMB suits the Group's PRC-based operations, and it can earn higher interest income from RMB deposits than HK Dollar deposits. The percentage of cash the Group held in RMB bank deposits was 99.8% as at 30 June 2015. The Group's overall treasury yield on bank deposits increased to 3.57% during FY15, compared to 3.01% of FY14. The Group will continue to strengthen its treasury management and evaluate the options available for improving the yields on its substantial cash-deposit portfolio.

Capital Commitments

Details of the capital commitments are set out in note 33 to the consolidated financial statements.

Pledge of Assets

As at 30 June 2015, the Group's JV companies pledged certain assets to banks in order to secure the banking facilities granted to them. The carrying amounts of these assets shared by the Group were as follows:

	30 June 2014 RMB million	**30 June 2015 RMB million**
Concession intangible assets	5,585	**5,188**
Property and equipment	224	**214**
Inventories	1	**1**
Interest and other receivables	64	**76**
Bank balances and deposits	198	**257**
	6,072	**5,736**

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

Contingent Liabilities

As at 30 June 2015, the Group had no material contingent liabilities.

Material Acquisition or Disposal

The Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the year ended 30 June 2015.

Others

Employees and Remuneration Policies

The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. It offers share option and share award schemes to eligible employees in order to provide them with incentives and to recognise their contributions and ongoing efforts. In addition, discretionary bonuses are granted to employees based on their individual performance as well as the Group's business performance. It also provides medical insurance coverage to all staff members and personal accident insurance to senior staff members. As at 30 June 2015, the Group, excluding its JV companies, had 25 employees.

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

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

Introduction

This Corporate Social Responsibility Report ("CSR Report") demonstrates HHI's diverse range of targets, approaches and performances on CSR issues within our business and shows our continuing commitment to transparency to stakeholders. Our efforts are well recognized and HHI has been selected as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index from 2011 to 2015.

How we report

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

Our Performance

(A) Traffic Safety Always Our Top Priority

Ensuring traffic safety is always our top priority and we keep our commitment by a series of initiatives and public awareness efforts to prevent traffic accidents related to deaths and injuries.

- The GS Superhighway is fully monitored by surveillance cameras and covered by a patrol and rescue team of over 200 well-trained professionals who can identify accidents and arrive at the scene in the shortest possible time and handle them efficiently.

- 5 new towing vehicles were acquired by the GS Superhighway JV during the year under review. It currently owns a total of 42 towing vehicles. 2 additional old towing vehicles will be replaced in the coming year.

- Changeable message signboards along the GS Superhighway and the Western Delta Route keep road users informed of the latest traffic conditions and draw their attention to traffic safety.

- Traffic information is released to the public through a provincial customer service website (www.02096998.com), official website (www.g4gs.cn) and WeChat respectively.

- The West Route JV carried out a one-hour joint emergency drill with the fire brigade and traffic police of Zhongshan Public Security Bureau and medical staff of Zhongshan Sanxiang Hospital on 6 November 2014 to enhance its capabilities to handle emergencies in tunnels.

- The GS Superhighway JV and the West Route JV will continue to participate in joint meetings and cooperate with traffic police along the expressways.

(B) Contributing to a Better Environment

We are keen on incorporating low-carbon and environmental conservation practices in our business operations and raising corporate awareness of creating a sustainable working and living environment.

Energy saving measure

The GS Superhighway JV is a pioneer in Guangdong Province in replacing all conventional low-mast sodium lamps with LED lights on the 122.8 km main alignment of the GS Superhighway. After the full operation of LED lights on the main alignment since June 2013, the electricity consumption on the main alignment has been maintained at a low level. Moreover, it will refit the high-pole lamps with energy-saving lights to further reduce electricity consumption in the coming year. Phase III West also adopted energy-saving LED lights along all tunnel sections and toll plazas since its opening in January 2013.

Engaging our staff

Both JV companies encouraged staff to support the WWF Earth Hour 2015. We received heartening support and feedback from our staff as they participated in the event by switching off the lights in hostels on 28 March 2015.

450 and 60 staff from the GS Superhighway JV and the West Route JV participated in the National Tree Planting Day 2015 on 12 March respectively. A total of 310 trees were planted by staff from both JV companies.

Green car fleet

The Company and its JV companies endeavor to explore possibilities in expanding our green car fleet and charging facilities along our expressways. The use of petrol-electric hybrid vehicles reduced about 40% fuel consumption compared with other conventional vehicles in the GS Superhighway JV. We also encourage staff to use petrol-electric hybrid vehicles and EVs for business trip.

Environmental Performance Table

		FY12			FY13			FY14			FY15		
Indicator	Unit	GS Superhighway JV	West Route JV	Total	GS Superhighway JV	West Route JV	Total	GS Superhighway JV	West Route JV[4]	Total	**GS Superhighway JV**	**West Route JV**	**Total**
Energy use													
Purchased electricity (non-renewable)	MWh	28,082	4,378	32,460	24,038	6,143	30,181	21,702	10,216[5]	31,917	**21,823**	**10, 479[6]**	**32,302**
	GJ	101,095	15,761	116,856	86,537	20,272	106,809	78,125	36,777	114,903	**78,564**	**37,725**	**116,289**
Renewable energy[1]	MWh	–	13.49	13.49	–	11.65	11.65	–	12.87	12.87	**–**	**12.79**	**12.79**
	GJ	–	48.56	48.56	–	41.94	41.94	–	46.33	46.33	**–**	**46.03**	**46.03**
Diesel	Litres	370,364	23,975	394,339	476,192	13,505	489,697	439,872	23,110	462,982	**408,610**	**19,136**	**427,746**
	GJ	13,281	860	14,141	17,076	484	17,561	15,774	829	16,603	**14,653**	**686**	**15,339**
Petrol	Litres	559,345	164,903	724,248	545,920	254,963	800,883	509,007	275,949	784,956	**485,867**	**275,110**	**760,977**
	GJ	18,000	5,307	23,306	17,568	8,205	25,772	16,380	8,880	25,260	**15,635**	**8,853**	**24,488**
CO_2e emissions[2]													
Direct CO_2e emissions	Tonnes	2,541	513	3,054	2,798	728	3,526	2,598	811	3,409	**2,448**	**798**	**3,246**
Electricity indirect CO_2e emissions	Tonnes	27,414	4,274	31,687	22,461	5,740	28,201	20,015	9,422	29,437	**20,040**	**9,623**	**29,663**
Water													
Fresh water used	m^3	495,624	96,346	591,970	479,912	89,306	569,218	392,869	126,231[5]	519,100	**365,829**	**161,744[6]**	**527,573**
Materials used[3]													
Cement	Tonnes	361,969	314,776	676,745	16,973	81,391	98,364	17,494	186	17,680	**10,831**	**290**	**11,121**
Steel	Tonnes	13,200	77,606	90,806	2,238	5,777	8,015	4,557	1	4,558	**2,001**	**70**	**2,071**
Steel strand	Tonnes	701	6,560	7,261	21	42	63	86	0	86	**65**	**0**	**65**
Bitumen	m^3	33,240	0	33,240	7,356	25,557	32,913	9,122	0	9,122	**9,943**	**562**	**10,505**

Notes:

(1) Estimated data based on the energy consumption of 23 surveillance cameras powered by micro wind and solar power on the Western Delta Route.

(2) Calculation based on the purchased electricity figures applying the default Mainland China Southern Grid emission factor of 918.3gCo_2/kWh.

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

(4) Phase III West opened in Jan 2013.

(5) Estimated data quoted in last year was revised to actual data.

(6) Data from April to June in 2015 at some toll stations were estimated based on monthly usage from July 2014 to March 2015.

(C) Caring for Our Communities and Customers

Community Care

Both JV companies installed more noise barriers along the expressways to further mitigate impact on residential areas in the proximity. The GS Superhighway JV and the West Route JV installed around 0.7 km and 1.6 km additional noise barriers along the expressways respectively in this reporting period. The West Route JV will add 2.4 km noise barriers along the expressway in the coming year.

Customer Service

We believe clear and sufficient road signboards are essential to ensure road users a smooth and convenient access to our expressways. The GS Superhighway JV added 3 road signboards and improved 10 road signboards' messages during the year under review. The West Route JV also installed additional 68 road signboards in Haizhu and Liwan Districts of Guangzhou downtown. It will install more road signboards in the peripheral areas to our expressway in Foshan and Zhongshan to provide ample traffic information to drivers in the coming year.

Both JV companies published over 1 million leaflets to distribute to road users to introduce new tolling mechanism after the integration to the national ETC network and the implementation of the toll-by-weight scheme on a total weight basis, to ensure that they can be updated with adequate information about Guangdong toll road market. The West Route JV also distributed over 200,000 travel handbooks with Guangdong highway network on the cover to road users around Chinese New Year 2015. Another 100,000 travel handbooks will be distributed to road users in toll plazas and service areas in the summer holiday.

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

Community Service

Both JV companies encourage employees to actively participate in a variety of community activities. Volunteer Team in Dongguan office of the GS Superhighway JV was established in December 2013 and has over 300 members nowadays. It has organised a wide range of community activities including elderly visits, donations to poor students in mountainous areas and outdoor clean-up activities since it was founded. The cumulative volunteer hours and total participants reached 8,770 hours and 1,987 headcount. 28 staff of the GS Superhighway JV were awarded the titles of excellent volunteers by Futian government and Nanshan Volunteer Federation in December 2014 to recognize their contributions to the community. Mr. Cheung King Cheung, a patrol and rescue employee of the GS Superhighway JV, was one of the 50 citizens in Mainland China being awarded the title of "National Models of Learning from Lei Feng" in 2015 to recognise his excellent performance in his job and influence to the community.

28 volunteers from the West Route JV visited Shunde children welfare institute and donated commodities in November 2014. The West Route JV also organised used clothes collection activities in March 2015. A total of 7 boxes of used clothes were collected for recycling and distribution to people in need.

The Company also encourages our employees to actively participate in a variety of community activities, such as "2014/2015 Hong Kong and Kowloon Walk", "Dress Casual Day 2014", "The Community Chest Green Day 2014", "Love Teeth Day 2014", "Skip Lunch Day 2015", "Flag Day (Hong Kong Region) " and Tuen Ng Volunteer Visit to Elderly.

(D)Caring for Our Staff

Work Safety

Both JV companies continued to launch Safety Operation Month in 2015 to enhance knowledge of safety operation law, promote safety operation culture and strengthen safety awareness among staff. Both JV companies published safety management regulations which were distributed to frontline staff members. In addition to launching internal contests, numerous promotion activities such as gala evenings and puzzles were held to encourage staff participation and strengthen their safety awareness.

Staff Development

We believe that staff members are invaluable assets. The GS Superhighway JV and the West Route JV held a variety of professional training, internal contests and educational activities with more than 6,500 and 1,700 attendances recorded respectively during the year under review.

Skills and techniques contests for toll collection staff were held by both JV companies to stimulate staff morale and enhance efficiency as well as service quality. In addition, a sharing session had been arranged for five-star toll collection staff to share their successful experience with other staff members to strengthen team spirit.

Apart from activities conducted in the office, two 2-day project adventures in Qingyuan were held by the West Route JV from 18 to 19 November and from 25 to 26 November in 2014 respectively to strengthen leadership, team spirit among staff and enhance their communication skills.

Better Working and Living Environment

We continue to promote healthy work-life balance among our staff. A new badminton stadium in Zhongshan South living area was opened to staff in 2015 to further improve and enhance the variety of community and leisure facilities.

The GS Superhighway JV held fitness activities and sightseeing visit at Songshan Lake in Dongguan on 11 and 13 November in 2014. More than 300 staff and their family members joined to visit nearby attractions either by walking or biking. Another hiking activity in Dongguan Yinpingshan Forest Park on 3 and 4 June in 2015 was also organised with a participation of over 200 staff.

The GS Superhighway JV and the West Route JV significantly increased the amount of meal subsidies to staff canteens in 2015 in order to offset rising food costs and improve food quality.

Social Performance Table

Indicator	Unit	FY12 GS Superhighway JV	FY12 West Route JV	FY13 GS Superhighway JV	FY13 West Route JV	FY14 GS Superhighway JV	FY14 West Route JV	**FY15 GS Superhighway JV**	**FY15 West Route JV**
Total Full-time Workforce									
by Location	no.								
Hong Kong		3	2	3	2	3	2	**3**	**1**
Mainland China		2,648	686	2,578	960	2,581	949	**2,485**	**925**
Total HK and China Employees		2,651	688	2,581	962	2,584	951	**2,488**	**926**
by Gender	%								
Female		39.91	40.41	39.36	37.63	39.09	39.12	**38.22**	**40.93**
Male		60.09	59.59	60.64	62.37	60.91	60.88	**61.78**	**59.07**
by Age Group	%								
Under 30 years old		55.90	71.95	53.08	74.95	52.09	72.34	**48.43**	**70.19**
30–50 years old		42.32	26.16	44.87	23.18	45.47	25.66	**48.27**	**27.97**
Over 50 years old		1.77	1.89	2.05	1.87	2.44	2.00	**3.30**	**1.84**
by Employment Category	%								
Senior Management	no. (%)	10 (0.38)	8 (1.16)	8 (0.31)	7 (0.73)	9 (0.35)	8 (0.84)	**9 (0.36)**	**6 (0.65)**
Managerial		28 (1.06)	22 (3.20)	31 (1.20)	19 (1.98)	34 (1.32)	18 (1.89)	**33 (1.33)**	**15 (1.62)**
General		2,613 (98.57)	658 (95.64)	2,542 (98.49)	936 (97.30)	2,541 (98.34)	925 (97.27)	**2,446 (98.31)**	**905 (97.73)**
Minority groups within workforce	%	1.85	0	1.86	1.56	1.86	2.10	**2.49**	**1.94**
Governance Bodies									
by Gender	no.								
Female		1	0	1	0	1	0	**1**	**0**
Male		9	8	9	8	9	8	**9**	**8**
by Age Group									
Under 30 years		0	0	0	0	0	0	**0**	**0**
30–50 years old		6	6	5	6	5	6	**6**	**6**
Over 50 years old		4	2	5	2	5	2	**4**	**2**
Employee turnover rate	no. (%)	427 (16.11)	111 (16.13)	509 (19.72)	151 (15.70)	341 (13.20)	180 (18.93)	**364 (14.63)**	**173 (18.68)**
by Gender	no. (%)								
Female		191 (7.20)	41 (5.96)	258 (10)	72 (7.48)	163 (6.31)	71 (7.47)	**165 (6.63)**	**71 (7.67)**
Male		236 (8.90)	70 (10.17)	251 (9.72)	79 (8.21)	178 (6.89)	109 (11.46)	**199 (8.00)**	**102 (11.02)**
by Age Group	no. (%)								
Under 30 years		362 (13.66)	N/A	426 (16.51)	136 (14.14)	273 (10.57)	158 (16.61)	**295 (11.86)**	**156 (16.85)**
30–50 years old		65 (2.45)	N/A	78 (3.02)	14 (1.46)	60 (2.32)	22 (2.31)	**59 (2.37)**	**14 (1.51)**
Over 50 years old		0 (0)	N/A	5 (0.19)	1 (0.10)	8 (0.31)	0 (0)	**10 (0.40)**	**3 (0.32)**
New Employee									
No. of new employee	no.	280	103	440	444	344	171	**269**	**196**
Rates of new employee hire	%	10.56	14.97	17.05	46.15	13.31	17.98	**10.81**	**21.17**
Employees covered under collective bargaining agreement	%	100	100	100	100	100	100	**100**	**100**

Indicator	Unit	FY12 GS Superhighway JV	FY12 West Route JV	FY13 GS Superhighway JV	FY13 West Route JV	FY14 GS Superhighway JV	FY14 West Route JV	**FY15 GS Superhighway JV**	**FY15 West Route JV**
Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	no.	1 month	1 month	1 month	1 month	1month	1 month	**1month**	**1 month**
Occupational Injuries									
by Region	no.								
Hong Kong		0	0	0	0	0	0	**0**	**0**
Mainland China		5	0	10	2	8	1	**7**	**2**
by Gender	no.								
Female		1	0	1	1	2	1	**1**	**1**
Male		4	0	9	1	6	0	**6**	**1**
Lost Days due to Injuries	**Days**	N/A	0	N/A	67	N/A	18	**N/A**	**178**
Work-Related Fatalities		0	0	1	0	0	0	**0**	**0**
Rate of injury per 1,000 employees		1.89	0	3.87	2.08	3.10	1.05	**2.81**	**2.16**
Employees receiving regular performance reviews	%	100	100	100	100	100	100	**100**	**100**

Continued Sustainable Future

Sustainable development is one of the Group's key strategic focuses. With support from our management, staff and stakeholders, sustainability values have permeated through different levels of our Group and we have been taking active steps to implement various CSR initiatives. Moving forward, we will continue to strive towards a sustainable business environment while meeting community needs.

Corporate Governance Practices

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

Throughout the year ended 30 June 2015, 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.

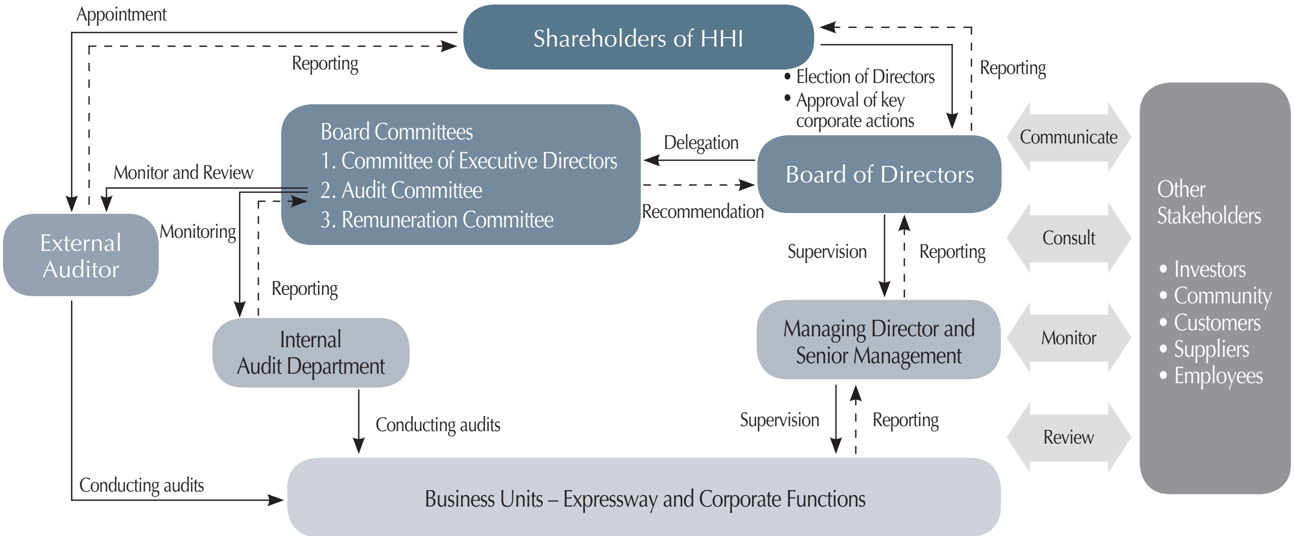
Code Provision A.5.1

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 case of Independent Non-executive Director, the independence requirements set out in the Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Chairman and/or the Managing Director and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Code provision A.5.6

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

Corporate Governance Structure



Board of Directors

The Board

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

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

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

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

All Directors have given sufficient time and attention to the affairs of the Company during the year and have disclosed to the Company the major offices they held in public companies or organizations and other significant commitments.

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

Chairman and Managing Director

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

Appointment, Re-election and Removal

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

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

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

Board Committees

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

The Company also established the Audit Committee and the Remuneration Committee to deal with the specific matters as set out below in the interest of all shareholders in an objective manner. These two committees currently comprise all three Independent Non-executive Directors.

Audit Committee

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

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

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

Major roles and functions of the Audit Committee include:

- to consider the appointment, re-appointment and removal of the external auditor
- to approve the remuneration and terms of engagement of the external auditor
- to monitor the external auditor's independence and objectivity
- to review the Group's financial controls, internal control and risk management systems
- to review the interim and annual financial statements before submission to the Board
- to develop and review the Company's policy and practices on corporate governance and make recommendations to the Board
- to review and monitor the training and continuous professional development of Directors and senior management
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements
- to develop, review and monitor the code of conduct applicable to employees and Directors

- to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report
- to review arrangements for raising concerns about possible improprieties in financial reporting, internal control or other matters

Principal works performed during the year under review included:

- to consider and approve the terms of engagement of the external auditor and their remuneration
- to review the annual financial statements for the year ended 30 June 2014 and the interim financial statements for the six months ended 31 December 2014
- to review the work performed by Internal Audit Department and the Group's internal control system
- to review the Company's policies and practices on corporate governance

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

Remuneration Committee

During the year under review, the Remuneration Committee comprised two Independent Non-executive Directors namely, Professor Chung Kwong POON (Chairman) and Mr. Yuk Keung IP and one Executive Director, Mr. Alan Chi Hung CHAN. For better independence, Mr. Brian David Man Bun LI, Independent Non-executive Director, was appointed as a member of the Remuneration Committee in place of Mr. Alan Chi Hung CHAN, Deputy Managing Director, with effect from 26 August 2015. The current Remuneration Committee comprises all three Independent Non-executive Directors. The head of Group Human Resources Department of the Company, or in his absence, his/her representative, serves as the secretary of the Remuneration Committee and minutes of the meetings are sent to the members of the Remuneration Committee within a reasonable time after the meetings.

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

Major roles and functions of the Remuneration Committee include:

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

Principal works performed during the year under review included:

- to review the level of Directors' fees and make recommendations on the Directors' fees for the year ended 30 June 2015
- to review and recommend on the remuneration packages of all Executive Directors for the year of 2015 and bonus payment for the year of 2014

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

Attendance at Meetings

During the year under review, the attendance records of the Directors at Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings and the 2014 Annual General Meeting are as follows:

	Number of meetings attended/held			
Name of Directors	**Board Meetings**	**Audit Committee Meetings**	**Remuneration Committee Meetings**	**2014 Annual General Meeting**
Executive Directors				
Sir Gordon WU KCMG, FICE				
Chairman	5/5	N/A	N/A	1/1
Mr. Eddie Ping Chang HO				
Vice Chairman	5/5	N/A	N/A	1/1
Mr. Thomas Jefferson WU				
Managing Director	5/5	N/A	N/A	1/1
Mr. Alan Chi Hung CHAN				
Deputy Managing Director	5/5	N/A	2/2	1/1
Mr. Cheng Hui JIA	5/5	N/A	N/A	1/1
Independent Non-executive Directors				
Professor Chung Kwong POON GBS, JP, PhD, DSc	5/5	2/2	2/2	1/1
Mr. Yuk Keung IP	5/5	2/2	2/2	1/1
Mr. Brian David Man Bun LI JP	5/5	2/2	N/A	1/1

In addition, the Chairman of the Board held a meeting with the Independent Non-executive Directors without the presence of the Executive Directors in May 2015.

Induction Programme and Training for Board Members

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

During the year under review, Directors received regular updates and presentations on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities.

Directors' training is an ongoing process. All Directors are encouraged to attend relevant training courses to enrich their knowledge in discharging their duties as a director.

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

	Corporate Governance	Legal and Regulatory	Group's Businesses
Executive Directors			
Sir Gordon WU KCMG, FICE	✓	✓	✓
Mr. Eddie Ping Chang HO	✓	✓	✓
Mr. Thomas Jefferson WU	✓	✓	✓
Mr. Alan Chi Hung CHAN	✓	✓	✓
Mr. Cheng Hui JIA	✓	✓	✓
Independent Non-executive Directors			
Professor Chung Kwong POON GBS, JP, PhD, DSc	✓	✓	✓
Mr. Yuk Keung IP	✓	✓	✓
Mr. Brian David Man Bun LI JP	✓	✓	✓

Company Secretary

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

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

During the year under review, Mr. Po Wah HUEN of Fair Wind Secretarial Services Limited, an external service provider, has been engaged by the Company as its Company Secretary. The primary contact person of the Company with Mr. HUEN is Mr. Alan Chi Hung CHAN, the Deputy Managing Director. Mr. HUEN attended no less than 15 hours of relevant professional training during the year under review.

Accountability and Audit

Financial Reporting

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

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

External Auditor and their Remuneration

The Company's external auditor is DTT. The responsibilities of the auditor with respect to the financial reporting are set out in the Independent Auditor's Report on pages 89 and 90 of this Annual Report. The independence of the external auditor is monitored by the Audit Committee which is also responsible for making recommendations to the Board on the appointment of the external auditor as well as approving their terms of engagement and remuneration. Apart from the statutory audit of the Group's consolidated financial statements, DTT was also engaged to perform a review on the interim financial information of the Group for the six months ended 31 December 2014.

During the year ended 30 June 2015, the fees payable by the Group to the external auditor in respect of audit and non-audit services provided by them were as follows:

	HK$'000
Audit services	**1,602**
Non-audit services:	
Interim review	**383**
Others	**10**
Total	**1,995**

Internal Controls

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

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

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

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

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

During the year under review, the Board, through the Audit Committee, has consistently reviewed the effectiveness and proper functioning of the Group's internal control system. No major exception was noted.

Business Ethics

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

Remuneration Policy

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

The fixed elements of the Executive Directors' remuneration are reviewed annually by reference to the job nature, responsibilities, experience and performance of the individual as well as prevailing market salary practices. Directors' fees for the current financial year had been approved by the shareholders at the 2014 Annual General Meeting.

Inside Information Policy

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

Model Code for Securities Transactions

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

Shareholders

Communication with Shareholders

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

Disclosure of information on HHI Website

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

Annual General Meeting

The Company's annual general meeting is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to communicate face to face with the Directors about the Company's performance and operations. It has been the practice for all the Directors (including the Chairman) and the chairmen of the Audit Committee and the Remuneration Committee together with the external auditor of the Company to attend the annual general meetings to answer shareholders' questions. The 2014 Annual General Meeting was held at Auditorium, 3/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on 21 October 2014. The 2015 Annual General Meeting has been scheduled to be held on 26 October 2015.

Investor Relations

Dedication to maintaining high standards of corporate governance is one of the major goals of the Company's business philosophy. Management considers proactive interaction with the investment community is essential to enhance the latter's understanding of its businesses, which in return will be reflected in the Company's value.

The Company continued to run a proactive investor relations program during the year under review. Subsequent to interim and final results announcements, conference calls were held and presided by the senior management team who explained the latest developments and handled enquires from stakeholders. Latest corporate information such as press releases, financial reports and monthly operational data was also disseminated through the Company's website. As such, analysts, existing shareholders and potential investors were provided with business trends and financial performances on a timely and accurate basis. Besides, the Company's investor relations team arranged site visits and investor meetings regularly, with the goal to reinforce relationship with the investment community.

Management believes facilitating exchange of opinions between the Company and the investment community is important to business planning and to achieve sound corporate governance, so it will continue to make considerable efforts to maintain effective two-way communications with its stakeholders. Investors can direct any suggestion or enquiry to the Company's investor relations team at ir@hopewellhighway.com.

During the year under review, there was no significant change in the Company's constitutional documents.

Shareholders' Rights

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

Voting by Poll

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

Convening of extraordinary general meeting on requisition by shareholders

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

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

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

Procedures for directing shareholders' enquiries to the Board

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

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

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

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

Procedures for putting forward proposals at general meetings by shareholders

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2013 Revision). However, shareholders are requested to follow Article 68 of the Company's Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above.

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

Report of the Directors

The Directors have pleasure in presenting their report on the affairs of the Company and the Group together with the audited financial statements for the year ended 30 June 2015.

Principal Activities

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

Results

The results of the Group for the year ended 30 June 2015 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 91.

Dividends

The Directors recommend the payment of a final dividend of RMB8.4 cents (equivalent to HK10.1665 cents at the exchange rate of RMB1:HK$1.21030) per share (2014: RMB8.1 cents per share (equivalent to HK10.1806 cents)) and a special final dividend of RMB18 cents (equivalent to HK21.7854 cents at the exchange rate of RMB1:HK$1.21030) per share (2014: Nil) in respect of the year ended 30 June 2015.

Together with the interim dividend of RMB8.4 cents (equivalent to HK10.6376 cents) per share paid on 17 February 2015 (2014: RMB9.8 cents per share (equivalent to HK12.4590 cents)), the total dividends for the year will be RMB34.8 cents (equivalent to HK42.5895 cents) per share (2014: RMB17.9 cents per share (equivalent to HK22.6396 cents)).

Major Projects and Events

Details regarding major projects undertaken by the Group and events that have taken place during the year under review are incorporated under the section "Business Review" as set out on pages 17 to 40.

Share Capital

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

Reserves and Distributable Reserve

Details of the movements in reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity on pages 94 and 95.

Details of the distributable reserve of the Company during the year are set out in note 25 to the consolidated financial statements and the Company's distributable reserve at 30 June 2015 amounted to approximately RMB6,268 million (approximately HK$6,055 million) (2014: RMB5,833 million (approximately HK$5,506 million)) which represented retained profits and share premium of the Company as at that date.

Fixed Assets

Details of the movements in property and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

Major Customers and Suppliers

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

Directors and Senior Management

The Directors and their profiles as at the date of this report are set out on pages 10 to 16. Change of Board during the year and up to date of this report is as follow:

Sir Gordon WU	(appointed as the alternate director to Mr. Eddie Ping Chang HO on 27 March 2015)
Mr. Alan Chi Hung CHAN	(ceased to act as a member of Remuneration Committee on 26 August 2015)
Mr. Brian David Man Bun LI	(appointed as a member of Remuneration Committee on 26 August 2015)

In accordance with the Company's Articles of Association, every Director shall retire at the conclusion of the annual general meeting of the Company held in the third year following the year of his last election/re-election and shall be eligible for re-election subject to the provisions of the Company's Articles of Association. Professor Chung Kwong POON shall retire from office at the 2015 Annual General Meeting and, being eligible, offered himself for re-election.

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

Directors' Interest in Contracts of Significance

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

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

As at 30 June 2015, 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

	Shares[i]					
Directors	Personal Interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate[ii] interests (interests of controlled corporation)	Other interests	Total interests	Approximate % of total number of shares in issue
Sir Gordon WU	17,471,884	6,815,920	26,812,498	7,670,000[iii]	58,770,302	1.90
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
Cheng Hui JIA	336,150	—	—	—	336,150	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 represented the interests held by Sir Gordon WU jointly with his wife Lady WU.

(B) Associated Corporation — HHL

	HHL Shares[i]					
Directors	Personal Interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests[ii] (interests of controlled corporation)	Other interests	Total interests	Approximate % of total number of shares in issue
Sir Gordon WU	75,083,240	25,972,800	111,250,000	30,680,000[iii]	242,986,040	27.87
Eddie Ping Chang HO	27,691,500	–	70,000	–	27,761,500	3.18
Thomas Jefferson WU	27,710,000	–	–	–	27,710,000	3.17
Alan Chi Hung CHAN	585,000	–	–	–	585,000	0.06
Cheng Hui JIA	241,000	–	–	–	241,000	0.02

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 his wife Lady WU.

Save as disclosed above, as at 30 June 2015, 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

2003 HHI Share Option Scheme

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

(B) The purpose of the 2003 HHI Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to any eligible persons (including substantial shareholders of the Company, directors or employees or consultants, professionals or advisers of/to each member of the Group) and for such other purposes as the Board may approve from time to time.

The maximum entitlement of each participant under the 2003 HHI Share Option Scheme in any 12-month period must not exceed 1% of the total number of shares in issue of the Company. As at the date of this report, there were no options granted and outstanding under the 2003 HHI Share Option Scheme.

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

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

(C) Details of the movement of share options under the 2003 HHI Share Option Scheme during the year ended 30 June 2015 were as follows:

			Number of share options						
	Date of grant	Exercise price per share *HK$*	Outstanding at 01/07/2014	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30/06/2015	Exercise period	Closing price before date of grant falling within the year *HK$*
Employees	19/11/2007	6.746	360,000	—	—	(360,000)	—	01/12/2008 – 30/11/2014	N/A
Employees	24/07/2008	5.800	400,000	—	—	—	400,000	01/08/2009 – 31/07/2015	N/A
Total			**760,000**	**—**	**—**	**(360,000)**	**400,000**		

No options were cancelled during the year.

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

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

* including those not previously exercised

2013 HHI Share Option Scheme

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

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

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

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

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

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. A summary of some of the principal terms of the Share Award Scheme is set out in (B) below.

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

Under the Share Award Scheme, the Board (or where the relevant selected employee is a Director, the Remuneration Committee) may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit select an employee for participation in the Share Award Scheme and determine the number of shares to be awarded. The Board shall not grant any award of shares which would result in the total number of shares in issue which are the subject of awards granted by the Board under the Share Award Scheme (but not counting any which have lapsed or have been forfeited) representing in aggregate over 10% of total number of shares in issue of the Company as at the date of such grant.

(C) There were no awarded shares granted or outstanding during the year ended 30 June 2015 and accordingly no dividend income was received in respect of shares hold upon the trust for the Share Award Scheme (2014: Nil) during the year under review.

Arrangements to Acquire Shares or Debentures

Save as disclosed in the previous sections headed "Share Options" and "Share Awards", at no time during the year ended 30 June 2015 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor any of their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such rights.

Directors' Remuneration

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

Retirement and Pension Plan

To comply with the statutory requirements of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Group has set up the MPF Schemes. Mandatory contributions to these schemes are made by both the employers and employees at 5% of the employees' monthly relevant income capped at HK$30,000. The employees employed by the PRC subsidiaries are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year are RMB805,569 (approximately HK$1,006,961) (2014:RMB785,000 (approximately HK$991,000)).

Directors' Service Contracts

No Director proposed for re-election at the 2015 Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation). All the Independent Non-executive Directors are appointed for a fixed period but subject to retirement from office and re-election at the annual general meetings of the Company in accordance with the Company's Articles of Association.

Management Contracts

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

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

As at 30 June 2015, so far as 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 shares in issue
Anber Investments Limited	Beneficial owner	2,055,287,337[ii]	66.69
Delta Roads Limited	Interests of controlled corporation	2,055,287,337[ii]	66.69
Dover Hills Investments Limited	Interests of controlled corporation	2,055,287,337[ii]	66.69
Supreme Choice Investments Limited	Interests of controlled corporation	2,055,287,337[ii]	66.69
HHL	Interests of controlled corporation	2,055,287,337[ii]	66.69

Notes:

(i) All interests in the shares of the Company were long positions.

(ii) The 2,055,287,337 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 were long positions, represented the same block of shares and were deemed under the SFO to have same interests with each other. Sir Gordon WU, Mr. Eddie Ping Chang HO and Mr. Thomas Jefferson WU, Directors of the Company, are also directors of Anber, Delta Roads, Dover Hills, Supreme Choice and HHL.

Save as disclosed above, as at 30 June 2015, the Company had not been notified of any other interests or short positions representing 5% or more of the total number of shares in issue of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2015.

Pre-emptive Rights

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

Connected Transactions and Continuing Connected Transactions

During the year under review, there were no connected transactions and continuing connected transactions which are required to be disclosed in accordance with the requirements of the Listing Rules. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, none of the related party transactions as disclosed in note 34 to the consolidated financial statements constitutes a connected transaction under Chapter 14A of the Listing Rules.

Public Float

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

Auditor

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the 2015 Annual General Meeting.

On behalf of the Board

Sir Gordon Ying Sheung WU KCMG, FICE
Chairman

Hong Kong, 26 August 2015

Deloitte.
德勤

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

We have audited the consolidated financial statements of Hopewell Highway Infrastructure Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 91 to 145, which are presented in RMB and comprise the consolidated and Company's statements of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 30 June 2015, and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
26 August 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	NOTES	2014 RMB'000	**2015** **RMB'000**	2014 HK$'000	**2015** **HK$'000**
				(FOR INFORMATION PURPOSE ONLY)	
Other income and other expense	6	107,398	**89,888**	135,712	**112,749**
Depreciation		(160)	**(139)**	(202)	**(174)**
General and administrative expenses		(38,306)	**(39,169)**	(48,414)	**(49,038)**
Finance costs	7	(35,164)	**(24,134)**	(44,431)	**(30,257)**
Share of results of joint ventures	8	575,589	**545,396**	726,559	**683,847**
Profit before tax		609,357	**571,842**	769,224	**717,127**
Income tax expenses	9	(45,702)	**(42,081)**	(57,709)	**(52,758)**
Profit for the year	10	563,655	**529,761**	711,515	**664,369**
Other comprehensive (expense) income					
Item that will not be reclassified to profit or loss:					
Exchange (loss) gain arising on translation to presentation currency		–	**–**	(104,514)	**11,183**
Item that may be subsequently reclassified to profit or loss:					
Exchange (loss) gain arising on translation of foreign operations		(5)	**104**	–	**–**
Total comprehensive income for the year		563,650	**529,865**	607,001	**675,552**
Profit for the year attributable to:					
Owners of the Company		552,825	**519,644**	697,840	**651,686**
Non-controlling interests		10,830	**10,117**	13,675	**12,683**
		563,655	**529,761**	711,515	**664,369**
Total comprehensive income attributable to:					
Owners of the Company		552,820	**519,748**	595,856	**662,875**
Non-controlling interests		10,830	**10,117**	11,145	**12,677**
		563,650	**529,865**	607,001	**675,552**
		RMB cents	***RMB cents***	*HK cents*	***HK cents***
Earnings per share	13				
Basic and diluted		17.94	**16.86**	22.64	**21.15**

Consolidated Statement of Financial Position

As at 30 June 2015

	NOTES	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
ASSETS					
Non-current Assets					
Interests in joint ventures	16	6,130,731	**6,203,147**	7,657,283	**7,753,934**
Investment	17	4,785	**4,785**	5,977	**5,982**
Property and equipment	18	369	**261**	461	**326**
		6,135,885	**6,208,193**	7,663,721	**7,760,242**
Current Assets					
Deposits and prepayments		3,617	**1,306**	4,517	**1,632**
Dividend and other receivables	21	172,740	**88,132**	215,752	**110,166**
Loans to a joint venture	22	1,000,000	**788,000**	1,249,000	**985,000**
Interest receivable from a joint venture	22	1,708	**25,498**	2,134	**31,872**
Bank balances and cash	23	813,601	**574,012**	1,016,188	**717,514**
		1,991,666	**1,476,948**	2,487,591	**1,846,184**
Total Assets		8,127,551	**7,685,141**	10,151,312	**9,606,426**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	270,603	**270,603**	308,169	**308,169**
Share premium and reserves		6,965,425	**6,976,694**	8,729,630	**8,750,952**
Equity attributable to owners of the Company		7,236,028	**7,247,297**	9,037,799	**9,059,121**
Non-controlling interests		49,780	**51,797**	62,176	**64,746**
Total Equity		7,285,808	**7,299,094**	9,099,975	**9,123,867**
Non-current Liabilities					
Bank loans	26	198,479	**–**	247,900	**–**
Deferred tax liabilities	27	133,136	**137,335**	166,287	**171,668**
		331,615	**137,335**	414,187	**171,668**
Current Liabilities					
Payables and accruals		8,771	**8,694**	10,956	**10,868**
Interest payable		96	**121**	120	**151**
Bank loans	26	500,000	**236,560**	624,500	**295,700**
Tax liabilities		1,261	**3,337**	1,574	**4,172**
		510,128	**248,712**	637,150	**310,891**
Total Liabilities		841,743	**386,047**	1,051,337	**482,559**
Total Equity and Liabilities		8,127,551	**7,685,141**	10,151,312	**9,606,426**
Time deposits with original maturity over three months		749,994	**–**	936,743	**–**
Cash and cash equivalents		63,607	**574,012**	79,445	**717,514**
Total bank balances and cash		813,601	**574,012**	1,016,188	**717,514**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

Company's Statement of Financial Position

As at 30 June 2015

	NOTES	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000** (FOR INFORMATION PURPOSE ONLY)
ASSETS					
Non-current Assets					
Investments in subsidiaries	15	2,379,819	**2,404,539**	2,972,394	**3,005,674**
Amount due from a subsidiary	19	2,199,006	**1,330,951**	2,746,559	**1,663,688**
		4,578,825	**3,735,490**	5,718,953	**4,669,362**
Current Assets					
Deposits and prepayments		1,321	**233**	1,650	**291**
Interest and other receivables		376	**84**	470	**105**
Amounts due from subsidiaries	20	1,060,537	**1,808,576**	1,324,610	**2,260,720**
Bank balances and cash	23	186,828	**209,430**	233,348	**261,788**
		1,249,062	**2,018,323**	1,560,078	**2,522,904**
Total Assets		5,827,887	**5,753,813**	7,279,031	**7,192,266**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	25	4,863,162	**5,297,772**	6,103,903	**6,652,299**
		5,133,765	**5,568,375**	6,412,072	**6,960,468**
Current Liabilities					
Payables and accruals		5,075	**5,247**	6,339	**6,559**
Bank loan	26	500,000	**–**	624,500	**–**
Amounts due to subsidiaries	20	189,047	**180,191**	236,120	**225,239**
Total Liabilities		694,122	**185,438**	866,959	**231,798**
Total Equity and Liabilities		5,827,887	**5,753,813**	7,279,031	**7,192,266**
Time deposits with original maturity over three months		183,646	**–**	229,374	**–**
Cash and cash equivalents		3,182	**209,430**	3,974	**261,788**
Total bank balances and cash		186,828	**209,430**	233,348	**261,788**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

	Attributable to owners of the Company								
	Share capital	Share premium	People's Republic of China ("PRC") statutory reserves	Translation reserve	Share option reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 July 2013	270,603	5,676,105	114,710	(947,859)	4,050	2,453,126	7,570,735	49,860	7,620,595
Exchange loss on translation of foreign operations	–	–	–	(5)	–	–	(5)	–	(5)
Profit for the year	–	–	–	–	–	552,825	552,825	10,830	563,655
Total comprehensive (expense) income for the year	–	–	–	(5)	–	552,825	552,820	10,830	563,650
Expiry of vested share options	–	–	–	–	(3,384)	3,384	–	–	–
Dividends recognised as distribution during the year (Note 12)	–	(308,169)	–	–	–	(579,358)	(887,527)	–	(887,527)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(10,910)	(10,910)
As at 30 June 2014	**270,603**	**5,367,936**	**114,710**	**(947,864)**	**666**	**2,429,977**	**7,236,028**	**49,780**	**7,285,808**
Exchange gain on translation of foreign operations	**–**	**–**	**–**	**104**	**–**	**–**	**104**	**–**	**104**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**519,644**	**519,644**	**10,117**	**529,761**
Total comprehensive income for the year	**–**	**–**	**–**	**104**	**–**	**519,644**	**519,748**	**10,117**	**529,865**
Expiry of vested share options	**–**	**–**	**–**	**–**	**(295)**	**295**	**–**	**–**	**–**
Dividends recognised as distribution during the year (Note 12)	**–**	**–**	**–**	**–**	**–**	**(508,479)**	**(508,479)**	**–**	**(508,479)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,100)**	**(8,100)**
As at 30 June 2015	**270,603**	**5,367,936**	**114,710**	**(947,760)**	**371**	**2,441,437**	**7,247,297**	**51,797**	**7,299,094**

For the purpose of presenting the 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.

(FOR INFORMATION PURPOSE ONLY)

	Attributable to owners of the Company								
	Share capital	*Share premium*	*PRC statutory reserves*	*Translation reserve*	*Share option reserve*	*Retained profits*	*Total*	*Non-controlling interests*	*Total*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 July 2013	308,169	5,397,662	110,708	1,142,203	4,582	2,598,515	9,561,839	62,973	9,624,812
Exchange loss on translation to presentation currency	–	–	–	(101,984)	–	–	(101,984)	(2,530)	(104,514)
Profit for the year	–	–	–	–	–	697,840	697,840	13,675	711,515
Total comprehensive (expense) income for the year	–	–	–	(101,984)	–	697,840	595,856	11,145	607,001
Expiry of vested share options	–	–	–	–	(3,826)	3,826	–	–	–
Dividends recognised as distribution during the year (Note 12)	–	(387,341)	–	–	–	(732,555)	(1,119,896)	–	(1,119,896)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(11,942)	(11,942)
As at 30 June 2014	**308,169**	**5,010,321**	**110,708**	**1,040,219**	**756**	**2,567,626**	**9,037,799**	**62,176**	**9,099,975**
Exchange gain (loss) on translation to presentation currency	**–**	**–**	**–**	**11,189**	**–**	**–**	**11,189**	**(6)**	**11,183**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**651,686**	**651,686**	**12,683**	**664,369**
Total comprehensive income for the year	**–**	**–**	**–**	**11,189**	**–**	**651,686**	**662,875**	**12,677**	**675,552**
Expiry of vested share options	**–**	**–**	**–**	**–**	**(334)**	**334**	**–**	**–**	**–**
Dividends recognised as distribution during the year (Note 12)	**–**	**–**	**–**	**–**	**–**	**(641,553)**	**(641,553)**	**–**	**(641,553)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,107)**	**(10,107)**
As at 30 June 2015	**308,169**	**5,010,321**	**110,708**	**1,051,408**	**422**	**2,578,093**	**9,059,121**	**64,746**	**9,123,867**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
OPERATING ACTIVITIES				
Profit before tax	609,357	**571,842**	769,224	**717,127**
Adjustments for:				
Interest income	(104,803)	**(88,321)**	(132,427)	**(110,749)**
Interest expenses	31,828	**21,422**	40,219	**26,858**
Net exchange (gain) loss	(574)	**995**	(732)	**1,223**
Dividend income from investment	–	**(400)**	–	**(500)**
Gain on disposal of property and equipment	–	**(34)**	–	**(43)**
Depreciation	160	**139**	202	**174**
Share of results of joint ventures	(575,589)	**(545,396)**	(726,559)	**(683,847)**
Operating cash flows before movements in working capital	(39,621)	**(39,753)**	(50,073)	**(49,757)**
Decrease in deposits and prepayments	291	**2,311**	364	**2,889**
Decrease in other receivables	1,049	**57**	1,311	**71**
Decrease in payables and accruals	(142)	**(71)**	(145)	**(89)**
Cash used in operations	(38,423)	**(37,456)**	(48,543)	**(46,886)**
Income taxes paid	(168)	**(125)**	(214)	**(156)**
NET CASH USED IN OPERATING ACTIVITIES	(38,591)	**(37,581)**	(48,757)	**(47,042)**
INVESTING ACTIVITIES				
Purchases of property and equipment	(102)	**(31)**	(128)	**(39)**
Proceeds on disposal of property and equipment	–	**34**	–	**43**
Registered capital contribution to a joint venture	–	**(106,000)**	–	**(131,122)**
Repayment of loan from a joint venture	30,000	**212,000**	38,160	**262,244**
Placement of time deposits with original maturity over three months	(2,003,077)	**(864,971)**	(2,525,327)	**(1,086,586)**
Withdrawal of time deposits with original maturity over three months	1,253,083	**1,614,965**	1,563,727	**2,033,507**
Dividends received (net of PRC withholding tax)	666,707	**630,431**	842,453	**792,028**
Interest received	120,299	**69,042**	151,863	**86,788**
Income tax paid for interest received	(10,234)	**(6,692)**	(12,825)	**(8,371)**
NET CASH FROM INVESTING ACTIVITIES	56,676	**1,548,778**	57,923	**1,948,492**

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
FINANCING ACTIVITIES				
New bank loans raised	195,904	**277,986**	247,900	**347,800**
Repayment of bank loans	(101,821)	**(739,808)**	(128,600)	**(925,000)**
Repayment of corporate bonds	(600,000)	**–**	(745,200)	**–**
Interest paid	(33,230)	**(21,397)**	(41,990)	**(26,824)**
Dividends paid to:				
– owners of the Company	(884,875)	**(509,473)**	(1,128,574)	**(638,908)**
– non-controlling interests of a subsidiary	(10,910)	**(8,100)**	(11,942)	**(10,107)**
NET CASH USED IN FINANCING ACTIVITIES	(1,434,932)	**(1,000,792)**	(1,808,406)	**(1,253,039)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,416,847)	**510,405**	(1,799,240)	**648,411**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,480,436	**63,607**	1,869,790	**79,445**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	18	**–**	8,895	**(10,342)**
CASH AND CASH EQUIVALENTS CARRIED FORWARD	63,607	**574,012**	79,445	**717,514**
TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS	749,994	**–**	936,743	**–**
TOTAL BANK BALANCES AND CASH	813,601	**574,012**	1,016,188	**717,514**

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

1. General Information

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

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

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries and the joint ventures are set out in notes 31 and 16 respectively.

The Company's functional currency and presentation currency are RMB. The presentation of HKD amounts in these consolidated financial statements is for information purpose only.

2. Adoption of New and Revised International Financial Reporting Standards

In the current year, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("IFRSs") and a new Interpretation issued by the International Accounting Standards Board.

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

The application of the above amendments to IFRSs and the new Interpretation in the current year has had no material effect on the amounts reported and/or disclosures set out in these consolidated financial statements.

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

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

IFRSs (Amendments)	Annual Improvements to IFRSs 2012–2014 Cycle[1]
IFRS 9	Financial Instruments[2]
IFRS 10, IFRS 12 and IAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
IFRS 15	Revenue from Contracts with Customers[2]
IAS 1 (Amendments)	Disclosure Initiative[1]
IAS 16 and IAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
IAS 16 and IAS 41 (Amendments)	Agriculture: Bearer Plants[1]
IAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]

[1] Effective for annual periods beginning on or after 1 January 2016.
[2] Effective for annual periods beginning on or after 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 July 2018 and the Directors are in the process of assessing the impact of IFRS 9 to the consolidated financial statements.

IAS 38 (Amendments) Clarification of Acceptable Methods of Depreciation and Amortisation

IAS 38 (Amendments) introduce a rebuttable presumption that the revenue is not appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances.

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. The Directors are in the process of assessing the impact of IAS 38 (Amendments) on amortisation of concession intangible assets held by joint ventures of the Group.

Other than disclosed above, the Directors anticipate that the application of the other new and revised IFRSs will have no material impact on the results and the financial position of the Group.

3. Significant Accounting Policies

Statement of compliance

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

Basis of preparation

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

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

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

3. Significant Accounting Policies (continued)

Investments in subsidiaries

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

Interests in joint ventures

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

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

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

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

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

3. Significant Accounting Policies (continued)

Property and equipment

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

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

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

Revenue recognition

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

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

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

Leasing

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

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

Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

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

3. Significant Accounting Policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

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

Taxation

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

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

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

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

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

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

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

3. Significant Accounting Policies (continued)

Financial instruments

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

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

Financial assets

The financial assets of the Group and the Company are classified as loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

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

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

Loans and receivables

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

Available-for-sale financial assets

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

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

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

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets' original effective interest rate.

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

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

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

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial assets only when the contractual rights to the cash flows from the assets expire ,or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risk and rewards of the ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss.

Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provision

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

3. Significant Accounting Policies (continued)

Equity-settled share-based payment transactions

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

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

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

Impairment losses on tangible assets

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

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

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

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

Critical judgements in applying accounting policies

Classification of Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS Superhighway JV") and Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("West Route JV") as joint ventures

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

Key sources of estimation uncertainty

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

Share of results of joint ventures

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

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

In the current year, the share of results of joint ventures included the share of amortisation of concession intangible assets of RMB477,146,000 (approximately HK$598,111,000) (2014: RMB459,092,000 (approximately HK$579,392,000)). The management considers that the amortisation is calculated by reference to the best estimates of the total expected traffic volumes of the underlying toll expressways and they should not be materially different from the actual traffic volumes in future. The current year amortisation of concession intangible assets is less than the amortisation estimated in the prior financial year based on the then expected traffic volumes for future financial years and the effect on share of results of joint ventures is approximate to RMB31,276,000 (approximately HK$39,199,000) (2014: RMB10,862,000 (approximately HK$13,560,000)).

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

Key sources of estimation uncertainty (continued)

Share of results of joint ventures (continued)

(ii) Resurfacing obligations of the joint ventures

The joint ventures of the Group have contractual obligations under the contractual service arrangements to maintain the toll expressways to a specified level of serviceability over the respective concession periods. These obligations to maintain or restore the toll expressways, except for upgrade services, are to be recognised and measured as resurfacing obligations. Resurfacing obligations had been made at the present value of expenditures expected to be incurred by the joint ventures to settle the obligations. As at 30 June 2015, the effect of the provision to the Group consolidated financial statements, as included in interests in joint ventures, amounting to RMB121,440,000 (approximately HK$151,801,000) (2014: RMB100,682,000 (approximately HK$125,752,000)).

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

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

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

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

(iii) Income taxes of a joint venture

As at 30 June 2015, as included in interests in joint ventures, amount of RMB59,515,000 (approximately HK$74,394,000) (2014: RMB40,134,000 (approximately HK$50,127,000)) represents the deferred tax asset of a joint venture in relation to its unused tax losses. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. If the actual future profits generated are less than expected, a reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

5. Segment Information

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

Information reported to the chief operating decision maker, including segment revenue, earnings before interest, tax, depreciation and amortisation ("EBITDA"), 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")
– Phase I of the Western Delta Route ("Phase I West")
– Phase II of the Western Delta Route ("Phase II West")
– Phase III of the Western Delta Route ("Phase III West")

Information regarding the above segments is reported below.

Segment revenue and results

	2014					2015				
	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and amortisation RMB'000	Interest and tax RMB'000	Segment results RMB'000	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and amortisation RMB'000	Interest and tax RMB'000	Segment results RMB'000
GS Superhighway	1,475,348	1,265,785	(384,221)	(290,782)	590,782	1,438,254	1,208,937	(393,475)	(268,297)	547,165
Phase I West	88,268	65,846	(16,725)	(16,155)	32,966	92,959	72,872	(18,419)	(16,400)	38,053
Phase II West	275,949	233,324	(81,148)	(143,606)	8,570	292,195	248,831	(91,725)	(139,039)	18,067
Phase III West	76,868	61,824	(37,163)	(121,965)	(97,304)	95,537	71,845	(43,147)	(124,465)	(95,767)
Total	1,916,433	1,626,779	(519,257)	(572,508)	535,014	1,918,945	1,602,485	(546,766)	(548,201)	507,518
Corporate interest income from bank deposits					41,755					31,390
Corporate interest income from loans made by the Group to a joint venture					63,048					56,931
Other income					2,021					2,562
Corporate general and administrative expenses and depreciation					(38,466)					(39,308)
Corporate finance costs					(35,164)					(24,134)
Corporate income tax expenses					(10,199)					(8,934)
Net exchange gain (net of related income tax expenses) (Note)					5,646					3,736
Profit for the year					563,655					529,761
Profit for the year attributable to non-controlling interests					(10,830)					(10,117)
Profit for the year attributable to owners of the Company					552,825					519,644

Note: Net exchange gain (net of related income tax expenses) is composed of the Group's share of the exchange gain (net of related income tax expenses) of a joint venture of RMB4,731,000 (2014: RMB5,072,000) and the net exchange loss of the Group of RMB995,000 (2014: net exchange gain of RMB574,000).

5. Segment Information (continued)

Segment revenue and results (continued)

(FOR INFORMATION PURPOSE ONLY)

	2014					2015				
	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	1,862,523	1,597,614	(485,031)	(366,904)	745,679	1,802,971	1,515,371	(493,191)	(336,337)	685,843
Phase I West	111,378	82,990	(21,103)	(20,387)	41,500	116,534	91,354	(23,086)	(20,552)	47,716
Phase II West	348,130	294,246	(102,378)	(181,253)	10,615	366,342	312,001	(114,974)	(174,295)	22,732
Phase III West	96,940	77,980	(46,878)	(153,908)	(122,806)	119,759	90,039	(54,079)	(156,000)	(120,040)
Total	2,418,971	2,052,830	(655,390)	(722,452)	674,988	2,405,606	2,008,765	(685,330)	(687,184)	636,251
Corporate interest income from bank deposits					52,800					39,361
Corporate interest income from loans made by the Group to a joint venture					79,627					71,388
Other income					2,553					3,223
Corporate general and administrative expenses and depreciation					(48,616)					(49,212)
Corporate finance costs					(44,431)					(30,257)
Corporate income tax expenses					(12,878)					(11,204)
Net exchange gain (net of related income tax expenses) (Note)					7,472					4,819
Profit for the year					711,515					664,369
Profit for the year attributable to non-controlling interests					(13,675)					(12,683)
Profit for the year attributable to owners of the Company					697,840					651,686

Note: Net exchange gain (net of related income tax expenses) is composed of the Group's share of the exchange gain (net of related income tax expenses) of a joint venture of HK$6,042,000 (2014: HK$6,740,000) and the net exchange loss of the Group of HK$1,223,000 (2014: net exchange gain of HK$732,000).

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

The EBITDA, 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, based on the profit-sharing ratios specified in the relevant joint venture agreements.

5. 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 (net of related income tax expenses) based on the profit-sharing ratios specified in the relevant joint venture agreements, (ii) net of the withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture and (iii) amortisation of additional 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 consolidated statement of profit or loss and other comprehensive income as follows:

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Total segment results	535,014	**507,518**	674,988	**636,251**
Add:				
Net exchange gain (net of related income tax expenses)	5,072	**4,731**	6,740	**6,042**
Withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture (Note 9)	35,503	**33,147**	44,831	**41,554**
Share of results of joint ventures as presented in consolidated statement of profit or loss and other comprehensive income	575,589	**545,396**	726,559	**683,847**

Other segment information

The below other segment information, included in the measure of segment profit or loss, represents the Group's share of interest income of the joint ventures. Such amount relating to the joint ventures are eliminated under equity method of accounting to reconcile from "Segment total" to "Consolidated total".

Year	*GS Superhighway* RMB'000	*Phase I West* RMB'000	*Phase II West* RMB'000	*Phase III West* RMB'000	*Segment total* RMB'000	*Elimination* RMB'000	*Unallocated* RMB'000	*Consolidated total* RMB'000
2014	1,834	210	492	995	3,531	(3,531)	104,803	104,803
2015	**2,165**	**310**	**750**	**248**	**3,473**	**(3,473)**	**88,321**	**88,321**

(FOR INFORMATION PURPOSE ONLY)

Year	*GS Superhighway* HK$'000	*Phase I West* HK$'000	*Phase II West* HK$'000	*Phase III West* HK$'000	*Segment total* HK$'000	*Elimination* HK$'000	*Unallocated* HK$'000	*Consolidated total* HK$'000
2014	2,313	264	621	1,272	4,470	(4,470)	132,427	132,427
2015	**2,712**	**388**	**940**	**311**	**4,351**	**(4,351)**	**110,749**	**110,749**

5. Segment Information (continued)

Geographical information

The operations of the Group's joint ventures are located in the PRC. All of the joint ventures' revenue from external customers was generated from the services provided in the PRC and the location of the non-current assets excluding interests in joint ventures and investment amounting to RMB261,000 (approximately HK$326,000) (2014: RMB369,000 (approximately HK$461,000)) are in Hong Kong.

Segment assets and liabilities

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

6. Other Income and Other Expense

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Interest income from:				
Bank deposits	41,755	**31,390**	52,800	**39,361**
Loans made by the Group to a joint venture	63,048	**56,931**	79,627	**71,388**
Net exchange gain (loss)	574	**(995)**	732	**(1,223)**
Management fee income from joint ventures	2,021	**1,730**	2,553	**2,177**
Dividend income from investment	–	**400**	–	**500**
Gain on disposal of property and equipment	–	**34**	–	**43**
Others	–	**398**	–	**503**
	107,398	**89,888**	135,712	**112,749**

7. Finance Costs

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Interests on:				
Bank loans	23,624	**21,422**	29,833	**26,858**
Corporate bonds (Note)	8,204	**–**	10,386	**–**
	31,828	**21,422**	40,219	**26,858**
Other financial expenses	3,336	**2,712**	4,212	**3,399**
	35,164	**24,134**	44,431	**30,257**

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

8. Share of Results of Joint Ventures

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'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	654,127	**623,164**	825,714	**781,328**
Amortisation of additional cost of investments in joint ventures	(78,538)	**(77,768)**	(99,155)	**(97,481)**
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(32,254)	**(34,301)**	(40,700)	**(42,991)**
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	32,254	**34,301**	40,700	**42,991**
	575,589	**545,396**	726,559	**683,847**

9. Income Tax Expenses

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
The tax charge comprises:				
PRC Enterprise Income Tax ("EIT")	45,239	**37,882**	57,212	**47,456**
Deferred tax (Note 27)	463	**4,199**	497	**5,302**
	45,702	**42,081**	57,709	**52,758**

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

The EIT charge of the Group for the year ended 30 June 2015 included an amount of RMB28,948,000 (approximately HK$36,252,000) (2014: RMB35,040,000 (approximately HK$44,334,000)) representing the 5% withholding tax imposed on dividends declared during the year by a joint venture of the Group of which the corresponding amount had already been provided for deferred tax in prior years in respect of undistributed earnings of a joint venture.

9. Income Tax Expenses (continued)

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

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Profit before tax	609,357	**571,842**	769,224	**717,127**
Tax at normal PRC income tax rate of 25% (2014: 25%)	152,339	**142,960**	192,306	**179,282**
Effect of different tax rates on income tax expenses	(12,794)	**(10,109)**	(16,166)	**(12,672)**
Tax effect of income not taxable for tax purposes	(3,894)	**(3,722)**	(4,927)	**(4,672)**
Tax effect of expenses not deductible for tax purposes	18,445	**16,154**	23,305	**20,228**
Tax effect of share of results of joint ventures	(143,897)	**(136,349)**	(181,640)	**(170,962)**
Deferred tax on undistributed earnings of a joint venture (Note 27)	463	**4,199**	497	**5,302**
Withholding tax on earnings distributed by a joint venture	35,040	**28,948**	44,334	**36,252**
Income tax expenses	45,702	**42,081**	57,709	**52,758**

10. Profit for the Year

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Profit for the year has been arrived at after charging:				
Auditor's remuneration	1,269	**1,278**	1,602	**1,602**
Directors' remuneration (Note 11)	15,921	**17,639**	20,139	**22,053**
Other staff costs	12,782	**13,349**	16,138	**16,724**
Total staff costs	28,703	**30,988**	36,277	**38,777**
Depreciation of property and equipment	160	**139**	202	**174**

11. Directors' and Five Highest Paid Individuals' Emoluments

Directors' emoluments

The emoluments paid or payable to each of the 8 (2014: 9) Directors were as follows:

	2014					2015				
	Directors' fees RMB'000	Salaries and other benefits RMB'000	Bonus RMB'000	Contributions to retirement benefits plans RMB'000	Total RMB'000	Directors' fees RMB'000	Salaries and other benefits RMB'000	Bonus RMB'000	Contributions to retirement benefits plans RMB'000	Total RMB'000
Sir Gordon Ying Sheung WU	238	2,518	–	–	2,756	239	1,994	–	–	2,233
Eddie Ping Chang HO	198	2,014	–	–	2,212	199	1,595	925	–	2,719
Thomas Jefferson WU	158	2,374	–	12	2,544	160	2,880	1,091	14	4,145
Alan Chi Hung CHAN	158	2,528	476	12	3,174	160	2,722	953	14	3,849
Cheng Hui JIA	158	2,726	517	–	3,401	160	2,939	877	–	3,976
Chung Kwong POON	238	–	–	–	238	239	–	–	–	239
Yuk Keung IP	238	–	–	–	238	239	–	–	–	239
Brian David Man Bun LI	238	–	–	–	238	239	–	–	–	239
Alan Ming Fai TAM (Note)	57	749	310	4	1,120	–	–	–	–	–
	1,681	12,909	1,303	28	15,921	1,635	12,130	3,846	28	17,639

(FOR INFORMATION PURPOSE ONLY)

	2014					2015				
	Directors' fees HK$'000	Salaries and other benefits HK$'000	Bonus HK$'000	Contributions to retirement benefits plans HK$'000	Total HK$'000	Directors' fees HK$'000	Salaries and other benefits HK$'000	Bonus HK$'000	Contributions to retirement benefits plans HK$'000	Total HK$'000
Sir Gordon Ying Sheung WU	300	3,180	–	–	3,480	300	2,504	–	–	2,804
Eddie Ping Chang HO	250	2,544	–	–	2,794	250	2,003	1,145	–	3,398
Thomas Jefferson WU	200	3,000	–	15	3,215	200	3,606	1,350	18	5,174
Alan Chi Hung CHAN	200	3,195	610	15	4,020	200	3,411	1,179	18	4,808
Cheng Hui JIA	200	3,445	663	–	4,308	200	3,684	1,085	–	4,969
Chung Kwong POON	300	–	–	–	300	300	–	–	–	300
Yuk Keung IP	300	–	–	–	300	300	–	–	–	300
Brian David Man Bun LI	300	–	–	–	300	300	–	–	–	300
Alan Ming Fai TAM (Note)	71	949	397	5	1,422	–	–	–	–	–
	2,121	16,313	1,670	35	20,139	2,050	15,208	4,759	36	22,053

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

Five highest paid individuals' emoluments

The five highest paid individuals of the Group in 2014 and 2015 were all Directors and details of their emoluments are disclosed above.

During the years ended 30 June 2014 and 30 June 2015, no emoluments were paid by the Group to any of the persons who are Directors or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office and none of the persons who are Directors waived any emoluments.

12. Dividends

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Dividends paid and recognised as a distribution during the year:				
Interim dividend paid of RMB8.4 cents (equivalent to HK10.6376 cents) (2014: RMB9.8 cents (equivalent to HK12.4590 cents)) per share	302,006	**258,862**	383,948	**327,818**
Final dividend for the year ended 30 June 2014 paid of RMB8.1 cents (equivalent to HK10.1806 cents) (2014: year ended 30 June 2013 paid of RMB9 cents (equivalent to HK11.3122 cents)) per share	277,352	**249,617**	348,607	**313,735**
Special final dividend for the year ended 30 June 2014: Nil (2014: year ended 30 June 2013 paid of RMB10 cents (equivalent to HK12.5691 cents)) per share	308,169	**–**	387,341	**–**
	887,527	**508,479**	1,119,896	**641,553**
Final dividend proposed of RMB8.4 cents (equivalent to HK10.1665 cents) (2014: RMB8.1 cents (equivalent to HK10.1806 cents)) per share	249,617	**258,862**	313,735	**313,300**
Special final dividend proposed of RMB18 cents (equivalent to HK21.7854 cents) (2014: Nil) per share	–	**554,704**	–	**671,359**
	249,617	**813,566**	313,735	**984,659**

A final dividend and special final dividend in respect of the year ended 30 June 2015 of RMB8.4 cents (equivalent to HK10.1665 cents) per share and RMB18 cents (equivalent to HK21.7854 cents) per share respectively are proposed by the Board of Directors. The dividends are subject to approval by shareholders at the forthcoming annual general meeting and have not been included as liabilities in these consolidated financial statements. The proposed final dividend and special final dividend are calculated based on the total number of shares in issue at the date of approval of these consolidated financial statements.

13. Earnings Per Share

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

	2014 RMB'000	***2015 RMB'000***	*2014 HK$'000* (FOR INFORMATION PURPOSE ONLY)	***2015 HK$'000***
Earnings for the purposes of basic and diluted earnings per share	552,825	**519,644**	697,840	**651,686**

	2014 Number of shares	***2015 Number of shares***
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	3,081,690,283	**3,081,690,283**

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for years ended 30 June 2014 and 30 June 2015.

14. Retirement Benefits Plans

The Group has established a Mandatory Provident Fund Scheme (the "MPF Scheme") for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the employees' monthly relevant income capped at HK$25,000 (increases to HK$30,000 effective from 1 June 2014). In addition, the PRC employees employed by the Group are members of the state-managed retirement benefit schemes operated by the PRC Government. The Group is required to contribute 18% of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. At 30 June 2015, there were no forfeited contributions available to reduce future obligations. The total contributions made by the Group to the MPF Scheme and the PRC retirement benefit schemes for the year are RMB842,000 (approximately HK$1,055,000) (2014: RMB785,000 (approximately HK$991,000)).

15. Investments in Subsidiaries

The Company

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Investment in subsidiaries	1,816,650	**1,816,650**	2,268,996	**2,270,812**
Capital contributions to subsidiaries	563,169	**587,889**	703,398	**734,862**
	2,379,819	**2,404,539**	2,972,394	**3,005,674**

Particulars of the principal subsidiaries are set out in note 31.

16. Interests in Joint Ventures

The Group

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Unlisted investments:				
At cost				
Cost of investment in a joint venture	1,817,535	**1,891,405**	2,270,101	**2,364,256**
Additional cost of investments	2,520,218	**2,520,218**	3,147,752	**3,150,272**
Share of results of joint ventures before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group (net of dividend received)	2,667,396	**2,711,580**	3,331,578	**3,389,476**
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(240,177)	**(274,478)**	(299,981)	**(343,097)**
Less: Accumulated amortisation of additional cost of investments	(1,188,383)	**(1,266,151)**	(1,484,291)	**(1,582,689)**
	5,576,589	**5,582,574**	6,965,159	**6,978,218**
At amortised cost				
Registered capital contribution, at nominal amount	2,131,500	**2,237,500**	2,662,244	**2,796,875**
Fair value adjustment on initial recognition	(1,817,535)	**(1,891,405)**	(2,270,101)	**(2,364,256)**
Accumulated imputed interest income recognised by the Group	240,177	**274,478**	299,981	**343,097**
	554,142	**620,573**	692,124	**775,716**
	6,130,731	**6,203,147**	7,657,283	**7,753,934**

16. Interests in Joint Ventures (continued)

Particulars of the Group's joint ventures as at 30 June 2014 and 30 June 2015 are as follows:

Name of company	*Place of establishment and principal place of operation*	*Fully paid registered capital*	*Principal activity*	*Proportion of registered capital contribution*	*Proportion of voting rights held*
廣深珠高速公路有限公司 Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited	The PRC	Nil (Note i)	Development, operation and management of an expressway	Not applicable	50%
廣東廣珠西綫高速公路有限公司 Guangdong Guangzhou-Zhuhai West Superhighway Company Limited	The PRC	RMB4,475,000,000 (2014: RMB4,263,000,000) (Note ii)	Development, operation and management of an expressway	50%	50%

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

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

(i) GS Superhighway JV

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

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

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

(ii) West Route JV

West Route JV is established to undertake the development, operation and management of an expressway linking Guangzhou, Zhongshan and Zhuhai ("Western Delta Route") and was built in three phases.

Phase I West

The total investment for the Phase I West is RMB1,680,000,000, 35% of which was funded by the registered capital of West Route JV amounting to RMB588,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB294,000,000). The operation period for Phase I West is 30 years commencing from 17 September 2003.

16. Interests in Joint Ventures (continued)

(ii) West Route JV (continued)

Phase II West

The toll collection period for Phase II West is 25 years commencing from 25 June 2010. The initial estimated total investment for the Phase II West was RMB4,900,000,000, 35% of which was funded by an increase in the registered capital of West Route JV by RMB1,715,000,000 in total which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB857,500,000).

During the year ended 30 June 2015, the Group entered into the two amendment agreements with the PRC joint venture partner of West Route JV to increase the total investment of Phase II West by RMB1,210,000,000 in aggregate to RMB6,110,000,000. 35% of the increase in total investment will be funded by registered capital by the Group and the PRC joint venture partner in equal share. Accordingly, the additional capital contribution to be made by the Group to West Route JV is totalling RMB212,000,000. The first tranche of the additional capital contribution of RMB106,000,000 (approximately HK$131,122,000) had been contributed by the Group in February 2015. Subsequent to the financial year end, the second tranche of the additional capital contribution of RMB106,000,000 (approximately HK$132,500,000) has been contributed by the Group in July 2015.

In July 2015, the Group entered into the third amendment agreement with the PRC joint venture partner of West Route JV to increase the total investment of Phase II West by RMB605,000,000 to RMB6,715,000,000. 35% of the increase in total investment will be funded by registered capital by the Group and the PRC joint venture partner in equal share. Subject to the approval of relevant PRC authorities, the third tranche of additional capital contribution of RMB106,000,000 (approximately HK$132,500,000) will be made by the Group.

Phase III West

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

As at 30 June 2015, the fully paid registered capital of West Route JV was RMB4,475,000,000 (2014: RMB4,263,000,000).

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

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures

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

In respect of the year ended 30 June 2014 and 30 June 2015:

	2014			2015		
	GS Superhighway JV RMB'000	West Route JV RMB'000	Total RMB'000	GS Superhighway JV RMB'000	West Route JV RMB'000	Total RMB'000
Non-current Assets						
Property and equipment	466,810	489,169	955,979	445,447	517,526	962,973
Concession intangible assets	9,745,647	13,375,691	23,121,338	9,248,988	13,037,236	22,286,224
	10,212,457	13,864,860	24,077,317	9,694,435	13,554,762	23,249,197
Current Assets						
Bank balance and cash						
– Cash and cash equivalents	226,423	137,080	363,503	247,454	259,297	506,751
– Time deposits with original maturity over three months	50,000	–	50,000	50,000	–	50,000
Others	128,194	47,303	175,497	151,419	43,999	195,418
	404,617	184,383	589,000	448,873	303,296	752,169
Non-current Liabilities						
Resurfacing obligations	(196,415)	(57,390)	(253,805)	(227,644)	(68,926)	(296,570)
Non-current financial liabilities						
– Bank and other loans	(2,824,878)	(7,906,310)	(10,731,188)	(2,259,713)	(7,851,310)	(10,111,023)
Others	(383,553)	(88,740)	(472,293)	(357,951)	(84,909)	(442,860)
	(3,404,846)	(8,052,440)	(11,457,286)	(2,845,308)	(8,005,145)	(10,850,453)
Current Liabilities						
Current financial liabilities						
– Bank loans	(513,054)	(70,500)	(583,554)	(548,234)	(205,000)	(753,234)
– Balance with a joint venture partner	–	(138,321)	(138,321)	–	(121,946)	(121,946)
– Dividend payable	(346,750)	–	(346,750)	(180,000)	–	(180,000)
– Interest payable	(746)	(15,205)	(15,951)	(676)	(38,801)	(39,477)
– Loans made by the Group	–	(1,000,000)	(1,000,000)	–	(788,000)	(788,000)
Others	(635,010)	(623,816)	(1,258,826)	(667,501)	(416,800)	(1,084,301)
	(1,495,560)	(1,847,842)	(3,343,402)	(1,396,411)	(1,570,547)	(2,966,958)
Net assets of joint ventures	5,716,668	4,148,961	9,865,629	5,901,589	4,282,366	10,183,955
Proportion of the Group's interest	48%	50%		48%	50%	
Net assets shared by the Group	2,744,001	2,074,481	4,818,482	2,832,763	2,141,183	4,973,946
Effect of change in profit sharing ratio of a joint venture over the operation period	(19,586)	–	(19,586)	(24,866)	–	(24,866)
Net assets contributable to the Group	2,724,415	2,074,481	4,798,896	2,807,897	2,141,183	4,949,080
Carrying amount of additional cost of investments	1,293,412	38,423	1,331,835	1,215,994	38,073	1,254,067
Carrying amount of the Group's interests in joint ventures	4,017,827	2,112,904	6,130,731	4,023,891	2,179,256	6,203,147

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures (continued)

(FOR INFORMATION PURPOSE ONLY)

	2014			2015		
	GS Superhighway JV HK$'000	*West Route JV HK$'000*	*Total HK$'000*	***GS Superhighway JV HK$'000***	***West Route JV HK$'000***	***Total HK$'000***
Non-current Assets						
Property and equipment	583,046	610,972	1,194,018	**556,809**	**646,908**	**1,203,717**
Concession intangible assets	12,172,313	16,706,238	28,878,551	**11,561,235**	**16,296,545**	**27,857,780**
	12,755,359	17,317,210	30,072,569	**12,118,044**	**16,943,453**	**29,061,497**
Current Assets						
Bank balance and cash						
– Cash and cash equivalents	282,802	171,213	454,015	**309,318**	**324,121**	**633,439**
– Time deposits with original maturity over three months	62,450	–	62,450	**62,500**	**–**	**62,500**
Others	160,114	59,082	219,196	**189,274**	**54,999**	**244,273**
	505,366	230,295	735,661	**561,092**	**379,120**	**940,212**
Non-current Liabilities						
Resurfacing obligations	(245,322)	(71,680)	(317,002)	**(284,555)**	**(86,158)**	**(370,713)**
Non-current financial liabilities						
– Bank and other loans	(3,528,273)	(9,874,981)	(13,403,254)	**(2,824,641)**	**(9,814,138)**	**(12,638,779)**
Others	(479,057)	(110,836)	(589,893)	**(447,439)**	**(106,136)**	**(553,575)**
	(4,252,652)	(10,057,497)	(14,310,149)	**(3,556,635)**	**(10,006,432)**	**(13,563,067)**
Current Liabilities						
Current financial liabilities						
– Bank loans	(640,804)	(88,055)	(728,859)	**(685,293)**	**(256,250)**	**(941,543)**
– Balance with a joint venture partner	–	(172,763)	(172,763)	**–**	**(152,433)**	**(152,433)**
– Dividend payable	(433,091)	–	(433,091)	**(225,000)**	**–**	**(225,000)**
– Interest payable	(932)	(18,991)	(19,923)	**(845)**	**(48,501)**	**(49,346)**
– Loans made by the Group	–	(1,249,000)	(1,249,000)	**–**	**(985,000)**	**(985,000)**
Others	(793,127)	(779,146)	(1,572,273)	**(834,376)**	**(521,000)**	**(1,355,376)**
	(1,867,954)	(2,307,955)	(4,175,909)	**(1,745,514)**	**(1,963,184)**	**(3,708,698)**
Net assets of joint ventures	7,140,119	5,182,053	12,322,172	**7,376,987**	**5,352,957**	**12,729,944**
Proportion of the Group's interest	48%	50%		**48%**	**50%**	
Net assets shared by the Group	3,427,257	2,591,027	6,018,284	**3,540,954**	**2,676,479**	**6,217,433**
Effect of change in profit sharing ratio of a joint venture over the operation period	(24,462)	–	(24,462)	**(31,082)**	**–**	**(31,082)**
Net assets contributable to the Group	3,402,795	2,591,027	5,993,822	**3,509,872**	**2,676,479**	**6,186,351**
Carrying amount of additional cost of investments	1,615,471	47,990	1,663,461	**1,519,992**	**47,591**	**1,567,583**
Carrying amount of the Group's interests in joint ventures	5,018,266	2,639,017	7,657,283	**5,029,864**	**2,724,070**	**7,753,934**

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures (continued)

	2014			2015		
	GS Superhighway JV RMB'000	West Route JV RMB'000	Total RMB'000	GS Superhighway JV RMB'000	West Route JV RMB'000	Total RMB'000
Toll revenue (net of business tax)	3,073,642	882,170	3,955,812	**2,996,363**	**961,381**	**3,957,744**
Construction revenue	109,455	–	109,455	**88,435**	**96,000**	**184,435**
Total revenue	3,183,097	882,170	4,065,267	**3,084,798**	**1,057,381**	**4,142,179**
Construction costs	(109,455)	–	(109,455)	**(88,435)**	**(96,000)**	**(184,435)**
Other income	64,110	23,392	87,502	**65,667**	**31,538**	**97,205**
Provision of resurfacing	(34,617)	(17,028)	(51,645)	**(35,916)**	**(21,144)**	**(57,060)**
Toll expressway operation expenses	(357,061)	(126,606)	(483,667)	**(405,813)**	**(127,204)**	**(533,017)**
General and administrative expenses	(94,935)	(39,939)	(134,874)	**(88,541)**	**(57,476)**	**(146,017)**
Depreciation and amortisation charges	(637,408)	(269,528)	(906,936)	**(658,451)**	**(305,882)**	**(964,333)**
Finance costs	(31,133)	(563,451)	(594,584)	**(27,114)**	**(559,809)**	**(586,923)**
Income tax expenses	(504,220)	–	(504,220)	**(466,066)**	**–**	**(466,066)**
Profit (loss) for the year (Note)	1,478,378	(110,990)	1,367,388	**1,380,129**	**(78,596)**	**1,301,533**

(FOR INFORMATION PURPOSE ONLY)

	2014			2015		
	GS Superhighway JV HK$'000	West Route JV HK$'000	Total HK$'000	GS Superhighway JV HK$'000	West Route JV HK$'000	Total HK$'000
Toll revenue (net of business tax)	3,880,256	1,112,895	4,993,151	**3,756,189**	**1,205,269**	**4,961,458**
Construction revenue	136,709	–	136,709	**110,544**	**120,000**	**230,544**
Total revenue	4,016,965	1,112,895	5,129,860	**3,866,733**	**1,325,269**	**5,192,002**
Construction costs	(136,709)	–	(136,709)	**(110,544)**	**(120,000)**	**(230,544)**
Other income	81,705	29,517	111,222	**82,608**	**39,545**	**122,153**
Provision of resurfacing	(43,681)	(21,464)	(65,145)	**(45,015)**	**(26,500)**	**(71,515)**
Toll expressway operation expenses	(450,820)	(160,156)	(610,976)	**(509,017)**	**(159,484)**	**(668,501)**
General and administrative expenses	(120,375)	(50,359)	(170,734)	**(110,960)**	**(72,042)**	**(183,002)**
Depreciation and amortisation charges	(804,624)	(340,030)	(1,144,654)	**(825,309)**	**(383,401)**	**(1,208,710)**
Finance costs	(39,300)	(711,096)	(750,396)	**(33,991)**	**(701,695)**	**(735,686)**
Income tax expenses	(636,367)	–	(636,367)	**(584,334)**	**–**	**(584,334)**
Profit (loss) for the year (Note)	1,866,794	(140,693)	1,726,101	**1,730,171**	**(98,308)**	**1,631,863**
Other comprehensive expenses	(75,777)	(42,132)	(117,909)	**(3,415)**	**(5,255)**	**(8,670)**
Total comprehensive income (expenses)	1,791,017	(182,825)	1,608,192	**1,726,756**	**(103,563)**	**1,623,193**

Note: Profit for the year of GS Superhighway JV included the amount of RMB9,856,000 (approximately HK$12,588,000) (2014: RMB10,567,000 (approximately HK$14,042,000)) representing the exchange gain (net of related income tax expenses).

17. Investment

The Group

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

18. Property and Equipment

The Group

	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000	Motor vehicles HK$'000	Furniture, fixtures and equipment HK$'000 (FOR INFORMATION PURPOSE ONLY)	Total HK$'000
COST						
As at 1 July 2013	892	4,926	5,818	1,126	6,222	7,348
Exchange adjustments	–	–	–	(12)	(64)	(76)
Additions	–	102	102	–	128	128
Disposals/written off	–	(363)	(363)	–	(460)	(460)
As at 30 June 2014	**892**	**4,665**	**5,557**	**1,114**	**5,826**	**6,940**
Exchange adjustments	**–**	**–**	**–**	**–**	**5**	**5**
Additions	**–**	**31**	**31**	**–**	**39**	**39**
Disposals/written off	**(345)**	**(15)**	**(360)**	**(430)**	**(19)**	**(449)**
As at 30 June 2015	**547**	**4,681**	**5,228**	**684**	**5,851**	**6,535**
DEPRECIATION						
As at 1 July 2013	634	4,757	5,391	800	6,008	6,808
Exchange adjustments	–	–	–	(9)	(62)	(71)
Charge for the year	62	98	160	78	124	202
Eliminated on disposals/written off	–	(363)	(363)	–	(460)	(460)
As at 30 June 2014	**696**	**4,492**	**5,188**	**869**	**5,610**	**6,479**
Exchange adjustments	**–**	**–**	**–**	**–**	**5**	**5**
Charge for the year	**62**	**77**	**139**	**78**	**96**	**174**
Eliminated on disposals/written off	**(345)**	**(15)**	**(360)**	**(430)**	**(19)**	**(449)**
As at 30 June 2015	**413**	**4,554**	**4,967**	**517**	**5,692**	**6,209**
CARRYING AMOUNTS						
As at 30 June 2014	196	173	369	245	216	461
As at 30 June 2015	**134**	**127**	**261**	**167**	**159**	**326**

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

19. Amount Due from a Subsidiary

The Company

The amount due from a subsidiary classified under non-current assets is interest-free, unsecured and with no fixed repayment term. In the opinion of the Directors, based on their assessment as at 30 June 2014 and 30 June 2015 of the estimated future cash flows from a subsidiary, the amount due from a subsidiary will not be repayable within one year from the end of the reporting period, accordingly this amount is classified as non-current. The effective interest rate on the amount due from a subsidiary at the end of the reporting period ranged from 0.66% to 4.92% (2014: 0.66% to 4.92%) per annum, representing the borrowing rates of that subsidiary. As at 30 June 2015, the amount due from a subsidiary amounting to RMB505,571,000 (approximately HK$631,964,000) (2014: RMB491,210,000 (approximately HK$613,522,000)) are denominated in HKD and the remaining amount due from a subsidiary amounting to RMB825,380,000 (approximately HK$1,031,724,000) (2014: RMB1,707,796,000 (approximately HK$2,133,037,000)) are denominated in RMB.

20. Amounts due from/to Subsidiaries

The Company

The current portion of amounts due from subsidiaries and the amounts due to subsidiaries are unsecured, interest-free and repayable on demand. As at 30 June 2015, amounts due from subsidiaries of RMB51,815,000 (approximately HK$64,769,000) (2014: RMB40,765,000 (approximately HK$50,915,000)) are denominated in HKD and the remaining amounts due from subsidiaries of RMB1,756,761,000 (approximately HK$2,195,951,000) (2014: RMB1,019,772,000 (approximately HK$1,273,695,000)) are denominated in RMB.

As at 30 June 2015, the amounts due to subsidiaries of RMB179,650,000 (approximately HK$224,563,000) (2014: RMB93,698,000 (approximately HK$117,029,000)) are denominated in HKD and remaining amounts due to subsidiaries of RMB541,000 (approximately HK$676,000) (2014: RMB95,349,000 (approximately HK$119,091,000)) are denominated in RMB.

21. Dividend and Other Receivables

The Group

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

	2014	***2015***	*2014*	***2015***
	RMB'000	***RMB'000***	*HK$'000*	***HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Dividend receivable from a joint venture	166,440	**86,400**	207,884	**108,000**
Interest receivable	5,690	**1,179**	7,107	**1,474**
Others	610	**553**	761	**692**
	172,740	**88,132**	215,752	**110,166**

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

The Group

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
Principal amount of loans from the Group to a joint venture	1,000,000	**788,000**	1,249,000	**985,000**
Interest receivable for loans from the Group to a joint venture	1,708	**25,498**	2,134	**31,872**
	1,001,708	**813,498**	1,251,134	**1,016,872**

The loans made by the Group to West Route JV are unsecured, carry fixed interest rates at 5.75% (2014: 6.15%) per annum and repayable within one year (2014: one year) from the end of the reporting period.

23. Bank Balances and Cash

The Group

As at 30 June 2015, bank balances and cash include the time deposits with maturity of three months or less, bank balances and cash carry interest at market rates which range from 0.01% to 3.60% per annum.

As at 30 June 2014, bank balances and cash included time deposits of RMB749,994,000 (approximately HK$936,743,000) with maturity period over three months that carried interest at prevailing interest rate of range from 3.08% to 3.70% per annum. Remaining bank balances and cash carried interest at market rates which ranged from 0.01% to 3.55% per annum.

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

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
RMB	812,463	**573,072**	1,014,766	**716,340**
HKD	1,114	**917**	1,393	**1,145**
United States dollars ("USD")	24	**23**	29	**29**
	813,601	**574,012**	1,016,188	**717,514**

The Company

As at 30 June 2015, bank balances and cash include the time deposits with maturity of three months or less, bank balances and cash carry interest at market rates which range from 0.01% to 3.60% per annum.

As at 30 June 2014, bank balances and cash of the Company included time deposits of RMB183,646,000 (approximately HK$229,374,000) with maturity period over three months that carried interest at prevailing interest rates of range from 3.55% to 3.70% per annum. Remaining bank balances and cash carry interest at market rates which ranged from 0.01% to 3.55% per annum.

23. Bank Balances and Cash (continued)

The Company (continued)

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

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
RMB	186,544	**209,220**	232,993	**261,524**
HKD	261	**187**	327	**235**
USD	23	**23**	28	**29**
	186,828	**209,430**	233,348	**261,788**

24. Share Capital

The Group and the Company

	Number of shares	***Nominal amount*** *HK$'000*
Ordinary shares of HK$0.1 each		
Authorised:		
As at 1 July 2013, 30 June 2014 and 30 June 2015	10,000,000,000	1,000,000

	Number of shares	***Nominal amount*** *HK$'000*	*Equivalent to RMB'000*
Issued and fully paid:			
As at 1 July 2013, 30 June 2014 and 30 June 2015	3,081,690,283	308,169	270,603

Share option scheme

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

24. Share Capital (continued)

Share option scheme (continued)

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

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

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

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

		Number of shares under options granted						
	Subscription price	***At 1 July 2014***	***Movements during the year***			***At 30 June 2015***		***Weighted average share price at the date of exercise***
Date of grant	***per share*** *HK$*	***Outstanding***	***Granted***	***Exercised***	***Lapsed***	***Outstanding***	***Exercisable***	*HK$*
19 November 2007	6.746	360,000	–	–	(360,000)	**–**	**–**	N/A
24 July 2008 (Note)	5.800	400,000	–	–	–	**400,000**	**400,000**	N/A
		760,000	–	–	(360,000)	**400,000**	**400,000**	
Weighted average exercise price		HK$6.248	N/A	N/A	HK$6.746	**HK$5.800**	**HK$5.800**	

Note: After the year ended 30 June 2015, 400,000 vested share options with exercise price of HK$5.8 per share were lapsed on 1 August 2015.

24. Share Capital (continued)

Share option scheme (continued)

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

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

24. Share Capital (continued)

Share option scheme (continued)

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

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

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

A new share option scheme was approved for adoption by both the shareholders of HHL and the Company effective on 22 October 2013 (the "2013 HHI Share Option Scheme"). The 2013 HHI Share Option Scheme shall be valid and effective for a period of ten years and the purpose of which is to provide the Company with an alternative means of giving incentive to rewarding, remunerating, compensating and/or providing benefits to (i) any director, chief executive or employee (whether full-time or part-time) of any member of the Group; (ii) any discretionary object of a discretionary trust established by any director, chief executive or employee (whether full-time or part-time) of any member of the Group; (iii) a company beneficially owned by any director, chief executive or employee (whether full-time or part-time) of any member of the Group; (iv) any consultant, professional and other adviser to any member of the Group or any consultant, professional and other adviser proposed to be appointed to any member of the Group (including any of their employees, partners, directors or executives); (v) any associates of any director, chief executive, or substantial shareholder of any member of the Group; and (vi) any director, chief executive or employee (whether full-time or part-time) of the HHL Group (excluding the Group) and for such other purposes as the Board may approve from time to time. No share options were granted in both years presented.

Share award scheme

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

For awarded shares granted on 25 January 2007 according to the HHI Share Award Scheme, the awardees shall not dispose of, nor enter into any agreement to dispose of the relevant awarded shares in the 12-month period commencing on the vesting date thereof.

No shares in the Company were awarded in both years presented.

25. Share Premium and Reserves

The Company

The Company's reserves available for distribution represent the share premium and retained profits. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of a dividend, the Company is able to pay its debt as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can only be distributed out of the retained profits and share premium of the Company. As at 30 June 2015, the Company's reserves available for distribution to its shareholders amounting to RMB6,268,355,000 (approximately HK$6,054,922,000) (2014: RMB5,833,450,000 (approximately HK$5,506,081,000)), comprising retained profits of RMB900,419,000 (approximately HK$1,044,601,000) (2014: RMB465,514,000 (approximately HK$495,760,000)) and share premium of RMB5,367,936,000 (approximately HK$5,010,321,000) (2014: RMB5,367,936,000 (approximately HK$5,010,321,000)).

	Share premium *RMB'000*	***Translation reserve*** *RMB'000 (Note i)*	***Share option reserve*** *RMB'000*	***Retained profits*** *RMB'000*	***Total*** *RMB'000*
As at 1 July 2013	5,676,105	(970,954)	4,050	502,307	5,211,508
Profit and total comprehensive income for the year	–	–	–	539,181	539,181
Expiry of vested share options	–	–	(3,384)	3,384	–
Dividends recognised as distribution during the year (Note 12)	(308,169)	–	–	(579,358)	(887,527)
As at 30 June 2014	**5,367,936**	**(970,954)**	**666**	**465,514**	**4,863,162**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**943,089**	**943,089**
Expiry of vested share options	**–**	**–**	**(295)**	**295**	**–**
Dividends recognised as distribution during the year (Note 12)	**–**	**–**	**–**	**(508,479)**	**(508,479)**
As at 30 June 2015	**5,367,936**	**(970,954)**	**371**	**900,419**	**5,297,772**

25. Share Premium and Reserves (continued)

The Company (continued)

(FOR INFORMATION PURPOSE ONLY)

	Share premium HK$'000	*Translation reserve* HK$'000 (Note ii)	*Share option reserve* HK$'000	*Retained profits* HK$'000	*Total* HK$'000
As at 1 July 2013	5,397,662	673,021	4,582	540,472	6,615,737
Exchange loss on translation to presentation currency	–	(75,955)	–	–	(75,955)
Profit for the year	–	–	–	684,017	684,017
Total comprehensive (expense) income for the year	–	(75,955)	–	684,017	608,062
Expiry of vested share options	–	–	(3,826)	3,826	–
Dividends recognised as distribution during the year (Note 12)	(387,341)	–	–	(732,555)	(1,119,896)
As at 30 June 2014	**5,010,321**	**597,066**	**756**	**495,760**	**6,103,903**
Exchange loss on translation to presentation currency	**–**	**(111)**	**–**	**–**	**(111)**
Profit for the year	**–**	**–**	**–**	**1,190,060**	**1,190,060**
Total comprehensive (expense) income for the year	**–**	**(111)**	**–**	**1,190,060**	**1,189,949**
Expiry of vested share options	**–**	**–**	**(334)**	**334**	**–**
Dividends recognised as distribution during the year (Note 12)	**–**	**–**	**–**	**(641,553)**	**(641,553)**
As at 30 June 2015	**5,010,321**	**596,955**	**422**	**1,044,601**	**6,652,299**

Notes:

(i) Before the change in functional currency of the Company from HKD to RMB during the year ended 30 June 2009, the exchange differences recognised in translation reserve represented the difference between the equity transactions and accumulated earnings translated at the exchange rates at the transaction dates and the assets and liabilities translated at the closing rates at the end of each reporting period.

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

26. Bank Loans

The Group

Analysis of the bank loans of the Group by currency:

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2015 HK$'000**
RMB (Note i)	500,000	**–**	624,500	**–**
HKD (Note ii)	198,479	**236,560**	247,900	**295,700**
	698,479	**236,560**	872,400	**295,700**
Carrying amount repayable:				
Within one year	500,000	**236,560**	624,500	**295,700**
More than one year, but not exceeding two years	198,479	**–**	247,900	**–**
	698,479	**236,560**	872,400	**295,700**

Notes:

(i) The bank loan was unsecured, carried interest at fixed rate of 3.98% per annum and was repaid during the year ended 30 June 2015.

(ii) The bank loans are unsecured and carry interests at prevailing commercial lending rates. The effective interest rates for bank loans for the year are ranged from 0.74% to 1.48% (2014: 1.32% to 1.86%) per annum.

As at 30 June 2015, the Group has unutilised committed banking facilities of RMB243,440,000 (approximately HK$304,300,000) (2014: RMB581,905,000 (approximately HK$726,800,000)) and uncommitted banking facilities of RMB400,000,000 (approximately HK$500,000,000) (2014: RMB160,128,000 (approximately HK$200,000,000)) respectively.

The Company

The bank loan of the Company amounting to RMB500,000,000 (approximately HK$624,500,000), denominated in RMB, was unsecured, carried interest at fixed rate of 3.98% per annum and was repaid during the year ended 30 June 2015.

As at 30 June 2015, the Company do not have any unutilised committed banking facilities (2014: RMB300,000,000 (approximately HK$374,700,000)).

27. Deferred Tax Liabilities

The Group

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

	RMB'000	*HK$'000* (FOR INFORMATION PURPOSE ONLY)
As at 1 July 2013	132,673	167,566
Exchange adjustments	–	(1,776)
Charge to profit or loss	35,503	44,831
Release to profit or loss upon payment of withholding tax	(35,040)	(44,334)
As at 30 June 2014	**133,136**	**166,287**
Exchange adjustments	**–**	**79**
Charge to profit or loss	**33,147**	**41,554**
Release to profit or loss upon payment of withholding tax	**(28,948)**	**(36,252)**
As at 30 June 2015	**137,335**	**171,668**

28. Capital Risk Management

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

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

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

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

29. Financial Instruments

(a) Categories of financial instruments

The Group

	2014 RMB'000	**2015** **RMB'000**	2014 HK$'000	**2015** **HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
Financial assets				
Loans and receivables including cash and cash equivalents	1,988,049	**1,475,642**	2,483,074	**1,844,552**
Available-for-sales financial asset	4,785	**4,785**	5,977	**5,982**
	1,992,834	**1,480,427**	2,489,051	**1,850,534**
Financial liabilities				
Amortised cost	702,924	**240,638**	877,952	**300,798**

The Company

	2014 RMB'000	**2015** **RMB'000**	2014 HK$'000	**2015** **HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
Financial assets				
Loans and receivables including cash and cash equivalents	3,446,747	**3,349,041**	4,304,987	**4,186,301**
Financial liabilities				
Amortised cost	692,228	**183,337**	864,594	**229,172**

(b) Financial risk management objectives

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

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

29. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

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

(i) Foreign currency risk management

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

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

The Group

	Assets				*Liabilities*			
	2014 RMB'000	***2015 RMB'000***	*2014 HK$'000* (FOR INFORMATION PURPOSE ONLY)	***2015 HK$'000***	*2014 RMB'000*	***2015 RMB'000***	*2014 HK$'000* (FOR INFORMATION PURPOSE ONLY)	***2015 HK$'000***
USD	24	**23**	29	**29**	–	**–**	–	**–**
HKD	1,114	**917**	1,393	**1,145**	3,796	**4,032**	4,741	**5,040**

The Company

	Assets				*Liabilities*			
	2014 RMB'000	***2015 RMB'000***	*2014 HK$'000* (FOR INFORMATION PURPOSE ONLY)	***2015 HK$'000***	*2014 RMB'000*	***2015 RMB'000***	*2014 HK$'000* (FOR INFORMATION PURPOSE ONLY)	***2015 HK$'000***
USD	23	**23**	28	**29**	–	**–**	–	**–**
HKD	532,256	**557,574**	664,788	**696,968**	96,758	**182,795**	120,850	**228,494**

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

29. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(i) Foreign currency risk management (continued)

Sensitivity analysis

A joint venture of the Group had also outstanding bank loans and bank balances denominated in HKD and USD that are not the functional currency of the joint venture (i.e. RMB).

The foreign currency risk of the Group and the joint venture, and the Company is mainly concentrated on the fluctuation of RMB, the functional currency of the Company, its subsidiaries and the joint venture as at 30 June 2015, against USD and HKD. The following sensitivity analysis includes currency risk related to USD and HKD denominated monetary items of the Company, the subsidiaries and the joint venture. The sensitivity analysis of the Company also includes currency risk exposure on inter-company balances.

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

The Group

As the carrying amounts of foreign currency denominated monetary assets and liabilities of the Group (excluding its joint ventures) were not significant, the Directors are of the opinion that the Group's exposures to foreign currency risk is minimal. Accordingly, no sensitivity analysis is presented.

As at 30 June 2014 and 30 June 2015, a joint venture of the Group had outstanding bank loans and bank balances denominated in HKD and USD that are not the functional currency of a joint venture (i.e. RMB). The foreign currency risk exposed by the joint venture is reflected in the share of results of joint ventures. If exchange rate of RMB against HKD and USD had been strengthened/weakened by 5%, the profit for the year attributable to owners of the Company for the current year would increase/decrease by RMB46,969,000 (approximately HK$58,711,000) (2014: RMB55,901,000 (approximately HK$69,820,000)).

The Company

If exchange rate of RMB against HKD and USD had been strengthened/weakened by 5%, the profit for the year attributable to owners of the Company for the current year would decrease/increase by RMB18,740,000 (approximately HK$23,425,000) (2014: RMB21,776,000 (approximately HK$27,198,000)).

29. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(ii) Interest rate risk management

The cash flows interest rate risk of the Group relates primarily to variable rate bank loans and bank balances with details as set out in notes 26 and 23 and the variable rate bank loans and bank balances of its joint ventures.

The Group and the Company are exposed to fair value interest risk in relation to amount due from a subsidiary, certain bank balances and a fixed rate bank loan, with details as set out in notes 19, 23 and 26 respectively. The management continues to monitor the fair value interest rate exposure of the Group and the Company.

Sensitivity analysis

The Group

As at 30 June 2014 and 30 June 2015, the Group (excluding its joint ventures) are exposed to cash flow interest rate in relation to the variable rate bank loans and bank balances. If interest rate had been 100 (2014: 100) basis points higher/lower, the profit for the year attributable to owners of the Company for the current year would increase/decrease by RMB3,066,000 (approximately HK$3,833,000) (2014: RMB5,593,000 (approximately HK$6,986,000)).

As at 30 June 2014 and 30 June 2015, the joint ventures of the Group were exposed to cash flow interest rate risk in relation to the variable rate bank loans and bank balances. If interest rate had been 100 (2014: 100) basis points higher/lower, the profit for the year attributable to owners of the Company for the current year would decrease/increase by RMB47,376,000 (approximately HK$59,220,000) (2014: RMB49,447,000 (approximately HK$61,759,000)).

The Company

As the net cash position of the Company was not significant, the Directors are of the opinion that the Company's exposures to cash flow interest rate risk is minimal. Accordingly, no sensitivity analysis is presented.

(iii) Credit risk management

The Group

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

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

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

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

29. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(iii) Credit risk management (continued)

The Company

The Company's credit risk is primarily attributable to amounts due from subsidiaries and the amount of contingent liabilities in relation to financial guarantee issued by the Company as disclosed in note 35. The Company has concentration of risk as 86% (2014: 87%) of total amounts due from subsidiaries represented the two largest amounts due from subsidiaries. The credit risk is limited because the subsidiaries are under the same management with same financial risk management policies.

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

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

(iv) Liquidity risk management

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

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

The Group

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

	Interest rate %	***Repayable on demand RMB'000***	***Less than 1 year RMB'000***	***1–2 years RMB'000***	***Total undiscounted cash flows RMB'000***	***Carrying amounts RMB'000***
2015						
Payables and accruals	**–**	**3,957**	**–**	**–**	**3,957**	**3,957**
Interest payable	**–**	**–**	**121**	**–**	**121**	**121**
Bank loans	**1.35–1.37**	**–**	**239,773**	**–**	**239,773**	**236,560**
		3,957	**239,894**	**–**	**243,851**	**240,638**

29. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(iv) Liquidity risk management (continued)

The Group (continued)

(FOR INFORMATION PURPOSE ONLY)

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

	Interest rate %	***Repayable on demand HK$'000***	***Less than 1 year HK$'000***	***1–2 years HK$'000***	***Total undiscounted cash flows HK$'000***	***Carrying amounts HK$'000***
2015						
Payables and accruals	**–**	**4,947**	**–**	**–**	**4,947**	**4,947**
Interest payable	**–**	**–**	**151**	**–**	**151**	**151**
Bank loans	**1.35–1.37**	**–**	**299,717**	**–**	**299,717**	**295,700**
		4,947	**299,868**	**–**	**304,815**	**300,798**

The Company

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

	Interest rate %	***Repayable on demand RMB'000***	***Less than 1 year RMB'000***	***Total undiscounted cash flows RMB'000***	***Carrying amounts RMB'000***
2015					
Payables and accruals	**–**	**3,146**	**–**	**3,146**	**3,146**
Amounts due to subsidiaries	**–**	**180,191**	**–**	**180,191**	**180,191**
Financial guarantee contracts	**–**	**236,560**	**–**	**236,560**	**–**
		419,897	**–**	**419,897**	**183,337**

29. Financial Instruments (continued)

(b) Financial risk management objectives (continued)

(iv) Liquidity risk management (continued)

The Company (continued)

(FOR INFORMATION PURPOSE ONLY)

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

	Interest rate %	***Repayable on demand HK$'000***	***Less than 1 year HK$'000***	***Total undiscounted cash flows HK$'000***	***Carrying amounts HK$'000***
2015					
Payables and accruals	**–**	**3,933**	**–**	**3,933**	**3,933**
Amounts due to subsidiaries	**–**	**225,239**	**–**	**225,239**	**225,239**
Financial guarantee contracts	**–**	**295,700**	**–**	**295,700**	**–**
		524,872	**–**	**524,872**	**229,172**

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

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

(c) Fair value

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

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

30. Total Assets Less Current Liabilities/Net Current Assets

The Group

The Group's total assets less current liabilities as at 30 June 2015 amounted to RMB7,436,429,000 (approximately HK$9,295,535,000) (2014: RMB7,617,423,000 (approximately HK$9,514,162,000)). The Group's net current assets as at 30 June 2015 amounted to RMB1,228,236,000 (approximately HK$1,535,293,000) (2014: RMB1,481,538,000 (approximately HK$1,850,441,000)).

The Company

The Company's total assets less current liabilities as at 30 June 2015, amounted to RMB5,568,375,000 (approximately HK$6,960,468,000) (2014: RMB5,133,765,000 (approximately HK$6,412,072,000)). The Company's net current assets as at 30 June 2015 amounted to RMB1,832,885,000 (approximately HK$2,291,106,000) (2014: RMB554,940,000 (approximately HK$693,119,000)).

31. Particulars of Principal Subsidiaries

The following list contains the particulars of the subsidiaries of the Company at 30 June 2014 and 30 June 2015 which principally affect the results, assets or liabilities of the Group as the Directors are of the opinion that a full list of all the subsidiaries would be of excessive length. None of the subsidiaries had issued any debt securities during the year or at the end of the year.

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

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

32. Operating Leases

The Group as lessee

	2014 RMB'000	2015 RMB'000	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)
Minimum lease payments paid under operating lease for premises during the year	1,929	**1,205**	2,437	**1,510**

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

	2014 RMB'000	2015 RMB'000	2014 HK$'000 (FOR INFORMATION PURPOSE ONLY)	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)
Within one year	1,209	**–**	1,510	**–**

As at 30 June 2015, the Group does not have any negotiated lease agreement.

As at 30 June 2014, leases are negotiated for a lease term of one year with fixed rentals.

33. Capital Commitments

During the year ended 30 June 2015, the Group decided to make additional capital contributions to West Route JV in respect of Phase II West by three tranches in aggregate of RMB318,000,000 (approximately HK$396,122,000).

The Group entered into two amendment agreements in relation to Phase II West with the PRC joint venture partner to make additional capital contributions to West Route JV. The first tranche of the additional capital contribution of RMB106,000,000 (approximately HK$131,122,000) had been contributed by the Group in February 2015. Subsequent to the financial year end, the second tranche of the additional capital contribution of RMB106,000,000 (approximately HK$132,500,000) has been contributed by the Group in July 2015.

In July 2015, the Group entered into the third amendment agreement in relation to Phase II West with the PRC joint venture partner to make additional capital contribution to West Route JV, subject to the approval of relevant PRC authorities, the third tranche of additional capital contribution of RMB106,000,000 (approximately HK$132,500,000) will be made by the Group.

Accordingly, the Group's original additional capital contributions commitment of RMB402,500,000 (approximately HK$502,723,000) to West Route JV in respect of Phase II West as at 30 June 2014 has been replaced by the above-mentioned three amendment agreements.

34. Related Party Transactions

Amounts due to and from related parties are disclosed in the consolidated statement of financial position and relevant notes. During the year ended 30 June 2015, the Group paid rentals, air-conditioning, management fee and car parking charges to fellow subsidiaries amounting to RMB1,522,000 (approximately HK$1,907,000) (2014: RMB2,379,000 (approximately HK$3,005,000)).

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

Compensation of key management personnel

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

35. Guarantee

As at 30 June 2015, the committed banking facilities of the Company's wholly-owned subsidiary of RMB480,000,000 (approximately HK$600,000,000) (2014: RMB480,384,000 (approximately HK$600,000,000)) and uncommitted banking facilities of the Company's wholly-owned subsidiary of RMB400,000,000 (approximately HK$500,000,000) (2014: RMB160,128,000 (approximately HK$200,000,000)) are guaranteed by the Company respectively. The Company is able to control the utilisation of the facilities. As at 30 June 2015, the subsidiary had utilised part of committed facilities of RMB236,560,000 (approximately HK$295,700,000) (2014: RMB198,479,000 (approximately HK$247,900,000)).

36. Approval of Financial Statements

The consolidated financial statements on page 91 to 145 were approved and authorised for issue by the Board of Directors on 26 August 2015.

Appendix – Consolidated Financial Information (Prepared under Proportionate Consolidation Method)

Consolidated Statement of Profit or Loss

For the year ended 30 June 2015
(FOR INFORMATION PURPOSE ONLY)

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000	**2015 HK$'000**
Toll revenue	1,916,433	**1,918,945**	2,418,971	**2,405,606**
Revenue on construction	52,538	**90,449**	65,620	**113,061**
Turnover	1,968,971	**2,009,394**	2,484,591	**2,518,667**
Other income	165,995	**154,328**	210,039	**193,668**
Construction costs	(52,538)	**(90,449)**	(65,620)	**(113,061)**
Provision for resurfacing charges	(25,131)	**(27,812)**	(31,699)	**(34,857)**
Toll expressway operation expenses	(234,692)	**(258,392)**	(296,472)	**(324,071)**
General and administrative expenses	(103,845)	**(110,407)**	(131,374)	**(138,319)**
Depreciation and amortisation charges	(519,417)	**(546,905)**	(655,592)	**(685,504)**
Finance costs	(347,961)	**(334,204)**	(439,193)	**(418,915)**
Profit before tax	851,382	**795,553**	1,074,680	**997,608**
Income tax expenses	(287,727)	**(265,792)**	(363,165)	**(333,239)**
Profit for the year	563,655	**529,761**	711,515	**664,369**
Profit for the year attributable to:				
Owners of the Company	552,825	**519,644**	697,840	**651,686**
Non-controlling interests	10,830	**10,117**	13,675	**12,683**
	563,655	**529,761**	711,515	**664,369**

Consolidated Statement of Financial Position

As at 30 June 2015

(FOR INFORMATION PURPOSE ONLY)

	2014 RMB'000	**2015 RMB'000**	2014 HK$'000	**2015 HK$'000**
ASSETS				
Non-current Assets				
Property and equipment	468,970	**472,786**	585,743	**590,982**
Concession intangible assets	12,645,704	**12,155,053**	15,794,484	**15,193,816**
Balance with a joint venture	277,071	**310,286**	346,062	**387,858**
Investment	4,785	**4,785**	5,977	**5,982**
	13,396,530	**12,942,910**	16,732,266	**16,178,638**
Current Assets				
Inventories	1,320	**1,255**	1,649	**1,569**
Deposits and prepayments	5,206	**2,693**	6,502	**3,366**
Interest and other receivables	93,999	**99,194**	117,405	**123,992**
Loans to a joint venture (Note)	500,854	**406,749**	625,567	**508,436**
Pledged bank balances and deposits of joint ventures	197,439	**257,301**	246,601	**321,626**
Bank balances and cash				
– The Group	813,601	**574,012**	1,016,188	**717,514**
– Joint ventures	3,784	**15,125**	4,726	**18,908**
	1,616,203	**1,356,329**	2,018,638	**1,695,411**
Total Assets	15,012,733	**14,299,239**	18,750,904	**17,874,049**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	6,965,425	**6,976,694**	8,729,630	**8,750,952**
Equity attributable to owners of the Company	7,236,028	**7,247,297**	9,037,799	**9,059,121**
Non-controlling interests	49,780	**51,797**	62,176	**64,746**
Total Equity	7,285,808	**7,299,094**	9,099,975	**9,123,867**
Non-current Liabilities				
Bank loan of the Group	198,479	**–**	247,900	**–**
Bank and other loans of joint ventures	5,308,698	**5,009,939**	6,630,564	**6,262,423**
Balance with a joint venture partner	277,021	**310,236**	345,999	**387,795**
Resurfacing obligations	100,682	**121,440**	125,752	**151,801**
Deferred tax liabilities	318,980	**310,889**	398,405	**388,611**
Other non-current liabilities	38,156	**36,241**	47,657	**45,301**
	6,242,016	**5,788,745**	7,796,277	**7,235,931**

Consolidated Statement of Financial Position (Continued)

As at 30 June 2015

(FOR INFORMATION PURPOSE ONLY)

	2014 RMB'000	**2015** **RMB'000**	2014 HK$'000	**2015** **HK$'000**
Current Liabilities				
Provision, other payables, accruals and deposits received	568,451	**477,639**	709,996	**597,049**
Balance with a joint venture partner	69,160	**60,972**	86,381	**76,216**
Bank loans				
– The Group	500,000	**236,560**	624,500	**295,700**
– Joint ventures	281,516	**365,652**	351,613	**457,065**
Other interest payable	7,203	**7,098**	8,996	**8,872**
Tax liabilities	58,579	**63,479**	73,166	**79,349**
	1,484,909	**1,211,400**	1,854,652	**1,514,251**
Total Liabilities	7,726,925	**7,000,145**	9,650,929	**8,750,182**
Total Equity and Liabilities	15,012,733	**14,299,239**	18,750,904	**17,874,049**

Note: Reconciliation of loans to a joint venture

	2014 *RMB'000*	***2015*** ***RMB'000***	*2014* *HK$'000*	***2015*** ***HK$'000***
Principal amount of loans from the Group to a joint venture	1,000,000	**788,000**	1,249,000	**985,000**
Interest receivable for loans from the Group to a joint venture	1,708	**25,498**	2,134	**31,872**
Less: Elimination of the Group's proportionate share of the corresponding amounts of a joint venture	(500,854)	**(406,749)**	(625,567)	**(508,436)**
	500,854	**406,749**	625,567	**508,436**

Glossary

"2014 Annual General Meeting"	the annual general meeting of the Company held at Auditorium, 3/F., Kowloonbay International trade and Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 21 October 2014 at 10:00 a.m.
"2015 Annual General Meeting"	the annual general meeting of the Company to be held at Rotunda 3, 6/F., Kowloonbay International Trade and Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 October 2015 at 10:00 a.m.
"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
"Coastal Expressway"	Guangzhou-Shenzhen Coastal Expressway
"Company" or "HHI"	Hopewell Highway Infrastructure Limited
"CY"	calendar year
"Director(s)"	director(s) of the Company
"DPS"	dividend per share
"DTT"	Deloitte Touche Tohmatsu
"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 ending 30 June 2016
"FY17"	the financial year ending 30 June 2017
"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

Glossary

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

Corporate Information

Board of Directors

Sir Gordon Ying Sheung WU[1] KCMG, FICE
Chairman
Mr. Eddie Ping Chang HO
Vice Chairman
Mr. Thomas Jefferson WU[2]
Managing Director
Mr. Alan Chi Hung CHAN
Deputy Managing Director
Mr. Cheng Hui JIA
Professor Chung Kwong POON[#] GBS, JP, PhD, DSc
Mr. Yuk Keung IP[#]
Mr. Brian David Man Bun LI[#] JP

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

Mr. Po Wah HUEN

Registered Office

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Cayman Islands

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Hopewell Centre
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Wan Chai, Hong Kong
Tel: (852) 2528 4975
Fax: (852) 2861 0177

Solicitors

Woo, Kwan, Lee & Lo

Auditor

Deloitte Touche Tohmatsu

Listing Information

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

Principal Bankers[+]

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

\+ *names are in alphabetical order*

Cayman Islands Share Registrar and Transfer Office

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

Hong Kong Share Registrar and Transfer Office

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

American Depositary Receipt

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

Investor Relations

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

Financial Calendar

Interim dividend announcement	5 January 2015
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	5 January 2015
Ex-dividend Date	16 January 2015
Closure of Register of Members	20 January 2015
Interim results announcement	26 January 2015
Interim dividend paid ***(RMB8.4 cents or HK10.6376 cents per share)***	17 February 2015
Final results announcement	26 August 2015
Exchange rate determined for payment of final dividend and special final dividend in Hong Kong Dollars	26 August 2015
Closure of Register of Members	19 October 2015 to 26 October 2015 *(both days inclusive)*
2015 Annual General Meeting	26 October 2015
Ex-dividend Date	28 October 2015
Closure of Register of Members	30 October 2015
Deadline for submission of dividend election form	19 November 2015
Proposed Final Dividend and Special Final Dividend payable# ***Final Dividend: RMB8.4 cents or HK10.1665 cents per share*** ***Special Final Dividend: RMB18 cents or HK21.7854 cents per share***	1 December 2015

Subject to approval by shareholders at the 2015 Annual General Meeting to be held on 26 October 2015.

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