Hopewell Highway Infrastructure Limited
合 和 公 路 基 建 有 限 公 司*
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 737)

FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

FINANCIAL HIGHLIGHTS
(in million HK dollars, unless otherwise stated)

For the year ended 30 June	2007	2008	% Change
Net toll revenue	2,026	**1,717**	-15%
Profit attributable to equity holders of the Company	1,349	**1,997**	+48%
EPS (HK cents)	45.45	**67.25**	+48%
Interim DPS (HK cents)	15.0	**17.0**	
Interim Special DPS (HK cents)	N/A	**7.0**	
Final DPS (HK cents)	20.0	**13.0**	
Final Special DPS (HK cents)	N/A	**28.0**	
Total DPS (HK cents)	35.0	**65.0**	+86%

CHAIRMAN'S STATEMENT

I am pleased to report that the Group, comprising the Company and its subsidiaries, continued to deliver impressive financial results for the year ended 30 June 2008, with profit attributable to equity holders of the Company of HK$1,997 million, representing a 48% increase over the last financial year's HK$1,349 million. Basic earnings per share increased to HK67.25 cents, a 48% rise over the last year's HK45.45 cents per share.

During the year under review, the Guangzhou-Shenzhen Superhighway ("GS Superhighway") and the Phase I of the Western Delta Route ("Phase I West") continued to provide strong profit and cashflow to the Group. The Group also realized a pre-tax gain of HK$974 million on disposal of its 45% stake in the Guangzhou East-South-West Ring Road ("ESW Ring Road"). In addition, the continuing appreciation of Renminbi contributed to an exchange gain of HK$439 million.

This year is the fifth anniversary of the Company since its listing in August 2003. The financial position of the Group has continued to be stronger in the last five years. The profit attributable to shareholders has increased substantially from HK$733 million for the year ended 30 June 2004 to HK$1,997 million in this financial year. Building on this success, the Group will continue to seek investment opportunities in the Pearl River Delta ("PRD") region and to deliver steady and attractive returns to shareholders.

** for identification only*

Final Dividend and Special Dividend

In view of the good performance and strong financial position, the Board of Directors has recommended a final dividend of HK13 cents per share and a special final dividend of HK28 cents per share. Together with the interim and special interim dividends of HK24 cents per share already paid, total dividends for the full year will be HK65 cents per share, a 86% increase as compared to HK35 cents for the last financial year. Subject to approval of the shareholders at the forthcoming annual general meeting to be held on 13 October 2008, the proposed final dividend and special final dividend will be paid on or about 14 October 2008 to shareholders as registered at the close of business on 13 October 2008.

Closure of Register

The Register of Members of the Company will be closed from Monday, 6 October 2008 to Monday, 13 October 2008, both days inclusive, during that period no transfer of shares of the Company will be effected. In order to qualify for the proposed final dividend and special final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 3 October 2008.

Financial Status

The Group's proportionately-shared net toll revenue for the year ended 30 June 2008 decreased 15% from HK$2,026 million to HK$1,717 million. After the disposal of the ESW Ring Road, the Group ceased to share in its toll revenue. Due to the adjustment of the profit sharing ratio in the joint venture company for GS Superhighway ("GS Superhighway JV") from 50% to 48% from 1 July 2007 onwards, the Group's share of toll revenue in GS Superhighway JV was also reduced. In addition, the planned temporary closure of the Xintang to Dongguan section of GS Superhighway in phases from October 2007 to July 2008 for maintenance and improvement works resulted in a drop in toll revenue.

Financial Year	2007	**2008**	% Change
GS Superhighway (at joint venture company level)			
Average Daily Traffic (No. of vehicles '000)	324	320	-1%
Average Daily Toll Revenue (RMB '000)	10,035	8,713	-13%
Phase I West (at joint venture company level)			
Average Daily Traffic (No. of vehicles '000)	26	28	10%
Average Daily Toll Revenue (RMB '000)	376	406	8%

The Group maintained a strong financial position throughout the year ended 30 June 2008. A pre-tax gain of HK$974 million was realized on disposal of its 45% stake in the ESW Ring Road. The Group also benefited from the continuous appreciation of the Renminbi during the year. Owing to such appreciation and the fact that the majority of the loans borrowed by the People's Republic of China ("PRC") joint venture companies were denominated in US Dollar, the Group reported an exchange gain of HK$439 million for the year.

The Group's balance sheet remains very healthy. Net current assets reached HK$5,666 million as at 30 June 2008, a 45% increase over HK$3,902 million as at the last financial year end. With the strong cash flow generated by its expressway projects and the disposal of the ESW Ring Road, the Group's bank balances and cash, pledged bank balances and deposits exceeded total attributable debt as at the end of the financial year. Save for borrowings of the PRC joint venture companies, the Group has no outstanding corporate debt. As at 30 June 2008, the Group (excluding all PRC joint venture companies) had cash on hand of HK$6.0 billion and a syndicated bank loan facility of HK$3.6 billion remained undrawn. The huge cash surplus and bank facility place the Group in an excellent financial position to capture future investment opportunities.

Business Review and Outlook

During the year under review, Mainland China including Guangdong Province maintained its high growth momentum with the gross domestic product of Guangdong continuously growing over 10%, despite some natural disasters in the first half of 2008 in few provinces and the unfavourable development of the global economic climate. The trend of urbanization, the enhancement of highway networks in Guangdong, in particular, the PRD region, and the rapid increase in car ownership have created favourable external environment for the Group's core business. New users will become a major driving force for future development of our expressways, such as local commuters and holiday makers.

Owing to several unforeseen situations arising in the year under review, primarily the unusual snowstorm occurred in the peak traffic period around the Chinese New Year in early 2008, the Green Lane policy imposed by the Central Government to exempt tolls temporarily throughout 2008 for certain trucks travelling on some major expressways, the change in road network in Shenzhen, and the planned temporary closure of a section of GS Superhighway for maintenance and improvement works, the toll revenue of GS Superhighway recorded a drop as compared to that of last year. However, with the maintenance and improvement works of the section completed and reopened since 9 July 2008, the average daily traffic and toll revenue of GS Superhighway have gradually rebounded to the level comparable to that of last year. Given the strategic location of GS Superhighway and its connection to regional highway network well established over the past decade, the Group believes that GS Superhighway will continue to be the main artery within the region even though there may be some probable competitive routes in future such as the Guangzhou Shenzhen Coastal Expressway.

During the year under review, as the traffic diversion from Phase I West caused by a parallel-run local toll-free road in Foshan was stabilized and ESW Ring Road became toll-free since mid September 2007, Phase I West's traffic and toll revenue resumed significant growth momentum.

Subsequent to the year end, it was announced on 2 September 2008 that for the disclosed reasons, the Group entered into agreements with Phase I West's joint venture partner to increase the project investment costs for Phase II and Phase III of the Western Delta Route ("Phase II West" and "Phase III West" respectively) and correspondingly to increase the Group's share of additional capital by an approximate total amount of RMB810 million. The estimated total amount of project investment costs for Phase II West and Phase III West are increased to RMB12.8 billion. The transactions are subject to the approval by, among others, the shareholders of the Company and its parent company, Hopewell Holdings Limited ("HHL"). It is currently planned to complete Phase II West in the financial year ended 30 June 2010 and to commence construction of Phase III West in 2010 with completion in approximate 3 to 4 years. The Group is committed and will endeavour to expedite the construction of Phase II West and Phase III West and complete them as planned. In view of the rapid urbanization, fast growing economic and transportation of the western bank of the PRD region, the Group believes that all these will create synergy with the Western Delta Route as soon as it is fully completed.

Over the past two decades, the Group has devoted much effort towards the development of Hong Kong-Zhuhai-Macau Bridge project. As recently reported by the media, the Hong Kong-Zhuhai-Macau Bridge project is currently planned to commence construction at the earliest in 2010 and to be completed by 2015. We are pleased to see that the project has won affirmative recognition of the Central Government and various local governments, as well as comprehensive support from the general public. Its pace of construction is going to speed up. This reflects the excellent vision of the Group.

The Group believes that the fast-track construction plan of the Hong Kong-Zhuhai-Macau Bridge project will not only increase the economic cooperation of Guangdong, Hong Kong and Macau, but also actively contribute to the economic development of the western bank of the PRD region, in addition to expand and improve the regional highway network.

Change of Director

Mr. Yuk Keung IP was appointed an Independent Non-Executive Director and a member of the Audit Committee of the Company with effect from 13 August 2007. Due to other business commitments, Mr. IP resigned from the board of the Company with effect from 29 February 2008. On 7 May 2008, Mr. Nicholas Tai Keung MAY was appointed as Alternate Director to Mr. Barry Chung Tat MOK, Executive Director of the Company. I would like to take this opportunity to thank Mr. IP for his valuable contribution towards the Company during his tenure of office.

Appreciation

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

Sir Gordon Ying Sheung WU **GBS, KCMG, FICE**
Chairman

Hong Kong, 10 September 2008

MANAGEMENT DISCUSSION AND ANALYSIS

Operations Review

During the year under review, the gross domestic product ("GDP") of Guangdong Province continuously recorded a growth of over 10%, despite the challenges posed by uncertainties in the global economy, the macro-economic measures undertaken by the Central Government and the transformation of traditional manufacturing industries to service and high-tech industries in the PRD region. In addition, owing to the continuous improvement and expansion of Guangdong's highway network, the improvement of standard of living and the increase in car ownership in which Guangzhou and Shenzhen each has over one million cars, the passenger and freight transportation as well as logistics industries were greatly boosted, which in turn generated tremendous traffic demand. The Group expects that the importance of GS Superhighway and Phase I West in Guangdong's highway network will be much more prominent, and their traffic and toll revenue will maintain a steady growth.

For the year ended 30 June 2008, the aggregate average daily traffic of GS Superhighway and Phase I West recorded a slight drop of 0.5% to 348,000 vehicles and the aggregate average daily toll revenue decreased 12% to RMB9.12 million. The annual aggregate toll revenue amounted to RMB3,338 million. While GS Superhighway recorded a drop in toll revenue, Phase I West attained a steady growth both in traffic and toll revenue.

In recent years, although the Central Government has imposed stringent approval requirements on land use country-wide, increasing the difficulties and the costs of land acquisition and demolition as well as prolonging the time required for handover of land, the construction of Phase II West has been proceeding and is currently planned to be completed and operational in the financial year 2009/2010. The preliminary work of the application for the project approval of the Phase III West is close to completion. Application to relevant PRC authorities for approval is expected to be made soon. Dependent upon the approval progress, construction of Phase III West is presently planned to commence in 2010 and may take approximately 3 to 4 years to complete.

The Group and our Chairman have committed their efforts to the development of Hong Kong-Zhuhai-Macau Bridge project over the past two decades. Recently, we are pleased to see that the project has won affirmative recognition of the Central Government and various local governments, as well as comprehensive support from the general public. Its pace of construction is going to speed up. The regional highway network will thus be further expanded and improved. Coupled with the cities on the western bank of the PRD region will rapidly develop according to the Outline of the Eleventh Five-Year Plan for the National Economic and Social Development of Guangdong Province, the Group believes that all these will create synergy with the Western Delta Route and it will benefit.

Facing the pressure of rising labor costs and commodity prices in the PRD region, the Group will continue to adopt effective measures to control the costs and enhance the operating efficiency of the joint venture companies, so as to ensure the competitiveness and quality services of GS Superhighway and Phase I West.

In August 2007, the Group entered into an agreement with the PRC partner of the Guangzhou E-S-W Ring Road Company Limited ("Ring Road JV") for the sale of its entire interest in Ring Road JV at a consideration of RMB1,712.55 million. The transaction was completed in September 2007 and recorded a pre-tax gain on disposal of HK$974 million.

The new PRC Enterprise Income Tax Law (the "New Law") has been effective since 1 January 2008. The tax rate will gradually increase from the current 18% to 25% over five years (20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012) from 1 January 2008. According to the New Law, the joint venture companies of GS Superhighway and Phase I West which currently enjoy preferential Enterprise Income Tax treatment can continue the remaining preferential tax holidays until the respective expiry dates. In addition, effective from 1 January 2008, a 5% withholding tax will be levied on dividends arising from and after 2008, payable by PRC foreign investment companies to their investors registered in Hong Kong.

Guangzhou-Shenzhen Superhighway

GS Superhighway is a 122.8 km long expressway, closed system, fully lit with total six lanes in dual directions. Currently, it is the only expressway connecting Guangzhou, Dongguan, Shenzhen and Hong Kong. It is also the major artery in the PRD highway network with connections to Guangzhou Ring Road, Guangzhou Second Ring Road (northern and southern sections), Humen Bridge, Dongguan-Changhu Expressway, Shenzhen-Jihe Expressway, Shenzhen Nanping Expressway and also some major cities, ports and airports in the region.

During the year under review, the average daily traffic of GS Superhighway slightly dropped 1% to 320,000 vehicles compared to last year, while its average daily toll revenue decreased 13% to RMB8.71 million. The annual toll revenue amounted to RMB3,189 million.

The drop in toll revenue of GS Superhighway is partly attributable to the unusual snowstorm occurring in the peak traffic period around the Chinese New Year in early 2008, which seriously affected most of the highways connecting Guangdong Province and other provinces. Also, at the request of the Central Government to put rising food prices under control, Guangdong Province implemented Green Lane policy temporarily in 2008 to exempt tolls for vehicles carrying fresh or live agricultural products on some major expressways (including GS Superhighway). In addition, the road network in Shenzhen has changed. Moreover, the South and North bound lanes of Xintang to Dongguan section of GS Superhighway were temporarily closed and related traffic was diverted in the periods from 18 October 2007 to 10 January 2008 and 18 February 2008 to 9 July 2008 respectively for maintenance and improvement works. During these periods, the average daily toll revenue decreased 21% or RMB2.2 million as compared to last year. Although the daily toll revenue decreased significantly during the periods, the daily traffic only fell about 7% or 22,000 vehicles as most of the diverted vehicles returned to GS Superhighway after bypassing the closed section, reflecting GS Superhighway's importance in the highway network of Guangdong Province.

As planned, the maintenance and improvement works were completed and the affected section has been re-opened to traffic since 9 July 2008. The average daily traffic and toll revenue have gradually rebounded to the level comparable to that of last year. The Group believes that such works will be beneficial to the operations of GS Superhighway in the long run.

The Group and the joint venture company have always put great emphasis on traffic safety and have been using ample resources to upgrade and enhance the safety and service facilities in GS Superhighway over the years, aiming at providing users with a safe, comfortable and speedy expressway. In July 2008, together with the joint venture company, the Group co-organized a provincial-wide large-scale traffic safety promotion campaign with the Traffic Management Department of Guangdong Provincial Public Security Bureau ("Traffic Police Department"). Over 100,000 volumes of Chinese literature «Analects of Confucius» inserted with traffic safety rules were distributed to the social public free of charge. Not only did the campaign achieve traffic safety education purpose, but also promoted the traditional Chinese culture.

During the year under review, the joint venture company installed additional electronic changeable message signboards and traffic surveillance cameras along the main alignment and at some toll plazas. Some busy entry and exit ramps were also installed with flashing road stubs to alert drivers and all of the patrol and rescue vehicles were equipped with Global Positioning System ("GPS"). Currently, the joint venture company is cooperating with the Traffic Police Department to install and implement an intelligent traffic management system, the first and the pioneer in Guangdong's expressways, to strengthen the traffic surveillance capabilities of GS Superhighway, enhance the efficiency of rescue response and accident handling and also minimize the congestion and casualties losses caused by traffic accidents.

In order to increase the traffic throughput of some busy toll plazas, the joint venture company expanded the toll plazas of Fuyong, Xinqiao, Dongguan and Huocun. In addition, in view of the increasing popularity of the unitoll system and the non-stop electronic toll collection system ("ETC"), a total of 29 exit lanes were equipped with ETC, the highest in any expressway in Guangdong Province. Besides, automatic car plate identification system has gradually been installed at some entry lanes. Currently, a feasibility study on using automatic entry card issuing system at entry lanes is actively pursued. The joint venture company is committed to apply advanced technologies and equipment to enhance the toll collection efficiency and increase the traffic throughput of toll plazas. Meanwhile, in response to the environmental protection and energy-saving goals set out by the Central Government, the road lamps along GS Superhighway will soon be replaced with advanced energy-saving ones.

The joint venture company will continue to strengthen the inspection and maintenance works of GS Superhighway's road surface, bridges and structures so as to prolong its usable life and maintenance cycles, contributing long-term benefits to the Group.

Pursuant to the joint venture agreement, the Group's profit sharing ratio in the joint venture company has been adjusted from 50% to 48% since 1 July 2007. Further, in respect of the additional investment made by the Group during the construction of GS Superhighway, the joint venture company paid RMB725.14 million to a subsidiary of the Company in January 2008.

In contrast to the uncertainties in global economy, the macro-economic control undertaken by the Central Government and a change in road network in Shenzhen, the economy of Guangdong remains robust and continues to grow, the highway network of Guangdong continues to improve and expand, and the car ownership keeps on increasing. All these positively contribute to the further development of passenger and freight transportation as well as logistics industries in Guangdong. The Group believes that the traffic and toll revenue of GS Superhighway can maintain stable growth.

To meet the increasing traffic demand, the Group, the PRC partner and the joint venture company have actively been pursuing the feasibility study on widening GS Superhighway to an expressway with total ten lanes in dual directions. The study is almost completed and is highly regarded by the relevant authorities. Application to the relevant authorities for approval will soon be made.

As to the construction of Guangzhou-Shenzhen Coastal Expressway reported by the media, the Group will continue to monitor its development. The Group believes that, with the strategic location of GS Superhighway and its connection to the regional highway network well established over the past decade, GS Superhighway will continue to be the main artery within the region.

Phase I of the Western Delta Route

Phase I West is the first phase of the Western Delta Route which is planned to be constructed in three phases. Phase I West commenced operation in April 2004. It is a 14.7 km long expressway, closed system with total six lanes in dual directions, connecting to Guangzhou Ring Road in the north, and National Highway 105 and Bigui Road of Shunde in the south. Currently, it is the only expressway linking Guangzhou and Shunde.

During the year under review, as the traffic diversion from Phase I West caused by a parallel-run local toll-free road in Foshan had stabilized and as Guangzhou Ring Road has become toll-free since mid September 2007, Phase I West's traffic and toll revenue have resumed significant growth momentum. Over the financial year, its average daily traffic increased 10% to 28,000 vehicles and average daily toll revenue rose 8% to RMB406,000. The annual toll revenue amounted to RMB149 million.

According to the highway network planning of Foshan, several highways will be connecting to Phase I West, including Foshan First Ring Road extension link, Pingzhou-Danzao Expressway and Pingzhou-Nansha Expressway in Nanhai as well as Guangzhou-Gaoming Expressway, all of which are expected to drive the growth of traffic and toll revenue of Phase I West.

Phase II of the Western Delta Route

Phase II West is a 46 km long expressway, closed system with total six lanes in dual directions, starting in the north from the Shunde end of Phase I West and extending southwards to Zhongshan connecting to the National Highway 105 and the proposed western expressway of Zhongshan. Upon completion, it will be the only expressway linking Guangzhou to the central area of Zhongshan.

In recent years, although the Central Government has imposed stringent approval requirements on land use country-wide, increasing the difficulties and the costs of land acquisition and demolition, as well as prolonging the time required for handover of land, the construction of Phase II West has been proceeding and is currently planned to be completed and operational in the financial year 2009/2010.

As a result of the stringent control policies on land use and inflation, the costs of land, construction materials, interest etc. have been rising. The investment budget of the project compiled in 2004 needs to be adjusted from the original planned amount of RMB4,900 million (excluding loan interest during construction) to RMB7,200 million (including loan interest during construction). The Group therefore entered into a revised joint venture agreement for the investment in, construction and operation of the Phase II West with its PRC partner (the same PRC partner of Phase I West) on 2 September 2008 to increase the Group's share of registered capital for the project by approximately RMB400 million. Details of the transaction can be referred to the joint announcement made by the Group and HHL dated 2 September 2008.

Phase III of the Western Delta Route

Phase III West is a 38 km long expressway, closed system with total six lanes in dual directions, starting in the north from the Zhongshan end of Phase II West and extending southwards to connect to the highway network in Zhuhai.

As Phase III West is located at the populous and fast growing cities on the western bank of the PRD region, in order to fit in the city and transportation development planning of Zhongshan and Zhuhai and to shorten the lengthy land acquisition and demolition process, the alignment and design of certain sections of Phase III West have been revised, including increasing tunnel distance from 2.5 km to 5.1 km which costs are much higher. In addition, as a result of the stringent control policies on land use and inflation, the costs of land, construction materials, interest etc. have increased. The investment budget of the project has to be revised from the original planned amount of RMB3,260 million (excluding loan interest during construction) to RMB5,600 million (including loan interest during construction). Similar to the case in Phase II West, the Group entered into a revised joint venture agreement for the investment in, construction and operation of the Phase III West with its PRC partner (also the same PRC partner of Phase I West and Phase II West) on 2 September 2008 to increase the Group's share of registered capital by approximately RMB410 million. Details of the transaction can be referred to the joint announcement made by the Group and HHL dated 2 September 2008.

The preliminary work of the application for the project approval of Phase III West is close to completion and application to relevant authorities for approval is expected to be made soon. It is currently planned to commence construction of Phase III West in 2010 with completion in approximately 3 to 4 years.

The Group will endeavor to expedite the construction of Phase II West and Phase III West and complete them as planned. It is expected that, upon the completion of the entire Western Delta Route, it will link up various major cities including Guangzhou, Foshan, Zhongshan and Zhuhai and lead to Macau, and will become a strategic expressway on the western bank of the PRD region. With the reported accelerated construction plan of the Hong Kong-Zhuhai-Macau Bridge project, the regional highway network will be further expanded and improved. Besides, according to the Outline of the Eleventh Five-Year Plan for the National Economic and Social Development in Guangdong Province, urbanization, economy and transportation on the western bank of the PRD region will rapidly develop. The Group believes that all these will create synergy with the Western Delta Route which traffic and toll revenue will grow steadily in future.

Hong Kong-Zhuhai-Macau Bridge Project

The Group and our Chairman have committed their efforts to the development of Hong Kong-Zhuhai-Macau Bridge project over the past two decades. Recently, we are pleased to see that the project has won affirmative recognition of the Central Government and various local governments, as well as comprehensive support from the general public. Its pace of construction is going to speed up. This reflects the excellent vision of our Chairman and the Group under his leadership. As reported by the media, the Hong Kong-Zhuhai-Macau Bridge project is planned to commence construction at the earliest in 2010 and to be completed by 2015.

The Group believes that the fast-track construction plan of the Hong Kong-Zhuhai-Macau Bridge project will not only accelerate the economic cooperation of Guangdong, Hong Kong and Macau, but also actively contribute to the economic development of the western bank of the PRD region, in addition to expand and improve the regional highway network.

Financial Review

Group Results

For the financial year ended 30 June 2008, the net toll revenue of all expressways proportionately shared by the Group decreased 15% to HK$1,717 million from HK$2,026 million of the last corresponding year, mainly attributable to the disposal of the entire 45% interest of the Group in Ring Road JV in September 2007, the adjustment of the profit sharing ratio in the Group's joint venture company, GS Superhighway JV from 50% to 48% since 1 July 2007 pursuant to the joint venture agreement and the planned temporary closure of the main alignments of the South and North bounds of the section between Xintang to Dongguan of GS Superhighway for maintenance and improvement works during the periods from 18 October 2007 to 10 January 2008 and 18 February 2008 to 9 July 2008 respectively. Of the total net toll revenue of the Group, GS Superhighway contributed 93% or HK$1,594 million, whereas Phase I West and ESW Ring Road contributed 4% or HK$78 million and 3% or HK$45 million respectively.

The Group's proportionately shared net toll revenue of all of its expressways in the PRC is set out as follows:

	Year ended 30 June	
	2007	**2008**
	HK$ million	**HK$ million**
GS Superhighway	1,777	**1,594**
Phase I West	66	**78**
ESW Ring Road	183	**45**
	2,026	**1,717**

Total toll operation expenses and general and administrative expenses increased 23% to HK$297 million from HK$241 million during the financial year ended 30 June 2008. Despite facing the pressure of rising labour cost and commodity prices in the PRD region, the Group has taken effective measures to control the cost and enhance the operating efficiency of the joint venture companies.

Depreciation and amortisation charges decreased 7% to HK$355 million from HK$381 million, mainly attributable to the disposal of the entire 45% interest of the Group in Ring Road JV in September 2007.

On 16 March 2007, the PRC promulgated the New Law by Order No. 63 of the President of the PRC which became effective on 1 January 2008. The tax rate for the Group's PRC joint venture companies will change gradually from 18% to 25% over 5 years (20% in year 2009, 22% in year 2010, 24% in year 2011 and 25% in year 2012 respectively). According to the New Law, GS Superhighway JV and Guangdong Guangzhou-Zhuhai West Superhighway Company Limited in respect of Phase I West ("West Route JV"), joint venture companies of the Group, will continue to enjoy the remaining unutilised tax holidays until their respective expiry dates. The deferred tax for the year has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled. In addition, effective from 1 January 2008, a 5% withholding tax will be levied on dividends arising from and after 2008, payable by PRC joint venture companies to the Group.

The profit attributable to equity holders of the Company increased 48% to HK$1,997 million from HK$1,349 million of the last corresponding year, mainly due to the disposal of its entire 45% interest in the Ring Road JV to the PRC joint venture partner for a consideration of RMB1,712.55 million, resulting in a pre-tax gain of HK$974 million and the appreciation of Renminbi, including an exchange gain of HK$439 million mainly arising on retranslation of the United States dollar and Hong Kong dollar bank loans representing 70% of the Group's proportionately shared loans as at 30 June 2008 borrowed by a PRC joint venture company of the Group.

Liquidity and Financial Resources

The Group's total debt to total assets ratio and gearing ratio (net debt to equity attributable to equity holders of the Company) were 29% (2007: 33%) and nil (2007: 13%) respectively. The gearing structure is set out below:

	At 30 June	
	2007	**2008**
	HK$ million	**HK$ million**
Total debt	5,818	**5,071**
Net debt (Note)	1,470	**0**
Total assets	17,425	**17,578**
Equity attributable to equity holders of the Company	10,895	**11,686**
Total debt/Total assets	33%	**29%**
Net debt/Equity attributable to equity holders of the Company	13%	**0%**

Note: Net debt is defined as total debt less bank balances and cash together with pledged bank balances and deposits. A zero balance of net debt represented that the bank balances and cash together with pledged bank balances and deposits exceeded total debt as at the balance sheet date.

The annual net cash inflow of the Group (excluding cash flows of joint venture companies proportionately shared by the Group but after payment of dividend to the Company's shareholders and operating expenses of the Group) amounted to approximately HK$2,093 million, HK$890 million and HK$573 million in the past 3 years ended 30 June 2008, 2007 and 2006 respectively. The net cash inflow for the year ended 30 June 2008 of HK$2,093 million included an amount of HK$1,634 million (after taxation) from the disposal of the Group's entire 45% interest in Ring Road JV. In addition, the additional investment of the Group incurred during the construction of GS Superhighway amounted to HK$713 million (after taxation) had been received from GS Superhighway JV in January 2008.

At 30 June 2008, the bank and other borrowings of the joint venture companies proportionately shared by the Group amounted to HK$4,711 million (2007: HK$5,215 million) with the following profile:

(a) 99.9% (2007: 99.9%) was bank loans and 0.1% (2007: 0.1%) was other loan; and
(b) 63% (2007: 61%) was denominated in United States dollar, 30% (2007: 29%) was denominated in Renminbi and 7% (2007: 10%) was denominated in Hong Kong dollar.

The net current assets of the Group increased 43% from HK$3,902 million at 30 June 2007 to HK$5,666 million at 30 June 2008.

In October 2005, the Group obtained a 5-year syndicated unsecured bank revolving credit and term loan facility of HK$3,600 million and the facility was undrawn at 30 June 2007 and 2008.

At 30 June 2008, the bank balances and cash of the Group and of the joint venture companies proportionately shared by the Group amounted to HK$5,997 million (2007: HK$3,904 million) and HK$240 million (2007: HK$444 million) respectively. The bank balances and cash of the Group together with the undrawn facility amounted to HK$9,597 million (2007: HK$7,504 million). Together with stable cash dividend from the Group's joint venture company, GS Superhighway JV (of which the Group had received cash dividend of HK$614 million and HK$1,048 million for the years ended 30 June 2008 and 2007 respectively), the Group's funding capabilities have been further strengthened for the planned and potential investment opportunities.

Since listing on The Stock Exchange of Hong Kong Limited in August 2003, the Company's has maintained a target dividend payout ratio of 75% or above.

Debt Maturity Profile
The maturity profile of bank and other borrowings of the joint venture companies proportionately shared by the Group as at 30 June 2008 as compared to that at 30 June 2007 is shown as follows:

	At 30 June	
	2007	**2008**
Repayable within 1 year	4%	**6%**
Repayable between 1 to 5 years	25%	**26%**
Repayable beyond 5 years	71%	**68%**

Other than the above, the Group has no other corporate bank borrowings both at 30 June 2007 and 2008. All the bank borrowings of the joint venture companies are carrying at floating interest rates.

Interest Rate and Exchange Rate Exposures
The cash dividends received from the Group's joint venture companies are settled in Hong Kong dollar whereas the Group's expenses are mainly in Hong Kong dollar. Substantial portion of bank borrowings of a joint venture company is denominated in Untied States dollar which generated an exchange gain upon retranslation of such United States dollar bank borrowings.

The Group closely monitors its interest rate and foreign exchange exposure, and the use of financial instrument is strictly controlled. Neither the Group nor the joint venture companies have any financial derivative instruments to hedge the interest rate or foreign currency exchange rate exposures.

Treasury Policies
The Group continues to adopt prudent and conservative treasury policies in financial and funding management. Its liquidity and financial resources are reviewed on a regular basis to minimise the cost of funding and enhance the return on financial assets. Its cash is generally placed in short-term deposits denominated mainly in Hong Kong dollar and United States dollar.

Capital Commitments
During the year ended 30 June 2008, the Group had made capital contribution to West Route JV for development of the Phase II West amounting to RMB587 million. At 30 June 2008, the Group had outstanding commitments to make capital contribution (the total capital being 35% of the total investment amounted to RMB4,900 million) to West Route JV of RMB96 million (2007: RMB683 million).

At 30 June 2008, the Group had agreed, subject to the approval of the relevant PRC authorities, to make capital contribution (the total capital being 35% of the total investment amounted to RMB3,260 million) to West Route JV for development of the Phase III West of RMB570.5 million (2007: RMB570.5 million).

Subsequent to the balance sheet date, the Group entered into amendment agreements with West Route JV PRC partner. On 2 September 2008, the Group entered into amendment agreements in relation to Phase III West with the West Route JV PRC partner, subject to the approval of the shareholders of the Company and Hopewell Holdings Limited and the relevant PRC authorities, to adjust the total investment for Phase III West to RMB5,600 million, instead of RMB3,260 million as contemplated under the 2005 Phase III Amendment Agreements (the "2008 Phase III Amendment Agreements", which effectively replaced the 2005 Phase III Amendment Agreements). 35% of the adjusted total investment will be funded by an increase in the registered capital West Route JV by RMB1,960 million to be contributed by the Group and the West Route JV PRC partner in equal share. The adjusted total capital contribution thereon to be made by the Group to West Route JV for the development of Phase III West will be RMB980 million, instead of RMB570.5 million as contemplated under the 2005 Phase III Amendment Agreements.

On 2 September 2008, the Group entered into amendment agreements in relation to Phase II West with the West Route JV PRC partner, subject to the approval of the shareholders of the Company and Hopewell Holdings Limited and the relevant PRC authorities, to increase the total investment for Phase II West by RMB2,300 million to RMB7,200 million. 35% of the increase in total investment will be funded by an increase in the registered capital of West Route JV by RMB805 million to be contributed by the Group and the West Route JV PRC partner in equal share. The additional capital contribution thereon to be made by the Group to the West Route JV for the development of Phase II West is RMB402.5 million.

The above details are contained in the announcement of the Company and Hopewell Holdings Limited dated 2 September 2008.

It is currently planned that the Group will make its capital contribution for Phase III West of RMB980 million before the end of 30 June 2010 and 2011 in the proportion of 35% and 65% respectively. In addition, the Group is currently planned to make additional capital contribution for Phase II West before the end of 30 June 2010.

At 30 June 2008, GS Superhighway JV and West Route JV had outstanding commitments in respect of acquisition of property and equipment, and construction of the Phase II West contracted but not provided for proportionately shared by the Group totalling HK$1,658 million (2007: HK$1,426 million for GS Superhighway JV, Ring Road JV and West Route JV).

Pledge of Assets
At 30 June 2008, certain assets of the joint venture companies of the Group were pledged to banks to secure general banking facilities granted to the joint venture companies. The carrying amounts of these assets are analysed as follows:

	At 30 June	
	2007	**2008**
	HK$ million	***HK$ million***
Toll expressways	6,973	**7,136**
Prepaid lease payments	85	**90**
Bank balances and deposits	393	**235**
Other assets	231	**374**
	7,682	**7,835**

At 30 June 2007, the toll collection right of GS Superhighway JV, 65% of the toll collection right of Phase I West of West Route JV and 90% of the toll collection right of Ring Road JV were pledged to banks to secure general banking facilities granted to the respective joint venture company. At 30 June 2008, the toll collection right of GS Superhighway JV and 65% of the toll collection right of Phase I West of West Route JV were pledged to banks to secure general banking facilities granted to the respective joint venture company.

Contingent Liabilities
At 30 June 2008, there were no material contingent liabilities for the Group since 30 June 2007.

Material Acquisition or Disposal
During the year ended 30 June 2008, the Group entered into an agreement with Ring Road JV PRC partner to dispose of the entire 45% interest of the Group and other rights, duties and obligations in Ring Road JV for a consideration of RMB1,712.55 million.

Other than the above, there was no material acquisition or disposal of the Company's subsidiaries or associated companies during the year.

OTHER DISCLOSURES

Purchase, Sale or Redemption of Securities
There was no purchase, sale or redemption by the Company or any of its subsidiaries of the securities of the Company during the year.

Review of Final Results
The annual results of the Group for the year ended 30 June 2008 have been reviewed by the Audit Committee of the Company.

Compliance with the Code of Corporate Governance Practices
During the year, the Company has met the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2008

	NOTES	2007 HK$'000	**2008 HK$'000**
Turnover	2	2,026,215	**1,716,797**
Other income and other expense	3	584,627	**675,510**
Toll operation expenses		(134,876)	**(163,099)**
Depreciation and amortisation charges		(381,324)	**(354,728)**
General and administrative expenses		(105,895)	**(134,097)**
Finance costs	4	(459,724)	**(252,374)**
Gain on disposal of a jointly controlled entity	5	-	**973,594**
Profit before tax		1,529,023	**2,461,603**
Income tax expenses	6	(155,019)	**(445,993)**
Profit for the year	7	1,374,004	**2,015,610**
Attributable to:			
Equity holders of the Company		1,348,531	**1,997,067**
Minority interests		25,473	**18,543**
Profit for the year		1,374,004	**2,015,610**
Dividends paid	8	950,022	**1,306,980**
		HK cents	**HK cents**
Earnings per share	9		
Basic		45.45	**67.25**
Diluted		45.43	**67.22**

CONSOLIDATED BALANCE SHEET
At 30 June 2008

	2007 HK$'000	**2008** **HK$'000**
ASSETS		
Non-current Assets		
Property and equipment	10,203,577	**9,394,586**
Additional investment cost in jointly controlled entities	1,705,738	**1,113,375**
Additional investment cost in toll expressway project under development	49,631	**53,903**
Prepaid lease payments	125,714	**133,696**
Balances with jointly controlled entities	806,231	**530,645**
	12,890,891	**11,226,205**
Current Assets		
Inventories	2,845	**2,052**
Deposits and prepayments	27,938	**17,212**
Other receivables	62,944	**78,477**
Other receivable from a joint venture partner	87,036	**-**
Other receivable from a jointly controlled entity	-	**11,714**
Prepaid lease payments	4,846	**5,371**
Pledged bank balances and deposits	392,854	**235,265**
Bank balances and cash		
- The Group	3,904,064	**5,997,274**
- Jointly controlled entities	51,121	**4,865**
	4,533,648	**6,352,230**
Total Assets	17,424,539	**17,578,435**
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	297,033	**297,048**
Share premium and reserves	10,598,062	**11,389,308**
Equity attributable to equity holders of the Company	10,895,095	**11,686,356**
Minority interests	44,383	**50,718**
Total Equity	10,939,478	**11,737,074**
Non-current Liabilities		
Other payables	-	**55,267**
Bank and other loans	4,995,287	**4,444,077**
Balances with joint venture partners	602,564	**360,154**
Deferred tax liabilities	255,308	**295,965**
	5,853,159	**5,155,463**
Current Liabilities		
Other payables, accruals and deposits received	257,449	**383,145**
Bank and other loans	219,776	**267,109**
Other payable to a jointly controlled entity	118,213	**-**
Other interest payable	7,530	**5,677**
Tax liabilities	28,934	**29,967**
	631,902	**685,898**
Total Liabilities	6,485,061	**5,841,361**
Total Equity and Liabilities	17,424,539	**17,578,435**

Notes:

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standard and amendment issued by International Accounting Standards Board ("IASB") and the following interpretations developed by International Financial Reporting Interpretations Committee (collectively referred to as the "new IFRSs"), which are effective for the Group's financial year beginning on 1 July 2007.

IAS 1 (Amendment)	Capital Disclosures
IFRS 7	Financial Instruments: Disclosures
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 11	IFRS 2 -Group and Treasury Share Transactions

The adoption of the new IFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under IAS 1 (Amendment) and IFRS 7 retrospectively. Certain information presented in prior years under the requirements of IAS 32 has been removed and the relevant comparative information based on the requirements of IAS 1 (Amendment) and IFRS 7 has been presented for the first time in the current year.

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

IFRSs (Amendments)	Improvements to IFRSs[1]
IAS 1 (Revised)	Presentation of Financial Statements[2]
IAS 23 (Revised)	Borrowing Costs[2]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
IAS 39 (Amendments)	Eligible Hedge Items[3]
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
IFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
IFRS 3 (Revised)	Business Combinations[3]
IFRS 8	Operating Segments[2]
IFRIC 12	Service Concession Arrangements[4]
IFRIC 13	Customer Loyalty Programmes[5]
IFRIC 14	IAS 19 -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]
IFRIC 15	Agreements for the Construction of Real Estate[2]
IFRIC 16	Hedges of a Net Investment in a Foreign Operation[6]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to IFRS 5, effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2009
[3] Effective for annual periods beginning on or after 1 July 2009
[4] Effective for annual periods beginning on or after 1 January 2008
[5] Effective for annual periods beginning on or after 1 July 2008
[6] Effective for annual periods beginning on or after 1 October 2008

The adoption of IFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment on changes in a parent's ownership interest in a subsidiary that do not result in a loss control, which will be accounted for as equity transactions.

Except for IFRIC 12, the directors anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

IFRIC 12 "Service Concession Arrangements" applies to companies that participate in service concession arrangements and provides guidance on the accounting by operators in public-to-private service concession arrangements. Infrastructure within the scope of this interpretation shall not be recognised as property and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator, which has access to infrastructure to provide a public service on behalf of the grantor in accordance with the terms specified in the respective contracts, shall recognise an intangible asset in accordance with IAS 38 "Intangible Assets" to the extent that the operator received a right to charge users of the public service. This intangible asset, which is with a finite economic life, will be amortised over that life and the amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the jointly controlled entities. If the operator provides construction and upgrade services of the infrastructure, this interpretation requires the operator to account for its revenue and costs in accordance with IAS 11 “Construction Contracts” for the construction and upgrade services of the infrastructure and to account for the fair value of the consideration received and receivable for the construction and upgrade services as intangible assets. In addition, the operator accounts for the services in relation to the operation of the infrastructure in accordance with IAS 18 “Revenue”.

This interpretation is applicable to the Group and its jointly controlled entities which are engaged in construction, operation and management of toll expressway projects under service concession arrangement. The Group will apply it for the annual periods beginning 1 July 2008 retrospectively. The directors of the Company anticipate that the application of this interpretation will change the balance sheet presentation of certain assets of the jointly controlled entities and the corresponding note disclosure but are still in the process of assessing the potential impact on the results and the financial position of the Group regarding the recognition of the construction income and expense during the construction stage of the expressway projects and the consequential amortisation.

IFRS 8 "Operating Segments" sets out requirements for disclosure of information about an entity's operating segments, its products and services, the geographical areas in which it operates, and its major customers. This standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. The directors of the Company considered that the adoption of IFRS 8 will result in a redesignation of the Group’s reportable segments, but has had no impact on the reported results or financial position of the Group. This standard is applicable to the Group and the Group will apply it for the annual periods beginning 1 July 2009 retrospectively.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents the Group's proportionate share of the jointly controlled entities' toll fee income received and receivable from the operations of toll expressways, net of discounts and related business tax and is analysed as follows:

	2007	**2008**
	HK$'000	**HK$'000**
Toll fee income	2,088,993	**1,769,912**
Business tax	(62,778)	**(53,115)**
	2,026,215	**1,716,797**

The Group has only one business segment, namely the development, operation and management of toll expressways in the PRC through its jointly controlled entities established in the PRC.

No geographical segment analysis is presented as management considers that the Group has only one single geographical segment.

3. OTHER INCOME AND OTHER EXPENSE

	2007	**2008**
	HK$'000	**HK$'000**
Interest income from:		
Loan made by the Group to a jointly controlled entity	35,046	**10,161**
Bank deposits	177,394	**210,543**
Imputed interest income on interest-free registered capital contributions or loan made to a jointly controlled entity	22,211	**21,883**
Acceleration of imputed interest on early repayment of interest-free loan made by the Group to a jointly controlled entity	65,740	**-**
Net exchange gain	236,339	**439,170**
Rental income	6,024	**6,625**
Recovery of impairment loss on receivable	10,983	**-**
Management fee income from jointly controlled entities	2,916	**2,310**
Gain on waiver of loan from a joint venture partner	7,638	**-**
Gain on disposal of property and equipment	-	**159**
Others	20,336	**24,627**
	584,627	**715,478**
Fair value adjustment on interest-free registered capital contributions made to a jointly controlled entity	-	**(39,968)**
	584,627	**675,510**

4. FINANCE COSTS

	2007 HK$'000	**2008** **HK$'000**
Interest on:		
Bank loans	282,056	**257,086**
Loan made by joint venture partner	25,880	**-**
Other loan wholly repayable within five years	131	**-**
Imputed interest on:		
Interest-free registered capital contributions or loans made by joint venture partners	25,693	**22,645**
Other interest-free loan	298	**329**
Acceleration of imputed interest on early repayment of interest-free loans made by joint venture partners to a jointly controlled entity	138,945	**-**
	473,003	**280,060**
Other financial expenses (note a)	12,402	**12,287**
	485,405	**292,347**
Less: Amounts capitalised (note b)	(25,681)	**(39,973)**
	459,724	**252,374**

Notes:

(a) Other financial expenses mainly represent the amortisation of the up-front fees and related charges in connection with the revolving credit and term loan facilities in the aggregate amount of HK$3,600,000,000 offered to the Group by a syndicate of banks which is available for a period of 5 years commencing from 13 October 2005. At 30 June 2007 and 2008, the Group had not utilised any part of such facilities.

(b) Borrowing cost capitalised during the year arose on a bank borrowing and a loan made by a joint venture partner by applying a capitalisation rate of 6.51% (2007: a loan made by a joint venture partner by applying a capitalisation rate of 4.76%) per annum to expenditure on qualifying assets.

5. DISPOSAL OF A JOINTLY CONTROLLED ENTITY

On 9 August 2007, the Group entered into an agreement with the PRC joint venture partner of Ring Road JV pursuant to which the Group agreed to sell, and the Ring Road JV PRC partner agreed to purchase, the entire 45% interest of the Group in Ring Road JV and other rights, duties and obligations in the ESW Ring Road project for a consideration of RMB1,712,550,000 (equivalent to approximately HK$1,765,907,000) (the "Disposal"). The Disposal was completed in late September 2007 and the gain on disposal of a jointly controlled entity was recognised in the consolidated income statement.

6. INCOME TAX EXPENSES

	2007 HK$'000	**2008 HK$'000**
The tax charge comprises:		
PRC Enterprises Income Tax		
The Group	568	**155,380**
Jointly controlled entities	103,698	**116,085**
Deferred taxation		
Current year	50,753	**69,004**
Attributable to a change in tax rate	-	**105,524**
	155,019	**445,993**

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

The PRC Enterprise Income Tax charge of the Group represents mainly the PRC Enterprise Income Tax of approximately HK$22,889,000 (2007: Nil) on the amount received from GS Superhighway JV amounting to RMB725,140,000 in relation to repayment of additional development expenditure for the construction and development of the toll expressway operated by GS Superhighway JV previously incurred by the Group, and the PRC withholding tax in relation to disposal of interest in Ring Road JV amounting to approximately HK$132,376,000 (2007: Nil), which are calculated at the rates prevailing in the PRC.

The PRC Enterprise Income Tax charge of the jointly controlled entities represents the Group's proportionate share of the provision for the PRC Enterprise Income Tax of GS Superhighway JV amounting to approximately HK$114,785,000 (2007: HK$103,698,000), which is calculated at 7.5% for the half year ended 31 December 2007 and 9% for the half year ended 30 June 2008 (2007: 7.5% for whole year) of the estimated assessable profit for the year and the Group's proportionate share of the provision for the PRC Enterprise Income Tax of West Route JV amounting to approximately HK$1,300,000 (2007: Nil), which is calculated at 9% (2007: Nil) of the estimated profit for the period from 1 January 2008 to 30 June 2008.

7. PROFIT FOR THE YEAR

	2007 HK$'000	**2008 HK$'000**
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	2,050	**2,086**
Staff costs (excluding directors' remuneration)	96,529	**131,288**
Amortisation of:		
Additional investment cost in jointly controlled entities	57,613	**36,889**
Prepaid lease payments	4,942	**5,323**
Depreciation of:		
Toll expressways	300,884	**291,123**
Other property and equipment	17,885	**21,393**
Impairment loss recognised on a receivable	-	**4,572**
Loss (gain) on disposal of property and equipment	381	**(159)**

8. DIVIDENDS

	2007 HK$'000	**2008 HK$'000**
Dividends paid and recognised as a distribution during the year:		
Interim dividend paid of HK17 cents (2007: HK15 cents) per share	445,458	**504,981**
Special interim dividend paid of HK7 cents (2007: Nil) per share	-	**207,934**
Final dividend for year ended 30 June 2007 paid of HK20 cents (2007: year ended 30 June 2006 paid of HK17 cents) per share	504,564	**594,065**
	950,022	**1,306,980**
Final dividend proposed of HK13 cents (2007: HK20 cents) per share and special final dividend proposed of HK28 cents (2007: Nil) per share	594,065	**1,217,896**

A final dividend and a special final dividend in respect of the financial year 2008 of HK13 cents per share and HK28 cents per share respectively, totalling approximately HK$1,217,896,000 are proposed by the Board. 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 number of shares in issue at the date of approval of these consolidated financial statements.

9. EARNINGS PER SHARE

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

	2007 HK$'000	**2008 HK$'000**
Earnings for the purpose of basic and diluted earnings per share	1,348,531	**1,997,067**

	2007 Number of shares	**2008 Number of shares**
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,967,084,973	**2,969,807,103**
Effect of dilutive potential ordinary shares:		
Warrants	442,152	**-**
Share options	722,393	**448,461**
Unvested share awarded	151,860	**504,444**
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,968,401,378	**2,970,760,008**

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by HHI Employee's Share Award Scheme Trust.

10. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2008 amounted to approximately HK$16,892,537,000 (2007: HK$16,792,637,000). The Group's net current assets at 30 June 2008 amounted to approximately HK$5,666,332,000 (2007: HK$3,901,746,000).

As at the date of this announcement, the board of directors of the Company comprises nine executive directors (including one alternate director), namely Sir Gordon Ying Sheung WU (Chairman), Mr. Eddie Ping Chang HO (Vice Chairman), Mr. Thomas Jefferson WU (Managing Director), Mr. Alan Chi Hung CHAN (Deputy Managing Director), Ir. Leo Kwok Kee LEUNG, Mr. Lijia HUANG, Mr. Cheng Hui JIA, Mr. Barry Chung Tat MOK and Mr. Nicholas Tai Keung MAY (alternate to Mr. Barry Chung Tat MOK), and four independent non-executive directors namely, Mr. Philip Tsung Cheng FEI, Mr. Lee Yick NAM, Mr. Kojiro NAKAHARA, and Dr. Gordon YEN.