HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

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

Annual Report

2015/16

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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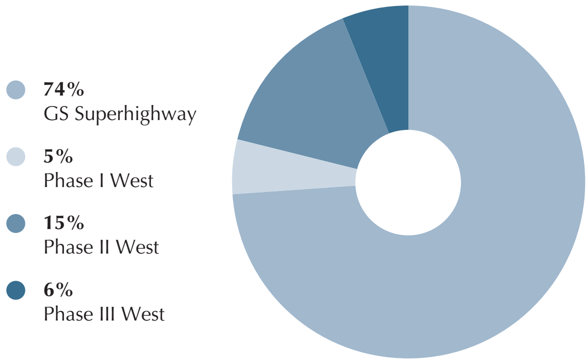
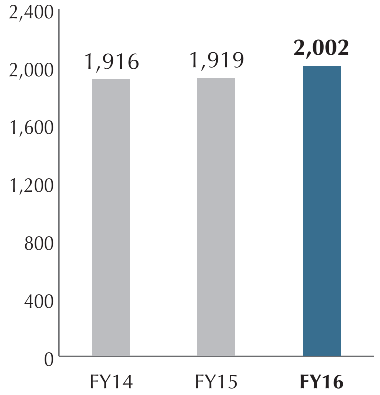
Financial Highlights
(Presented under Proportionate Consolidation Method)

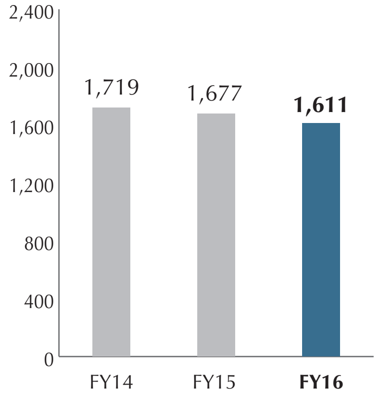
Net toll Revenue by Expressway



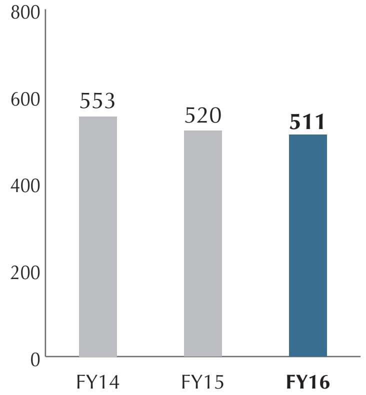
Net Toll Revenue
(RMB million)



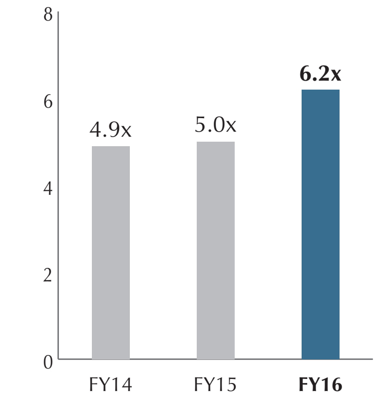
EBITDA
(RMB million)



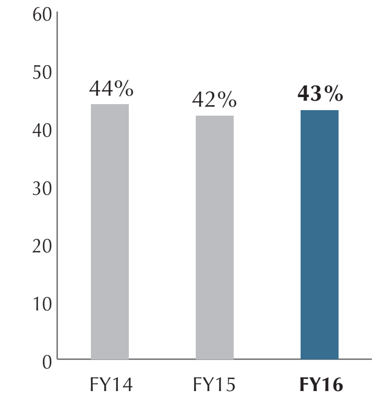
Profit Attributable to Owners of the Company
(RMB million)



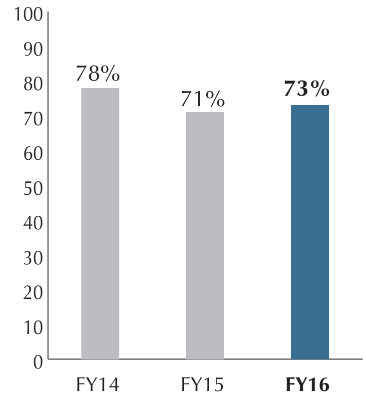
Interest Coverage
(EBITDA/Interest)



Total Debt(Note 1) to Total Assets



Gearing Ratio
Net Debt(Note 1) to Equity Attributable to Owners of the Company)



Note 1: Total debt include bank loans of the Group, bank and other loans of joint ventures and balance with a joint venture partner. 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 2007 to 2016.

Consolidated Results Prepared under the Equity Method (RMB million)

	Year ended 30 June									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Share of results of joint ventures	1,207	1,031	960	958	966	896	653	576	545	**556**
Corporate results	186	81	(11)	(102)	(84)	(45)	(41)	(12)	(15)	**(35)**
Gain on disposal of ESW Ring Road[1]	–	814	–	–	–	–	–	–	–	**–**
Profit for the year	1,393	1,926	949	856	882	851	612	564	530	**521**
Profit for the year attributable to:										
Owners of the Company	**1,367**	**1,909**	**933**	**841**	**866**	**836**	**601**	**553**	**520**	**511**
Non-controlling interests	26	17	16	15	16	15	11	11	10	**10**
Profit for the year	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**564**	**530**	**521**

Segment Revenue and Results (RMB million)

	Year ended 30 June									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Net toll revenue	**2,026**	**1,601**	**1,593**	**1,706**	**1,934**	**1,949**	**1,803**	**1,916**	**1,919**	**2,002**
GS Superhighway	1,776	1,485	1,521	1,628	1,718	1,689	1,470	1,475	1,438	**1,480**
Western Delta Route	67	72	72	78	216	260	333	441	481	**522**
– Phase I West	67	72	72	77	82	77	80	88	93	**102**
– Phase II West	–	–	–	1	134	183	231	276	292	**310**
– Phase III West	–	–	–	–	–	–	22	77	96	**110**
ESW Ring Road[1]	183	44	–	–	–	–	–	–	–	**–**
EBITDA	**1,876**	**1,398**	**1,439**	**1,487**	**1,686**	**1,730**	**1,545**	**1,627**	**1,602**	**1,705**
GS Superhighway	1,668	1,311	1,380	1,426	1,506	1,516	1,272	1,266	1,209	**1,262**
Western Delta Route	57	62	59	61	180	214	273	361	393	**443**
– Phase I West	57	62	59	61	64	62	64	66	72	**81**
– Phase II West	–	–	–	0	116	152	193	233	249	**271**
– Phase III West	–	–	–	–	–	–	16	62	72	**91**
ESW Ring Road[1]	151	25	–	–	–	–	–	–	–	**–**
Depreciation and amortisation	**(347)**	**(288)**	**(266)**	**(295)**	**(369)**	**(397)**	**(453)**	**(519)**	**(547)**	**(595)**
GS Superhighway	(295)	(266)	(257)	(286)	(311)	(333)	(360)	(384)	(394)	**(414)**
Western Delta Route	(8)	(9)	(9)	(9)	(58)	(64)	(93)	(135)	(153)	**(181)**
– Phase I West	(8)	(9)	(9)	(9)	(11)	(11)	(13)	(17)	(18)	**(21)**
– Phase II West	–	–	–	0	(47)	(53)	(67)	(81)	(92)	**(98)**
– Phase III West	–	–	–	–	–	–	(13)	(37)	(43)	**(62)**
ESW Ring Road[1]	(44)	(13)	–	–	–	–	–	–	–	**–**
Interest and tax	**(502)**	**(450)**	**(270)**	**(298)**	**(495)**	**(524)**	**(511)**	**(573)**	**(548)**	**(499)**
GS Superhighway	(318)	(351)	(241)	(275)	(363)	(371)	(296)	(291)	(268)	**(277)**
Western Delta Route	(24)	(32)	(29)	(23)	(132)	(153)	(215)	(282)	(280)	**(222)**
– Phase I West	(24)	(32)	(29)	(21)	(16)	(17)	(17)	(16)	(16)	**(15)**
– Phase II West	–	–	–	(2)	(116)	(136)	(146)	(144)	(139)	**(102)**
– Phase III West	–	–	–	–	–	–	(52)	(122)	(125)	**(105)**
ESW Ring Road[1]	(160)	(67)	–	–	–	–	–	–	–	**–**
Segment results[2]	**1,027**	**660**	**903**	**894**	**822**	**809**	**581**	**535**	**507**	**611**
GS Superhighway	1,055	694	882	865	832	812	616	591	547	**571**
Western Delta Route	25	21	21	29	(10)	(3)	(35)	(56)	(40)	**40**
– Phase I West	25	21	21	31	37	34	34	33	38	**45**
– Phase II West	–	–	–	(2)	(47)	(37)	(20)	8	18	**71**
– Phase III West	–	–	–	–	–	–	(49)	(97)	(96)	**(76)**
ESW Ring Road[1]	(53)	(55)	–	–	–	–	–	–	–	**–**
Segment corporate results[3]	**144**	**75**	**49**	**(34)**	**(16)**	**0**	**(5)**	**24**	**19**	**(8)**
Net exchange gain/(loss)	222	377	(3)	(4)	76	42	36	5	4	**(82)**
Gain on disposal of ESW Ring Road[1]	–	814	–	–	–	–	–	–	–	**–**
Profit for the year	1,393	1,926	949	856	882	851	612	564	530	**521**
Profit for the year attributable to:										
Owners of the Company	**1,367**	**1,909**	**933**	**841**	**866**	**836**	**601**	**553**	**520**	**511**
Non-controlling interests	26	17	16	15	16	15	11	11	10	**10**
Profit for the year	**1,393**	**1,926**	**949**	**856**	**882**	**851**	**612**	**564**	**530**	**521**

10-Year Financial Summary

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

	As at 30 June									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Interests in joint ventures	6,590	4,063	5,036	5,117	5,893	6,447	6,256	6,131	6,203	**6,176**
Loans to a joint venture	–	–	–	–	500	30	1,030	1,000	788	**–**
Bank balances and cash	3,805	5,275	2,447	2,158	2,856	3,756	1,480	814	574	**652**
Dividend receivable from a joint venture	393	939	1	113	252	279	167	166	86	**19**
Investment	–	–	–	–	–	–	5	5	5	**5**
Property and equipment	1	7	3	2	2	1	0	0	0	**0**
Other current assets	28	23	6	2	32	35	29	12	29	**2**
Total assets	**10,817**	**10,307**	**7,493**	**7,392**	**9,535**	**10,548**	**8,967**	**8,128**	**7,685**	**6,854**
Bank loans	–	–	–	–	21	1,058	602	698	237	**–**
Corporate bonds	–	–	–	–	1,980	1,980	600	–	–	**–**
Balance with ESW Ring Road[1]	245	–	–	–	–	–	–	–	–	**–**
PRC withholding tax liability	–	60	104	100	132	137	133	133	137	**127**
Other current liabilities	45	44	29	10	31	36	11	11	12	**8**
Total liabilities	**290**	**104**	**133**	**110**	**2,164**	**3,211**	**1,346**	**842**	**386**	**135**
Non-controlling interests	43	45	42	45	50	55	50	50	52	**46**
Equity attributable to owners of the Company	**10,484**	**10,158**	**7,318**	**7,237**	**7,321**	**7,282**	**7,571**	**7,236**	**7,247**	**6,673**

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

	Year ended 30 June									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Net cash used in operating activities	(48)	(43)	(35)	(25)	(46)	(46)	(42)	(38)	(38)	**(42)**
Net cash from (used in) investing activities	1,808	3,227	985	696	(1,150)	1,077	496	57	1,549	**1,456**
Net cash from (used in) financing activities	(887)	(1,231)	(3,795)	(929)	1,182	103	(2,240)	(1,435)	(1,001)	**(1,336)**
Net increase (decrease) in cash and cash equivalents	873	1,953	(2,845)	(258)	(14)	1,134	(1,786)	(1,416)	510	**78**
Cash and cash equivalents at the beginning of year	3,101	3,805	5,275	2,447	2,158	2,133	3,266	1,480	64	**574**
Effect of foreign exchange rate changes	(169)	(483)	17	(31)	(11)	(1)	0	0	0	**0**
Cash and cash equivalents at the end of year	3,805	5,275	2,447	2,158	2,133	3,266	1,480	64	574	**652**
Time deposits with original maturity over three months	–	–	–	–	723	490	–	750	–	**–**
Total bank balances and cash	**3,805**	**5,275**	**2,447**	**2,158**	**2,856**	**3,756**	**1,480**	**814**	**574**	**652**

Per Share Basis

	Year ended 30 June									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Basic earnings per share (RMB cents)	46.0	64.3	31.5	28.4	29.2	28.2	19.5	17.9	16.9	**16.6**
Dividend per share (RMB cents)										
– Interim	15.1	15.9	15.0	15.0	13.6	14.7	10.0	9.8	8.4	**8.4**
– Final	19.5	11.4	15.9	13.1	14.9	13.0	9.0	8.1	8.4	**8.2**
– Special	–	31.2	73.9	–	–	–	10.0	–	18.0	**40.0**
Net asset value per share (RMB)	3.5	3.4	2.5	2.4	2.5	2.5	2.5	2.4	2.4	**2.2**
Dividend payout ratio[4]	75%	91%	98%	99%	98%	98%	97%	99.8%	99.6%	**100.1%**

Financial Ratios

	As at 30 June									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Return on equity attributable to owners of the Company	13%	19%	13%	12%	12%	12%	8%	8%	7%	**8%**
Prepared under Equity Method										
Total debt[5] to total assets	–	–	–	–	21%	29%	13%	9%	3%	**–**
Gearing ratio (Net debt[5] to equity attributable to owners of the Company)	–	–	–	–	–	–	–	–	–	**–**
Prepared under Proportionate Consolidation Method										
Total debt[6] to total assets	33%	29%	37%	40%	46%	51%	46%	44%	42%	**43%**
Gearing ratio (Net debt[6] to equity attributable to owners of the Company)	14%	0%	30%	43%	57%	67%	74%	78%	71%	**73%**

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) 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 for FY09 and special final divided for FY08, FY13, FY15 and FY16.

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

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

I am pleased to report the Group's results for the financial year ended 30 June 2016. The Group's shared aggregate net toll revenue increased by 4% from RMB1,919 million to RMB2,002 million. This was mainly due to the continuous healthy growth in toll revenue of the GS Superhighway and Western Delta Route.

The aggregate EBITDA of toll expressways (excluding exchange differences on the GS Superhighway JV's US Dollar and HK Dollar loans as well as related income tax) grew by 6%, from RMB1,602 million to RMB1,705 million. The Group's net profit from its toll road projects increased by 20% from RMB507 million to RMB611 million. Meanwhile, the profit attributable to owners of the Company decreased by 2% from RMB520 million to RMB511 million. Basic earnings per share for the year decreased by 2% from the previous year's RMB16.86 cents to RMB16.59 cents.

Final Dividend and Special Final Dividend

The Board has proposed a final dividend of RMB8.2 cents per share (equivalent to HK9.5484 cents per share at the exchange rate of RMB1:HK$1.16444) and a special final dividend of RMB40 cents per share (equivalent to HK46.5776 cents per share at the exchange rate of RMB1:HK$1.16444) for the financial year ended 30 June 2016. 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 RMB16.6 cents per share. This represents a decrease of 1% on the last financial year's total regular dividends of RMB16.8 cents per share. Excluding the special final dividend of RMB40 cents per share, the Company's total dividend for the year represents a regular dividend payout ratio of 100.1% of the Company's profit attributable to owners of the Company and will be 0.5% higher than that of the previous year.

Subject to shareholders' approval at the 2016 Annual General Meeting to be held on Wednesday, 26 October 2016, the proposed final dividend and special final dividend will be paid on Friday, 2 December 2016 to shareholders who are registered at the close of business on Tuesday, 1 November 2016.

If the proposed final dividend and special final dividend are approved by the shareholders at the 2016 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 Tuesday, 23 August 2016 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 Monday, 21 November 2016. **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 2016 Annual General Meeting to be held on Wednesday, 26 October 2016, the Register of Members of the Company will be closed from Wednesday, 19 October 2016 to Wednesday, 26 October 2016, 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 2016 Annual General Meeting, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 18 October 2016.

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 Tuesday, 1 November 2016, if and only if the proposed final dividend and special final dividend are approved by the shareholders at the 2016 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 Monday, 31 October 2016.

Business Review

During the year under review, the global economy was affected by uncertainty over the timing of the US interest rate hike. Britain's vote to leave the European Union ("EU") ("Brexit") has also set in motion an unprecedented and unpredictable process that threatens turbulence and potential crisis — for Britain, Europe and the global economy. Such challenges are coming at an already fragile moment for the world's economy and the gloomy outlook is exaggerated by a sharp decline in the pound and plummet of the global stock market.

The PRC economy remains as the growth engine to the world economy. To maintain the GDP growth momentum at the target rate of 6.5% — 7.0%, the PRC government continues to stimulate domestic consumption, ease money market liquidity, liberate interest rate, open up capital market and invest in large-scale infrastructure projects. Although RMB weakened unexpectedly in August 2015, the PRC economy still experienced a sustainable expansion. Its GDP in the second quarter of 2016 grew by 6.7% year-on-year, a similar figure to 2015's.

During the year under review, the aggregate average daily toll revenue of the GS Superhighway and the Western Delta Route grew by 4% year-on-year to RMB11.6 million and the combined toll revenue amounted to RMB4,254 million.

The average daily toll revenue of the GS Superhighway increased by 3% year-on-year to RMB8.7 million and its average daily full-length equivalent traffic grew by 4% year-on-year to 92,000 vehicles, indicating growth momentum has persisted since the second half of FY15. Nanguang Expressway and Longda Expressway (Shenzhen section), which are parallel to Taiping to Nantou section of the GS Superhighway, became toll-free since 7 February 2016. The overall impact on the GS Superhighway has been slightly positive and the Group will closely monitor the situation.

The average daily toll revenue and average daily full-length equivalent traffic of the Western Delta Route continued to grow healthily by 8% and 12% year-on-year to RMB2.9 million and 40,000 vehicles respectively, reaching historical high.

Corporate Sustainability

The Group believes that promoting sustainability is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainability in its operations. Moreover, it values opportunities to learn more about the needs and expectations of the communities in which it operates, as well as those of other stakeholders. The Group has established a formal stakeholder engagement process and a Sustainability Steering Committee to strengthen its management's efforts to promote sustainability through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate its commitment to transparency and accountability to its stakeholders, the Company will issue an independently verified Sustainability Report under the latest HKEx Environmental, Social and Governance (ESG) Reporting Guide. The report will present its company-wide commitment to sustainable development during the year under review, and it will cover the significant economic, environmental and social achievements and impact arising from the activities of the Group and its JVs.

Prospects

The global economy is facing growing uncertainty after UK voted to leave EU. The unprecedented decision had rendered the slump of world financial markets, and the immediate effect was that the GBP had plunged by approximately 10% against USD on the announcement day of Brexit voting. Furthermore, Brexit had cast cloud on whether Scotland and Northern Ireland may leave UK and created the unforeseeable domino effect that other EU members will follow to exit EU, which might eventually lead to the disintegration of EU and Euro markets. The US will inevitably be affected under the precarious economic climate in the coming years, which will make the Federal Reserve more cautious in raising interest rate this year.

Against the backdrop of unstable economic environment, the PRC government will continue to transform the economy into a consumption-oriented, technology-advanced and environmentally-sustainable growth economy. In order to maintain its GDP growth at a slower rate, the PRC authorities have been deploying policies to revitalize the PRC property market and encourage domestic consumption. These were manifested from a series of official lending rate cuts, targeted tax reduction and accommodative monetary and fiscal policies.

"The Belt and Road initiative" of PRC tactically redirects the overcapacity in PRC to a strategic connection to international arena through international infrastructure projects. In the long run, it will promote co-development and mutual co-operation in the areas of economic, finance, transport, tourism and technology which will finally result in prosperity of the nations along the regions.

Growth in the registered car population of Guangdong remains healthy, increasing by 10% year-on-year and reaching a new record high of 14.7 million vehicles at the end of 2015. The growth in demand for road usage continues to outpace the growth of expressway length. These, together with the prosperous economic development of the Pearl River Delta are expected to sustain growth of the Group's expressways.

Growth momentum of the GS Superhighway has persisted since the second half of FY15, after the full opening of the Coastal Expressway in December 2013. The Western Delta Route is now the most direct and convenient artery of a regional expressway network that covers the most prosperous and populous cities on the western bank of the Pearl River Delta, including Guangzhou, Foshan, Zhongshan and Zhuhai, and it reduces the travelling time between them. It also offers convenient access to the Hengqin State-level Strategic New Zone, and via its connection with the forthcoming HZM Bridge, to Hong Kong. The urbanization of cities in the western PRD region is expected to accelerate, thus creating economic growth that will benefit the Group.

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, 23 August 2016

Profile of Directors

Executive Directors

Sir Gordon Ying Sheung WU KCMG, FICE

Aged 80, 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:

In the PRC

Council Member	United Nations Association of China
Advisor	China Development Bank

In Hong Kong

Vice President	The Real Estate Developers Association of Hong Kong

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

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

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

He also received Honorary Doctorate Degrees from the following universities:

— The Hong Kong Polytechnic University, Hong Kong (Honorary Doctor of Engineering)
— University of Strathclyde, United Kingdom (Honorary Doctor of Business Administration)
— The University of Edinburgh, United Kingdom (Doctorem honoris causa)
— Lingnan University, Hong Kong (Honorary Doctor of Laws)
— City University of Hong Kong, Hong Kong (Honorary Doctor of Social Science)
— Macau University of Science & Technology, Macau (Honorary Doctor of Business Administration)
— University of Manitoba, Canada (Honorary Degree of Doctor of Laws)
— The Hong Kong Institute of Education (retitled as "The Education University of Hong Kong"), Hong Kong (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 83, 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 Mainland China, 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 JP

Aged 43, he has been an Executive Director of the Company since January 2003 and was appointed as the Managing Director of the Company in July 2003. He is also 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. In 2015, he was conferred an honorary fellowship by Lingnan University.

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 Tourism Board, a member of the Hong Kong Government's Standing Committee on Disciplined Services Salaries and Conditions of Service, a member of the Energy Advisory Committee of the Environment Bureau and a Vice Patron of the Community Chest of Hong Kong. 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. Previously, he was a council member of The Hong Kong Polytechnic University and the Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science of Technology and a board member of the Asian Youth Orchestra.

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 the International Ice Hockey Federation, Co-founder and Chairman of the Hong Kong Amateur Hockey Club and Hong Kong Academy of Ice Hockey, as well as Chairman of the Hong Kong Ice Hockey Officials Association. He is also the Honorary President of the Hong Kong Ice Hockey Association — the national sports association of ice hockey in Hong Kong, Vice Chairman of the Chinese Ice Hockey Association, Honorary President of the Macau Ice Sports Federation and Honorary Chairman of the Ice Hockey Association of Taipei Municipal Athletics Federation.

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

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

Mr. Alan Chi Hung CHAN

Aged 57, he has been an Executive Director of the Company since January 2003 and was appointed as the Deputy Managing Director in July 2003. He is also 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.

Independent Non-executive Directors

Professor Chung Kwong POON GBS, JP, PhD, DSc

Aged 76, 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 and Toronto University. He also held the Honorary Degree of Doctor of Humanities from The Hong Kong Polytechnic University in 2009. Professor POON is currently the Chairman of Virya Foundation Limited (a registered non-profit charitable organization) and he 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 by the Hong Kong Government 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 Stock Exchange. He was an Independent Non-executive Director of K. Wah International Holdings Limited (2009–2015), which is 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 64, 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 the 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 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 on the Stock Exchange, and Langham Hospitality Investments is a listed fixed single investment trust and Champion Real Estate Investment Trust is a listed real estate investment trust. In addition, he is an Independent Non-executive Director of New World China Land Limited, a company de-listed from the Stock Exchange on 4 August 2016.

Mr. Ip is an Honorary Professor of Business of Lingnan University, an Adjunct Professor of City University of Hong Kong, University of Macau and Hang Seng Management College, an Advisory Board Member of Faculty of Business and Department of Accountancy at Lingnan University, a Council Member of The Hong Kong University of Science and Technology, 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 Hong Kong. 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 degree 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, real estate finance and hospitality industries, 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 41, 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 Stock Exchange. He was General Manager & Head of Wealth Management Division of BEA from July 2004 to March 2009, and was appointed Deputy Chief Executive in April 2009. He was further appointed Executive Director of BEA in August 2014. Mr. LI is currently an Independent Non-executive Director of Towngas China Company Limited and China Overseas Land & Investment Limited, both of which are listed on the Stock Exchange.

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

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 2017 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.

Mr. Alexander Lanson LIN

Aged 43, he has over 20 years of experience in finance and asset management. He has been serving as a director of Les Enphants Co., Ltd. ("Les Enphants"), a public company listed on the Taiwan Stock Exchange, since May 2002, and then serving as vice-chairman of Les Enphants since June 2014. He is also the chairman of Shanghai Les Enphants Children Articles Co., Ltd., Shanghai Lead Han Trading Co., Ltd and Suzhou Les Enphants Logistics Co., Ltd. since December 2015 respectively. He joined OCP Asia (Hong Kong) Limited as a senior portfolio manager in October 2009 and was a responsible officer of OCP Asia (Hong Kong) Limited from December 2009 to March 2013. Prior to joining OCP Asia (Hong Kong) Limited, Mr. LIN was a managing director of Credit Suisse (Hong Kong) Limited from November 1997 to April 2009 and one of its responsible officers from October 2003 to January 2009. Mr. LIN graduated with a Bachelor of Arts degree with a concentration in International Relations from Cornell University, US in May 1995. He is a chartered financial analyst (CFA).

Business Review

During the year under review, the aggregate average daily toll revenue of the GS Superhighway and the Western Delta Route grew by 4% year-on-year to RMB11.6 million and the combined toll revenue amounted to RMB4,254 million.

The growth momentum of the GS Superhighway has persisted since the second half of FY15, as diversion impact from the full opening of the Coastal Expressway since December 2013 was fully realised in 2014. During the year under review, its average daily toll revenue increased by 3% year-on-year to RMB8.7 million and average daily full-length equivalent traffic grew by 4% year-on-year to 92,000 vehicles, maintaining an upward trend.

Nanguang Expressway and Longda Expressway (Shenzhen section), which are parallel to Taiping to Nantou section of the GS Superhighway, became toll-free since 7 February 2016. From current observations, the slight fall in long-distance traffic between Shenzhen and Guangzhou was offset by the significant increase in short-distance traffic between Nantou (which is connected to Nanguang Expressway) and Huanggang/Baoan interchanges. As a result, the overall impact on the GS Superhighway has been slightly positive and the Company will closely monitor the situation.

The average daily toll revenue and average daily full-length equivalent traffic of the Western Delta Route recorded healthy growth at 8% and 12% year-on-year to RMB2.9 million and 40,000 vehicles respectively, reaching historical high. Phase I West maintained steady growth while Phase II West's growth rebounded since November 2015, one year after the completion of upgrading works on National Highway 105 in October 2014. The average daily toll revenue and average daily full-length equivalent traffic of Phase I West grew by 9% and 10% year-on-year, amounting to RMB574,000 and 49,000 vehicles respectively, while that of Phase II West were RMB1,749,000 and 52,000 vehicles, representing a growth of 6% and 11% respectively. Phase III West continued to perform healthily, its average daily toll revenue and average daily full-length equivalent traffic grew by 14% and 19% year-on-year to RMB617,000 and 22,000 vehicles respectively.

The Group's shared aggregate net toll revenue increased by 4% year-on-year to RMB2,002 million during the year under review, with the GS Superhighway and the Western Delta Route contributing 74% and 26% respectively, compared to 75% and 25% respectively in FY15.

Financial Year	*2015*	***2016***	*% Change*
At JV company level			
GS Superhighway			
Average Daily Toll Revenue^ (RMB '000)	8,462	**8,682**	+3%
Average Daily Full-Length Equivalent Traffic* (No. of vehicles '000)	88	**92**	+4%
Western Delta Route			
Average Daily Toll Revenue^ (RMB '000)	2,715	**2,941**	+8%
Average Daily Full-Length Equivalent Traffic* (No. of vehicles '000)	36	**40**	+12%
Phase I West			
Average Daily Toll Revenue^ (RMB '000)	525	**574**	+9%
Average Daily Full-Length Equivalent Traffic* (No. of vehicles '000)	45	**49**	+10%
Phase II West			
Average Daily Toll Revenue^ (RMB '000)	1,651	**1,749**	+6%
Average Daily Full-Length Equivalent Traffic* (No. of vehicles '000)	47	**52**	+11%
Phase III West			
Average Daily Toll Revenue^ (RMB '000)	540	**617**	+14%
Average Daily Full-Length Equivalent Traffic* (No. of vehicles '000)	19	**22**	+19%

^ Including tax

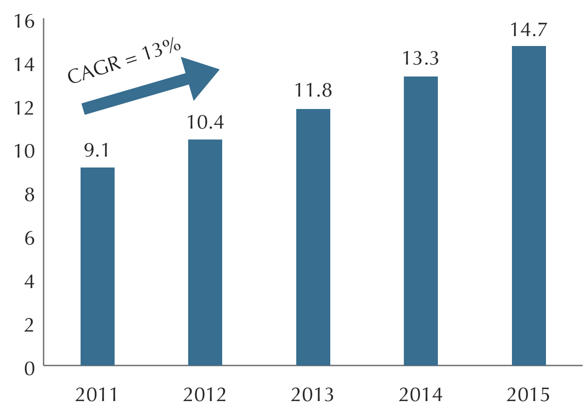
* Average daily full-length equivalent traffic is defined as the total distance travelled by all vehicles on the expressway divided by the full length of the expressway and the number of days in the year under review. It can better reflect road usage as it takes into account total travelling distance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

Economic Environment

The national GDP of China and Guangdong grew at a moderate pace of 6.9% and 8% in 2015 respectively. Entering the 13th Five-Year Plan period, the Chinese government continues to strive for a balance between economic growth and economic restructuring. Accommodative policies are kept in place to maintain a steady growth. On the other hand, supply-side structural reforms are carried out to accelerate the transformation and upgrade of the economy. Under this economic backdrop, the Chinese government targets the GDP growth of China and Guangdong at a moderate pace of 6.5%-7.0% and 7.0%-7.5% respectively in 2016.

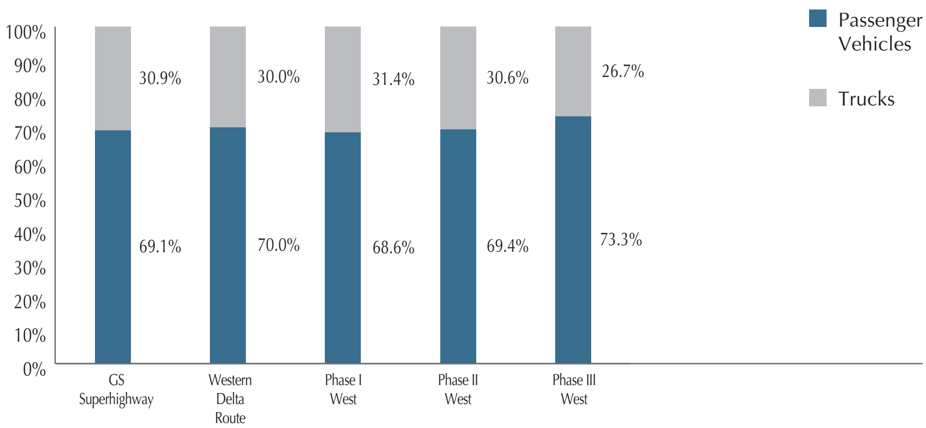
From 2011 to the end of 2015, total length of expressways in Guangdong reached 7,021 km with a compound annual growth rate of 9%. On the other hand, continuous demand for road usage was reflected by a compound annual growth of registered car population at 13% during the same period. A new record high of 14.7 million vehicles was reached at the end of 2015. The growth rate of toll road supply is far lagging behind the demand in Guangdong. 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.

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

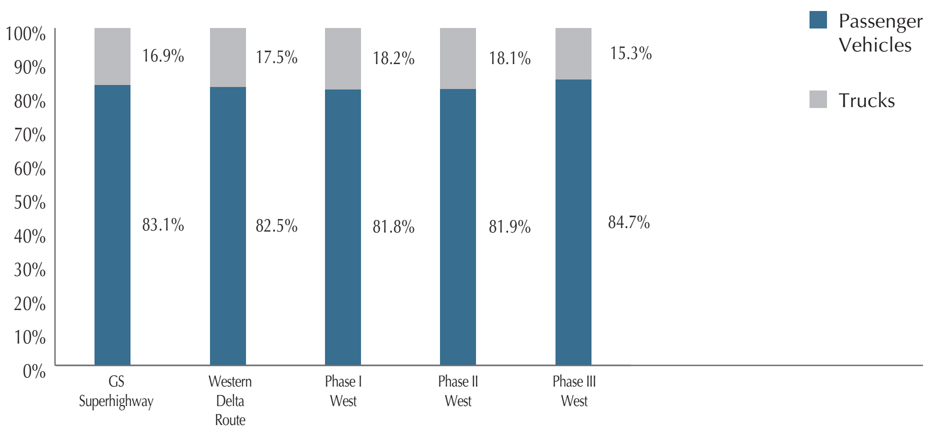


China continued to be the world's largest vehicle sales market for the seventh consecutive year in 2015. Annual vehicle sales in the PRC in 2015 increased by 5% to approximately 25 million units according to the China Association of Automobile Manufacturers. During the first half of 2016, the sales volume has reached approximately 12.8 million units at an annual growth rate of 8%. It is expected that total sales will increase 6% year-on-year and exceed 26 million units at the year end of 2016. In 2015, registered car population in the PRC rose 11% year-on-year to 163 million. The Company believes that the GS Superhighway and the Western Delta Route will continue to benefit from the growth of car population in the PRC and Guangdong, which is driven mainly by the sales growth of passenger cars.

Toll Revenue Contribution (FY16)



Full-Length Equivalent Traffic Contribution (FY16)

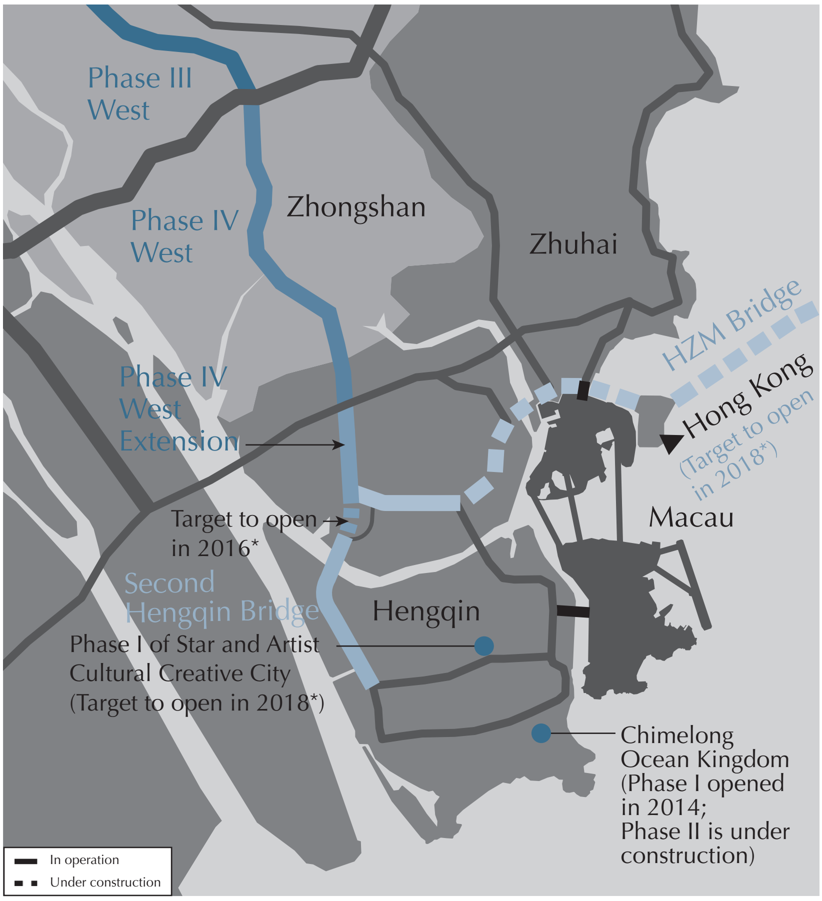


Growth Potential of the Western Delta Route

The Western Delta Route is a 97.9-km closed expressway with a total of 6 lanes in dual directions which comprises 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, namely Guangzhou, Foshan, Zhongshan and Zhuhai with GDP growth of 7.6%-8.1% in the first half of 2016, will create solid 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 Guangzhou Ring Road, Guangzhou-Gaoming Expressway, Guangzhou Southern Second Ring Road, Zhongshan-Jiangmen Expressway, Western Coastal Expressway, and will link up with the forthcoming HZM Bridge, Guangzhou-Zhongshan-Jiangmen Expressway, Humen Second Bridge and Shenzhen-Zhongshan Corridor (these infrastructures will open to traffic by the end of 2018, 2019, 2019 and 2023 respectively, according to the media reports) to form a comprehensive regional expressway network. Moreover, Second Hengqin Bridge was open to traffic on 30 December 2015 and is linked with the southern end of the Western Delta Route via local road into Hengqin temporarily. By the end of 2016, an expressway linking with the Second Hengqin Bridge will be completed and this new connection will further strengthen the position of the Western Delta Route as a north-south corridor on the western bank of the PRD region, making it the only expressway artery facilitating traffic to and fro Guangzhou and Hengqin. The Company believes that good connectivity will provide continuous and stable traffic flow to the Western Delta Route.

The HZM Bridge will commence operation in 2018, according to the media. 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 a 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.



* 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. According to the media reports in April 2016, the total committed project investments in Hengqin have reached over RMB320 billion. Among which, several key projects are in progress. Chimelong International Ocean Tourist Resort, one of the signature projects in Hengqin that attracted over 25 million tourists since official opening in March 2014, had started the construction of its phase two in January 2015. Moreover, Phase one of Lai Sun Group's Star and Artist Cultural Creative City, another signature project focused on culture and recreation industries with theme hotels, targets to open in 2018 according to the media. Early in April 2014, the Macao government recommended 33 qualified projects, covering tourism, culture, trade and technology industries, to be developed in the Guangdong-Macao Cooperation Industrial Park. Of which, a ground-breaking ceremony was held for 12 Macao-funded projects in February 2016 that will be completed from 2018 onwards as reported by the media. The progressive development in Hengqin will strengthen the demand for transportation in the region.

Hengqin's Developments

	CY 2014 2015 2016 2017 2018 >>>
Projects	
Chimelong International Ocean Tourist Resort Phase 1	**Opened in March 2014**
Chimelong International Ocean Tourist Resort Phase 2	**Started construction in January 2015 (Target opening in 2020*)**
Phase I of Lai Sun Group's Star and Artist Cultural Creative City	**Started construction in end 2015 (Target opening in end 2018*)**
Ferretti Yacht Asia-Pacific Center	**Started construction in December 2015 (Target opening in 2018*)**
Guangdong-Macao Cooperation Industrial Park	**Started construction in February 2016 (Target completion from 2018 onwards*)**
Infrastructure	
Macau Cotai-Hengqin Border Crossing 24-hour opening	**Started since December 2014**
Hengqin Second Bridge	**Opened in December 2015**

* According to media

On the other hand, newly established gaming resorts and hotels in Macau have helped to promote tourism. In addition to Studio City's opening in October 2015, Wynn Palace and the Parisian Macao are scheduled to open in the second half of 2016, providing a total of approximately 6,200 guest rooms. These new landmarks will provide fresh experience of entertainment and hospitality in the region, propelling a second wave of growth in Macau's tourism. Furthermore, after the implementation of 24-hour opening of border crossing for passengers and passenger cars between Macau and Hengqin since 18 December 2014, the cross border traffic flow was boosted. The average daily cross border passenger flow and vehicular traffic between Cotai and Hengqin grew robustly by 53% and 15% to 21,000 journeys and 3,000 vehicles respectively in 2015. 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.

Toll Road Policies

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. According to the latest announcement by the Traffic Police Bureau of Shenzhen, this restriction has been extended to certain areas of six additional downtowns, namely Baoan, Longgang, Longhua, Guangming, Pingshan and Dapeng, effective since 15 April 2016. Routes linking the six border crossings are exempted from this measure, therefore vehicles travelling along the GS Superhighway to the Huanggang and Futian border crossings are not affected.

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. Later 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 and resulting in any revenue loss, needs to compensate the toll road companies. The Company will closely monitor the development on this issue.

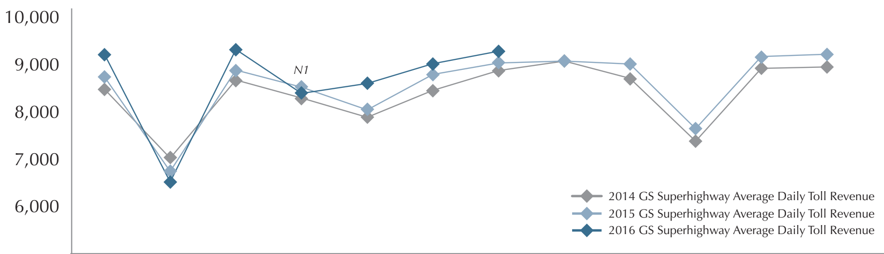
Guangzhou-Shenzhen Superhighway

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. After the full opening of the Coastal Expressway at the end of 2013, the GS Superhighway returned to positive growth since the second half of FY15. During the year under review, the growth has persisted at a steady pace. Average daily toll revenue increased by 3% year-on-year to RMB8.7 million, and its total toll revenue amounted to RMB3,177 million. The average daily full-length equivalent traffic on the GS Superhighway rose by 4% year-on-year to 92,000 vehicles, implying a 28% room to grow when compared with the historical peak at 118,000 vehicles on 18 September 2013. This indicates there is still room for traffic to grow on the GS Superhighway. Passenger vehicles are the major contributors to toll revenue and traffic, accounting for 69.1% and 83.1% of the GS Superhighway's toll revenue and full-length equivalent traffic volume.

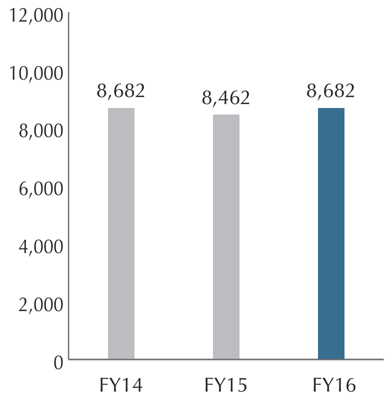
GS Superhighway Average Daily Toll Revenue (Monthly)
(RMB thousand)



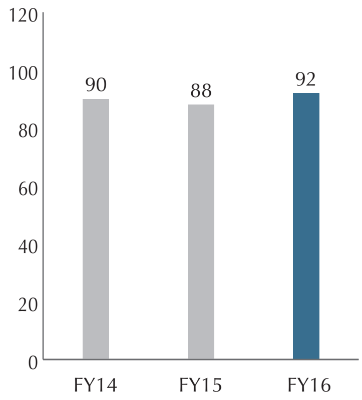
	Jan + Feb (Lunar New Year)	Mar	Apr (Ching Ming Festival)	May (Labour Holiday)	Jun	Jul	Aug	Sep + Oct (National Holiday)	Nov	Dec	CY Yearly Average	yoy change 1HCY	yoy change 2HCY
2014	7,770	8,657	8,276	7,868	8,438	8,857	9,046	8,017 (Guangzhou Northern Ring Road closure)	8,903	8,933	8,384	-5%	-6%
2015	7,774	8,867	8,505	8,025	8,775	9,017	9,057	8,300	9,153	9,202	8,567	+2%	+2%
2016	7,921	9,303	8,374	8,584	9,002	9,266						+3%	
2015 vs 2014 yoy	+0%	+2%	+3%	+2%	+4%	+2%	+0%	+4%	+3%	+3%	+2%		
2016 vs 2015 yoy	+2%	+5%	-2%	+7%	+3%	+3%							

N1: April: One more day of toll-free Labour Holiday in 2016 compared to 2015; May: One less day of toll-free Labour Holiday in 2016 compared to 2015

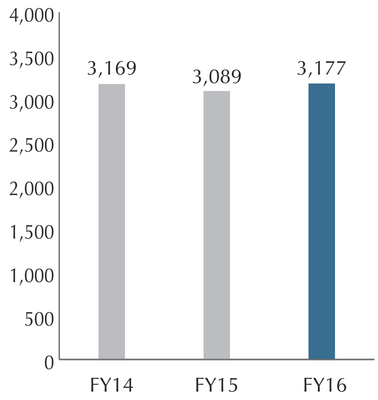
Average Daily Toll Revenue^
(RMB thousand)



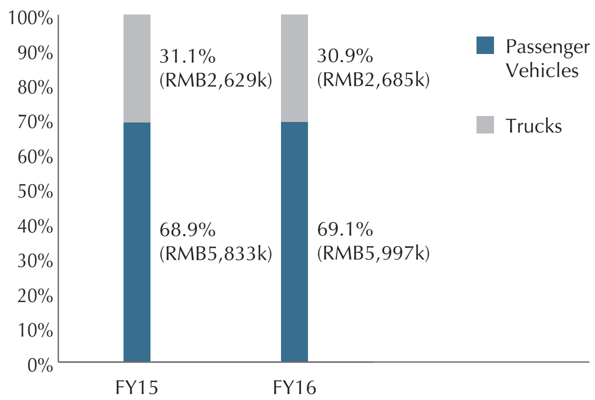
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



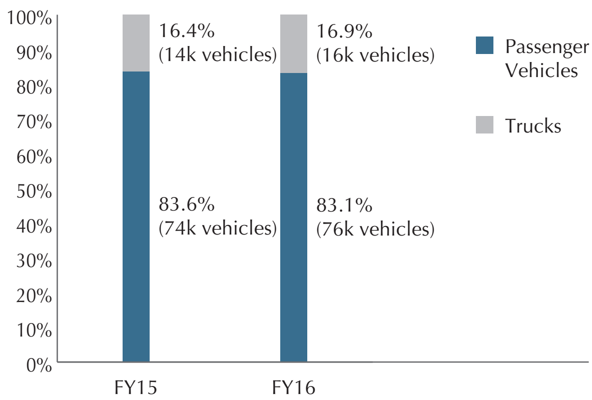
Annual Toll Revenue^
(RMB million)



Average Daily Toll Revenue Breakdown by Vehicle Type



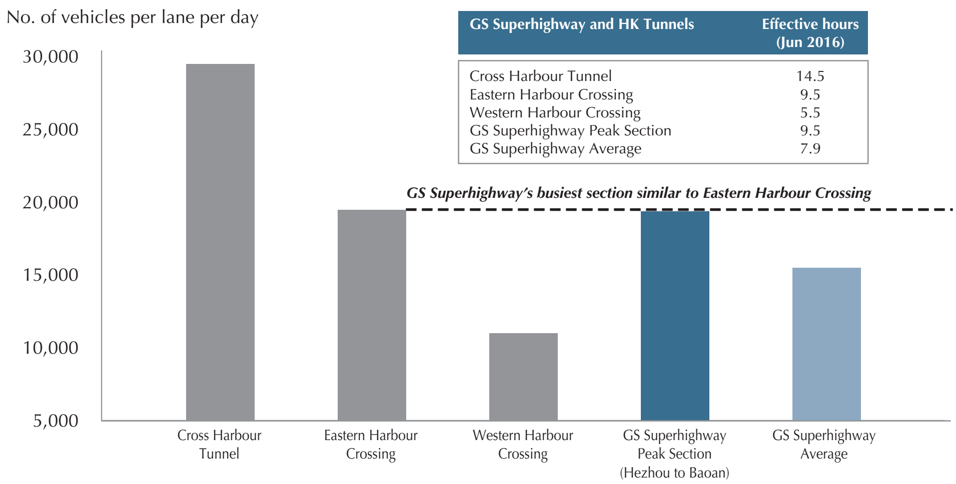
Average Daily Full-Length Equivalent Traffic Breakdown by Vehicle Type



^ Including tax

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



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 2016): Cross Harbour Tunnel 116,000, Eastern Harbour Crossing 76,000, Western Harbour Crossing 66,000
4) Average daily traffic of GS Superhighway (June 2016)

Nanguang Expressway and Longda Expressway (Shenzhen section), which are parallel to Taiping to Nantou section of the GS Superhighway, became toll-free since 7 February 2016. From current observations, the slight fall in long-distance traffic between Shenzhen and Guangzhou was offset by the significant increase in short-distance traffic between Nantou (which is connected to Nanguang Expressway) and Huanggang/Baoan interchanges. As a result, the overall impact on the GS Superhighway has been slightly positive and the Company will closely monitor the situation.

In response to the collision incidents caused by over-height ships sailed across the navigable bridges of the GS Superhighway, certain lanes on both directions at Chuancha Bridge, Zhongtang Bridge (both located between Machong and Wangniudun interchanges) and Xinzhou Bridge (located between Daojiao and Dongguan interchanges) were closed for maintenance in different periods from mid-March to early July in 2016. This temporary measure had minimal impact on the toll revenue of the GS Superhighway. In light of such incidents, the GS Superhighway JV enforced several precautionary measures, such as the installation of alarm and warning systems at navigable bridges of Dongguan section, to reduce the possibility of ship collision in the future.

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. The maintenance works on Guangzhou Northern Ring Road were completed by the end of August 2015 while the renovation works on Guangzhou East-South-West Ring Road will continue till 2017. Traffic between these roads and the GS Superhighway was slightly interrupted and the impact is insignificant.

According to the media reports, Baoan section of National Highway 107 has planned to start upgrading works in the future. While the starting date of construction works is yet to be announced, the Group will continue to monitor the situation.

The GS Superhighway JV has been making incessant progress in enhancing its operational efficiency and its capability to cope with the increasing traffic by installing automated equipment at the toll lanes and entry lanes. Currently, approximately 76% of all the toll lanes at entrances to the GS Superhighway are equipped with ETC or automatic card-issuing machines. An organizational structure review is also in progress in order to streamline the workforce to further improve the operational efficiency. Furthermore, energy saving LED lights were installed at the toll plazas and along its entire main alignment in order to reduce energy consumption and lower operating cost.

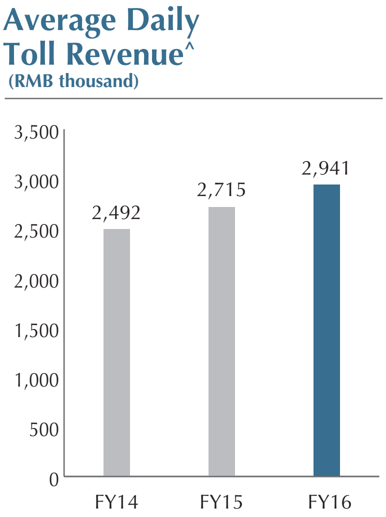
Western Delta Route

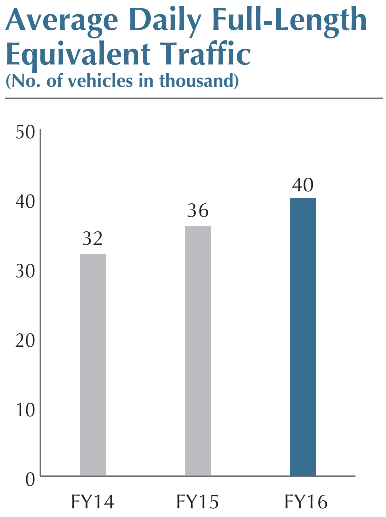
Project Summary

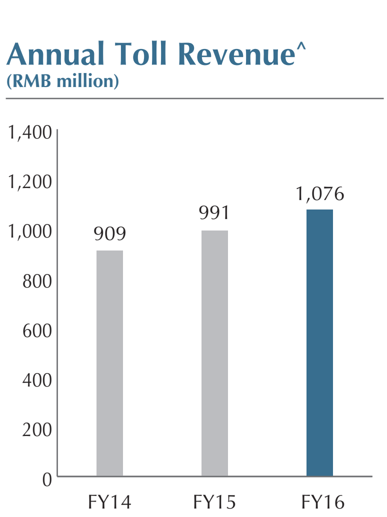
Location	Guangzhou to Zhuhai, Guangdong, PRC
Length	97.9 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	Phase I West (September 2003 to September 2033) Phase II West (June 2010 to June 2035) Phase III West (January 2013 to January 2038)
Profit Sharing Ratio	50%

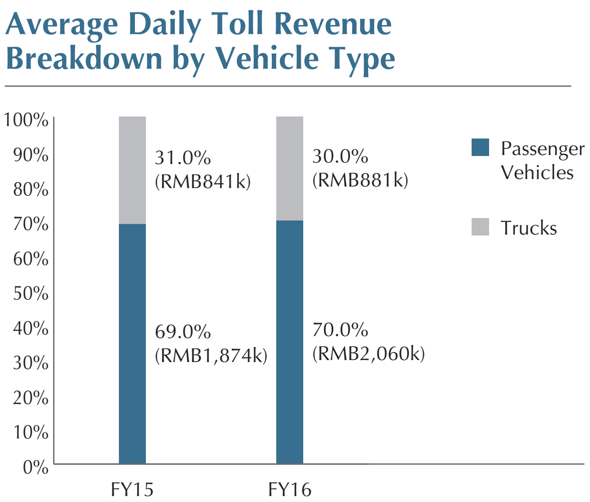
The Western Delta Route is a 97.9-km closed expressway with a total of 6 lanes in dual directions which is comprised of Phase I West, Phase II West and Phase III West. It is the central expressway artery on the western bank of the PRD region connecting four major cities — Guangzhou, Foshan, Zhongshan 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.

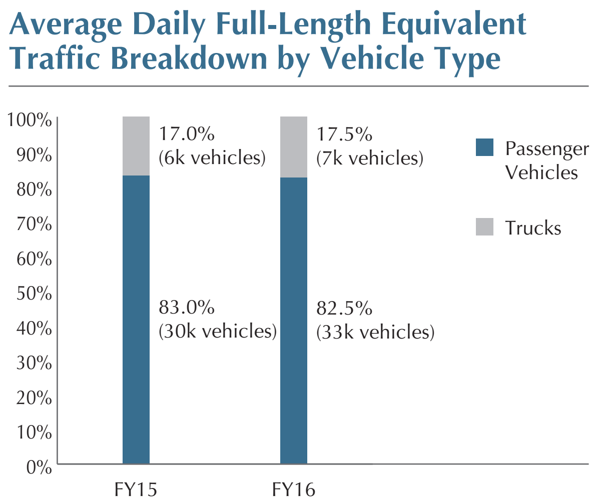
During the year under review, benefiting from the development of tourism in Hengqin and Macau and healthy economic environment, the average daily toll revenue and average daily full-length equivalent traffic of the Western Delta Route continued to grow healthily and achieved 8% and 12% year-on-year growth to RMB2.9 million and 40,000 vehicles respectively. Meanwhile, its total toll revenue amounted to RMB1,076 million. Passenger vehicles are the major contributors to toll revenue and traffic, accounting for 70.0% and 82.5% of the Western Delta Route's toll revenue and full-length equivalent traffic volume respectively. On 8 June 2016, its toll revenue recorded a new high which amounted to RMB3.9 million.







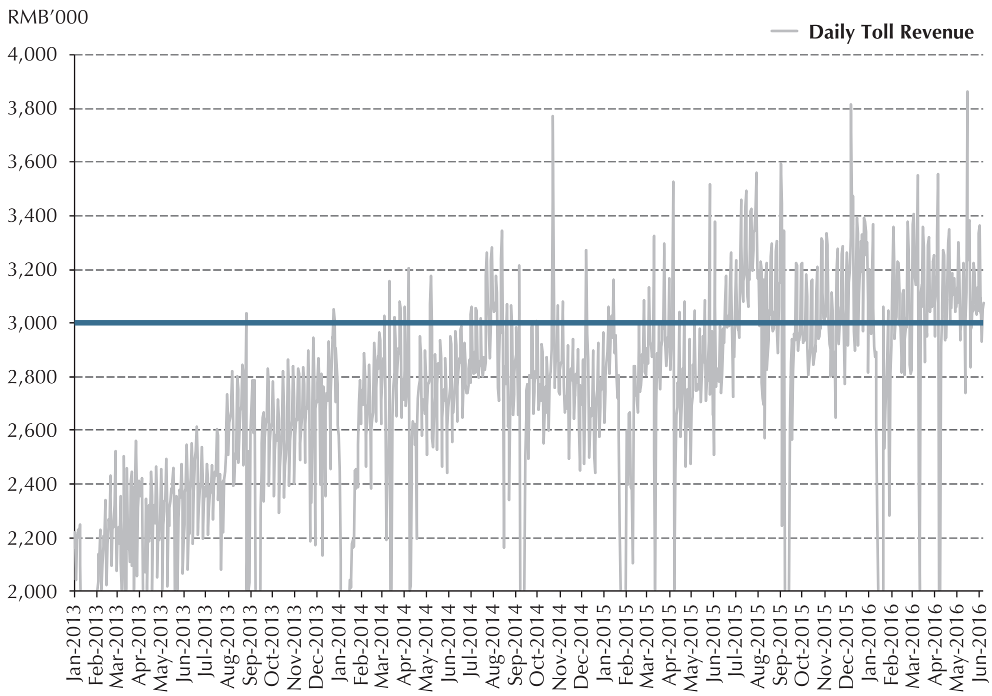




^ Including tax

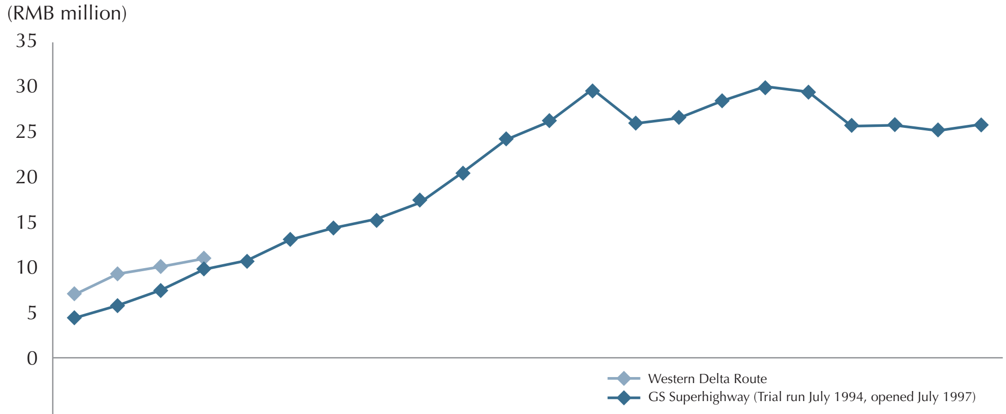
After the opening of Phase III West in the second half of FY13, the Western Delta Route continues to maintain its positive operating cash flow (after taking interest expense payments into account). As the People's Bank of China started a series of lending rate cuts since the fourth quarter of 2014, together with the completion of Phase II West's new financial plan, the interest expense of the Western Delta Route has been lowered. As a result, the level of average daily toll revenue for the Western Delta Route to achieve profit breakeven is below RMB3 million. The Western Delta Route first turned profitable in FY16 and it 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.

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



* Data from 25 January 2013 (when Phase III West commenced operation) to 30 June 2016

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	Year 22
GS Superhighway (FY95)	4.4	5.8	7.5	9.8	10.8	13.1	14.4	15.4	17.2	20.6	24.2	26.2	29.8	26.0	26.6	28.5	30.1	29.5	25.7	25.8	25.2	25.9
Western Delta Route (FY13)	7.0	9.3	10.1	11.0																		

^ Including tax

Phase I of the Western Delta Route

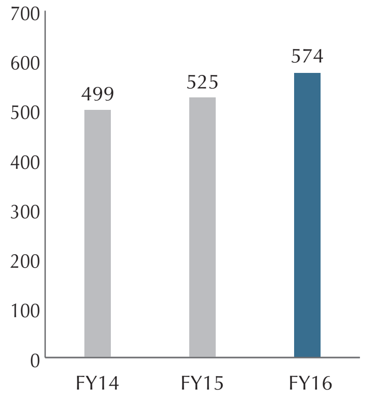
Project Summary

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%

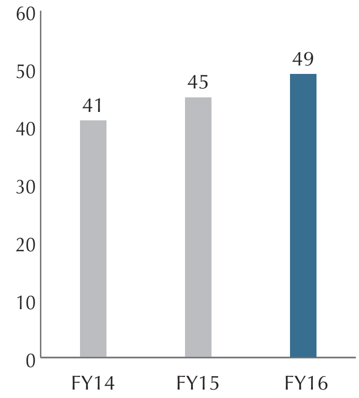
Phase I West connects with Guangzhou East-South-West Ring Road to the north, and Phase II West and National Highway 105 at Shunde to the south. As the northern part of the Western Delta Route, Phase I West's synergy with Phase II West and Phase III West as well as the on-going economic growth of Guangzhou 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. During the year under review, its average daily toll revenue increased by 9% year-on-year to RMB574,000, whereas its average daily full-length equivalent traffic increased by 10% to 49,000 vehicles. Its total toll revenue for the year amounted to RMB210 million. Passenger vehicles are the major contributors to toll revenue and traffic, accounting for 68.6% and 81.8% of Phase I West's toll revenue and full-length equivalent traffic volume respectively.

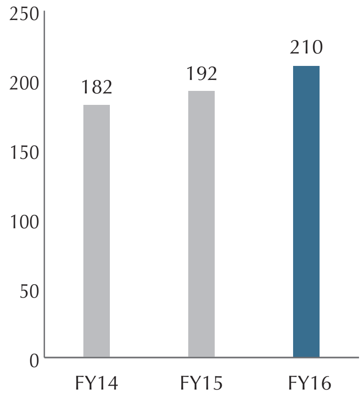
Average Daily Toll Revenue^
(RMB thousand)



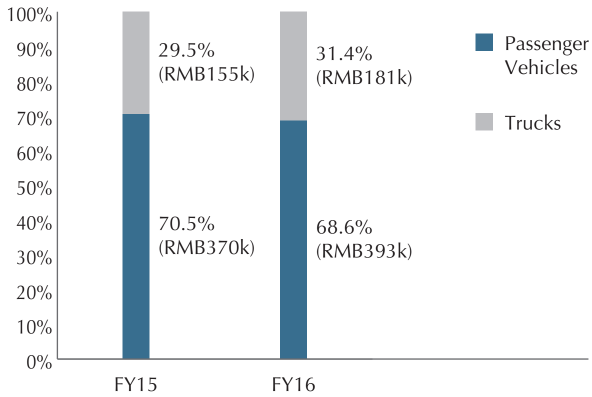
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



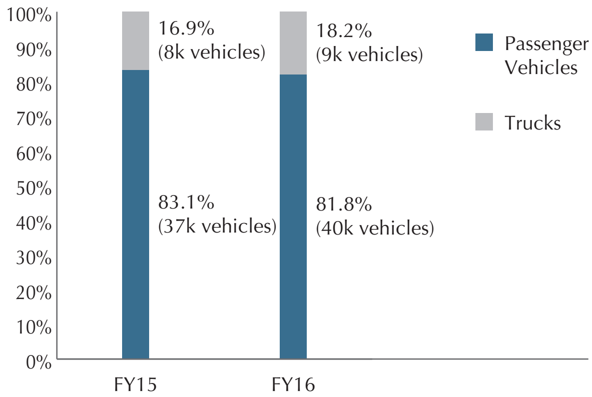
Annual Toll Revenue^
(RMB million)



Average Daily Toll Revenue Breakdown by Vehicle Type



Average Daily Full-Length Equivalent Traffic Breakdown by Vehicle Type



^ Including tax

A new interchange between Shizhou and Bijiang interchanges constructed by Guangzhou-Gaoming Expressway, namely Wujiawei interchange, was partially opened and connected with the southbound of Phase I West at the end of December 2014. Since 5 February 2016, this interchange is also connected with the northbound of Phase I West and fully opened to traffic. This new connection helps to bring in additional traffic from western Foshan to the Western Delta Route.

Phase II of the Western Delta Route

Project Summary

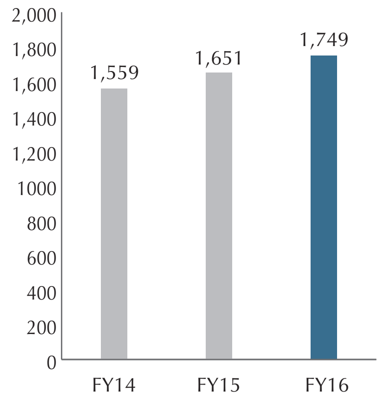
Location	Shunde to Zhongshan, Guangdong, PRC
Length	45.5 km
Lanes	A total of 6 lanes in dual directions
Class	Expressway
Toll Collection Period	June 2010 – June 2035
Profit Sharing Ratio	50%

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 continues to boost the growth of Phase II West's traffic volume and toll revenue.

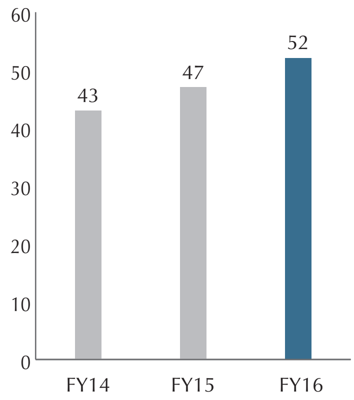
The toll revenue and traffic volume of Phase II West posted a stable growth during the year under review. Its average daily toll revenue rose by 6% year-on-year to RMB1,749,000, and average daily full-length equivalent traffic grew by 11% to 52,000 vehicles. Total toll revenue for the year amounted to RMB640 million. Passenger vehicles are the major contributors to toll revenue and traffic, accounting for 69.4% and 81.9% of Phase II West's toll revenue and full-length equivalent traffic volume respectively.

In October 2014, the upgrading works on Shunde to Zhongshan section of National Highway 105, which runs parallel to Ronggui to Zhongshanxi section of Phase II West, were completed. The traffic on National Highway 105 became smoother and it caused a diversion on the traffic of Phase II West. One year after the completion of the upgrading of the above parallel section, the traffic and toll revenue growth of Phase II West rebounded since November 2015. Supported by the on-going economic development in Shunde and Zhongshan, it is expected that the traffic volume will continue to grow steadily.

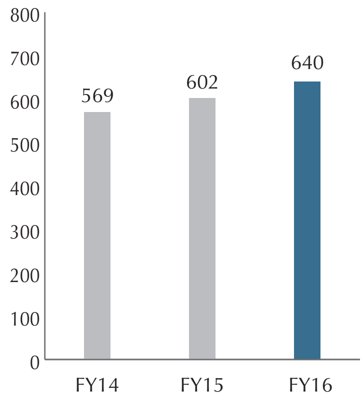
Average Daily Toll Revenue^
(RMB thousand)



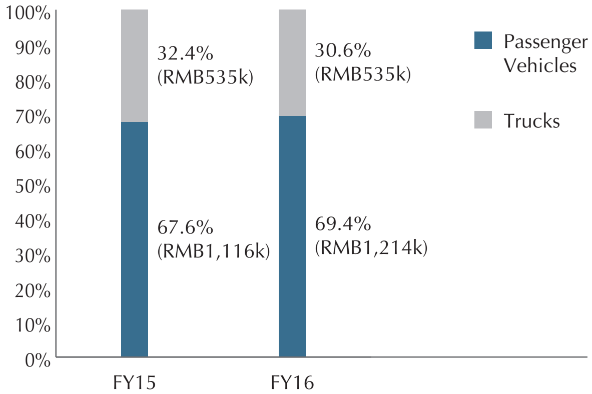
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



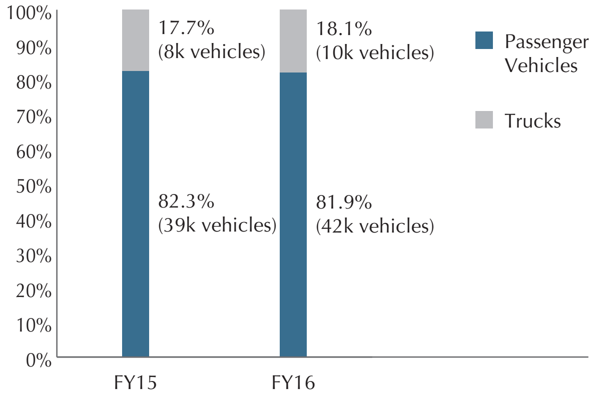
Annual Toll Revenue^
(RMB million)



Average Daily Toll Revenue Breakdown by Vehicle Type



Average Daily Full-Length Equivalent Traffic Breakdown by Vehicle Type



^ Including tax

Phase III of the Western Delta Route

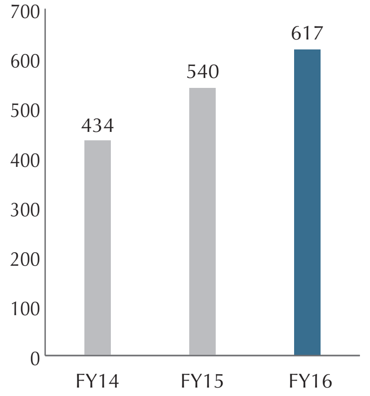
Project Summary

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%

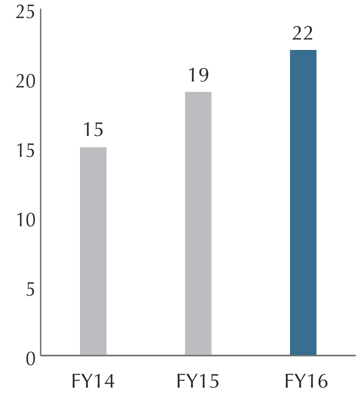
Phase III West is connected to Phase II West at Zhongshan to the north. It extends southwards to link with the Zhuhai expressway network, thus providing a direct access to Hengqin (the State-level Strategic New Zone) in Zhuhai, Macau and the HZM Bridge which is currently under construction. It provides 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 continues to record healthy growth. During the year under review, its average daily toll revenue and average daily full-length equivalent traffic amounted to RMB617,000 and 22,000 vehicles, up by 14% and 19% respectively. Its total toll revenue for the year amounted to RMB226 million. Passenger vehicles are the major contributors to toll revenue and traffic, accounting for 73.3% and 84.7% of Phase III West's toll revenue and full-length equivalent traffic volume respectively.

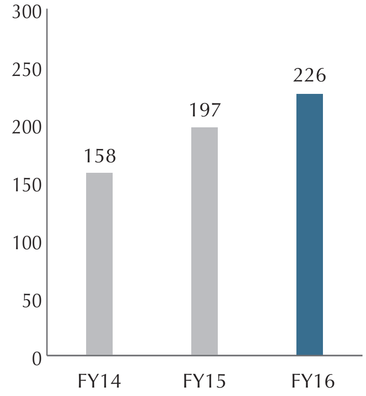
Average Daily Toll Revenue^
(RMB thousand)



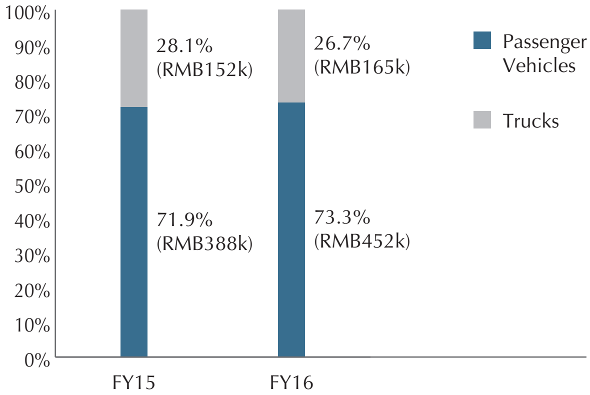
Average Daily Full-Length Equivalent Traffic
(No. of vehicles in thousand)



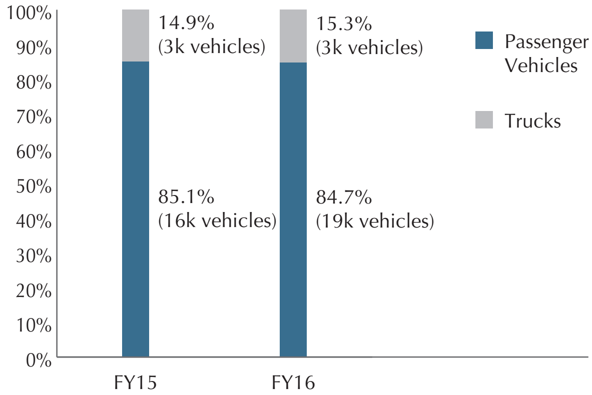
Annual Toll Revenue^
(RMB million)



Average Daily Toll Revenue Breakdown by Vehicle Type



Average Daily Full-Length Equivalent Traffic Breakdown by Vehicle Type



^ Including tax

The Second Hengqin Bridge was opened to traffic on 30 December 2015 and is linked with the southern end of the Western Delta Route via local road into Hengqin temporarily. By the end of 2016, it will be connected with the Zhuhai expressway network and a direct expressway link from Guangzhou to Zhuhai's Hengqin which includes the Western Delta Route will be formed. It can further facilitate 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 2016 presented in RMB (million) was as follows:

(HHI's share)	Year ended 30 June									
	2015					2016				
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]	1,438	1,209	(394)	(268)	547	**1,480**	**1,262**	**(414)**	**(277)**	**571**
Western Delta Route	481	393	(153)	(280)	(40)	**522**	**443**	**(181)**	**(222)**	**40**
– Phase I West	93	72	(18)	(16)	38	**102**	**81**	**(21)**	**(15)**	**45**
– Phase II West	292	249	(92)	(139)	18	**310**	**271**	**(98)**	**(102)**	**71**
– Phase III West	96	72	(43)	(125)	(96)	**110**	**91**	**(62)**	**(105)**	**(76)**
Total	1,919	1,602	(547)	(548)	507	**2,002**	**1,705**	**(595)**	**(499)**	**611**
Year-on-year change						**+4%**	**+6%**	**+9%**	**–9%**	**+20%**
Corporate results:										
Bank deposits interest income					31					**27**
Interest income from loans made by the Group to a JV company					57					**9**
Other income					3					**1**
General and administrative expenses and depreciation					(39)					**(40)**
Finance costs					(24)					**(4)**
Income tax expense					(9)					**(1)**
Sub-total					19					**(8)**
Profit before net exchange gain/(loss) (after deduction of related income tax)					526					**603**
Year-on-year change										**+15%**
Net exchange gain/(loss) (after deduction of related income tax)					4					**(82)**
Profit for the year					530					**521**
Profit attributable to non-controlling interests					(10)					**(10)**
Profit attributable to owners of the Company					520					**511**
Year-on-year change										**–2%**

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

The Group's share of the aggregate net toll revenue of its expressway projects increased by 4% from RMB1,919 million to RMB2,002 million in FY16. The GS Superhighway's growth momentum has persisted since the second half of FY15, with net toll revenue increasing by 3% as the diversion impact from the full opening of the Coastal Expressway on 28 December 2013 was fully realised in 2014. The Western Delta Route continued to record healthy toll revenue growth, with a 8% increase in net toll revenue to RMB522 million. However, toll revenue of Phase II West only grew by 6% from RMB292 million to RMB310 million. This was mainly due to 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 became smoother and diverted traffic away from Phase II West. Yet, toll growth of Phase II West rebounded since November 2015, one year after the completion of upgrading work. GS Superhighway, Phase I West, Phase II West and Phase III West contributed 74% (RMB1,480 million), 5% (RMB102 million), 15% (RMB310 million) and 6% (RMB110 million) respectively to the Group's share of aggregate net toll revenues.

In March 2016, the PRC government promulgated a circular in relation to VAT reform under which VAT would replace business tax nationwide with effect from 1 May 2016 (the "Circular"). Under the Circular, both the GS Superhighway JV and West Route JV would adopt the simplified taxation method and the VAT payable is calculated at the effective rate of 2.86% (as compared with business tax calculation at a rate of 3% prior to 1 May 2016). Overall, VAT reform has slightly positive impact on the Group's share of net toll revenue and net profit.

Given healthy core operation, the Group's share of the aggregate EBITDA of toll expressways (excluding exchange differences on the GS Superhighway JV's US Dollar and HK Dollar loans as well as the related income tax) increased by 6% from RMB1,602 million to RMB1,705 million. The rise in the Western Delta Route's toll revenue led to a 13% EBITDA growth from RMB393 million to RMB443 million. Phase III West recorded a strong EBITDA growth of 27% from RMB72 million to RMB91 million given that RMB5 million one-off expenses had been incurred for finalising its project cost during the first half of FY15.

The Group's share of depreciation and amortisation charges of the GS Superhighway JV increased by 5% from RMB394 million to RMB414 million as a result of resuming growth in its full-length equivalent traffic and additional improvement works completed. With healthy growth in full-length equivalent traffic of the Western Delta Route, its depreciation and amortisation charges also increased. Hence, the Group's share of aggregate depreciation and amortisation charges increased by 9% to RMB595 million.

Phase II West's new financial plan was completed during the first half of FY16. The increase in registered capital in Phase II West totalling approximately RMB636 million had been completed. Together with the additional project bank loan raised by the West Route JV in October 2015, the remaining shareholder's loan advanced by the Group to the West Route JV as interim financing for Phase II West was repaid. Thus, the interest expenses of Phase II West fell.

In June 2016, the West Route JV had also successfully negotiated and entered into agreement with the bank to lower the lending rate of Phase I West's bank loan with outstanding principal of RMB539 million (JV level) by 10% to 4.635%. Moreover, a 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, 25 August 2015 and 23 October 2015 benefited the West Route JV by lowering its finance costs.

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

The increase in the GS Superhighway's net toll revenue was partly offset by the increased depreciation and amortisation charges, leading to a 4% increase in its net profit to RMB571 million. Due to continuous growth in toll and traffic, as well as the PBOC lending rate cuts, the Western Delta Route first turned profitable in FY16 and recorded a net profit of RMB40 million during FY16, compared to a net loss of RMB40 million of the last corresponding year as shared by the Group. Net loss of Phase III West was reduced from RMB96 million to RMB76 million. Overall, the aggregate net profit of the four projects (excluding exchange differences on the GS Superhighway JV's US Dollar and HK Dollar loans as well as the related income tax) increased by 20%, from RMB507 million to RMB611 million.

The Company repaid the RMB500 million corporate 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 RMB24 million to RMB4 million during FY16. On the other hand, following the full repayment by the West Route JV in October 2015, the shareholder's loan advanced by the Group to the West Route JV as interim financing for Phase II West decreased by RMB212 million and RMB788 million during the second half of FY15 and the first half of FY16 respectively, reducing the Group's interest income. Thus, the Group's total interest income (including that on bank deposits and shareholder's loan advanced to the West Route JV) decreased from RMB88 million to RMB36 million during FY16. Given the drop in finance costs was offset by the fall in total interest income, the net interest income at corporate level decreased from RMB64 million to RMB32 million, resulting in a drop in profit from RMB19 million to a loss of RMB8 million at the corporate level.

The Group's profit before net exchange gain or loss (after deduction of the related income tax) increased by 15%, from RMB526 million to RMB603 million during FY16. This was mainly attributable to the increase in net profit of the four expressway projects offsetting the fall in net interest income at corporate level. However, due to the depreciation of RMB during FY16, the Group recorded share of net exchange loss on the GS Superhighway JV's US Dollar and HK Dollar loans of RMB60 million and RMB22 million in the first half and second half of FY16 respectively. Overall, core operation growth of toll expressways was mainly offset by the net exchange loss on the GS Superhighway JV's loans denominated in US Dollars and HK Dollars. As a result, the profit attributable to owners of the Company decreased by 2% from RMB520 million to RMB511 million.

FY16 was a challenging year to the Group, with the sudden depreciation in RMB exchange rate in August 2015 and the first US interest rate rise in December 2015 since 2006 impacting the GS Superhighway JV's US Dollar and HK Dollar loans. For every 1% depreciation in RMB, HHI's net profit will drop by approximately RMB10 million. Nevertheless, the Company remains positive on the future performance of the Group, given HHI's net profit growth is supported by (i) the persistent growth momentum of the GS Superhighway; (ii) a series of PBOC's lending rate cuts for RMB loan since November 2014 benefits the West Route JV by lowering its finance costs, which will be reduced by approximately RMB40 million (HHI's share) for every 1% lending rate cut. The Group's share of interest expenses of the West Route JV is expected to be saved by approximately RMB58 million and RMB61 million in FY17 and FY18 respectively; (iii) the Western Delta Route first turned profitable in FY16 given healthy net toll revenue growth and PBOC lending rate cuts. EBITDA (JV level) increased to approximately RMB886 million in FY16 and it is targeted to increase by approximately RMB100 million per year until the HZM Bridge opens in 2018; (iv) Phase II West's new financial plan was completed, reducing its debt and interest expenses; (v) interest expenses of the Phase I West has been reduced by 10% upon agreement with the bank effective from June 2016; and (vi) interest expenses of the West Route JV has been further lowered after utilising its surplus cash on hand to prepay all bank loan principal of RMB261 million (JV level) due in 2016 by December 2015 and over 80% or RMB323 million out of RMB373 million (JV level) due in 2017 before 11 August 2016. Moreover, no further capital expenditure is needed from the Group in respect of the Western Delta Route, which is financially self-sufficient until at least 2020. The Company believes that HHI's net profit for FY17 will be supported by the healthy core operations of the GS Superhighway and the Western Delta Route. Strong financial position with net cash at HHI corporate level of RMB652 million as at 30 June 2016 and steady dividends from the GS Superhighway JV provide solid bases for strong dividend.

Pursuant to the joint venture agreement, the Group's profit sharing ratio in the GS Superhighway JV will be adjusted from 48% to 45% starting from 1 July 2017 for the next ten years until the end of its contractual operation period, i.e. 30 June 2027.

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 the GS Superhighway JV and the West Route JV.

HHI Corporate Level

	30 June 2015 RMB million	**30 June 2016 RMB million**		30 June 2015 RMB million	**30 June 2016 RMB million**
Bank balances and cash	574	**652**	HKD bank loan	237	**–**
The Group's shareholder's loan to JV company Note 1	788	**–**	Other liabilities	13	**7**
Other assets	32	**6**			
	1,394	**658**		250	**7**
			Net assets value of HHI corporate	1,144	**651**

Share of JV Companies

GS Superhighway JV (HHI's shared portion)

	30 June 2015 RMB million	**30 June 2016 RMB million**		30 June 2015 RMB million	**30 June 2016 RMB million**
Bank balances and cash	143	**212**	Bank loans		
Concession intangible assets	5,600	**5,239**	– USD	1,182	**1,248**
Property & equipment	214	**212**	– HKD	158	**155**
Other assets	78	**43**	Other liabilities	720	**665**
	6,035	**5,706**		2,060	**2,068**
			Net assets value of GS Superhighway JV	3,975	**3,638**

West Route JV (HHI's shared portion)

	30 June 2015 RMB million	**30 June 2016 RMB million**		30 June 2015 RMB million	**30 June 2016 RMB million**
Bank balances and cash	130	**50**	Bank loans	4,028	**4,028**
Concession intangible assets	6,555	**6,392**	Shareholder's loan from the Group [Note 1]	394	**–**
Property & equipment	259	**253**			
Other assets	23	**16**	Other liabilities	365	**253**
	6,967	**6,711**		4,787	**4,281**
			Net assets value of West Route JV	2,180	**2,430**

	30 June 2015 RMB million	**30 June 2016 RMB million**		30 June 2015 RMB million	**30 June 2016 RMB million**
			Total liabilities	7,097	**6,356**
			Equity attributable to owners of the Company	7,247	**6,673**
			Non-controlling interests	52	**46**
Total Assets [Note 2]	14,396	**13,075**	**Total Equity & Liabilities**	14,396	**13,075**
			Total net assets	7,299	**6,719**

Note 1: The Group's shareholder's loan was made to the West Route JV for Phase II West as interim financing due to inability of the West Route JV to borrow from PRC banks for Phase II West before the official approval for its increased investment. The shareholder's loan was fully repaid by the first half of FY16.

Note 2: Before 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 have been strengthened by (i) loan rescheduling of the GS Superhighway and Phase I West and (ii) Phase II West's new financial plan, which helped to reduce the West Route JV's debt and resulted in the full repayment of RMB682 million of net shareholder's loan to the Group by October 2015. Hence, no further capital expenditure is required from the Group in respect of the West Route JV, which is financially self-sufficient until at least 2020.

GS Superhighway's loans rescheduling

During the first half of FY16, the GS Superhighway JV entered into agreement with the banks to extend the maturity dates of the existing US Dollar loans (USD403 million) and HK Dollar loan (HKD417 million) by six years from 2018 and 2019 to 2025. The loan rescheduling has helped accelerate the dividend distributions by the GS Superhighway JV to the Group and further enhance the Group's liquidity. During FY16, the Group received dividends from the GS Superhighway JV totalling RMB823 million (FY15: RMB630 million).

Phase I West's loan rescheduling

For the purpose of improving financing flexibility, the West Route JV entered into agreement with the bank to extend the maturity date of Phase I West's bank loan amounting to RMB569 million by five years from 2019 to 2024 during the first half of FY16.

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

	Bank Loan				
JV Level	**Amount for Rescheduling**	**As at 30 Jun 2016**	**Original Maturity**	**New Maturity**	**Fall in principal repayment per year CY2015-CY2019**
GS Superhighway	USD403 million; HKD417 million	USD392 million; HKD377 million	CY2018 & CY2019	CY2025	RMB471 million equivalent
Phase I West	RMB569 million	RMB539 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 is funded mainly by registered capital and banking facilities. Under the new capital regulations, application for increasing investment in Phase II West can now be processed at the provincial level instead of the national level, resulting in the acceleration of the approval process.

Phase II West's new financial plan was completed during the first half of FY16 and by October 2015, the Group had received full repayment of the net shareholder's loan of RMB682 million advanced by it to the West Route JV previously. Under such plan, a total of approximately RMB636 million of additional registered capital was injected into the West Route JV by the Group and the PRC JV partner on a 50:50 basis in three tranches, with a total of RMB212 million injected in each tranche. Besides, additional project bank loans of approximately RMB615 million was borrowed by the West Route JV. The total additional registered capital of RMB318 million injected by the Group was provided by capitalising an equivalent amount from the RMB1,000 million shareholder's loan advanced by it. In other words, the West Route JV converted the debt into equity upon completion of additional registered capital injection. Subsequently, the West Route JV used 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. The three tranches of additional registered capital injection were completed by September 2015. Also, full repayment and the receipt of remaining shareholder's loan advanced by the Group to the West Route JV were completed after additional project bank loan of RMB500 million, out of the RMB615 million banking facility, was drawn by the West Route JV in October 2015.

Not only had the new financial plan of Phase II West reduced debt and interest expense, but it also improved the Group's liquidity and the West Route JV's financial position. Besides, the Group no longer needs to inject shareholder's loan into Phase II West.

Phase II West's new financial plan — Completed

Loan		Funded by		
(JV Level)	RMB million	*(JV Level)*	RMB million	**Net shareholder's loan repayment to HHI RMB682m received by October 2015 (fully repaid)**
HHI Shareholder's loan	1,000	HHI's new registered capital	318	
Outstanding project payments	251	PRC JV partner's new registered capital	318	
		New project bank loans	615	
	1,251		1,251	

Phase III West's financing

The planned total investments 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 the West Route JV. The Group contributed the full amount of registered capital (RMB980 million in aggregate) and advanced shareholder's loan totalling RMB530 million to the West Route JV as interim financing for Phase III West. Such shareholder's loan had been fully repaid by the West Route JV. As at 30 June 2016, the estimated outstanding project payments for Phase III West amounted to not more than RMB119 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 the 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 from the Group 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 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 2016 were shown below. The Group's net cash on hand (excluding JV companies), amounted to RMB652 million. The liquidity of the Group has been further improved after the West Route JV repaid 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 the GS Superhighway JV, both of which were completed in first half of FY16.

HHI Corporate Level

	30 June 2015 RMB million	**30 June 2016 RMB million**		30 June 2015 RMB million	**30 June 2016 RMB million**
Bank balances and cash and shareholder's loan to JV company			**Corporate debt**		
– Bank balances and cash	574	**652**	– HKD bank loans	237	**–**
– Shareholder's loan receivable from JV Company Note 1	788	**–**			
• By HHI	576	**–**			
• For HHI's registered capital injection in Phase II West	212	**–**			
Fully repaid by Phase II West					
	1,362	**652**		237	**–**

Net cash Note 2: RMB652 million
(30 June 2015: RMB337 million)

Share of JV Companies

	30 June 2015 RMB million	**30 June 2016 RMB million**		30 June 2015 RMB million	**30 June 2016 RMB million**
Bank balances and cash			**Bank loans and shareholder's loan**	Decrease due to full repayment of shareholder's loan to HHI	
– Bank balances and cash	273	**262**	– GS Superhighway	1,340	**1,403**
			– Western Delta Route	4,422	**4,028**
			Phase I West	288	**270**
			Phase II West	2,196 Note 3	**1,813**
			Phase III West	1,938	**1,945**
	273	**262**		5,762	**5,431**

Net debt Note 2: RMB5,169 million
(30 June 2015: RMB5,489 million)

Note 1: The Group's shareholder's loan was made to the West Route JV for Phase II West as interim financing due to inability of the West Route JV to borrow from PRC banks for Phase II West before the official approval for its increased investment
Note 2: Bank balances and cash less debt
Note 3: Including shareholder's loan to Phase II West shared by the Group amounting to RMB394 million

	30 June 2015 RMB million	**30 June 2016 RMB million**
Total debt	237	**–**
– Company and subsidiaries		
– Share of JV companies Note 1	5,747	**5,809**
Net debt Note 2	5,137	**4,895**
Total assets (including share of JV companies' total assets) Note 3	14,299	**13,447**
Equity attributable to owners of the Company	7,247	**6,673**
Total debt/total assets ratio	42%	**43%**
Gearing ratio	71%	**73%**

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.

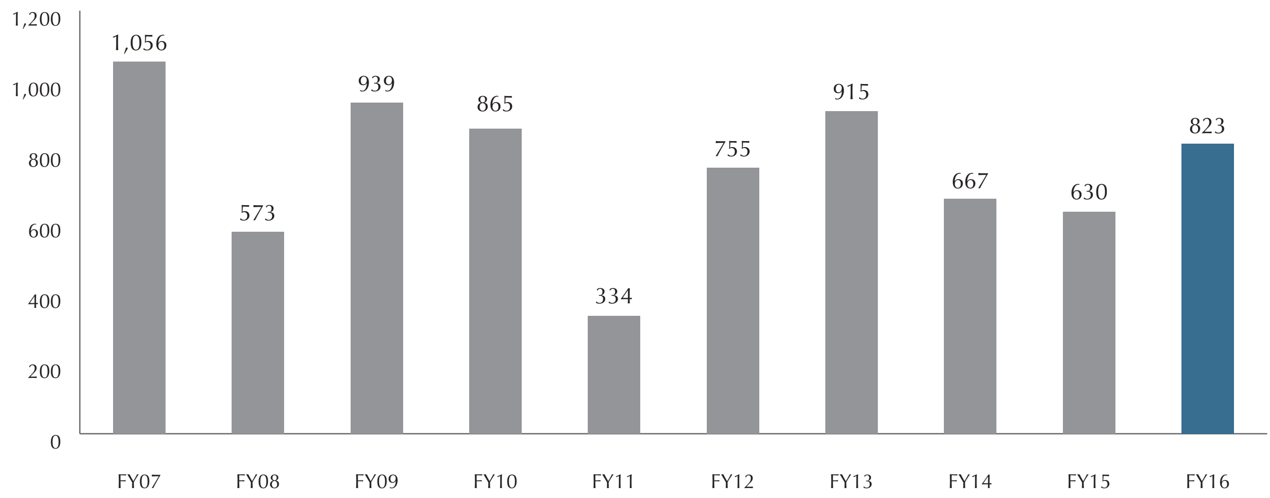
Note 2: Net debt is defined as total debt (including share of JV companies) less total bank balances and cash (including share of JV companies).

Note 3: Concession values are not marked to market but are booked at historical cost less depreciation.

The major source of the Group's cash inflow during FY16 was dividends received from the GS Superhighway JV. On the other hand, its major cash outflow was the payment of dividends to the Company's shareholders. The Group will continue to optimise its balance sheet, improve its cash flow and strengthen its financial position.

The Group enjoys a strong and solid financial position. As at 30 June 2016, the Group's bank balances and cash on hand (excluding JV companies) amounted to RMB652 million (30 June 2015: RMB574 million), or RMB0.21 per share (30 June 2015: RMB0.19 per share). After netting off the Group's bank loans (30 June 2016: Nil; 30 June 2015: RMB237 million), the Group's net cash on hand (excluding JV companies) amounted to RMB652 million (30 June 2015: RMB337 million) or RMB0.21 per share (30 June 2015: RMB0.11 per share). As at 30 June 2016, the net cash on hand of RMB652 million, together with available banking facilities of RMB428 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 to HHI (RMB million)



As at 30 June 2016, 99.9% (30 June 2015: 99.8%) of the Group's bank balances and cash (excluding JV companies) on hand were denominated in RMB and 0.1% (30 June 2015: 0.2%) in HK Dollars. The bank balances and cash on hand of the JV companies shared by the Group amounted to RMB262 million (30 June 2015: RMB273 million). The Group received cash dividends from the GS Superhighway JV of RMB823 million during FY16. The reduction in the cash dividends during FY08 and FY11 was mainly brought about by the repatriation of registered capital by the GS Superhighway JV to the Group and the intercompany borrowings provided by the GS Superhighway JV to the West Route JV in respect of Phase II West respectively. Cash dividends from the GS Superhighway JV were restored to their normal levels since FY12. Cash dividends increased during FY13 as a result of the full repayment of intercompany borrowings by the West Route JV in respect of Phase II West to the GS Superhighway JV in December 2012, and the GS Superhighway JV's distribution of a dividend of RMB351 million to the Group out of these funds. In August 2016, the GS Superhighway JV has entered into agreement with the bank for an additional 8-year bank loan facility amounting to RMB2 billion to reimburse past capital expenditure funded by its shareholders, which has strengthened HHI's financial position. As of 30 June 2016, the after-tax cash dividends receivable from the GS Superhighway JV to HHI amounted to approximately RMB1.6 billion. The cash dividends received and receivable from the GS Superhighway JV provide sufficient financial resources for the Group's operations and potential investments.

In view of its current operating cash flow and strong financial position with net cash of RMB652 million at corporate level and dividends from the GS Superhighway JV to the Group, the Board believes that the Group's target payout ratio of approximately 100% on a full-year basis is sustainable.

Bank and Other Borrowings

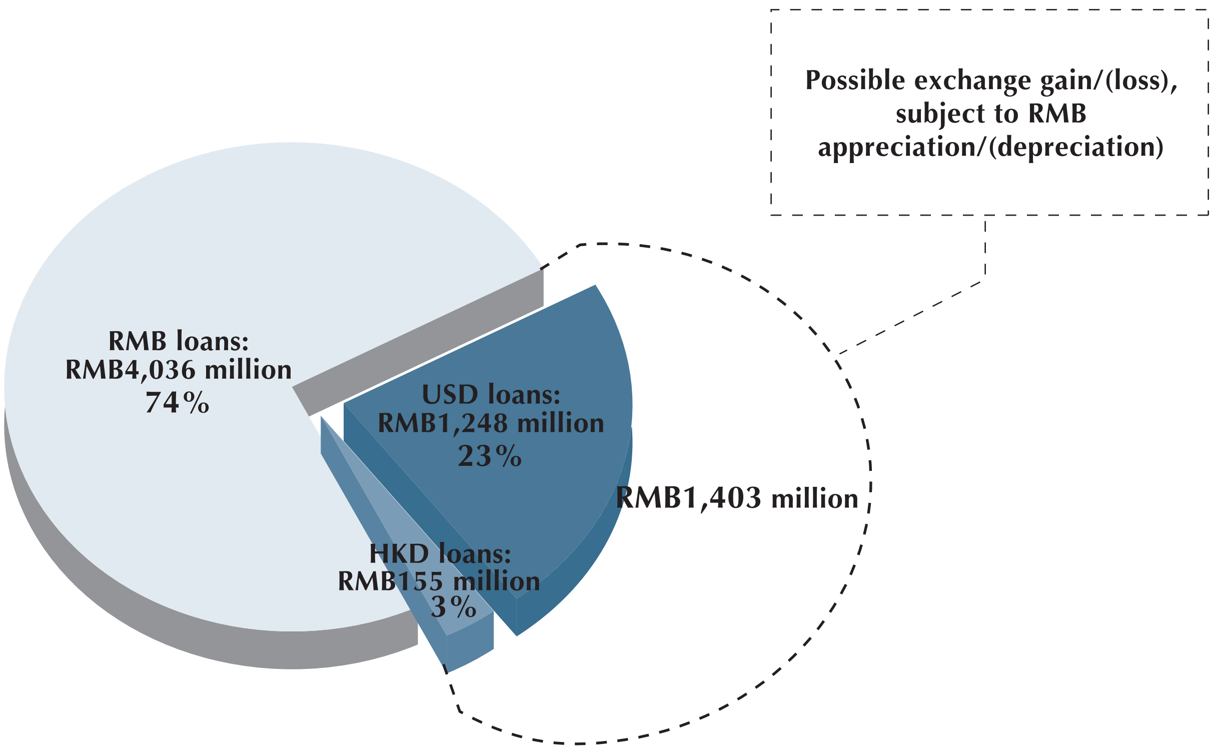
As at 30 June 2016, total bank and other borrowings of the JV companies shared by the Group (including US Dollar bank loans of equivalent to RMB1,248 million, HK Dollar bank loan of equivalent to RMB155 million, RMB bank loans of RMB4,028 million and RMB other borrowing of RMB8 million), amounted to approximately RMB5,439 million (30 June 2015: RMB5,612 million) with the following profile:

(a) 99.9% (30 June 2015: 99.9%) consisted of bank loans and 0.1% (30 June 2015: 0.1%) of other loan; and

(b) 74% (30 June 2015: 72%) was denominated in RMB; 23% (30 June 2015: 21%) was denominated in US Dollar and 3% (30 June 2015: 7%) 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 2016)



Note 1: Represent HHI's share of JVs' bank loans of RMB5,431 million and other borrowings of RMB8 million.

Debt Maturity Profile

As at 30 June 2016, 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 2015:

HHI Corporate Level

	30 June 2015		**30 June 2016**	
	RMB million	%	**RMB million**	**%**
Repayable within 1 year	237	100%	**–**	**–**

Share of JV Companies

					Proforma	
	30 June 2015		**30 June 2016** Note 1		**30 June 2016** Note 2	
	RMB million	%	**RMB million**	**%**	**RMB million**	**%**
Repayable within 1 year	365	7%	**65**	**1%**	**125**	**2%**
Repayable between 1 and 5 years	2,181	40%	**1,521**	**28%**	**2,000**	**31%**
Repayable beyond 5 years	2,829	53%	**3,853**	**71%**	**4,274**	**67%**
	5,375	100%	**5,439**	**100%**	**6,399**	**100%**

Note 1: During FY16, the West Route JV had made use of surplus cash on hand to prepay bank loans due in 2017 amounting to RMB290 million.

Note 2: Upon drawing of additional RMB2 billion bank loan facility by the GS Superhighway JV.

As at 30 June 2016, 71% (30 June 2015: 53%) of the bank loans and other borrowings of the JV companies shared by the Group (excluding shareholder's loans) were repayable beyond 5 years. The increase is attributable to the completion of loan rescheduling of the GS Superhighway JV and the 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 return on its financial assets. Most of the Group's cash is placed in deposits denominated in RMB. Holding RMB suits the Group's PRC-based operations, and it can earn higher interest income from RMB deposits than HK Dollar deposits. The percentage of cash the Group held as RMB bank deposits was 99.9% as at 30 June 2016. The Group's overall treasury yield on bank deposits was 3.3% during FY16, compared to 3.57% of FY15. The Group will continue to strengthen its treasury management and evaluate the options available for improving the yields on its substantial cash-deposit portfolio.

Pledge of Assets

As at 30 June 2016, 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 2015 RMB million	**30 June 2016 RMB million**
Concession intangible assets	5,188	**4,855**
Property and equipment	214	**213**
Inventories	1	**1**
Interest and other receivables	76	**40**
Bank balances and deposits	257	**252**
	5,736	**5,361**

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

Contingent Liabilities

As at 30 June 2016, 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 FY16.

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 recognize 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 2016, the Group, excluding its JV companies, had 23 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, educational sponsorships and examination leave.

Sustainability Report

About this Report

Scope of Report

This Sustainability Report ("Report") of FY16 presents our approach to sustainability and our performance in the economic, environmental and social aspects of our business. It covers our core expressway infrastructure business in the Guangdong Province.

How we report

This Report covers topics and indicators that reflect the most significant economic, environmental and social impacts from our operations, identified by our management, ongoing engagement with stakeholders and industry dialogue. Different internal and external stakeholders have been engaged to ensure that we are responding to their expectations and concerns.

The Report is prepared in accordance with The Environmental, Social and Governance (ESG) Reporting Guide which is issued by the Stock Exchange and verified by the Hong Kong Quality Assurance Agency (HKQAA). Performance indicators included in this Report are summarised in the Index Table at the end of this Report.

While this Report presents a brief overview of our business and performance, details of these aspects, including corporate governance, regulatory issues and directors' remuneration are presented in our Annual Report 2015/16 (downloadable at https://www.hopewellhighway.com/WebSite_en/ir/ir_ai.htm).

Our Business

HHI has interests in four highway projects — the 122.8km GS Superhighway and the 97.9km Western Delta Route comprising Phase I West , Phase II West and Phase III West, through joint ventures with Guangdong Provincial Highway Construction Company Limited. Both the GS Superhighway and the Western Delta Route are currently in operation. Our Group and both JV companies are striving to provide safe traffic environment and the best quality service to road users.

Vision and focus

At HHI, we take an integrated approach to sustainability, having incorporated environmental and social considerations into our decision-making and actions. We focus on minimising the negative impact of our operations on the environment and influencing the community positively through our business. In doing so, we are guided by a set of core sustainability values and an effective governance structure.

Our core sustainability values

- We regard the promotion of sustainable community growth as having the same importance as achieving long-term business growth.
- We believe a thriving community facilitates our continuous business success.
- We consider ongoing communications with our stakeholders to be vitally important for upholding the well-being of the community.
- We will continue to engage with our stakeholders and work together with them to achieve a win-win scenario.

Governance Structure

The Company is governed by the Board which currently comprises four Executive Directors (including the Chairman) and four Independent Non-executive Directors. That is, more than one-third of the Board members are Independent Non-executive Directors.

The position and responsibilities of the Chairman remain separate from those of the Managing Director to ensure that there is a clear division of duties. The Board is responsible for setting the strategic direction and policies of the Group and provides supervision of the management. We have established an Audit Committee and a Remuneration Committee with written terms of reference publicly available online.

Our risk management processes are supported by all staff and they have the responsibility to evaluate, understand and report risk issues within their areas of responsibility to their superiors. Where appropriate and necessary, mitigation measures and reporting should also be made to the Executive Directors.

A formal Sustainability Steering Committee was jointly established with HHL, our parent company, in early 2011 to further promote sustainability as part of the Group's long-term development. The Committee serves as an important driver of our corporate governance initiatives, as well as sustainability programmes. The duties of the Sustainability Steering Committee are:

- To establish and review the Group's corporate sustainability vision, strategies and principles.
- To adopt policies and practices, approve initiatives and budgets, formulate objectives, key performance indicators and measures to oversee the Group's performance in relation to corporate sustainability issues.
- To monitor progress in implementing initiatives, policies and practices, review quality and effectiveness and make recommendations to the Board where appropriate.
- To give directives to the working groups on the implementation of sustainability initiatives.
- To receive regular reports from designated executive(s) regarding the performance of the working groups and the Group's corporate sustainability performance.

Business integrity

The Company considers an ethical corporate culture as well as 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. Briefing sessions on the policies are conducted for employees to understand the procedures. New staff are also introduced to the policies during their orientation. The Code of Conduct is posted on the Company's intranet for observance by all staff. Heads of business units, through the Human Resources Department, are charged with the responsibility of disseminating the Code of Conduct requirements to employees concerned. We issued a Whistleblowing Policy with the purpose of providing a confidential platform for our employees to report any issues arising from our operation.

Awards and Recognition

With continuous efforts, both JV companies received national and provincial titles of honour which recognised our outstanding management, safe operation and quality service in the industry, as well as positive influence to the community. The awards are listed as follows:

The GS Superhighway JV:

- 'Outstanding Enterprise for Cultural Establishment in National Transportation Enterprise 2015' by China Association of Communication Enterprise Management
- 'Model Enterprise for Safety Cultural Establishment in Guangdong Province 2015' by Guangdong Provincial Association of Work Safety

The West Route JV:

- 'Excellent Enterprise for Cultural Establishment in National Transportation Enterprise 2015' by China Association of Communication Enterprise Management
- 'Model Enterprise for Safety Cultural Establishment in Guangdong Province 2015' by Guangdong Provincial Association of Work Safety
- 'Safe Highway Model' ('平安公路示範路') by the Guangdong Provincial Communications and Transportation Department and the Traffic Management Division of Guangdong Provincial Public Security Department
- 'Excellent Service Area' (Shunde and Shaxi service areas) by the Ministry of Transport

Stakeholder Engagement

Stakeholder engagement is an integral part of our business development and commitment to corporate sustainability. We develop long-term relationships with stakeholders and consider their views on our business development through various independent and internal stakeholder engagement exercises, either formal or informal. Through our annual stakeholder engagement exercise for the Sustainability Report and regular engagement activities, we are able to keep ongoing dialogues with our stakeholders, enabling us to make more informed decisions, and to better assess and manage any resulting impact.

Investors and Shareholders	JV Partners	Employees
• Annual General Meeting • Investor briefings and press conferences • Face-to-face meetings • Conference calls • Corporate website	• Independent interviews • Regular meetings	• Training, seminars, briefing sessions • HH Social Club activities • 24-hour Employee Assistance Programme Hotline • Face-to-face meetings • Independent focus groups and interviews • Recreational and volunteering activities

Community & NGOs	Highway Users
• Employee volunteering activities • Programmes initiated by NGOs • Organising public events • Independent interviews	• Independent interviews • Free travel handbooks to road users • Service consultation points set up for public enquiries

Stakeholders \ Types of Engagement	2011/2012	2012/2013	2013/2014	2014/2015
Senior management			Internal survey	Questionnaire
Institutional investors		Interview		
Employees	Focus group & survey	Interview	Internal survey	
Highway users	Interview	Interview		
JV partners	Interview			

We started to issue our Corporate Social Responsibility Report since FY12 with reference to some of the Global Reporting Initiative Sustainability Reporting Framework (G3.1). This year, for the first time, we follow the latest HKEx ESG Reporting Guide to prepare our Sustainability Report. We have developed our materiality matrix with input from our internal and external stakeholders. By taking this approach, we have clearly defined 4 major aspects in our report.

- Road Safety & Traffic Efficiency
- Environment
- Customer and Community
- Human Development

Road Safety & Traffic Efficiency

Providing our road users with a safe, reliable and smooth traffic environment has always been our top priority and our strong commitment, as demonstrated by a series of initiatives and public awareness efforts. The following are our continuous efforts.

- Fully monitor the GS Superhighway and the Western Delta Route by surveillance cameras.
- The GS Superhighway JV owns a professional patrol and rescue team equipped with a total of 42 towing vehicles and 21 patrol vehicles, which can identify accidents and arrive at the scene in the shortest possible time and handle them efficiently.
- Provide road users with the latest traffic conditions and traffic safety information by changeable message signboards along both expressways.
- Release the latest traffic information to the public through a provincial customer service website (www.02096998.com), the GS Superhighway's official website (www.g4gs.cn) and WeChat.
- Strengthen communication and cooperation with traffic police including organising regular joint meetings and video sharing to increase the efficiency of handling traffic accidents and promote traffic safety along the expressways.
- Manage our supply chain in a sustainable way with the inclusion of over 150 contractors, suppliers and service providers on the certified list in order to maintain our highway service at a high standard. About 69% and 52% of contractors and service providers on the list of the GS Superhighway JV and the West Route JV are based in Guangdong Province.
- Ensure the progress and quality of our maintenance works carried out by third parties by outlining our expectations on work quality, safety and compensation, energy efficiency, corruption prevention and other statutory requirements in our contracts.
- Share our knowledge and work together with peers to raise standards across the industry.
- The Western Delta Route was the first expressway in Guangdong to be awarded the title of 'Safe Highway Model' ('平安公路示範路') by the Guangdong Provincial Communications and Transportation Department and the Traffic Management Division of Guangdong Provincial Public Security Department in December 2015 and stands out as the role model in operation and traffic safety among expressways in Guangdong.
- The West Route JV organized a joint emergency drill with the fire brigade and traffic police of Zhongshan Public Security Bureau, Zhongshan Environmental Protection Bureau, Administration of Work Safety of Zhongshan Municipality and Zhongshan Banfu Hospital on 28 October 2015 to enhance its capability of handling emergencies in tunnels.

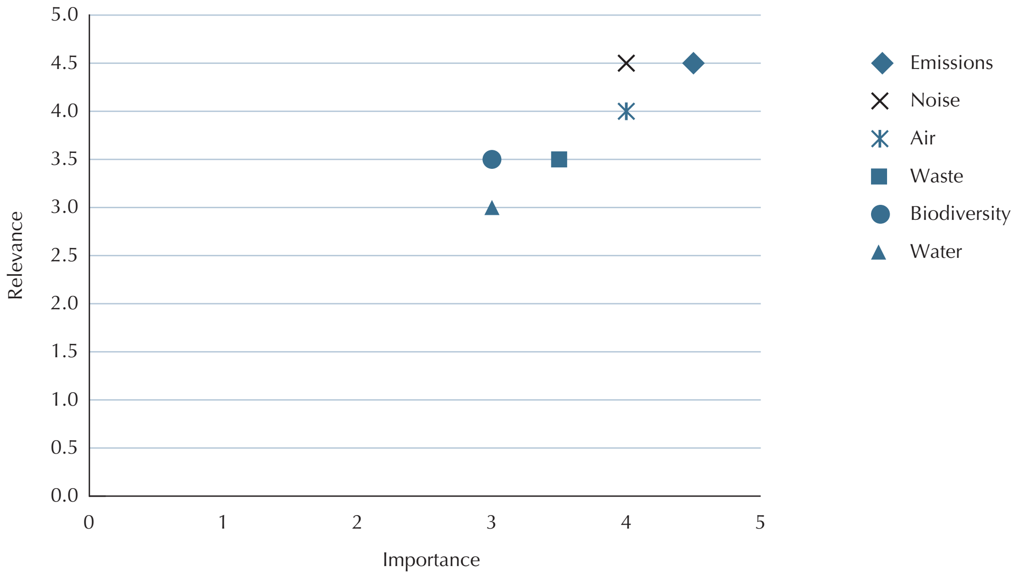
We are also committed to providing a safe and secure workplace for all employees and site staff at work. Designated departments of both JV companies are responsible for work safety issues. Meetings, educational activities and inspections are launched to ensure workplace safety. To promote safe working environment, the West Route JV held a 2-day firefighting contest in

November 2015 to refresh knowledge and skills of their related staff and a total of 80 staff joined. Both JV companies were awarded the title of 'Model Enterprise for Safety Cultural Establishment in Guangdong Province 2015' by Guangdong Provincial Association of Work Safety last year.

In addition to compliance with all relevant local rules and regulations, both JV companies continued to launch Safe Operation Month in June 2016 to enhance knowledge of work safety law, promote safe operation culture and strengthen the awareness of safety among staff. Both JV companies published work safety management regulations which were distributed to frontline staff members. In addition to launching internal contests, various promotion activities such as gala evenings, writing activities and puzzle games were organized to encourage staff participation and strengthen their safety awareness. The GS Superhighway JV held 3 forums on work safety last year and over 200 staff attended.

Environment

We have completed an environmental assessment on our operation. Carbon emissions, air and noise pollution have a significant impact on our community and we are committed to working with our stakeholders and have taken various measures to reduce the impact.



Emissions

We actively monitor and reduce our greenhouse gas emissions by implementing various energy saving measures in our daily operation such as using LED lights, energy saving vehicles and renewable energy devices as well as raising the environmental awareness of our staff.

Energy saving lights

The GS Superhighway JV is a pioneer in Guangdong Province in replacing all conventional low mast sodium lamps with LED lights on the 122.8km main alignment of the GS Superhighway. After full operation of LED lights since June 2013, electricity consumption on the main alignment has been maintained at a low level. Moreover, the GS Superhighway JV refitted high-pole lamps with energy saving lights to further reduce electricity consumption in June 2016. Phase III West also adopted energy saving LED lights along all tunnel sections and toll plazas since its opening in January 2013.

Company car usage management and electric vehicles

Fuel consumption in both JV companies was reduced by 11.6% year-on-year as a result of effective car usage management.

The Group and our JV companies endeavour to explore possibilities of expanding our green car fleet. We now have three petrol-electric hybrid vehicles and one EV in our car fleet. From our experience, the use of petrol-electric hybrid vehicles reduces around 40% of fuel consumption when compared with other conventional vehicles. We also encourage staff to use petrol-electric hybrid vehicles and EV for business trips. Greenhouse gas emissions are expected to decrease with the use of petrol-electric hybrid vehicles and EVs.

Use of renewable energy

26 surveillance cameras powered by micro wind and solar power are in operation on the Western Delta Route for promoting the use of renewable energy.

Green office

Our 'Go Green Workplace' campaign was launched to recognise the environmental efforts of our staff and encourage them to adopt and maintain greener practices in their daily lives. A Green Captain was appointed in each department to take the lead in encouraging other colleagues to participate in environmental initiatives. The GS Superhighway JV also encouraged their staff to support the WWF Earth Hour 2016.

Air pollution

One of the major sources of air pollution comes from fuel combustion of vehicles on road. Smoother traffic and greater traffic efficiency can significantly reduce the time of vehicles spent on the highway and potentially reduce air pollution. Traffic accident is one of the major reasons of traffic jam. To ensure smooth traffic, our rescue team can identify accidents and arrive at the scene in the shortest possible time and handle them efficiently.

Noise reduction

We are aware that traffic noise will affect nearby residential areas, therefore we take active action to reduce such effects. The West Route JV installed an additional 1.1km noise barriers along the expressway during the year under review. Over the past three years, a total of over 6km of noise barriers have been installed to mitigate the noise impact on residential areas nearby.

Environmental Performance Table

Indicator	Unit	FY13 GS Superhighway JV	FY13 West Route JV	FY13 Total	FY14 GS Superhighway JV	FY14 West Route JV	FY14 Total	FY15 GS Superhighway JV	FY15 West Route JV	FY15 Total	**FY16 GS Superhighway JV**	**FY16 West Route JV**	**FY16 Total**
Energy use													
Purchased electricity	MWh	24,038	6,143	30,181	21,702	10,216	31,917	21,823	10,653[5]	32,476	**21,880**	**10,950[6]**	**32,830**
(non-renewable)	GJ	86,537	20,272	106,809	78,125	36,777	114,903	78,564	38,349	116,913	**78,769**	**39,420**	**118,189**
Renewable energy[1]	MWh	–	11.65	11.65	–	12.87	12.87	–	12.79	12.79	**–**	**15.42**	**15.42**
	GJ	–	41.94	41.94	–	46.33	46.33	–	46.03	46.03	**–**	**55.50**	**55.50**
Diesel	Litres	476,192	13,505	489,697	439,872	23,110	462,982	408,610	19,136	427,746	**320,448**	**21,443**	**341,890**
	GJ	17,076	484	17,561	15,774	829	16,603	14,653	686	15,339	**11,491**	**769**	**12,260**
Petrol	Litres	545,920	254,963	800,883	509,007	275,949	784,956	485,867	275,110	760,977	**430,244**	**278,729**	**708,972**
	GJ	17,568	8,205	25,772	16,380	8,880	25,260	15,635	8,853	24,488	**13,845**	**8,969**	**22,815**
LPG	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**112**	**67**	**179**
Emission													
Direct CO_2e emissions	Tonnes	2,798	728	3,526	2,598	811	3,409	2,448	798	3,246	**2,053**	**814**	**2,868**
Electricity indirect CO_2e emissions[2]	Tonnes	22,461	5,740	28,201	20,015	9,422	29,437	20,040	9,783	29,823	**19,602**	**9,810**	**29,413**
SOx	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**0.11**	**0.07**	**0.18**
NOx	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**28**	**15**	**43**
Water													
Fresh water used	m^3	479,912	89,306	569,218	392,869	126,231	519,100	365,829	165,077[5]	530,906	**333,686**	**156,620[6]**	**490,305**
Waste[3]													
Non-hazardous waste disposal	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**4,334**	**404**	**4,738**
Materials used[4]													
Cement	Tonnes	16,973	81,391	98,364	17,494	186	17,680	10,831	290	11,121	**11,496**	**739**	**12,235**
Steel	Tonnes	2,238	5,777	8,015	4,557	1	4,558	2,001	70	2,071	**1,777**	**17**	**1,794**
Steel strand	Tonnes	21	42	63	86	0	86	65	0	65	**105**	**0**	**105**
Bitumen	m^3	7,356	25,557	32,913	9,122	0	9,122	9,943	562	10,505	**4,972**	**1,225**	**6,197**

Notes:

(1) Estimated data based on the energy consumption of 26 surveillance cameras powered by micro wind and solar power on the Western Delta Route.

(2) Calculation based on the purchased electricity figures and applied the default Mainland China Southern Grid emission factor of 895.9gCO_2/kWh.

(3) Data refer to waste collected along the GS Superhighway and the Western Delta Route.

(4) The consumption of materials for repair and maintenance works on the GS Superhighway and the Western Delta Route were included.

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

(6) Data from April to June in 2016 at some toll stations were estimated based on monthly usage from July 2015 to March 2016.

Human Development

Our continued success would not be possible without our employees. We regard our employees as our most important asset. We strive to create an environment where every employee can develop their fullest potential and contribute their diverse range of skills and experiences.

We advocate equal opportunity by eliminating all kinds of discrimination including gender, age, disability, marital status, pregnancy, family status, sexual orientation and race. Employment, promotion, salary review and redeployment are made strictly based on individual performance.

In addition to compliance with all relevant local rules and regulations, the Group's senior management works closely with our joint venture partners to ensure that all workers employed at our joint venture companies are treated fairly in accordance with equally high standards applicable within the Group.

We issued a Whistleblowing Policy for the purpose of providing a confidential platform for our employees to report any issues arising from our operation. The Group has established a Code of Conduct which lays down the integrity values, various guidelines and restrictions of the Group. Briefing sessions on the policies were conducted for employees to understand the procedures. New staff are also introduced to the policies during their orientation.

Our Code of Conduct and Whistleblowing Policy are posted on the Company's intranet and are easily accessible by all staff. There was no concluded legal case regarding corrupt practices against the Group or our employees during the reporting period.

Development and training

The GS Superhighway JV and the West Route JV held a variety of professional training and educational activities with more than 3,000 and 1,800 attendances respectively during the year under review.

Skill and technique contests for toll collection staff are held regularly by both JV companies to boost staff morale and enhance efficiency as well as service quality. Apart from activities conducted in the office, a 2-day project adventure was held in Shenzhen in August 2015 to strengthen leadership, team spirit among staff and enhance their communication skills. 228 staff members of the GS Superhighway JV participated in the event. The West Route JV also held a fun sports competition in December 2015 in order to strengthen team spirit among employees. Over 700 staff members joined the event.

We also invited The Independent Commission Against Corruption (ICAC) to provide an Integrity Briefing training session to our staff (supervisors and managers).

Social Performance Table

Indicators	Units	FY13		FY14		FY15		**FY16**	
		GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV	**GS Superhighway JV**	**West Route JV**
Total Full-time Workforce	no.	**2,581**	**962**	**2,584**	**951**	**2,488**	**926**	**2,342**	**982**
by Location	no.								
Hong Kong		3	2	3	2	3	1	**3**	**1**
Mainland China		2,578	960	2,581	949	2,485	925	**2,339**	**981**
by Gender	%								
Female		39.36	37.63	39.09	39.12	38.22	40.93	**38.04**	**41.24**
Male		60.64	62.37	60.91	60.88	61.78	59.07	**61.96**	**58.76**
by Age Group	%								
Under 30 years old		53.08	74.95	52.09	72.34	48.43	70.19	**48.93**	**70.88**
30-50 years old		44.87	23.18	45.47	25.66	48.27	27.97	**47.57**	**27.70**
Over 50 years old		2.05	1.87	2.44	2.00	3.30	1.84	**3.50**	**1.43**
by Employment Category	%								
Senior Management		0.31	0.73	0.35	0.84	0.36	0.65	**0.38**	**0.61**
Managerial		1.20	1.98	1.32	1.89	1.33	1.62	**1.32**	**1.32**
General		98.49	97.30	98.34	97.27	98.31	97.73	**98.29**	**98.07**
Minority Groups within Workforce	%	**1.86**	**1.56**	**1.86**	**2.10**	**2.49**	**1.94**	**2.39**	**2.04**
Governance Bodies by Gender	no.								
Female		1	0	1	0	1	0	**0**	**0**
Male		9	8	9	8	9	8	**10**	**8**
by Age Group	no.								
Under 30 years		0	0	0	0	0	0	**0**	**0**
30-50 years old		5	6	5	6	6	6	**5**	**5**
Over 50 years old		5	2	5	2	4	2	**5**	**3**
Employee Turnover Rate	no. (%)	**509(19.72)**	**151(15.70)**	**341(13.20)**	**180(18.93)**	**364(14.63)**	**173(18.68)**	**539(23.01)**	**160(16.29)**
by Gender	no. (%)								
Female		258(10)	72(7.48)	163(6.31)	71(7.47)	165(6.63)	71(7.67)	**201(8.58)**	**59(6.01)**
Male		251(9.72)	79(8.21)	178(6.89)	109(11.46)	199(8.00)	102(11.02)	**338(14.43)**	**101(10.29)**
by Age Group	no. (%)								
Under 30 years		426(16.51)	136(14.14)	273(10.57)	158(16.61)	295(11.86)	156(16.85)	**359(15.33)**	**119(12.12)**
30-50 years old		78(3.02)	14(1.46)	60(2.32)	22(2.31)	59(2.37)	14(1.51)	**169(7.22)**	**37(3.77)**
Over 50 years old		5(0.19)	1(0.10)	8(0.31)	0(0)	10(0.40)	3(0.32)	**11(0.47)**	**4(0.41)**

Indicators	Units	FY13 GS Superhighway JV	FY13 West Route JV	FY14 GS Superhighway JV	FY14 West Route JV	FY15 GS Superhighway JV	FY15 West Route JV	**FY16 GS Superhighway JV**	**FY16 West Route JV**
New Employee	no. (%)	440 (17.05)	444 (46.15)	344 (13.31)	171 (17.98)	269 (10.81)	196 (21.17)	**395 (16.87)**	**173 (17.62)**
by Gender	no. (%)								
Female		N/A	N/A	N/A	N/A	N/A	N/A	**141(6.02)**	**63(6.42)**
Male		N/A	N/A	N/A	N/A	N/A	N/A	**254(10.85)**	**110(11.2)**
by Age Group	no. (%)								
Under 30 years		N/A	N/A	N/A	N/A	N/A	N/A	**383(16.35)**	**150(15.27)**
30-50 years old		N/A	N/A	N/A	N/A	N/A	N/A	**12(0.51)**	**23(2.34)**
Over 50 years old		N/A	N/A	N/A	N/A	N/A	N/A	**0(0)**	**0(0)**
Employees covered under collective bargaining agreement	%	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	no.	**1 month**	**1 month**	**1 month**	**1 month**	**1 month**	**1 month**	**1 month**	**1 month**
Occupational Injuries by Region	no.								
Hong Kong		0	0	0	0	0	0	**0**	**0**
Mainland China		10	2	8	1	7	2	**7**	**3**
by Gender	no.								
Female		1	1	2	1	1	1	**2**	**0**
Male		9	1	6	0	6	1	**5**	**3**
Lost Days due to Injuries	Days	**N/A**	**67**	**N/A**	**18**	**N/A**	**178**	**412**	**440**
Work-Related Fatalities	no.	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
Rate of injury per 1000 employees	%	**3.87**	**2.08**	**3.10**	**1.05**	**2.81**	**2.16**	**2.99**	**3.05**
Employees receiving regular performance reviews	%	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Customer and Community

Customer service

Road users' experience and their feedback are one of the key drivers to improve our service standards. Both JV companies set up customer hotline to deal with customers' feedback and complaints. We have policies and procedures regarding the conduct of investigations upon receiving complaints and conveying the results of investigations to complainants. The GS Superhighway JV also sets out a "5-day processing" standard to ensure timely replies to complainants.

During the year under review, the complaint rate is 0.0003%, i.e. number of complaints divided by total traffic. 78% of complaints were related to tariff rate scheme or toll road policies applicable to all toll roads in Guangdong as announced by the Guangdong government and 22% were related to individual service issues. Investigations of all cases have been completed and results were conveyed to the complainants. 91% of complainants accepted or were satisfied with our replies. Separately, we received 72 accounts of commendation from customers and 87% of commendation was related to retrieving lost items for customers and assistance in resolving vehicle breakdown problems.

We are mindful of traffic data protection and all road users' transaction records are purely used for operation need in order to protect customer privacy. Staff of both JV companies are required to follow internal guidelines to ensure no leakage of data. There was no data loss incident during the year under review.

Every year, both JV companies launch a month-long campaign which aims to raise service standards and maintain customer satisfaction. During the campaign, free travel handbooks and emergency medicines are distributed to road users and service consultation points are set up for public enquiries. In order to provide a friendly environment, free Wi-Fi service has been made available to the public at Houjie service area of the GS Superhighway to further improve service level. EV charging facilities are scheduled to be installed at Houjie service area and Huanggang oil stations in the near future to promote zero emission.

Community initiatives

Our business is closely intertwined with the daily lives of the communities where we operate. This is why we dedicate significant resources to support our work in community development. We have established four core pillars, namely Environmental Protection, Community Engagement, Youth Development and Elderly Care to guide our community initiatives.

Environmental Protection	• Greenery works along the expressways and in living areas have been done by both JV companies. Over 300 staff from the GS Superhighway JV and the West Route JV participated in tree planting activities in March 2016. About 245 trees were planted by staff from both JV companies.
Community Engagement	• Our staff members have been supporting and participating in community programmes, voluntary services and fundraising activities such as "Dress Casual Day 2015", "Love Teeth Day", "Mooncakes for Charity 2015", "Skip Lunch Day 2016", "The Community Chest Green Day 2016" and "Walks for Millions" organised by The Community Chest of Hong Kong. • Our staff joined "Race to Feed 2015" relay run organized by Heifer Hong Kong on 25 October 2015 and achieved excellent results. • The GS Superhighway JV organized 76 volunteers to participate in blood donating activity in support of relief efforts for the landslide incident which happened in Guang Ming New District of Shenzhen in January 2016.
Youth Development	• Over 10 volunteers from the West Route JV visited young people in custody in Shunde District of Foshan and shared positive messages with them in February 2016. • Over 30 volunteers from the West Route JV donated about 50 tables and 100 sets of teaching materials to a rural primary school during a visit in March 2016.
Elderly Care	• The GS Superhighway JV held a half-day visit to an elderly home in Houjie town of Dongguan on 9 August 2015. 13 volunteers provided hair cutting, nail cutting and massage services to the elderly as well as distributed small gifts.

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 ESG initiatives. Moving forward, we will continue to strive towards a sustainable business environment while meeting community needs.

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") conducted an independent verification of the Sustainability Report 2015/16 (hereinafter referred to as "the Report") of Hopewell Highway Infrastructure Limited (hereinafter referred to as "HHI"). The Report states HHI's commitments and progress on sustainability for the period of 1st July 2015 to 30th June 2016.

The aim of this verification was to provide a reasonable assurance on the completeness and accuracy of the information stated in the Report which was prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") issued by the Hong Kong Stock Exchange.

Assurance Methodology

The verification process included reviewing of relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying the selected representative sample of data and information. Raw data and supporting evidence of the selected samples were thoroughly examined.

Independence

HKQAA was not involved in collecting and calculating the reporting data, or in the development of the Report. HKQAA's activities are independent from HHI.

Conclusion

The results of our verification provided confidence in the systems and processes used by HHI for managing and reporting sustainability performance information. It is confirmed that the contents stated in of the Report are accurate and reliable. The key performance indicators specified in the ESG Reporting Guide has been adequately addressed. The information presented in the reporting contents articulate a balanced account of HHI's sustainability performance during the reporting period.

HHI has established effective mechanism to proactively engage with its stakeholders. Feedbacks from stakeholders were taken into account very seriously for incorporating into the company's sustainability strategies and for preparing the reporting contents. Also, HHI has been responsive to stakeholder concerns and expectations with a number of examples shown in the Report. Overall, the material sustainability issues of HHI's commitments, progress and achievement were included in the Report.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam
Director, Strategic Business
September 2016

HKEx ESG Reporting Guide Index Table

Aspects	*Disclosure section*	*Explanation*
A1: Emissions	Environment	
KPI A1.1	Environmental Performance Tables	
KPI A1.2	Environmental Performance Tables	
KPI A1.3		This KPI is not relevant to our businesses.
KPI A1.4	Environmental Performance Tables	
KPI A1.5	Environment	
KPI A1.6		According to the result of our environmental assessment, our environmental section focuses on management of carbon emissions, noise and air pollution. Management of waste is not defined as a material issue for our Company.
A2: Use of Resources	Environment	
KPI A2.1	Environmental Performance Tables	
KPI A2.2	Environmental Performance Tables	
KPI A2.3	Environment	
KPI A2.4		According to the result of our environmental assessment, our environmental section focuses on management of carbon emissions, noise and air pollution. Sourcing water is not defined as a material issue for our Company.
KPI A2.5		Packaging materials for finished products are minimal due to the business nature of the Group.
A3: The Environment and Natural Resources	Environment	
KPI A3.1	Environment	
B1: Employment	Human Development	
KPI B1.1	Social Performance Table	
KPI B1.2	Social Performance Table	
B2: Health and Safety	Road Safety & Traffic Efficiency	
KPI B2.1	Social Performance Table	
KPI B2.2	Social Performance Table	
KPI B2.3	Road Safety & Traffic Efficiency	
B3: Development and Training	Human Development	
KPI B3.1		The data will be available in our next report.
KPI B3.2		The data will be available in our next report.
B4: Labour Standards	Human Development	
KPI B4.1		We are committed to preventing forced and child labour. The Group's senior management works closely with our partners to make every effort to prevent forced and child labour in JV companies.
KPI B4.2		During the year under review, no operation has been identified as having significant risk of child labour and forced labour.
B5: Supply Chain Management	Road Safety & Traffic Efficiency	
KPI B5.1	Road Safety & Traffic Efficiency	
KPI B5.2	Road Safety & Traffic Efficiency	
B6: Product Responsibility	Road Safety & Traffic Efficiency Customer and Community	
KPI B6.1		This KPI is not relevant to our businesses.
KPI B6.2	Customer and Community	
KPI B6.3		This KPI is not relevant to our businesses.
KPI B6.4		This KPI is not relevant to our businesses.
KPI B6.5	Customer and Community	
B7: Anti-corruption	Human Development	
KPI B7.1	Human Development	
KPI B7.2	Human Development	
B8: Community Investment	Customer and Community	
KPI B8.1	Customer and Community	
KPI B8.2	Customer and Community	

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 2016, 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.

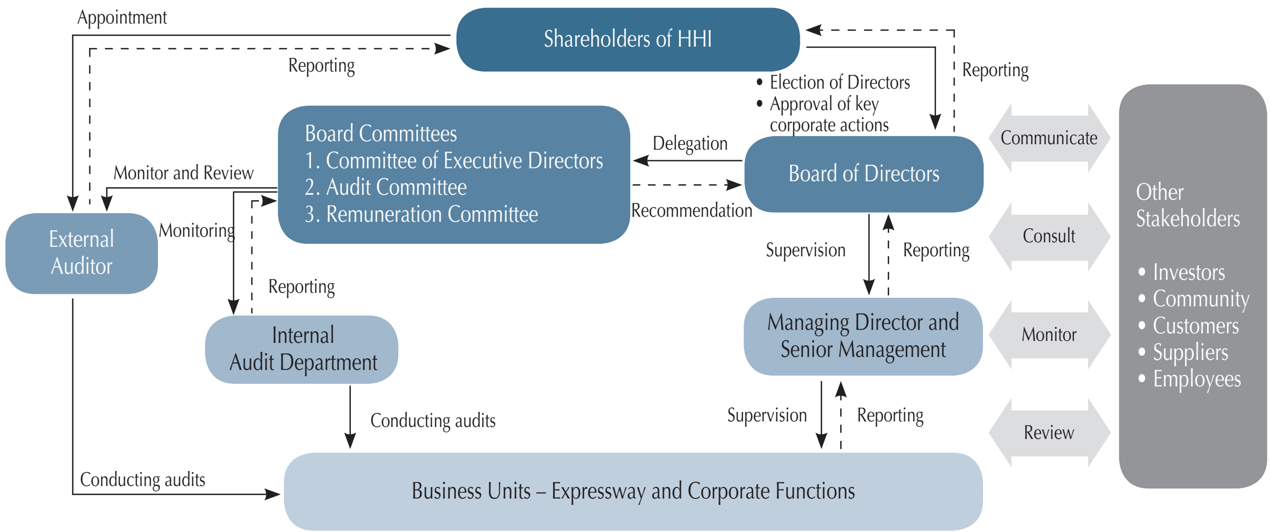
Code Provision A.5.1

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 four Executive Directors (including the Chairman) and four 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 11 to 18 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 separate 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 the 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 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 make recommendations to the Board on the appointment, re-appointment and removal of the external auditor
- to approve the remuneration and terms of engagement of the external auditor
- to review and monitor the external auditor's independence and objectivity
- to review the Group's financial controls, internal control and risk management systems on going basis
- to review the interim and annual financial statements before submission to the Board
- to develop and review the Company's policies 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 remuneration and terms of engagement of the external auditor
- to review the annual financial statements for the year ended 30 June 2015 and the interim financial statements for the six months ended 31 December 2015
- 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 are available on the HHI Website and on the HKEx Website.

Remuneration Committee

The Remuneration Committee comprised three Independent Non-executive Directors namely, Professor Chung Kwong POON (Chairman), Mr. Yuk Keung IP and Mr. Brian David Man Bun LI (replaced Mr. Alan Chi Hung CHAN, Deputy Managing Director on 26 August 2015 for better independence). The head of Group Human Resources Department of the Company, or in his/her 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 to the Board on the Directors' fees for the year ended 30 June 2016
- to review and recommend on the remuneration packages of all Executive Directors for the year of 2016 and bonus payment for the year of 2015

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 2015 Annual General Meeting are as follows:

	Number of meetings attended/held			
Name of Directors	Board Meetings	Audit Committee Meetings*	Remuneration Committee Meetings	2015 Annual General Meeting
Executive Directors				
Sir Gordon WU KCMG, FICE				
Chairman	4/5#	N/A	N/A	1/1
(Mr. Thomas Jefferson WU JP as alternate)	(1/1)	N/A	N/A	N/A
Mr. Eddie Ping Chang HO				
Vice Chairman	5/5	N/A	N/A	1/1
Mr. Thomas Jefferson WU JP				
Managing Director	5/5	N/A	N/A	1/1
Mr. Alan Chi Hung CHAN				
Deputy Managing Director				
(resigned as member of the Remuneration Committee on 26 August 2015)	5/5	N/A	1/1	1/1
Mr. Cheng Hui JIA				
(retired on 1 March 2016)	4/4	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				
(appointed as member of the Remuneration Committee on 26 August 2015)	5/5	1/2	1/1	1/1
Mr. Alexander Lanson LIN				
(appointed as Independent Non-executive Director on 9 May 2016)	N/A	N/A	N/A	N/A

* Apart from the formal audit committee meetings, there are two informal pre-meetings chaired by Mr. Yuk Keung IP, the Chairman of the Audit Committee. The pre-meeting for the 2014/15 final results was held with the external auditors and the Head of Internal Audit, whereas the other one for the 2015/16 interim results was held with the Head of Internal Audit.

\# Excluding attendance by alternate director

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 2016.

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 (in case of Independent Non-executive Director(s)) has/have been sent 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:

Name of Directors	Corporate Governance	Legal and Regulatory	Group's Businesses
Executive Directors			
Sir Gordon WU KCMG, FICE	✓	✓	✓
Mr. Eddie Ping Chang HO	✓	✓	✓
Mr. Thomas Jefferson WU JP	✓	✓	✓
Mr. Alan Chi Hung CHAN	✓	✓	✓
Mr. Cheng Hui JIA (retired on 1 March 2016)	✓	✓	✓
Independent Non-executive Directors			
Professor Chung Kwong POON GBS, JP, PhD, DSc	✓	✓	✓
Mr. Yuk Keung IP	✓	✓	✓
Mr. Brian David Man Bun LI JP	✓	✓	✓
Mr. Alexander Lanson LIN (appointed on 9 May 2016)	✓	✓	✓

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 99 and 100 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 2015.

During the year ended 30 June 2016, 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 periodically 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 2015 Annual General Meeting.

Inside Information Policy

The Company 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 (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with 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 and Western Delta Route (which comprises 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 2015 Annual General Meeting was held at Rotunda 3, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on 26 October 2015. The 2016 Annual General Meeting has been scheduled to be held on 26 October 2016.

Investor Relations

Maintaining sound corporate governance with high level of transparency is one of the key goals of the Company. Not only can this enhance the market's understanding in the Company's businesses, but it can also gain stakeholders' confidence and loyalty.

Recognizing the importance of open and effective communications with market participants, the Company continued to implement proactive investor relations program during the year under review. Conference calls were held subsequent to results announcements during which the senior management team answered enquiries from the investment community. To facilitate the exchange of opinions with investors, the Company participated in investor meetings and investor conferences in Hong Kong and overseas regularly. Moreover, essential corporate information including company announcements, press releases and financial reports are disseminated through the Company's website on a timely and accurate basis. In so doing, investors are ensured to be notified of the latest updates of the Company's business and financial performance.

Going onwards, the Company will continue to maintain a high level of corporate governance with an aim to enhance market confidence and create shareholders' value. Investors can direct any comment 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 Board of 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 2016.

Principal Activities

The Company is an investment holding company. The Group focuses on initiation, promotion, development and operation of toll expressways and bridges in the PRC through its joint ventures established in the PRC. The principal activities of the Group's principal subsidiaries and the joint ventures are set out in notes 30 and 16 respectively.

Business Review

A review of the business of the Group during the year, a discussion on the Group's future business development and description of the principal risks and uncertainties the Company may be facing are provided in the Chairman's Statement on pages 6 to 10 and the Management Discussion and Analysis on pages 19 to 55 of this Annual Report. Also, the financial risk management objectives and policies of the Group can be found in note 29 to the Consolidated Financial Statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 30 June 2016, if applicable, are provided in the Chairman's Statement on pages 6 to 10 and the Management Discussion and Analysis on pages 19 to 55 of this Annual Report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on page 2 and the 10-Year Financial Summary on pages 3 to 5 of this Annual Report.

In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Chairman's Statement, the Management Discussion and Analysis, Sustainability Report, the Corporate Governance Report and this Report of the Directors on pages 6 to 10, pages 19 to 55, pages 56 to 71, pages 72 to 86 and pages 87 to 98 of this Annual Report respectively.

Results

The results of the Group for the year ended 30 June 2016 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 101.

Dividends

The Directors recommend the payment of a final dividend of RMB8.2 cents per share (equivalent to HK9.5484 cents per share at the exchange rate of RMB1:HK$1.16444) (2015: RMB8.4 cents per share (equivalent to HK10.1665 cents per share)) and a special final dividend of RMB40 cents per share (equivalent to HK46.5776 cents per share at the exchange rate of RMB1:HK$1.16444) (2015: RMB18 cents per share (equivalent to HK21.7854 cents per share)) in respect of the year ended 30 June 2016.

Together with the interim dividend of RMB8.4 cents per share (equivalent to HK9.9737 cents per share) paid on 22 March 2016 (2015: RMB8.4 cents per share (equivalent to HK10.6376 cents per share)), the total dividends for the year will be RMB56.6 cents per share (equivalent to HK66.0997 cents per share) (2015: RMB34.8 cents per share (equivalent to HK42.5895 cents per share)).

Major Projects and Events

Details regarding major projects undertaken by the Group and events that have taken place during the year under review are incorporated under the section "Business Review" as set out on pages 19 to 39.

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 103 and 104.

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 2016 amounted to approximately RMB5,327 million (approximately HK$5,117 million) (2015: RMB6,268 million (approximately HK$6,055 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 11 to 18. Changes of Directors and Board Committees members during the year and up to date of this report are as follow:

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)
Mr. Cheng Hui JIA	(retired as Executive Director on 1 March 2016)
Mr. Alexander Lanson LIN	(appointed as Independent Non-executive Director on 9 May 2016)

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. Sir Gordon WU, Mr. Eddie Ping Chang HO, Mr. Thomas Jefferson WU and Mr. Alan Chi Hung CHAN shall retire from office at the 2016 Annual General Meeting and, being eligible, offered themselves for re-election.

Furthermore, 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. Mr. Alexander Lanson LIN, who was appointed as Independent Non-executive Director of the Company on 9 May 2016, shall hold office until the 2016 Annual General Meeting after his appointment 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.

Permitted Indemnity Provision

Pursuant to the Company's Articles of Association, every Director shall be indemnified out of the assets of the Company against all losses and liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Group.

Directors' Material Interest in Transactions, Arrangements or Contracts

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, fellow subsidiaries or its parent company was a party or were parties and in which a Director or entities connected with him had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

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

As at 30 June 2016, 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 interests [ii] (interests of controlled corporation)	Other interests	Total interests	Approximate % of total number of issued shares
Sir Gordon WU	17,471,884	6,815,920	27,051,498	7,670,000[iii]	59,009,302	1.91
Eddie Ping Chang HO	6,274,075	–	17,500	–	6,291,575	0.20
Thomas Jefferson WU	18,000,000	–	–	–	18,000,000	0.58
Alan Chi Hung CHAN	507,750	–	–	–	507,750	0.01

Notes:

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

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

(iii) The other interests in 7,670,000 shares 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 issued HHL Shares
Sir Gordon WU	75,083,240	26,972,800	111,450,000	30,680,000[iii]	244,186,040	28.07
Eddie Ping Chang HO	27,691,500	–	70,000	–	27,761,500	3.19
Thomas Jefferson WU	28,900,000	–	–	–	28,900,000	3.32
Alan Chi Hung CHAN	585,000	–	–	–	585,000	0.06

Notes:

(i) All interests in HHL Shares were long positions.

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

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

Save as disclosed above, as at 30 June 2016, 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 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. A summary of some of the principal terms of the 2003 HHI Share Option Scheme is set out in (B) below.

(B) The purpose of the 2003 HHI Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to 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 issued shares 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 determine 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 2016 were as follows:

	Date of grant	Exercise price per share HK$	Number of share options: Outstanding at 01/07/2015	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30/06/2016	Exercise period	Closing price before date of grant falling within the year HK$
Employees	24/07/2008	5.800	400,000	–	–	(400,000)	–	01/08/2009–31/07/2015	N/A
Total			**400,000**	**–**	**–**	**(400,000)**	**–**		

No options were cancelled during the year.

The exercise period of the options granted on 24 July 2008 is set out below:

Maximum options exercisable	**Exercise period**
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 issued shares 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 issued shares 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 issued shares of the Company.

The period within 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 issued shares 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 issued shares of the Company as at the date of such grant.

(C) There were no awarded shares granted, forfeited, vested or outstanding during the year ended 30 June 2016 and accordingly no dividend income was received in respect of shares held upon the trust for the Share Award Scheme (2015: Nil) during the year under review.

Equity-Linked Agreements

Save as disclosed in the sections headed "Share Options" and "Share Awards", no equity-linked agreements were entered into during the year or subsisted at the end of the year.

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 2016 was the Company or any of its subsidiaries, fellow subsidiaries or its parent company 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.

Directors' Service Contracts

No Director proposed for re-election at the 2016 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.

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 RMB876,000 (approximately HK$1,060,000) (2015: RMB842,000 (approximately HK$1,055,000)).

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 2016, so far is known to the Directors, the interests or short positions of substantial shareholders of the Company (other than the Directors and the chief executives of the Company disclosed above) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Capacity	Number of shares(i) (corporate interests)	Approximate % of total number of issued shares
Anber Investments Limited	Beneficial owner	2,055,287,337(ii)	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 2016, the Company had not been notified of any other interests or short positions representing 5% or more of the total number of issued shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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 2016.

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 33 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 issued shares 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 2016 Annual General Meeting.

On behalf of the Board

Sir Gordon Ying Sheung WU KCMG, FICE
Chairman

Hong Kong, 23 August 2016

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 101 to 153, which are presented in RMB and comprise the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2016, and of its 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
23 August 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	NOTES	2015 RMB'000	**2016** **RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016** **HK$'000**
Other income and other expense	6	89,888	**39,543**	112,749	**48,221**
Depreciation		(139)	**(190)**	(174)	**(229)**
General and administrative expenses		(39,169)	**(40,161)**	(49,038)	**(48,475)**
Finance costs	7	(24,134)	**(3,793)**	(30,257)	**(4,617)**
Share of results of joint ventures	8	545,396	**556,178**	683,847	**669,260**
Profit before tax		571,842	**551,577**	717,127	**664,160**
Income tax expense	9	(42,081)	**(31,086)**	(52,758)	**(37,441)**
Profit for the year	10	529,761	**520,491**	664,369	**626,719**
Other comprehensive income (expense)					
Item that will not be reclassified to profit or loss:					
Exchange gain (loss) arising on translation to presentation currency		–	**–**	11,183	**(599,864)**
Item that may be reclassified subsequently to profit or loss:					
Exchange gain (loss) arising on translation of foreign operations		104	**(13,581)**	–	**–**
Total comprehensive income for the year		529,865	**506,910**	675,552	**26,855**
Profit for the year attributable to:					
Owners of the Company		519,644	**511,332**	651,686	**615,702**
Non-controlling interests		10,117	**9,159**	12,683	**11,017**
		529,761	**520,491**	664,369	**626,719**
Total comprehensive income attributable to:					
Owners of the Company		519,748	**497,751**	662,875	**19,845**
Non-controlling interests		10,117	**9,159**	12,677	**7,010**
		529,865	**506,910**	675,552	**26,855**
		RMB cents	***RMB cents***	*HK cents*	***HK cents***
Earnings per share	13				
Basic and diluted		16.86	**16.59**	21.15	**19.98**

Consolidated Statement of Financial Position

As at 30 June 2016

	NOTES	2015 RMB'000	**2016 RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016 HK$'000**
ASSETS					
Non-current Assets					
Interests in joint ventures	16	6,203,147	**6,176,025**	7,753,934	**7,207,421**
Investment	17	4,785	**4,785**	5,982	**5,585**
Property and equipment	18	261	**473**	326	**552**
		6,208,193	**6,181,283**	7,760,242	**7,213,558**
Current Assets					
Deposits and prepayments		1,306	**691**	1,632	**806**
Dividend and other receivables	21	88,132	**19,675**	110,166	**22,960**
Loans to a joint venture	22	788,000	**–**	985,000	**–**
Interest receivable from a joint venture	22	25,498	**–**	31,872	**–**
Bank balances and cash	23	574,012	**652,435**	717,514	**761,392**
		1,476,948	**672,801**	1,846,184	**785,158**
Total Assets		7,685,141	**6,854,084**	9,606,426	**7,998,716**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	270,603	**270,603**	308,169	**308,169**
Share premium and reserves		6,976,694	**6,402,017**	8,750,952	**7,478,779**
Equity attributable to owners of the Company		7,247,297	**6,672,620**	9,059,121	**7,786,948**
Non-controlling interests		51,797	**46,554**	64,746	**54,328**
Total Equity		7,299,094	**6,719,174**	9,123,867	**7,841,276**
Non-current Liability					
Deferred tax liability	26	137,335	**127,412**	171,668	**148,690**
Current Liabilities					
Payables and accruals		8,815	**7,498**	11,019	**8,750**
Bank loans	27	236,560	**–**	295,700	**–**
Tax liabilities		3,337	**–**	4,172	**–**
		248,712	**7,498**	310,891	**8,750**
Total Liabilities		386,047	**134,910**	482,559	**157,440**
Total Equity and Liabilities		7,685,141	**6,854,084**	9,606,426	**7,998,716**
Cash and cash equivalents		574,012	**652,435**	717,514	**761,392**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Attributable to owners of the Company								
	Share capital RMB'000	**Share premium** RMB'000	**People's Republic of China ("PRC") statutory reserves** RMB'000	**Translation reserve** RMB'000	**Share option reserve** RMB'000	**Retained profits** RMB'000	**Total** RMB'000	**Non-controlling interests** RMB'000	**Total** RMB'000
As at 1 July 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**
Exchange loss on translation of foreign operations	**–**	**–**	**–**	**(13,581)**	**–**	**–**	**(13,581)**	**–**	**(13,581)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**511,332**	**511,332**	**9,159**	**520,491**
Total comprehensive (expense) income for the year	**–**	**–**	**–**	**(13,581)**	**–**	**511,332**	**497,751**	**9,159**	**506,910**
Expiry of vested share options	**–**	**–**	**–**	**–**	**(371)**	**371**	**–**	**–**	**–**
Dividends recognised as distribution during the year (Note 12)	**–**	**(721,212)**	**–**	**166,508**	**–**	**(517,724)**	**(1,072,428)**	**–**	**(1,072,428)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(14,402)**	**(14,402)**
As at 30 June 2016	**270,603**	**4,646,724**	**114,710**	**(794,833)**	**–**	**2,435,416**	**6,672,620**	**46,554**	**6,719,174**

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.

The special final dividend for the year ended 30 June 2015 of RMB18 cents per share amounting to approximately RMB554,704,000 was distributed from the share premium arisen at the time before the change in functional currency of the Company from HKD to RMB. Accordingly, the share premium and the corresponding translation reserve had been debited by RMB721,212,000 and credited by RMB166,508,000 respectively.

(FOR INFORMATION PURPOSE ONLY)

	Attributable to owners of the Company								
	Share capital *HK$'000*	***Share premium*** *HK$'000*	***PRC statutory reserves*** *HK$'000*	***Translation reserve*** *HK$'000*	***Share option reserve*** *HK$'000*	***Retained profits*** *HK$'000*	***Total*** *HK$'000*	***Non-controlling interests*** *HK$'000*	***Total*** *HK$'000*
As at 1 July 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**
Exchange loss on translation to presentation currency	**–**	**–**	**–**	**(595,857)**	**–**	**–**	**(595,857)**	**(4,007)**	**(599,864)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**615,702**	**615,702**	**11,017**	**626,719**
Total comprehensive (expense) income for the year	**–**	**–**	**–**	**(595,857)**	**–**	**615,702**	**19,845**	**7,010**	**26,855**
Expiry of vested share options	**–**	**–**	**–**	**–**	**(422)**	**422**	**–**	**–**	**–**
Dividends recognised as distribution during the year (Note 12)	**–**	**(671,359)**	**–**	**–**	**–**	**(620,659)**	**(1,292,018)**	**–**	**(1,292,018)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(17,428)**	**(17,428)**
As at 30 June 2016	**308,169**	**4,338,962**	**110,708**	**455,551**	**–**	**2,573,558**	**7,786,948**	**54,328**	**7,841,276**

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 2016

	2015 RMB'000	**2016** **RMB'000**	2015 HK$'000	**2016** **HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
OPERATING ACTIVITIES				
Profit before tax	571,842	**551,577**	717,127	**664,160**
Adjustments for:				
Interest income	(88,321)	**(36,035)**	(110,749)	**(43,914)**
Interest expenses	21,422	**2,211**	26,858	**2,693**
Net exchange loss (gain)	995	**(2,329)**	1,223	**(2,859)**
Dividend income from investment	(400)	**–**	(500)	**–**
Gain on disposal of property and equipment	(34)	**–**	(43)	**–**
Depreciation	139	**190**	174	**229**
Share of results of joint ventures	(545,396)	**(556,178)**	(683,847)	**(669,260)**
Operating cash flows before movements in working capital	(39,753)	**(40,564)**	(49,757)	**(48,951)**
Decrease in deposits and prepayments	2,311	**615**	2,889	**718**
Decrease in other receivables	57	**552**	71	**664**
Decrease in payables and accruals	(71)	**(1,845)**	(89)	**(2,218)**
Cash used in operations	(37,456)	**(41,242)**	(46,886)	**(49,787)**
Income taxes paid	(125)	**(102)**	(156)	**(119)**
NET CASH USED IN OPERATING ACTIVITIES	(37,581)	**(41,344)**	(47,042)	**(49,906)**
INVESTING ACTIVITIES				
Purchases of property and equipment	(31)	**(402)**	(39)	**(492)**
Proceeds on disposal of property and equipment	34	**–**	43	**–**
Registered capital contribution to a joint venture	(106,000)	**(212,000)**	(131,122)	**(261,502)**
Repayment of loans from a joint venture	212,000	**788,000**	262,244	**965,288**
Placement of time deposits with original maturity over three months	(864,971)	**(353,200)**	(1,086,586)	**(441,221)**
Withdrawal of time deposits with original maturity over three months	1,614,965	**353,200**	2,033,507	**433,023**
Dividends received (net of PRC withholding tax)	630,431	**822,735**	792,028	**995,685**
Interest received	69,042	**62,238**	86,788	**75,886**
Income tax paid for interest received	(6,692)	**(4,478)**	(8,371)	**(5,246)**
NET CASH FROM INVESTING ACTIVITIES	1,548,778	**1,456,093**	1,948,492	**1,761,421**

Consolidated Statement of Cash Flows

For the year ended 30 June 2016

	2015 RMB'000	**2016** **RMB'000**	2015 HK$'000	**2016** **HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
FINANCING ACTIVITIES				
New bank loans raised	277,986	**369,453**	347,800	**445,000**
Repayment of bank loans	(739,808)	**(618,973)**	(925,000)	**(740,700)**
Interest paid	(21,397)	**(2,332)**	(26,824)	**(2,844)**
Dividends paid to:				
– owners of the Company	(509,473)	**(1,069,944)**	(638,908)	**(1,288,974)**
– non-controlling interests of a subsidiary	(8,100)	**(14,402)**	(10,107)	**(17,428)**
NET CASH USED IN FINANCING ACTIVITIES	(1,000,792)	**(1,336,198)**	(1,253,039)	**(1,604,946)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	510,405	**78,551**	648,411	**106,569**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	63,607	**574,012**	79,445	**717,514**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	–	**(128)**	(10,342)	**(62,691)**
CASH AND CASH EQUIVALENTS CARRIED FORWARD	574,012	**652,435**	717,514	**761,392**

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.

Company's Statement of Financial Position

	NOTES	2015 RMB'000	**2016 RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016 HK$'000 (FOR INFORMATION PURPOSE ONLY)**
ASSETS					
Non-current Assets					
Investments in subsidiaries	15	2,404,539	**2,467,110**	3,005,674	**2,879,117**
Amount due from a subsidiary	19	1,330,951	**1,398,165**	1,663,688	**1,631,658**
		3,735,490	**3,865,275**	4,669,362	**4,510,775**
Current Assets					
Deposits and prepayments		233	**224**	291	**262**
Interest and other receivables		84	**474**	105	**553**
Amounts due from subsidiaries	20	1,808,576	**283,588**	2,260,720	**330,947**
Bank balances and cash	23	209,430	**651,896**	261,788	**760,763**
		2,018,323	**936,182**	2,522,904	**1,092,525**
Total Assets		5,753,813	**4,801,457**	7,192,266	**5,603,300**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	25	5,297,772	**4,522,994**	6,652,299	**5,285,959**
		5,568,375	**4,793,597**	6,960,468	**5,594,128**
Current Liabilities					
Payables and accruals		5,247	**4,161**	6,559	**4,856**
Amounts due to subsidiaries	20	180,191	**3,699**	225,239	**4,316**
Total Liabilities		185,438	**7,860**	231,798	**9,172**
Total Equity and Liabilities		5,753,813	**4,801,457**	7,192,266	**5,603,300**
Cash and cash equivalents		209,430	**651,896**	261,788	**760,763**

Thomas Jefferson WU
Managing Director

Alan Chi Hung CHAN
Deputy Managing Director

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 30 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. Application of New and Revised International Financial Reporting Standards ("IFRSs")

Application of new and revised IFRSs

No new or revised IFRSs issued by the International Accounting Standards Board that are applied by the Group for the first time in the current year that has material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised IFRSs in issue but not yet effective

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 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[3]
IFRS 9	Financial Instruments[3]
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[5]
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
IFRS 15	Revenue from Contracts with Customers[3]
IFRS 15 (Amendments)	Clarifications to IFRS 15 Revenue from Contracts with Customers[3]
IFRS 16	Leases[4]
IAS 1 (Amendments)	Disclosure Initiative[1]
IAS 7 (Amendments)	Disclosure Initiative[2]
IAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[2]

2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and revised IFRSs in issue but not yet effective (continued)

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 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 January 2019
5 Effective for annual periods beginning on or after a date to be determined

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 application of IFRS 9 did not have significant impact on amounts reported in 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 an 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 amendments are not expected to have any material impact on the financial position or performance of the Group upon adoption on 1 July 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

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

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 Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, 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.

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.

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 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 recognised forms part of the carrying amount of the investment. Any reversal of that impairment 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 subsequent accumulated impairment, if any.

Depreciation is recognised so as to write off the cost of assets 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 lease term.

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 recognised 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.

3. Significant Accounting Policies (continued)

Foreign currencies (continued)

For the purpose of presenting the consolidated financial statements of the Group in RMB, the assets and liabilities of the Group's foreign operations 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 the 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.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operations of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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 expense represents 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 of income or expense that are taxable or deductible in other years and 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.

3. Significant Accounting Policies (continued)

Taxation (continued)

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 liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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

Financial assets 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.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

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 impairment (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 at the end of each reporting period (see the accounting policy in respect of impairment on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 a 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 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.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

Financial liabilities and equity instruments

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

Financial liabilities

Financial liabilities (including payables and accruals, amounts due to subsidiaries 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.

Equity instruments

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.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have 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 (legal or constructive) as a result of a past event, 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 24.

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 original 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.

3. Significant Accounting Policies (continued)

Impairment 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. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, 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. When 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 is recognised immediately in profit or loss.

Where an impairment 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 been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment 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 associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Critical judgements in applying accounting policies

The following are the criterial judgements, apart from those involving estimations, that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

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 that 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 RMB521,789,000 (approximately HK$627,042,000) (2015: RMB477,146,000 (approximately HK$598,111,000)). 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 RMB17,485,000 (approximately HK$20,405,000) (2015: RMB31,276,000 (approximately HK$39,199,000)).

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 2016, the effect of the provision to the Group's consolidated financial statements, as included in interests in joint ventures, amounting to RMB149,406,000 (approximately HK$174,356,000) (2015: RMB121,440,000 (approximately HK$151,801,000)).

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 2016, as included in interests in joint ventures, amount of RMB67,293,000 (approximately HK$78,531,000) (2015: RMB59,515,000 (approximately HK$74,394,000)) 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

	2015					**2016**				
	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	1,438,254	1,208,937	(393,475)	(268,297)	547,165	**1,479,816**	**1,261,771**	**(414,320)**	**(276,685)**	**570,766**
Western Delta Route	480,691	393,548	(153,291)	(279,904)	(39,647)	**522,108**	**442,905**	**(181,722)**	**(221,257)**	**39,926**
– Phase I West	92,959	72,872	(18,419)	(16,400)	38,053	**101,863**	**80,981**	**(21,295)**	**(14,243)**	**45,443**
– Phase II West	292,195	248,831	(91,725)	(139,039)	18,067	**310,614**	**270,802**	**(98,279)**	**(101,716)**	**70,807**
– Phase III West	95,537	71,845	(43,147)	(124,465)	(95,767)	**109,631**	**91,122**	**(62,148)**	**(105,298)**	**(76,324)**
Total	1,918,945	1,602,485	(546,766)	(548,201)	507,518	**2,001,924**	**1,704,676**	**(596,042)**	**(497,942)**	**610,692**
Corporate interest income from bank deposits					31,390					**26,869**
Corporate interest income from loans made by the Group to a joint venture					56,931					**9,166**
Other income					2,562					**1,179**
Corporate general and administrative Expenses and depreciation					(39,308)					**(40,351)**
Corporate finance costs					(24,134)					**(3,793)**
Corporate income tax expense					(8,934)					**(1,244)**
Net exchange gain (loss) (net of related income tax) (Note)					3,736					**(82,027)**
Profit for the year					529,761					**520,491**
Profit for the year attributable to non-controlling interests					(10,117)					**(9,159)**
Profit for the year attributable to owners of the Company					519,644					**511,332**

Note: Net exchange gain (loss) (net of related income tax) is composed of the Group's share of the exchange loss (net of related income tax) of a joint venture of RMB84,356,000 (2015: exchange gain (net of related income tax) of RMB4,731,000) and the net exchange gain of the Group of RMB2,329,000 (2015: net exchange loss of RMB995,000).

5. Segment Information (continued)

Segment revenue and results (continued)

(FOR INFORMATION PURPOSE ONLY)

	2015					2016				
	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	1,802,971	1,515,371	(493,191)	(336,337)	685,843	1,779,673	1,517,226	(498,181)	(332,801)	686,244
Western Delta Route	602,635	493,394	(192,139)	(350,847)	(49,592)	627,777	532,621	(218,068)	(266,428)	48,125
– Phase I West	116,534	91,354	(23,086)	(20,552)	47,716	122,494	97,400	(25,592)	(17,140)	54,668
– Phase II West	366,342	312,001	(114,974)	(174,295)	22,732	373,474	325,666	(118,154)	(122,521)	84,991
– Phase III West	119,759	90,039	(54,079)	(156,000)	(120,040)	131,809	109,555	(74,322)	(126,767)	(91,534)
Total	2,405,606	2,008,765	(685,330)	(687,184)	636,251	2,407,450	2,049,847	(716,249)	(599,229)	734,369
Corporate interest income from bank deposits					39,361					32,566
Corporate interest income from loans made by the Group to a joint venture					71,388					11,348
Other income					3,223					1,448
Corporate general and administrative expenses and depreciation					(49,212)					(48,704)
Corporate finance costs					(30,257)					(4,617)
Corporate income tax expense					(11,204)					(1,539)
Net exchange gain (loss) (net of related income tax) (Note)					4,819					(98,152)
Profit for the year					664,369					626,719
Profit for the year attributable to non-controlling interests					(12,683)					(11,017)
Profit for the year attributable to owners of the Company					651,686					615,702

Note: Net exchange gain (loss) (net of related income tax) is composed of the Group's share of the exchange loss (net of related income tax) of a joint venture of HK$101,011,000 (2015: exchange gain (net of related income tax) of HK$6,042,000) and the net exchange gain of the Group of HK$2,859,000 (2015: net exchange loss of HK$1,223,000).

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

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

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

	2015 RMB'000	**2016 RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016 HK$'000**
Total segment results	507,518	**610,692**	636,251	**734,369**
Add:				
Net exchange gain (loss) (net of related income tax)	4,731	**(84,356)**	6,042	**(101,011)**
Withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture (Note 9)	33,147	**29,842**	41,554	**35,902**
Share of results of joint ventures as presented in consolidated statement of profit or loss and other comprehensive income	545,396	**556,178**	683,847	**669,260**

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
2015	2,165	310	750	248	3,473	(3,473)	88,321	88,321
2016	**2,603**	**205**	**866**	**207**	**3,881**	**(3,881)**	**36,035**	**36,035**

(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
2015	2,712	388	940	311	4,351	(4,351)	110,749	110,749
2016	**3,106**	**243**	**1,045**	**247**	**4,641**	**(4,641)**	**43,914**	**43,914**

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 RMB473,000 (approximately HK$552,000) (2015: RMB261,000 (approximately HK$326,000)) 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

	2015 RMB'000	***2016 RMB'000***	*2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)*	***2016 HK$'000 (FOR INFORMATION PURPOSE ONLY)***
Interest income from:				
Bank deposits	31,390	**26,869**	39,361	**32,566**
Loans made by the Group to a joint venture	56,931	**9,166**	71,388	**11,348**
Net exchange (loss) gain	(995)	**2,329**	(1,223)	**2,859**
Management fee income from joint ventures	1,730	**1,164**	2,177	**1,429**
Dividend income from investment	400	**–**	500	**–**
Gain on disposal of property and equipment	34	**–**	43	**–**
Others	398	**15**	503	**19**
	89,888	**39,543**	112,749	**48,221**

7. Finance Costs

	2015 RMB'000	***2016 RMB'000***	*2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)*	***2016 HK$'000 (FOR INFORMATION PURPOSE ONLY)***
Interests on bank loans	21,422	**2,211**	26,858	**2,693**
Other financial expenses	2,712	**1,582**	3,399	**1,924**
	24,134	**3,793**	30,257	**4,617**

8. Share of Results of Joint Ventures

	2015 RMB'000	2016 RMB'000	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	2016 HK$'000 (FOR INFORMATION PURPOSE ONLY)
Share of results of joint ventures before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group and amortisation of additional cost of investments in joint ventures	623,164	**636,683**	781,328	**766,064**
Amortisation of additional cost of investments in joint ventures	(77,768)	**(80,505)**	(97,481)	**(96,804)**
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(34,301)	**(38,456)**	(42,991)	**(46,240)**
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	34,301	**38,456**	42,991	**46,240**
	545,396	**556,178**	683,847	**669,260**

9. Income Tax Expense

	2015 RMB'000	2016 RMB'000	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	2016 HK$'000 (FOR INFORMATION PURPOSE ONLY)
The tax charge comprises:				
PRC Enterprise Income Tax ("EIT")	37,882	**41,009**	47,456	**49,698**
Deferred tax (Note 26)	4,199	**(9,923)**	5,302	**(12,257)**
	42,081	**31,086**	52,758	**37,441**

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

The EIT charge of the Group for the year ended 30 June 2016 included an amount of RMB39,765,000 (approximately HK$48,159,000) (2015: RMB28,948,000 (approximately HK$36,252,000)) 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 Expense (continued)

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

	2015 RMB'000	**2016** **RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016** **HK$'000**
Profit before tax	571,842	**551,577**	717,127	**664,160**
Tax at normal PRC income tax rate of 25% (2015: 25%)	142,960	**137,894**	179,282	**166,040**
Effect of different tax rates on income tax expense	(10,109)	**(1,317)**	(12,672)	**(1,629)**
Tax effect of income not taxable for tax purposes	(3,722)	**(6,755)**	(4,672)	**(8,188)**
Tax effect of expenses not deductible for tax purposes	16,154	**10,467**	20,228	**12,631**
Tax effect of share of results of joint ventures	(136,349)	**(139,045)**	(170,962)	**(167,315)**
Deferred tax on undistributed earnings of a joint venture (Note 26)	4,199	**(9,923)**	5,302	**(12,257)**
Withholding tax on earnings distributed by a joint venture	28,948	**39,765**	36,252	**48,159**
Income tax expense	42,081	**31,086**	52,758	**37,441**

10. Profit for the Year

	2015 RMB'000	**2016** **RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016** **HK$'000**
Profit for the year has been arrived at after charging:				
Auditor's remuneration	1,278	**1,325**	1,602	**1,602**
Directors' emoluments (Note 11)	17,639	**20,226**	22,053	**24,344**
Other staff costs	13,349	**11,202**	16,724	**13,577**
Total staff costs	30,988	**31,428**	38,777	**37,921**
Depreciation of property and equipment	139	**190**	174	**229**

11. Directors' and Five Highest Paid Individuals' Emoluments

Directors' emoluments

The emoluments paid or payable to each of the 9 (2015: 8) Directors were as follows:

	2015					2016				
	Directors' fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonus RMB'000	Contributions to retirement benefits plans RMB'000	Total RMB'000	Directors' fees RMB'000	Salaries and other benefits RMB'000	Discretionary bonus RMB'000	Contributions to retirement benefits plans RMB'000	Total RMB'000
Sir Gordon Ying Sheung WU	239	1,994	–	–	2,233	248	1,513	–	–	1,761
Eddie Ping Chang HO	199	1,595	925	–	2,719	207	1,210	396	–	1,813
Thomas Jefferson WU	160	2,880	1,091	14	4,145	165	3,567	1,107	15	4,854
Alan Chi Hung CHAN (Note a)	160	2,722	953	14	3,849	165	3,041	935	15	4,156
Cheng Hui JIA (Note b)	160	2,939	877	–	3,976	109	4,025	2,448	–	6,582
Chung Kwong POON	239	–	–	–	239	348	–	–	–	348
Yuk Keung IP	239	–	–	–	239	348	–	–	–	348
Brian David Man Bun LI (Note c)	239	–	–	–	239	321	–	–	–	321
Alexander Lanson LIN (Note d)	–	–	–	–	–	43	–	–	–	43
	1,635	12,130	3,846	28	17,639	1,954	13,356	4,886	30	20,226

(FOR INFORMATION PURPOSE ONLY)

	2015					2016				
	Directors' fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonus HK$'000	Contributions to retirement benefits plans HK$'000	Total HK$'000	Directors' fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonus HK$'000	Contributions to retirement benefits plans HK$'000	Total HK$'000
Sir Gordon Ying Sheung WU	300	2,504	–	–	2,804	300	1,828	–	–	2,128
Eddie Ping Chang HO	250	2,003	1,145	–	3,398	250	1,463	475	–	2,188
Thomas Jefferson WU	200	3,606	1,350	18	5,174	200	4,313	1,327	18	5,858
Alan Chi Hung CHAN (Note a)	200	3,411	1,179	18	4,808	200	3,677	1,121	18	5,016
Cheng Hui JIA (Note b)	200	3,684	1,085	–	4,969	133	4,843	2,900	–	7,876
Chung Kwong POON	300	–	–	–	300	420	–	–	–	420
Yuk Keung IP	300	–	–	–	300	420	–	–	–	420
Brian David Man Bun LI (Note c)	300	–	–	–	300	387	–	–	–	387
Alexander Lanson LIN (Note d)	–	–	–	–	–	51	–	–	–	51
	2,050	15,208	4,759	36	22,053	2,361	16,124	5,823	36	24,344

Notes:

a. Mr. Alan Chi Hung CHAN ceased to act as a member of the Remuneration Committee of the Company on 26 August 2015. He waived his additional director's fee for acting as a member of the Remuneration Committee for the period from 1 July 2015 to 25 August 2015.

b. Mr. Cheng Hui JIA resigned as an Executive Director of the Company with effect from 1 March 2016 due to his retirement.

c. Mr. Brian David Man Bun LI was appointed to act as a member of the Remuneration Committee of the Company on 26 August 2015.

d. Mr. Alexander Lanson LIN was appointed as an Independent Non-executive Director of the Company on 9 May 2016.

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

Five highest paid individuals' emoluments

The five highest paid individuals of the Group in 2015 and 2016 were all Directors and details of their emoluments are disclosed above.

During the years ended 30 June 2015 and 30 June 2016, 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.

12. Dividends

	2015 RMB'000	**2016 RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016 HK$'000 (FOR INFORMATION PURPOSE ONLY)**
Dividends paid and recognised as a distribution during the year:				
Interim dividend paid of RMB8.4 cents (equivalent to HK9.9737 cents) (2015: RMB8.4 cents (equivalent to HK10.6376 cents)) per share	258,862	**258,862**	327,818	**307,359**
Final dividend for the year ended 30 June 2015 paid of RMB8.4 cents (equivalent to HK10.1665 cents) (2015: year ended 30 June 2014 paid of RMB8.1 cents (equivalent to HK10.1806 cents)) per share	249,617	**258,862**	313,735	**313,300**
Special final dividend for the year ended 30 June 2015 paid of RMB18 cents (equivalent to HK21.7854 cents) per share	–	**554,704**	–	**671,359**
	508,479	**1,072,428**	641,553	**1,292,018**
Final dividend proposed of RMB8.2 cents (equivalent to HK9.5484 cents) (2015: RMB8.4 cents (equivalent to HK10.1665 cents)) per share	258,862	**252,699**	313,300	**294,252**
Special final dividend proposed of RMB40 cents (equivalent to HK46.5776 cents) (2015: RMB18 cents (equivalent to HK21.7854 cents)) per share	554,704	**1,232,676**	671,359	**1,435,377**
	813,566	**1,485,375**	984,659	**1,729,629**

A final dividend and special final dividend in respect of the year ended 30 June 2016 of RMB8.2 cents (equivalent to HK9.5484 cents) per share and RMB40 cents (equivalent to HK46.5776 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 issued shares 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:

	2015 *RMB'000*	***2016*** ***RMB'000***	*2015* *HK$'000* *(FOR INFORMATION*	***2016*** ***HK$'000*** *PURPOSE ONLY)*
Earnings for the purposes of basic and diluted earnings per share	519,644	**511,332**	651,686	**615,702**

	2015 *Number* *of shares*	***2016*** ***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 the year ended 30 June 2015 and for the period from 1 July 2015 up to the expiry date of share options (i.e. 31 July 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$30,000. 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 2016, 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 RMB876,000 (approximately HK$1,060,000) (2015: RMB842,000 (approximately HK$1,055,000)).

15. Investments in Subsidiaries

The Company

	2015 RMB'000	**2016 RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016 HK$'000**
Investment in subsidiaries	1,816,650	**1,816,650**	2,270,812	**2,120,031**
Capital contributions to subsidiaries	587,889	**650,460**	734,862	**759,086**
	2,404,539	**2,467,110**	3,005,674	**2,879,117**

Particulars of the principal subsidiaries are set out in note 30.

16. Interests in Joint Ventures

The Group

	2015 RMB'000	**2016 RMB'000**	2015 HK$'000 (FOR INFORMATION PURPOSE ONLY)	**2016 HK$'000**
Unlisted investments:				
At cost				
Cost of investment in a joint venture	1,891,405	**2,020,789**	2,364,256	**2,358,261**
Additional cost of investments	2,520,218	**2,520,218**	3,150,272	**2,941,094**
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)	2,711,580	**2,552,963**	3,389,476	**2,979,307**
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(274,478)	**(312,934)**	(343,097)	**(365,194)**
Less: Accumulated amortisation of additional cost of investments	(1,266,151)	**(1,346,656)**	(1,582,689)	**(1,571,547)**
	5,582,574	**5,434,380**	6,978,218	**6,341,921**
At amortised cost				
Registered capital contribution, at nominal amount	2,237,500	**2,449,500**	2,796,875	**2,858,567**
Fair value adjustment on initial recognition	(1,891,405)	**(2,020,789)**	(2,364,256)	**(2,358,261)**
Accumulated imputed interest income recognised by the Group	274,478	**312,934**	343,097	**365,194**
	620,573	**741,645**	775,716	**865,500**
	6,203,147	**6,176,025**	7,753,934	**7,207,421**

16. Interests in Joint Ventures (continued)

The Group (continued)

Particulars of the Group's joint ventures as at 30 June 2015 and 30 June 2016 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	RMB4,899,000,000 (2015: RMB4,475,000,000) (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)

The Group (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 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 was funded by additional registered capital of West Route JV by RMB424,000,000 in total. The additional registered capital contribution was divided into two tranches. The first tranche of the additional registered capital had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB106,000,000 (approximately HK$131,122,000)) during the year ended 30 June 2015. The second tranche of the additional registered capital had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contribute RMB106,000,000 (approximately HK$132,288,000)) during the year ended 30 June 2016.

During the year ended 30 June 2016, 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 was funded by additional registered capital of West Route JV amounting to RMB 212,000,000 which had been contributed by the Group and the PRC joint venture partner in equal share (i.e. each to contributed RMB106,000,000 (approximately HK$129,214,000)).

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 2016, the fully paid registered capital of West Route JV was RMB4,899,000,000 (2015: RMB4,475,000,000).

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 2015 and 30 June 2016:

	2015			2016		
	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	445,447	517,526	962,973	442,671	506,952	949,623
Concession intangible assets	9,248,988	13,037,236	22,286,224	8,687,492	12,710,801	21,398,293
	9,694,435	13,554,762	23,249,197	9,130,163	13,217,753	22,347,916
Current Assets						
Bank balance and cash						
– Cash and cash equivalents	247,454	259,297	506,751	391,047	100,150	491,197
– Time deposits with original maturity over three months	50,000	–	50,000	50,000	–	50,000
Others	151,419	43,999	195,418	77,176	30,326	107,502
	448,873	303,296	752,169	518,223	130,476	648,699
Non-current Liabilities						
Resurfacing obligations	(227,644)	(68,926)	(296,570)	(270,142)	(84,059)	(354,201)
Non-current financial liabilities						
– Bank and other loans	(2,259,713)	(7,851,310)	(10,111,023)	(2,833,502)	(8,027,810)	(10,861,312)
Others	(357,951)	(84,909)	(442,860)	(342,165)	(111,836)	(454,001)
	(2,845,308)	(8,005,145)	(10,850,453)	(3,445,809)	(8,223,705)	(11,669,514)
Current Liabilities						
Current financial liabilities						
– Bank loans	(548,234)	(205,000)	(753,234)	(105,805)	(28,500)	(134,305)
– Balance with a joint venture partner	–	(121,946)	(121,946)	–	–	–
– Dividend payable	(180,000)	–	(180,000)	(40,000)	–	(40,000)
– Interest payable	(676)	(38,801)	(39,477)	(1,181)	(10,688)	(11,869)
– Loans made by the Group	–	(788,000)	(788,000)	–	–	–
Others	(667,501)	(416,800)	(1,084,301)	(547,079)	(298,279)	(845,358)
	(1,396,411)	(1,570,547)	(2,966,958)	(694,065)	(337,467)	(1,031,532)
Net assets of joint ventures	5,901,589	4,282,366	10,183,955	5,508,512	4,787,057	10,295,569
Proportion of the Group's interest	48%	50%		48%	50%	
Net assets shared by the Group	2,832,763	2,141,183	4,973,946	2,644,086	2,393,529	5,037,615
Effect of change in profit sharing ratio of a joint venture over the operation toll period	(24,866)	–	(24,866)	(35,152)	–	(35,152)
Net assets contributable to the Group	2,807,897	2,141,183	4,949,080	2,608,934	2,393,529	5,002,463
Carrying amount of additional cost of investments	1,215,994	38,073	1,254,067	1,135,908	37,654	1,173,562
Carrying amount of the Group's interests in joint ventures	4,023,891	2,179,256	6,203,147	3,744,842	2,431,183	6,176,025

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures (continued)
(FOR INFORMATION PURPOSE ONLY)

	2015			2016		
	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	556,809	646,908	1,203,717	516,597	591,613	1,108,210
Concession intangible assets	11,561,235	16,296,545	27,857,780	10,138,303	14,833,505	24,971,808
	12,118,044	16,943,453	29,061,497	10,654,900	15,425,118	26,080,018
Current Assets						
Bank balance and cash						
– Cash and cash equivalents	309,318	324,121	633,439	456,352	116,875	573,227
– Time deposits with original maturity over three months	62,500	–	62,500	58,350	–	58,350
Others	189,274	54,999	244,273	90,065	35,390	125,455
	561,092	379,120	940,212	604,767	152,265	757,032
Non-current Liabilities						
Resurfacing obligations	(284,555)	(86,158)	(370,713)	(315,256)	(98,097)	(413,353)
Non-current financial liabilities						
– Bank and other loans	(2,824,641)	(9,814,138)	(12,638,779)	(3,306,697)	(9,368,454)	(12,675,151)
Others	(447,439)	(106,136)	(553,575)	(399,306)	(130,513)	(529,819)
	(3,556,635)	(10,006,432)	(13,563,067)	(4,021,259)	(9,597,064)	(13,618,323)
Current Liabilities						
Current financial liabilities						
– Bank loans	(685,293)	(256,250)	(941,543)	(123,474)	(33,260)	(156,734)
– Balance with a joint venture partner	–	(152,433)	(152,433)	–	–	–
– Dividend payable	(225,000)	–	(225,000)	(46,680)	–	(46,680)
– Interest payable	(845)	(48,501)	(49,346)	(1,378)	(12,473)	(13,851)
– Loans made by the Group	–	(985,000)	(985,000)	–	–	–
Others	(834,376)	(521,000)	(1,355,376)	(638,441)	(348,092)	(986,533)
	(1,745,514)	(1,963,184)	(3,708,698)	(809,973)	(393,825)	(1,203,798)
Net assets of joint ventures	7,376,987	5,352,957	12,729,944	6,428,435	5,586,494	12,014,929
Proportion of the Group's interest	48%	50%		48%	50%	
Net assets shared by the Group	3,540,954	2,676,479	6,217,433	3,085,649	2,793,247	5,878,896
Effect of change in profit sharing ratio of a joint venture over the operation period	(31,082)	–	(31,082)	(41,022)	–	(41,022)
Net assets contributable to the Group	3,509,872	2,676,479	6,186,351	3,044,627	2,793,247	5,837,874
Carrying amount of additional cost of investments	1,519,992	47,591	1,567,583	1,325,604	43,943	1,369,547
Carrying amount of the Group's interests in joint ventures	5,029,864	2,724,070	7,753,934	4,370,231	2,837,190	7,207,421

16. Interests in Joint Ventures (continued)

Summarised financial information of joint ventures (continued)

	2015			2016		
	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/ value-added tax)	2,996,363	961,381	3,957,744	**3,082,949**	**1,044,217**	**4,127,166**
Construction revenue	88,435	96,000	184,435	**36,479**	**3,163**	**39,642**
Total revenue	3,084,798	1,057,381	4,142,179	**3,119,428**	**1,047,380**	**4,166,808**
Construction costs	(88,435)	(96,000)	(184,435)	**(36,479)**	**(3,163)**	**(39,642)**
Other income and other expense	65,667	31,538	97,205	**(172,942)**	**30,087**	**(142,855)**
Provision of resurfacing	(35,916)	(21,144)	(57,060)	**(47,300)**	**(22,808)**	**(70,108)**
Toll expressway operation expenses	(405,813)	(127,204)	(533,017)	**(383,234)**	**(123,764)**	**(506,998)**
General and administrative expenses	(88,541)	(57,476)	(146,017)	**(85,107)**	**(41,922)**	**(127,029)**
Depreciation and amortisation charges	(658,451)	(305,882)	(964,333)	**(696,323)**	**(362,602)**	**(1,058,925)**
Finance costs	(27,114)	(559,809)	(586,923)	**(33,796)**	**(442,515)**	**(476,311)**
Income tax expense	(466,066)	–	(466,066)	**(421,878)**	**–**	**(421,878)**
Profit (loss) for the year (Note)	1,380,129	(78,596)	1,301,533	**1,242,369**	**80,693**	**1,323,062**

(FOR INFORMATION PURPOSE ONLY)

	2015			2016		
	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/ value-added tax)	3,756,189	1,205,269	4,961,458	**3,707,651**	**1,255,555**	**4,963,206**
Construction revenue	110,544	120,000	230,544	**42,571**	**3,691**	**46,262**
Total revenue	3,866,733	1,325,269	5,192,002	**3,750,222**	**1,259,246**	**5,009,468**
Construction costs	(110,544)	(120,000)	(230,544)	**(42,571)**	**(3,691)**	**(46,262)**
Other income and other expense	82,608	39,545	122,153	**(206,969)**	**36,212**	**(170,757)**
Provision of resurfacing	(45,015)	(26,500)	(71,515)	**(56,871)**	**(27,425)**	**(84,296)**
Toll expressway operation expenses	(509,017)	(159,484)	(668,501)	**(461,088)**	**(148,762)**	**(609,850)**
General and administrative expenses	(110,960)	(72,042)	(183,002)	**(102,423)**	**(50,338)**	**(152,761)**
Depreciation and amortisation charges	(825,309)	(383,401)	(1,208,710)	**(837,254)**	**(435,127)**	**(1,272,381)**
Finance costs	(33,991)	(701,695)	(735,686)	**(40,535)**	**(532,857)**	**(573,392)**
Income tax expense	(584,334)	–	(584,334)	**(507,855)**	**–**	**(507,855)**
Profit (loss) for the year (Note)	1,730,171	(98,308)	1,631,863	**1,494,656**	**97,258**	**1,591,914**
Other comprehensive (expense) income	(3,415)	(5,255)	(8,670)	**457,151**	**270,125**	**727,276**
Total comprehensive income (expense)	1,726,756	(103,563)	1,623,193	**1,951,807**	**367,383**	**2,319,190**

Note: Profit for the year of GS Superhighway JV included the amount of RMB175,742,000 (approximately HK$210,440,000) representing the exchange loss (net of related income tax) (2015: exchange gain (net of related income tax) of RMB9,856,000 (approximately HK$12,588,000)).

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 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**
Exchange adjustments	**–**	**–**	**–**	**(64)**	**(389)**	**(453)**
Additions	**326**	**76**	**402**	**400**	**92**	**492**
Disposals/written off	**–**	**(119)**	**(119)**	**–**	**(142)**	**(142)**
As at 30 June 2016	**873**	**4,638**	**5,511**	**1,020**	**5,412**	**6,432**
DEPRECIATION						
As at 1 July 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**
Exchange adjustments	**–**	**–**	**–**	**(38)**	**(378)**	**(416)**
Charge for the year	**105**	**85**	**190**	**127**	**102**	**229**
Eliminated on disposals/ written off	**–**	**(119)**	**(119)**	**–**	**(142)**	**(142)**
As at 30 June 2016	**518**	**4,520**	**5,038**	**606**	**5,274**	**5,880**
CARRYING AMOUNTS						
As at 30 June 2015	134	127	261	167	159	326
As at 30 June 2016	**355**	**118**	**473**	**414**	**138**	**552**

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 2015 and 30 June 2016 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% (2015: 0.66% to 4.92%) per annum, representing the borrowing rates of that subsidiary. As at 30 June 2016, the amount due from a subsidiary amounting to RMB557,898,000 (approximately HK$651,067,000) (2015: RMB505,571,000 (approximately HK$631,964,000)) are denominated in HKD and the remaining amount due from a subsidiary amounting to RMB840,267,000 (approximately HK$980,591,000) (2015: RMB825,380,000 (approximately HK$1,031,724,000)) 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 2016, amounts due from subsidiaries of RMB57,790,000 (approximately HK$67,441,000) (2015: RMB51,815,000 (approximately HK$64,769,000)) are denominated in HKD and the remaining amounts due from subsidiaries of RMB225,798,000 (approximately HK$263,506,000) (2015: RMB1,756,761,000 (approximately HK$2,195,951,000)) are denominated in RMB.

As at 30 June 2016, the amounts due to subsidiaries of RMB1,777,000 (approximately HK$2,073,000) (2015: RMB179,650,000 (approximately HK$224,563,000)) are denominated in HKD and remaining amounts due to subsidiaries of RMB1,922,000 (approximately HK$2,243,000) (2015: RMB541,000 (approximately HK$676,000)) 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:

	2015 RMB'000	***2016 RMB'000***	*2015 HK$'000*	***2016 HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Dividend receivable from a joint venture	86,400	**19,200**	108,000	**22,406**
Interest receivable	1,179	**474**	1,474	**552**
Others	553	**1**	692	**2**
	88,132	**19,675**	110,166	**22,960**

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

The Group

The loans made by the Group to West Route JV were unsecured, carried fixed interest rates at 5.75% per annum, and corresponding interest receivable were repaid during the year ended 30 June 2016.

23. Bank Balances and Cash

The Group

As at 30 June 2016, 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 5.24% (2015: 0.01% to 3.6%) per annum.

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

	2015 RMB'000	**2016** **RMB'000**	2015 HK$'000	**2016** **HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
RMB	573,072	**651,787**	716,340	**760,635**
HKD	917	**624**	1,145	**728**
United States dollars ("USD")	23	**24**	29	**29**
	574,012	**652,435**	717,514	**761,392**

The Company

As at 30 June 2016, 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 5.24% (2015: 0.01% to 3.6%) per annum.

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

	2015 RMB'000	**2016** **RMB'000**	2015 HK$'000	**2016** **HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
RMB	209,220	**651,657**	261,524	**760,484**
HKD	187	**215**	235	**250**
USD	23	**24**	29	**29**
	209,430	**651,896**	261,788	**760,763**

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 2014, 30 June 2015 and 30 June 2016	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 2014, 30 June 2015 and 30 June 2016	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.

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.

24. Share Capital (continued)

Share option scheme (continued)

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

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

Date of grant	***Subscription price per share*** *HK$*	***Number of shares under options granted: At 1 July 2015 Outstanding***	***Movements during the year: Granted***	***Movements during the year: Exercised***	***Movements during the year: Lapsed***	***At 30 June 2016 Outstanding***	***At 30 June 2016 Exercisable***	***Weighted average share price at the date of exercise*** *HK$*
24 July 2008	5.800	400,000	–	–	(400,000)	**–**	**–**	N/A
Weighted average exercise price		HK$5.800	N/A	N/A	HK$5.800	**N/A**	**N/A**	

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$
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
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' 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.

There were no awarded shares granted, forfeited, vested or outstanding 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 2016, the Company's reserves available for distribution to its shareholders amounting to RMB5,327,440,000 (approximately HK$5,116,629,000) (2015: RMB6,268,355,000 (approximately HK$6,054,922,000)), comprising retained profits of RMB680,716,000 (approximately HK$777,667,000) (2015: RMB900,419,000 (approximately HK$1,044,601,000)) and share premium of RMB4,646,724,000 (approximately HK$4,338,962,000) (2015: 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 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**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**297,650**	**297,650**
Expiry of vested share options	**–**	**–**	**(371)**	**371**	**–**
Dividends recognised as distribution during the year (Note 12)	**(721,212)**	**166,508**	**–**	**(517,724)**	**(1,072,428)**
As at 30 June 2016	**4,646,724**	**(804,446)**	**–**	**680,716**	**4,522,994**

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 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**
Exchange loss on translation to presentation currency	**–**	**(427,625)**	**–**	**–**	**(427,625)**
Profit for the year	**–**	**–**	**–**	**353,303**	**353,303**
Total comprehensive (expense) income for the year	**–**	**(427,625)**	**–**	**353,303**	**(74,322)**
Expiry of vested share options	**–**	**–**	**(422)**	**422**	**–**
Dividends recognised as distribution during the year (Note 12)	**(671,359)**	**–**	**–**	**(620,659)**	**(1,292,018)**
As at 30 June 2016	**4,338,962**	**169,330**	**–**	**777,667**	**5,285,959**

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.

The special final dividend for the year ended 30 June 2015 of RMB18 cents per share amounting to approximately RMB554,704,000 was distributed from the share premium arisen at the time before the change in functional currency of the Company from HKD to RMB. Accordingly, the share premium and the corresponding translation reserve had been debited by RMB721,212,000 and credited by RMB166,508,000 respectively.

(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. Deferred Tax Liability

The Group

The amount represents the deferred tax liability associated with the undistributed earnings of a joint venture. The movement of deferred tax liability is as follows:

	RMB'000	*HK$'000 (FOR INFORMATION PURPOSE ONLY)*
As at 1 July 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**
Exchange adjustments	**–**	**(10,721)**
Charge to profit or loss	**29,842**	**35,902**
Release to profit or loss upon payment of withholding tax	**(39,765)**	**(48,159)**
As at 30 June 2016	**127,412**	**148,690**

27. Bank Loans

The Group

The bank loans were denominated in HKD which were unsecured, carried interests at prevailing commercial lending rates and were repaid during the year ended 30 June 2016. The effective interest rates for bank loans for the year ended 30 June 2016 are ranged from 0.78 % to 1.41% (2015: 0.74% to 1.48%) per annum.

As at 30 June 2016, the Group does not have any unutilised committed banking facilities (2015: RMB243,440,000 (approximately HK$304,300,000)) and has unutilised uncommitted banking facilities of RMB428,449,000 (approximately HK$500,000,000) (2015: RMB400,000,000 (approximately HK$500,000,000)).

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 27 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			
	2015 *RMB'000*	***2016*** ***RMB'000***	*2015* *HK$'000*	***2016*** ***HK$'000***
			(FOR INFORMATION PURPOSE ONLY)	
Financial assets				
Loans and receivables including cash and cash equivalents	1,475,642	**672,110**	1,844,552	**784,352**
Available-for-sales financial asset	4,785	**4,785**	5,982	**5,585**
	1,480,427	**676,895**	1,850,534	**789,937**
Financial liabilities				
Amortised cost	240,638	**4,460**	300,798	**5,205**

(b) Financial risk management objectives and policies

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.

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

29. Financial Instruments (continued)

(b) Financial risk management objectives and policies (continued)

(i) Foreign currency risk

The Group undertake certain transactions denominated in foreign currencies, hence exposure to exchange fluctuation arise. Certain of the financial assets and liabilities of the Group are denominated in HKD or USD which are currencies other than their respective functional currencies of the respective group entities. 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 monetary liabilities of the Group at the end of the reporting period are as follows:

	Assets				Liabilities			
	2015 RMB'000	**2016 RMB'000**	2015 HK$'000	**2016 HK$'000**	2015 RMB'000	**2016 RMB'000**	2015 HK$'000	**2016 HK$'000**
			(FOR INFORMATION PURPOSE ONLY)				(FOR INFORMATION PURPOSE ONLY)	
USD	23	**24**	29	**29**	–	**–**	–	**–**
HKD	917	**625**	1,145	**730**	4,032	**4,455**	5,040	**5,199**

The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure.

Sensitivity analysis

The foreign currency risk of the Group and a joint venture is mainly concentrated on the fluctuation of RMB, the functional currency of the Company, its subsidiaries and a joint venture as at 30 June 2016, against USD and HKD. The following sensitivity analysis includes currency risk related to USD and HKD denominated monetary items of respective group entities and the joint venture.

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.

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 2016, 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 associated with foreign currency borrowings exposed by a 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 RMB49,169,000 (approximately HK$57,380,000) (2015: RMB46,969,000 (approximately HK$58,711,000)).

29. Financial Instruments (continued)

(b) Financial risk management objectives and policies (continued)

(ii) Interest rate risk

The cash flows interest rate risk of the Group relates primarily to variable rate bank balances and bank loans with details as set out in notes 23 and 27 and the variable rate bank balances and bank loans of its joint ventures.

The Group is exposed to fair value interest rate risk in relation to certain bank balances and a fixed rate bank loan, with details as set out in notes 23 and 27 respectively. The management continues to monitor the fair value interest rate exposure of the Group.

Sensitivity analysis

As at 30 June 2016, the Group (excluding its joint ventures) are exposed to cash flow interest rate risk in relation to the variable rate bank balances and bank loans. If interest rate had been 100 (2015: 100) basis points higher/lower, the profit for the year attributable to owners of the Company for the current year would increase/decrease by RMB6,524,000 (approximately HK$7,614,000) (2015: RMB3,066,000 (approximately HK$3,833,000)).

As at 30 June 2016, the joint ventures of the Group were exposed to cash flow interest rate risk in relation to the variable rate bank balances and bank loans. If interest rate had been 100 (2015: 100) basis points higher/lower, the profit for the year attributable to owners of the Company for the current year would decrease/increase by RMB48,127,000 (approximately HK$56,164,000) (2015: RMB47,376,000 (approximately HK$59,220,000)).

(iii) Credit risk

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.

At 30 June 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective financial 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 are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Other than the above, the Group has no other significant concentration of credit risk.

29. Financial Instruments (continued)

(b) Financial risk management objectives and policies (continued)

(iv) Liquidity risk

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 of the Group's non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the agreed repayment terms (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 can be required to pay:

	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	–	3,957	121	4,078	4,078
Bank loans	1.35-1.37	–	239,773	239,773	236,560
		3,957	239,894	243,851	240,638

	***Interest rate* %**	***Repayable on demand* RMB'000**	***Less than 1 year* RMB'000**	***Total undiscounted cash flows* RMB'000**	***Carrying amounts* RMB'000**
2016					
Payables and accruals	**–**	**4,460**	**–**	**4,460**	**4,460**

29. Financial Instruments (continued)

(b) Financial risk management objectives and policies (continued)

(iv) Liquidity risk (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
2015					
Payables and accruals	–	4,947	151	5,098	5,098
Bank loans	1.35-1.37	–	299,717	299,717	295,700
		4,947	299,868	304,815	300,798

	Interest rate %	***Repayable on demand HK$'000***	***Less than 1 year HK$'000***	***Total undiscounted cash flows HK$'000***	***Carrying amounts HK$'000***
2016					
Payables and accruals	**–**	**5,205**	**–**	**5,205**	**5,205**

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.

(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 recognised at amortised cost in the consolidated financial statements approximate their fair values.

30. Particulars of Principal Subsidiaries

The following list contains the particulars of the subsidiaries of the Company at 30 June 2015 and 30 June 2016 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.

31. Operating Leases

The Group as lessee

	2015 RMB'000	**2016 RMB'000**	2015 HK$'000	**2016 HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
Minimum lease payments paid under operating lease for premises during the year	1,205	**1,152**	1,510	**1,394**

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:

	2015 RMB'000	**2016 RMB'000**	2015 HK$'000	**2016 HK$'000**
			(FOR INFORMATION PURPOSE ONLY)	
Within one year	–	**1,053**	–	**1,229**

As at 30 June 2016, leases are negotiated for a lease term of one year and four months with fixed rentals.

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

32. 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 (equivalent to HK$392,624,000). The first, second and third tranche of the additional capital of RMB106,000,000 each (equivalent to HK$131,122,000, HK$132,288,000 and HK$129,214,000 respectively) had been contributed by the Group in February 2015, July 2015 and September 2015 respectively.

Accordingly, as at 30 June 2016, the Group has no outstanding capital commitment.

33. 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 2016, the Group paid rentals, air-conditioning, management fee and car parking charges to fellow subsidiaries amounting to RMB1,459,000 (approximately HK$1,765,000) (2015: RMB1,522,000 (approximately HK$1,907,000)).

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.

34. Guarantee

As at 30 June 2016, the unutilised uncommitted banking facilities of the Company's wholly-owned subsidiary of RMB428,449,000 (approximately HK$500,000,000) (2015: RMB400,000,000 (approximately HK$500,000,000)) are guaranteed by the Company. The Company is able to control the utilisation of the facilities.

As at 30 June 2015, the committed banking facilities of the Company's subsidiary of RMB480,000,000 (approximately HK$600,000,000) are guaranteed by the Company. The subsidiary had utilised part of committed facilities of RMB236,560,000 (approximately HK$295,700,000) as at 30 June 2015 and were repaid during the year ended 30 June 2016.

35. Approval of Financial Statements

The consolidated financial statements on pages 101 to 153 were approved and authorised for issue by the Board of Directors on 23 August 2016.

Consolidated Statement of Profit or Loss

For year ended 30 June 2016
(FOR INFORMATION PURPOSE ONLY)

	2015 RMB'000	***2016 RMB'000***	*2015 HK$'000*	***2016 HK$'000***
Toll revenue	1,918,945	**2,001,924**	2,405,606	**2,407,450**
Revenue on construction	90,449	**19,091**	113,061	**22,280**
Turnover	2,009,394	**2,021,015**	2,518,667	**2,429,730**
Other income and other expense	154,328	**(9,197)**	193,668	**(9,898)**
Construction costs	(90,449)	**(19,091)**	(113,061)	**(22,280)**
Provision for resurfacing charges	(27,812)	**(34,108)**	(34,857)	**(41,010)**
Toll expressway operation expenses	(258,392)	**(245,834)**	(324,071)	**(295,703)**
General and administrative expenses	(110,407)	**(101,974)**	(138,319)	**(122,807)**
Depreciation and amortisation charges	(546,905)	**(596,231)**	(685,504)	**(716,478)**
Finance costs	(334,204)	**(260,502)**	(418,915)	**(313,623)**
Profit before tax	795,553	**754,078**	997,608	**907,931**
Income tax expense	(265,792)	**(233,587)**	(333,239)	**(281,212)**
Profit for the year	529,761	**520,491**	664,369	**626,719**
Profit for the year attributable to:				
Owners of the Company	519,644	**511,332**	651,686	**615,702**
Non-controlling interests	10,117	**9,159**	12,683	**11,017**
	529,761	**520,491**	664,369	**626,719**

Consolidated Statement of Financial Position

As at 30 June 2016

(FOR INFORMATION PURPOSE ONLY)

	2015 RMB'000	**2016 RMB'000**	2015 HK$'000	**2016 HK$'000**
ASSETS				
Non-current Assets				
Property and equipment	472,786	**466,379**	590,982	**544,264**
Concession intangible assets	12,155,053	**11,631,547**	15,193,816	**13,574,016**
Balance with a joint venture	310,286	**370,822**	387,858	**432,749**
Investment	4,785	**4,785**	5,982	**5,585**
	12,942,910	**12,473,533**	16,178,638	**14,556,614**
Current Assets				
Inventories	1,255	**1,173**	1,569	**1,369**
Deposits and prepayments	2,693	**1,920**	3,366	**2,241**
Interest and other receivables	99,194	**55,703**	123,992	**65,006**
Loans to a joint venture (Note)	406,749	**–**	508,436	**–**
Pledged bank balances and deposits of joint ventures	257,301	**252,028**	321,626	**294,116**
Bank balances and cash				
– The Group	574,012	**652,435**	717,514	**761,392**
– Joint ventures	15,125	**9,750**	18,908	**11,377**
	1,356,329	**973,009**	1,695,411	**1,135,501**
Total Assets	14,299,239	**13,446,542**	17,874,049	**15,692,115**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	6,976,694	**6,402,017**	8,750,952	**7,478,779**
Equity attributable to owners of the Company	7,247,297	**6,672,620**	9,059,121	**7,786,948**
Non-controlling interests	51,797	**46,554**	64,746	**54,328**
Total Equity	7,299,094	**6,719,174**	9,123,867	**7,841,276**
Non-current Liabilities				
Bank and other loans of joint ventures	5,009,939	**5,373,629**	6,262,423	**6,271,025**
Balance with a joint venture partner	310,236	**370,772**	387,795	**432,691**
Resurfacing obligations	121,440	**149,406**	151,801	**174,356**
Deferred tax liabilities	310,889	**293,389**	388,611	**342,385**
Other non-current liabilities	36,241	**49,704**	45,301	**58,005**
	5,788,745	**6,236,900**	7,235,931	**7,278,462**

Consolidated Statement of Financial Position (Continued)

As at 30 June 2016
(FOR INFORMATION PURPOSE ONLY)

	2015 *RMB'000*	***2016*** ***RMB'000***	*2015* *HK$'000*	***2016*** ***HK$'000***
Current Liabilities				
Provision, other payables, accruals and deposits received	477,639	**369,077**	597,049	**430,713**
Balance with a joint venture partner	60,972	**–**	76,216	**–**
Bank loans				
– The Group	236,560	**–**	295,700	**–**
– Joint ventures	365,652	**65,036**	457,065	**75,897**
Other interest payable	7,098	**5,911**	8,872	**6,898**
Tax liabilities	63,479	**50,444**	79,349	**58,869**
	1,211,400	**490,468**	1,514,251	**572,377**
Total Liabilities	7,000,145	**6,727,368**	8,750,182	**7,850,839**
Total Equity and Liabilities	14,299,239	**13,446,542**	17,874,049	**15,692,115**

Note: Reconciliation of loans to a joint venture

	2015 *RMB'000*	***2016*** ***RMB'000***	*2015* *HK$'000*	***2016*** ***HK$'000***
Principal amount of loans from the Group to a joint venture	788,000	–	985,000	–
Interest receivable for loans from the Group to a joint venture	25,498	–	31,872	–
Less: Elimination of the Group's proportionate share of the corresponding amounts of a joint venture	(406,749)	–	(508,436)	–
	406,749	–	508,436	–

Glossary

"2015 Annual General Meeting"	the annual general meeting of the Company held at Rotunda 3, 6/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 October 2015 at 10:00 a.m.
"2016 Annual General Meeting"	the annual general meeting of the Company to be held at The Glass Pavilion, 3/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Wednesday, 26 October 2016 at 10:00 a.m.
"Average daily full-length equivalent traffic"	the total distance travelled by all vehicles on the expressway divided by the full length of the expressway and the number of days in the year under review
"Average daily toll revenue"	average daily toll revenue including tax
"Board"	the board of Directors of the Company
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Coastal Expressway"	Guangzhou-Shenzhen Coastal Expressway
"Company" or "HHI"	Hopewell Highway Infrastructure Limited
"CY"	calendar year
"Director(s)"	director(s) of the Company
"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

Glossary

"FY11"	the financial year ended 30 June 2011
"FY12"	the financial year ended 30 June 2012
"FY13"	the financial year ended 30 June 2013
"FY14"	the financial year ended 30 June 2014
"FY15"	the financial year ended 30 June 2015
"FY16"	the financial year ended 30 June 2016
"FY17"	the financial year ending 30 June 2017
"FY18"	the financial year ending 30 June 2018
"GBP"	Great Britain Pounds, the lawful currency of the United Kingdom
"GDP"	gross domestic product
"Group"	the Company and its subsidiaries
"GS Superhighway"	Guangzhou-Shenzhen Superhighway
"GS Superhighway JV"	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company established for the GS Superhighway
"HHI Website"	the website of the Company at www.hopewellhighway.com
"HHL"	Hopewell Holdings Limited
"HHL Shares"	ordinary shares of HHL
"HK$", "HKD" or "HK Dollar(s)"	Hong Kong Dollars, the lawful currency of Hong Kong
"HKEx Website"	the website of the Stock Exchange at www.hkexnews.hk
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Government"	the Government of Hong Kong

"HZM Bridge"	the Hong Kong-Zhuhai-Macau Bridge
"JV"	joint venture
"km"	kilometre
"Lady Wu"	Lady Wu Ivy Sau Ping Kwok
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Mainland China"	the PRC, excluding Hong Kong and Macau
"MPF Scheme"	the mandatory provident fund scheme set up by the Group
"Model Code"	the Model Code for Securities transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"Phase I West"	Phase I of the Western Delta Route
"Phase II West"	Phase II of the Western Delta Route
"Phase III West"	Phase III of the 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

Glossary

"The Belt and Road initiative"	The Silk Road Economic Belt and the 21st-Century Maritime Silk Road
"United States" or "US" or "USA"	the United States of America
"USD" or "US Dollar(s)"	United States Dollars, the lawful currency of the United States
"West Route JV"	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the Western Delta Route
"Western Delta Route"	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] JP
Managing Director
Mr. Alan Chi Hung CHAN
Deputy Managing Director
Professor Chung Kwong POON[#] GBS, JP, PhD, DSc
Mr. Yuk Keung IP[#]
Mr. Brian David Man Bun LI[#] JP
Mr. Alexander Lanson LIN[#]

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

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

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

Principal Place of Business

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

Solicitors

Woo Kwan Lee & Lo

Auditor

Deloitte Touche Tohmatsu

Listing Information

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

Principal Bankers[+]

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

+ names are in alphabetical order

Cayman Islands Share Registrar and Transfer Office

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

Hong Kong Share Registrar and Transfer Office

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

American Depositary Receipt

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

Investor Relations

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

Website

www.hopewellhighway.com

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

Financial Calendar

Interim dividend announcement	2 February 2016
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	2 February 2016
Ex-dividend Date	18 February 2016
Closure of Register of Members	22 February 2016
Interim results announcement	24 February 2016
Interim dividend paid ***(RMB8.4 cents or HK9.9737 cents per share)***	22 March 2016
Final results announcement	23 August 2016
Exchange rate determined for payment of proposed final dividend and special final dividend in Hong Kong Dollars	23 August 2016
Closure of Register of Members for eligibility to attend the 2016 Annual General Meeting	19 October 2016 to 26 October 2016 *(both days inclusive)*
2016 Annual General Meeting	26 October 2016
Ex-dividend Date	28 October 2016
Closure of Register of Members for entitlement of proposed final dividend and special final dividend	1 November 2016
Deadline for submission of dividend election form	21 November 2016
Proposed final dividend and special final dividend payable# ***Final dividend: RMB8.2 cents or HK9.5484 cents per share*** ***Special final dividend: RMB40 cents or HK46.5776 cents per share***	2 December 2016

Subject to approval by shareholders at the 2016 Annual General Meeting to be held on 26 October 2016.

HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

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

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