



Road King Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 1098)

Interim Report **2014**





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Corporate Profile

ROAD KING INFRASTRUCTURE LIMITED

Road King Infrastructure Limited (“Road King”) is a prominent property developer in the People’s Republic of China (the “PRC”) and focuses on developing quality residential apartments at affordable prices. Road King’s existing asset portfolio of property business amounts to approximately HK\$37 billion, comprising a land reserve of over 5,700,000 square metres which is primarily located in the Yangtze River Delta and Bohai Rim regions. Road King is also a leading toll road investor and operator in the PRC with over 20 years of experience in the industry. Road King’s current toll road portfolio comprises five expressways spanning about 340 kilometres in the PRC.

15 August 2014

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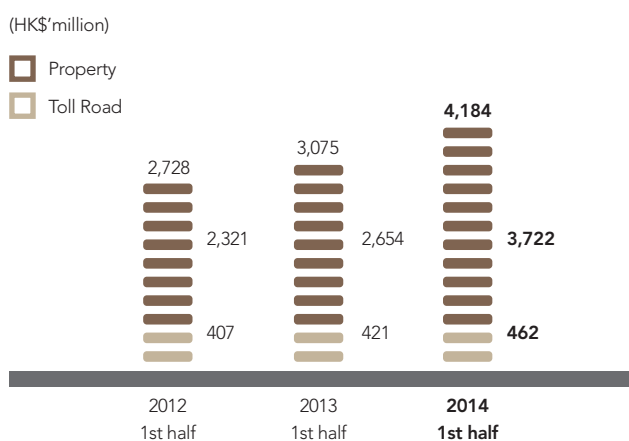
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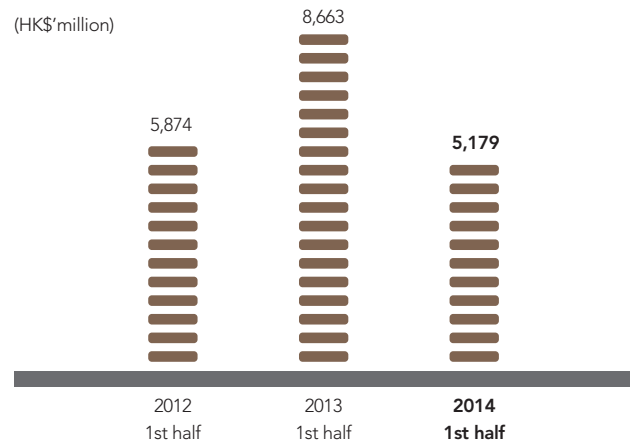
Financial Highlights

(HK\$'million)	For the six months ended			For the year ended	
	2014	2013	2012	2013	2012
Revenue from property development	3,722	2,654	2,321	11,456	9,344
Group's share of toll revenue	462	421	407	893	839
Proceeds received from property development	5,232	7,531	5,549	14,047	11,388
Cash received from toll road projects	245	247	256	512	523
Profit before taxation	692	764	572	2,521	2,318
Profit attributable to owners of the Company	198	255	228	1,002	818
Basic earnings per share (HK\$)	0.27	0.34	0.31	1.36	1.1
Net assets per share attributable to owners of the Company (HK\$)	17.29	16.1	15.2	17.24	15.9
Dividend per Share (HK\$)	0.13	0.18	0.16	0.58	0.46
Net gearing ratio (%)	78	44	48	52	51

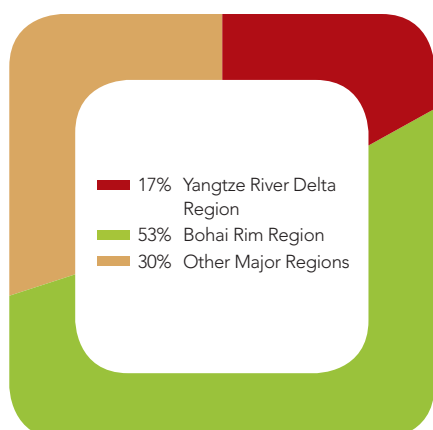
Revenue from property development and Group's share of toll revenue



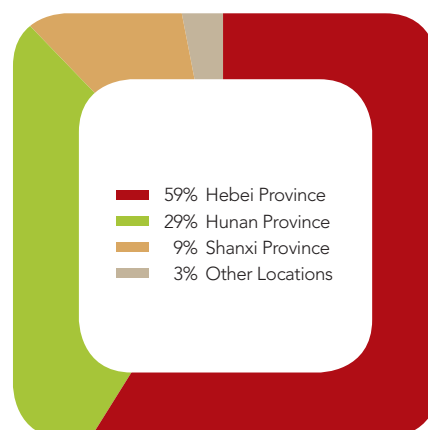
Contracted sales from property development (including a joint venture project)



Revenue contribution of property projects in first half of 2014 by location

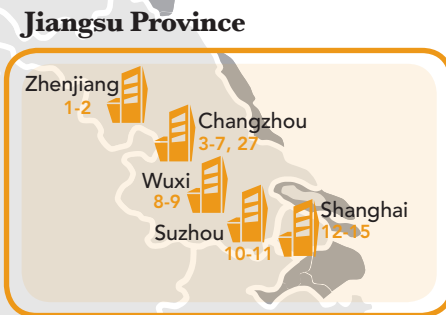
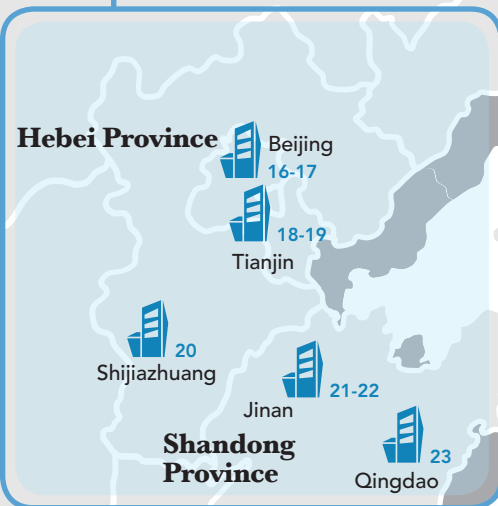


Revenue contribution of toll road projects in first half of 2014 by location






Major Projects Information

Bohai Rim Region



Yangtze River Delta Region



-  Yangtze River Delta Region
-  Bohai Rim Region
-  Other Major Regions

Major Projects Information

Properties for Sale

As at 30 June 2014

Yangtze River Delta Region

	P1 RK Notting Hill		
Floor area (sqm)	127,000	Nature	Residential
Stage of completion (note)	P/F/S	Land area (sqm)	98,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Zhenjiang, Jiangsu Province		
Zhenjiang RK Properties Developments Ltd.			

	P4 RK Urban Home Court		
Floor area (sqm)	232,000	Nature	Residential
Stage of completion (note)	P/F	Land area (sqm)	95,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Changzhou, Jiangsu Province		
Changzhou RK Hongcheng Properties Developments Ltd.			

P2 Zhenjiang Dagang Project			
Floor area (sqm)	522,000	Nature	Residential
Stage of completion (note)	M	Land area (sqm)	257,000
Approximate attributable interest	100.00%	Target completion	2019
Location	Zhenjiang, Jiangsu Province		
Zhenjiang RK Dagang Properties Developments Co., Ltd.			

	P5 RK City Landmark (formerly known as Zhonglou Yanan Project)		
Floor area (sqm)	221,000	Nature	Residential
Stage of completion (note)	M/P	Land area (sqm)	89,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Changzhou, Jiangsu Province		
Changzhou RK Hongyuan Properties Developments Ltd.			

	P3 RK City		
Floor area (sqm)	705,000	Nature	Residential
Stage of completion (note)	M/P/F/S	Land area (sqm)	280,000
Approximate attributable interest	100.00%	Target completion	2019
Location	Changzhou, Jiangsu Province		
Changzhou RK Properties Developments Ltd.			

P6 RK City Signature (formerly known as Land Parcel in Lingjiatang, Zhonglou District)			
Floor area (sqm)	276,000	Nature	Residential
Stage of completion (note)	M	Land area (sqm)	110,000
Approximate attributable interest	100.00%	Target completion	2017
Location	Changzhou, Jiangsu Province		
Changzhou RK Hongrun Properties Developments Ltd.			

Major Projects Information


Properties for Sale

As at 30 June 2014

Yangtze River Delta Region

	P7 RK Royal City (Changzhou)		
Floor area (sqm)	285,000	Nature	Residential
Stage of completion (note)	S/C	Land area (sqm)	487,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Changzhou, Jiangsu Province		
Changzhou Great Gallop Properties Developments Ltd.			

	P10 RK Phoenix City		
Floor area (sqm)	767,000	Nature	Residential
Stage of completion (note)	P/F/S/C	Land area (sqm)	847,000
Approximate attributable interest	100.00%	Target completion	2018
Location	Suzhou, Jiangsu Province		
Suzhou Junyu Properties Ltd.			

	P8 RK The Providence		
Floor area (sqm)	210,000	Nature	Residential
Stage of completion (note)	F/S	Land area (sqm)	88,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Wuxi, Jiangsu Province		
Wuxi RK Liyuan Properties Limited			

	P11 RK Hong Kong Times (formerly known as Land Parcel in Changhong, Gaoxin District)		
Floor area (sqm)	84,000	Nature	Residential
Stage of completion (note)	P/F	Land area (sqm)	46,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Suzhou, Jiangsu Province		
Suzhou RK Properties Co., Ltd.			

P9 RK Impression (formerly known as Land Parcel on Zhongnan West Road, Binhu District)			
Floor area (sqm)	92,000	Nature	Residential
Stage of completion (note)	P/F	Land area (sqm)	26,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Wuxi, Jiangsu Province		
Wuxi RK Binhu Properties Co., Ltd.			

	P12 RK Shanghai Villa		
Floor area (sqm)	130,000	Nature	Residential
Stage of completion (note)	P/F/S	Land area (sqm)	136,000
Approximate attributable interest	55.00%	Target completion	2016
Location	Shanghai		
Shanghai Juncheng Real Estate Ltd.			

Major Projects Information

Properties for Sale

As at 30 June 2014

Yangtze River Delta Region

	P13 RK Shanghai Style (formerly known as Shanghai Anting Project)		
Floor area (sqm)	121,000	Nature	Residential
Stage of completion (note)	F/S	Land area (sqm)	61,000
Approximate attributable interest	75.00%	Target completion	2016
Location	Shanghai		
Shanghai Junan Real Estate Ltd.			

	P14 RK Shanghai Manor		
Floor area (sqm)	125,000	Nature	Residential
Stage of completion (note)	F/S/C	Land area (sqm)	133,000
Approximate attributable interest	55.00%	Target completion	2016
Location	Shanghai		
Shanghai Juncheng Real Estate Ltd.			

P15 Shanghai Anting Changji Road South Project			
Floor area (sqm)	80,000	Nature	Residential
Stage of completion (note)	M	Land area (sqm)	42,000
Approximate attributable interest	75.00%	Target completion	2018
Location	Shanghai		
Shanghai Junan Real Estate Ltd.			

Bohai Rim Region

	P16 Jianguomen Project		
Floor area (sqm)	31,000	Nature	Commercial
Stage of completion (note)	M	Land area (sqm)	11,000
Approximate attributable interest	100.00%	Target completion	2018
Location	Beijing		
Beijing Wuyuetian Properties Development Co., Ltd.			

	P17 RK World City		
Floor area (sqm)	156,000	Nature	Residential and Commercial
Stage of completion (note)	F/S/C	Land area (sqm)	108,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Beijing		
Beijing RK Junyu Properties Developments Ltd.			

	P18 RK Sunny Town		
Floor area (sqm)	277,000	Nature	Residential
Stage of completion (note)	P/F/S/C	Land area (sqm)	811,000
Approximate attributable interest	94.74%	Target completion	2017
Location	Tianjin		
Tianjin Sunco Xindi Property Co., Ltd.			

Major Projects Information

Properties for Sale

As at 30 June 2014

Bohai Rim Region

	P19 RK Leader of Life		
Floor area (sqm)	103,000	Nature	Residential
Stage of completion (note)	S/C	Land area (sqm)	327,000
Approximate attributable interest	94.74%	Target completion	2015
Location	Tianjin		
Tianjin Sunco Rongxin Land Co., Ltd. and Tianjin RK Junyao Properties Investment Co., Ltd.			

	P22 RK Royal Panorama		
Floor area (sqm)	80,000	Nature	Residential
Stage of completion (note)	S/C	Land area (sqm)	177,000
Approximate attributable interest	94.74%	Target completion	2015
Location	Jinan, Shandong Province		
Jinan Shuncheng Real Estate Development Co., Ltd.			

	P20 RK International City		
Floor area (sqm)	77,000	Nature	Residential
Stage of completion (note)	S/C	Land area (sqm)	80,000
Approximate attributable interest	100.00%	Target completion	2014
Location	Shijiazhuang, Hebei Province		
Hebei RK Properties Developments Ltd.			

	P23 RK Unusual Landscape		
Floor area (sqm)	85,000	Nature	Residential
Stage of completion (note)	F/S/C	Land area (sqm)	249,000
Approximate attributable interest	94.74%	Target completion	2016
Location	Qingdao, Shandong Province		
Shandong Sunco Rongsheng Land Co., Ltd.			

	P21 Jinan University Project		
Floor area (sqm)	129,000	Nature	Residential and Commercial
Stage of completion (note)	M	Land area (sqm)	53,000
Approximate attributable interest	100.00%	Target completion	2017
Location	Jinan, Shandong Province		
Shandong Yudi Properties Developments Co., Ltd.			

Major Projects Information

Properties for Sale

As at 30 June 2014

Other Major Regions

	P24		
RK Royal City (Luoyang)			
Floor area (sqm)	392,000	Nature	Residential
Stage of completion (note)	M/P/F	Land area (sqm)	147,000
Approximate attributable interest	100.00%	Target completion	2018
Location	Luoyang, Henan Province		
Luoyang RK Properties Developments Ltd.			

	P25		
RK Banyan Riverside			
Floor area (sqm)	60,000	Nature	Residential
Stage of completion (note)	S/C	Land area (sqm)	35,000
Approximate attributable interest	100.00%	Target completion	2014
Location	Guangzhou, Guangdong Province		
Guangzhou Junhua Real Estate Limited			

	P26		
RK J·o·Y Heights			
Floor area (sqm)	183,000	Nature	Residential
Stage of completion (note)	F/S/C	Land area (sqm)	103,000
Approximate attributable interest	100.00%	Target completion	2016
Location	Guangzhou, Guangdong Province		
Guangzhou Junyue Real Estate Limited			


Major Projects Information

Investment Properties


As at 30 June 2014

	P27 RK Grand Metropolis		
Floor area (sqm)	120,000	Nature	Commercial
Stage of completion (note)	C	Land area (sqm)	67,000
Approximate attributable interest	100.00%	Target completion	Not applicable
Location	Changzhou, Jiangsu Province		
Changzhou Greatmind Properties Developments Ltd.			

	P10 RK Phoenix City		
Floor area (sqm)	16,000	Nature	Commercial
Stage of completion (note)	C	Land area (sqm)	13,000
Approximate attributable interest	100.00%	Target completion	Not applicable
Location	Suzhou, Jiangsu Province		
Suzhou Junyu Properties Ltd.			

	P18 RK Joy Park		
Floor area (sqm)	18,000	Nature	Commercial
Stage of completion (note)	C	Land area (sqm)	9,000
Approximate attributable interest	94.74%	Target completion	Not applicable
Location	Tianjin		
Tianjin Sunco Xindi Property Co., Ltd.			

	P26 RK J·o·Y Heights		
Floor area (sqm)	6,000	Nature	Commercial
Stage of completion (note)	S/C	Land area (sqm)	4,000
Approximate attributable interest	100.00%	Target completion	2014
Location	Guangzhou, Guangdong Province		
Guangzhou Junyue Real Estate Limited			

	P28 RK Central Special Zone		
Floor area (sqm)	25,000	Nature	Commercial
Stage of completion (note)	C	Land area (sqm)	9,000
Approximate attributable interest	94.74%	Target completion	Not applicable
Location	Zhengzhou, Henan Province		
Zhengzhou Keshu Real Estate Co., Ltd.			

Notes:

"M" denotes "Master planning"

"R" denotes "Relocation"

"P" denotes "Planning and design"

"F" denotes "Foundation"

"S" denotes "Superstructure"

"C" denotes "Completed"

Major Projects Information



Major Projects Information

Toll Road Business


As at 30 June 2014


Expressways

	T1 Baojin Expressway		
Length	105 km	Equity interest	40%
Route	National Expressway G18 Baoding-Tianjin ~ 4-lane		
Location	Hebei Province		
Road Rise Investments Limited			

	T4 Longcheng Expressway		
Length	72 km	Equity interest	45%
Route	Provincial Expressway S60 Yuci Longbai Village-Chengzhao, Qixian ~ 6-lane		
Location	Shanxi Province		
Intersafe Investments Limited			

	T2 Tangjin Expressway		
Length	58 km	Equity interest	45%
Route	National Expressway G25 Tangshan-Tianjin ~ 4/6-lane		
Location	Hebei Province		
Ontex Investments Limited Road Base Investments Limited Road Bond Investments Limited			

	T5 Machao Expressway		
Length	36 km	Equity interest	49%
Route	Provincial Expressway S24 Ma'anshan-Chaohu ~ 6-lane		
Location	Anhui Province		
Road King (China) Infrastructure Limited			

	T3 Changyi Expressway		
Length	69 km	Equity interest	43%
Route	National Expressway G5513 Changsha-Yiyang ~ 4-lane		
Location	Hunan Province		
Road Crown Investments Limited Road Express Investments Limited Road Famous Investments Limited		Road Glorious Investments Limited Road Grand Investments Limited Road Link Investments Limited	


Major Projects Information

Toll Road Business

As at 30 June 2014


Highways


	T6 Shijin Highway		
Length	40 km	Equity interest	60%
Route	National Highway 307 Shijiazhuang-Jinzhou ~ Class I/II Highway ~ 2/4-lane		
Location	Hebei Province		
Road Fly Investments Limited Road Sincere Investments Limited			

	T9 Heye Highway		
Length	55 km	Equity interest	50%
Route	National Highway 312 Hefei-Yeji ~ Class I Highway ~ 4/6-lane		
Location	Anhui Province		
Road Mass Investments Limited Road Team Investments Limited			

	T7 Dongguan Highway		
Length	38 km	Equity interest	65%
Route	National Highway 108 Yuci Dongchangshou-Qixian Dongguan ~ Class I Highway ~ 4-lane		
Location	Shanxi Province		
Pondtai Investments Limited			

	T10 Suzhou Shanghai Airport Highway		
Length	53 km	Equity interest	50%
Route	Provincial Highway 343 Suzhou-Shanghai Hongqiao Airport (Suzhou Section) ~ Super Class II Highway ~ 4-lane		
Location	Jiangsu Province		
Anwell Investment Limited			

	T8 Yuci City Bypass		
Length	17 km	Equity interest	65%
Route	National Highway 108 Yuci City Bypass ~ Class I Highway ~ 4-lane		
Location	Shanxi Province		
Road Gain Investments Limited			

	T11 Yulin Highway		
Length	11 km	Equity interest	70%
Route	National Highway 324 Yulin Section ~ Class I Highway ~ 4/6-lane		
Location	Guangxi Zhuang Autonomous Region		
Tonston Investments Limited			

Management Discussion and Analysis

BUSINESS REVIEW

The profit attributable to the owners of the Company for the six months ended 30 June 2014 was HK\$198 million (2013: HK\$255 million), and earnings per share was HK\$0.27 (2013: HK\$0.34). The profit recorded lower than that in the interim period of 2013 was mainly attributable to the incurrence of exchange loss (included the related fair value adjustment on certain financial instruments) of HK\$119 million reflecting the depreciation of Renminbi during the period. Without taking into account the impact on the valuation of Renminbi, the operating profit of the Company before exchange and related differences for the first half of the year has been risen from HK\$151 million of the corresponding period of 2013 to HK\$317 million.

Affected by the tightened monetary policies and continued austerity measures in the first half of 2014, customers took a "wait-and-see" attitude towards property purchases. The transactions of the market recorded a decrease as compared to the corresponding period in 2013. During the period, via following the predetermined plans, as well as the collective efforts of the team, the Group achieved sales of RMB4,799 million while the selling price per sqm remained stable as compared with last year. During the same period, the Group recorded a revenue of HK\$3,722 million by delivering 306,000 sqm of properties, which represented a 40% increase over the corresponding period of last year.

The average daily traffic volume and toll revenue of the Group's existing toll road portfolio reached 198,000 vehicles and RMB923 million respectively in the first half of 2014. An increase of 13% for average daily traffic volume has been recorded while the toll revenue has remained stable as compared with the corresponding period of last year. The relevant documentations and approvals for the acquisition of 49% equity interests in Machao Expressway in Anhui Province were completed in the first half of the year. Machao Expressway has started its contribution to the Group's revenue since June 2014.

MAINLAND PROPERTY BUSINESS

Sales and Delivery of Properties

Set out below is an analysis of the Group's property contracted sales and delivery (including those of a joint venture project) by region for the first half of 2014:

Regions (Notes)	Contracted sales		Delivery	
	Amount RMB'million	Saleable area sqm	Amount RMB'million	Saleable area sqm
Yangtze River Delta	2,485	251,000	504	38,000
Bohai Rim	917	63,000	1,600	158,000
Other major regions	708	72,000	928	110,000
Subtotal	4,110	386,000	3,032	306,000
Joint venture project	23	1,000	306	26,000
Total	4,133	387,000	3,338	332,000

Notes:

Yangtze River Delta region comprises Shanghai and Jiangsu Province.

Bohai Rim region comprises Beijing, Tianjin, Hebei Province and Shandong Province.

Other major regions comprise Henan Province and Guangdong Province.

Management Discussion and Analysis

MAINLAND PROPERTY BUSINESS (continued)

Sales and Delivery of Properties (continued)

In the first half of 2014, property sales of the Group (including those of a joint venture project) were RMB4,799 million. These comprised contracted sales of RMB4,133 million and subscribed sales of RMB666 million. As at 30 June 2014, the area of residential properties sold but yet to be delivered was 878,000 sqm.

Financial Review

	For the six months ended 30 June	
	2014	2013
	HK\$'million	HK\$'million
Revenue	3,722	2,654
Gross Profit	989	929
Sales and management fees	(324)	(379)
Profit after taxation	207	206

In the first half of 2014, revenue which mainly derived from the delivery of properties was HK\$3,722 million, represented an increase of 40% as compared with HK\$2,654 million for the corresponding period of last year. Segment profit of the mainland property business was HK\$207 million.

Land Reserve

In the first half of 2014, the Group acquired three pieces of land in Jiangsu Province for residential developments with a total gross development area of 452,000 sqm, details of which are set out as follows:

City	Attributable interest	Land area sqm	Development area sqm	Consideration RMB'million
Changzhou	100%	110,000	276,000	534
Suzhou	100%	46,000	84,000	770
Wuxi	100%	26,000	92,000	382

Management Discussion and Analysis

MAINLAND PROPERTY BUSINESS (continued)

Land Reserve (continued)

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 30 June 2014, the Group's land reserve was over 5,700,000 sqm and mainly comprised the following:

Provinces/Municipalities	Number of projects units	Area sqm
Yangtze River Delta region		
Shanghai	4	456,000
Jiangsu Province	12	3,657,000
Bohai Rim region		
Beijing	2	187,000
Tianjin	2	398,000
Hebei Province	1	77,000
Shandong Province	3	294,000
Other major regions		
Henan Province	2	417,000
Guangdong Province	2	249,000

In the first half of 2014, the Group's new construction area was 373,000 sqm while the area of completed projects was 261,000 sqm. New construction area and the area of completed projects in the second half of 2014 are expected to be 559,000 sqm and 1,086,000 sqm respectively.

Overview of Major Projects

Yangtze River Delta Region

RK Royal City, Changzhou

In the first half of 2014, the contracted sales of RK Royal City (Changzhou) was RMB457 million, with an average selling price of approximately RMB6,300 per sqm. In the first half of 2014, the value and area of properties delivered were RMB128 million and 17,000 sqm respectively. Phase 8 will be launched in the fourth quarter of 2014. It is expected that a total area of 94,000 sqm will be delivered in the second half of 2014.

RK City, Changzhou

In the first half of 2014, the contracted sales of RK City was RMB256 million, with an average selling price of approximately RMB7,200 per sqm. It is expected that the high-rise and low-rise residential buildings will be launched and delivered in the second half of 2014 and 2015 respectively.

RK Urban Home Court, Changzhou

Construction of Phase 1 of RK Urban Home Court is being commenced and launched for sales in the third quarter of this year. It is expected that this phase will be delivered in the second half of 2015.

Management Discussion and Analysis

MAINLAND PROPERTY BUSINESS (continued)

Overview of Major Projects (continued)

Yangtze River Delta Region (continued)

RK Phoenix City, Suzhou

In the first half of 2014, the contracted sales of "i-Zone" was RMB649 million, with an average selling price of approximately RMB9,900 per sqm. The contracted sales of "Forest & Valley Villa" was RMB651 million, with an average selling price of approximately RMB15,000 per sqm. In 2014, a substantial part of the project will be delivered in the fourth quarter of the year. It is expected that a total area of 120,600 sqm for "i-Zone" and 86,000 sqm for "Forest & Valley Villa" will be delivered, respectively.

RK Shanghai Villa, Shanghai

In the first half of 2014, the contracted sales of RK Shanghai Villa was RMB157 million, with an average selling price of approximately RMB20,000 per sqm. Phase 2 villas will be launched in the fourth quarter of 2014. It is expected that a total area of 28,000 sqm will be delivered in the second half of 2014.

RK Shanghai Manor, Shanghai

In the first half of 2014, the contracted sales of RK Shanghai Manor was RMB177 million, with an average selling price of approximately RMB16,000 per sqm. It is expected that a total area of 19,000 sqm will be delivered in the second half of 2014.

RK Shine June Garden, Shanghai

In the first half of 2014, the value and area of properties delivered were RMB145 million and 5,000 sqm respectively.

RK Shanghai Style (formerly known as Shanghai Anting Project), Shanghai

Construction of Phase 1 of RK Shanghai Style is being commenced and will be launched for sales in the fourth quarter of 2014. It is expected that this phase will be delivered in the second half of 2015.

Bohai Rim Region

RK World City, Beijing

In the first half of 2014, the contracted sales of RK World City was RMB344 million, with an average selling price of approximately RMB25,000 per sqm. A substantial part of the project with an area of around 33,000 sqm is expected to be delivered in the second half of 2014.

RK Sunny Town, Tianjin

In the first half of 2014, the contracted sales of RK Sunny Town was RMB245 million, with an average selling price of approximately RMB18,000 per sqm. In the first half of 2014, the value and area of properties delivered were RMB911 million and 72,000 sqm respectively.

RK Leader of Life, Tianjin

In the first half of 2014, the contracted sales of RK Leader of Life was RMB154 million, with an average selling price of approximately RMB8,500 per sqm. In the first half of 2014, the value and area of properties delivered were RMB224 million and 28,000 sqm respectively. It is expected that a total area of approximately 44,000 sqm will be delivered in the second half of 2014.

RK Royal Panorama, Jinan

In the first half of 2014, the contracted sales of RK Royal Panorama was RMB87 million, and the average selling price of residential units was about RMB9,000 per sqm.

Management Discussion and Analysis

MAINLAND PROPERTY BUSINESS (continued)

Overview of Major Projects (continued)

Bohai Rim Region (continued)

RK International City, Shijiazhuang

In the first half of 2014, the contracted sales of RK International City was RMB44 million, with an average selling price of approximately RMB7,300 per sqm. A substantial part of the project of around 81,000 sqm is expected to be delivered in the second half of 2014.

Other Major Regions

RK Central Special Zone, Zhengzhou

In the first half of 2014, the value and area of properties delivered were RMB165 million and 11,000 sqm respectively.

RK Royal City, Luoyang

In the first half of 2014, the contracted sales of RK Royal City (Luoyang) was RMB113 million, with an average selling price of approximately RMB6,200 per sqm. It is expected that a total area of approximately 22,000 sqm will be delivered in the second half of 2014.

RK Sunco Town, Luoyang

In the first half of 2014, the contracted sales of RK SuncoTown was RMB83 million, with an average selling price of approximately RMB5,700 per sqm. In the first half of 2014, the value and area of properties delivered were RMB111 million and 15,000 sqm respectively.

RK Banyan Riverside, Guangzhou

In the first half of 2014, the contracted sales of RK Banyan Riverside was RMB109 million, with an average selling price of approximately RMB17,000 per sqm. A substantial part of the project of around 65,000 sqm is expected to be delivered in the second half of 2014.

RK J·o·Y Heights, Guangzhou

In the first half of 2014, the contracted sales of RK J·o·Y Heights was RMB345 million, with an average selling price of approximately RMB11,000 per sqm and RMB31,000 per sqm for residential and commercial buildings respectively. In the first half of 2014, the value and area of properties delivered were RMB628 million and 79,000 sqm respectively. Phase 3 will be launched in the fourth quarter of 2014. It is expected that a total area of approximately 80,000 sqm will be delivered in the second half of 2014.

New Projects

RK City Signature (formerly known as Land Parcel in Lingjiatang, Zhonglou District), Changzhou

In January 2014, the Group acquired a piece of land which lies on East of Longjiang Road and North of Zijing Xi Road in Zhonglou District, Changzhou, Jiangsu Province mainly for residential development through listing-for-sale. With a site area of 110,000 sqm and a gross development area of 276,000 sqm, the project is planned to be developed in two phases and launched in the second half of 2015.

RK Hong Kong Times (formerly known as Land Parcel in Changhong, Gaoxin District), Suzhou

In January 2014, the Group acquired a piece of land in Gaoxin District, Suzhou, Jiangsu Province mainly for residential development through listing-for-sale. With a site area of 46,000 sqm and a gross development area of 84,000 sqm, the project is planned to be launched in the first half of 2015.

RK Impression (formerly known as Land Parcel on Zhongnan West Road, Binhu District), Wuxi

In January 2014, the Group acquired a piece of land in Binhu District, Wuxi, Jiangsu Province mainly for residential development through listing-for-sale. With a site area of 26,000 sqm and a gross development area of 92,000 sqm, the project is planned to be launched in the first half of 2015.

Management Discussion and Analysis

TOLL ROAD BUSINESS

Analysis of toll revenue and results of infrastructure joint ventures attributable to the Group

	For the six months ended 30 June	
	2014 HK\$'million	2013* HK\$'million
Share of toll revenue		
Expressways	437	384
Highways	25	32
	462	416
Share of results of infrastructure joint ventures		
Expressways	124	113
Highways	(16)	(10)
	108	103

* Only included figures of projects still operating in 2014.

Traffic Volume and Toll Revenue

January to June 2014	Average daily traffic vehicles	Toll revenue RMB'million
Expressways		
Baojin Expressway	45,000	270
Tangjin Expressway	37,000	256
Changyi Expressway	50,000	269
Longcheng Expressway	12,000	75
Machao Expressway*	10,000	9
	154,000	879
Highways	44,000	44
	198,000	923

* The operating results of Machao Expressway are included from June onwards.

Management Discussion and Analysis

TOLL ROAD BUSINESS (continued)

Traffic Volume and Toll Revenue (continued)

The average daily traffic volume and toll revenue of the Group's existing toll road portfolio reached 198,000 vehicles and RMB923 million respectively in the first half of 2014. An increase of 13% for average daily traffic volume has been recorded while the toll revenue has remained stable as compared with the corresponding period of last year. During the period, Tangjin Expressway and Changyi Expressway have a moderate increase in toll revenue and the Group's profit sharing ratio in Baojin Expressway increased from 30% to 40%. Overall speaking, there was an increase of the entire toll road in share of results of infrastructure joint ventures in the first half compared with the corresponding period of last year.

The relevant documentations and approvals for the acquisition of 49% equity interests in Machao Expressway in Anhui Province were completed in the first half of the year. Machao Expressway has started its contribution to the Group's revenue since June 2014.

Expressway Projects

Baojin Expressway

In the first half of 2014, the traffic volume of Baojin Expressway increased by 8% while the toll revenue decreased by 15% as compared with the corresponding period of last year. It was affected by the expansion works for Jingshi Expressway to increase the number of lanes from four to eight, some vehicles originally passing through the whole Expressway for East-Western direction were diverted to other expressway at halfway point. This leads to the decrease in toll revenue during this short period while the traffic volume was not decreased.

It is expected that it is still affected by above traffic diversion measures in the second half of the year. However, the toll revenue will be rebounded significantly subsequent to the completion of the expansion works of Jingshi Expressway by year end.

Tangjin Expressway

In the first half of 2014, the traffic volume and toll revenue of Tangjin Expressway increased by 6% and 7%, respectively. With a parallel competing expressway, Yanhai Expressway (towards Tianjin direction) closed for maintenance, vehicles were diverted to Tangjin Expressway. Tangjin Expressway -Tianjin section (not the Group's project) commenced expansion works in the second half of 2012 to increase the number of lanes from four to six. Traffic diversion measures including one-way closure and detour have also been implemented, resulting in a significant decrease in the traffic volume and toll revenue of Tangjin Expressway. These expansion works are expected to be completed by end of the year. Upon completion of the above expansion work, the traffic capacity of Tangjin Expressway will be enhanced and a surge in toll revenue is foreseeable next year.

Changyi Expressway

In the first half of 2014, the traffic volume and toll revenue of Changyi Expressway increased by 17% and 16%, respectively. Since the expressway connecting Hunan and Chongqing commenced operation in April 2012, vehicles travelling between Hunan and Chongqing through Changyi Expressway have been increasing. In addition, benefit from economic growth driven by the development of Changsha-Zhuzhou-Xiangtan region, the traffic volume and toll income of Changyi Expressway have increased significantly.

Looking forward into the second half of the year, toll revenue is expected to achieve a mild growth subject to the impact from the traffic diversion measures implemented for major repair and maintenance work of a connecting expressway.

Management Discussion and Analysis

TOLL ROAD BUSINESS (continued)

Expressway Projects (continued)

Longcheng Expressway

Due to the weak demand for transport of coal in the PRC in the first half of 2014, Longcheng Expressway has recorded a decrease of 5% in both the traffic volume and toll revenue as compared to the corresponding period. In order to reduce the impact, the Group is increasing the publicity efforts for the route through the joint venture and more traffic signposts are being set up to attract traffic passing through Longcheng Expressway. Besides, the ban of trucks passing through urban area at certain time period was also implemented. It is expected that the result would be stable in the second half of the year.

Machao Expressway

The Group has completed the acquisition of 49% equity interest of Machao Expressway in the first half of 2014. The toll revenue has been increasing on monthly basis and shows a good signal since it has commenced operation at end of 2013.

Machao Expressway is a 35.77 km dual three-lane expressway. The concession and operation period of this expressway is 30 years. It starts from Hefei, connects with Hefei-Chaohu-Wuhu Expressway to the west and with Ma'anshan Yangtze River Bridge and Lima Expressway to the east, and finally reaches Ma'anshan City and Nanjing Airport. It then joins with Nanjing-Changzhou Expressway. It has become the fastest route connecting Hefei to other coastal developed cities such as Changzhou, Wuxi, Suzhou and Shanghai. This project is also an important part of the coastal expressway network in Northern Anhui Province that connects various major cities such as Nanjing, Yangzhou, Anqing and Wuhan. The prospects and potential return of this expressway are promising.

As stated in the circular issued to shareholders by the Group on 25 April 2014, the joint venture project company, being Machao Expressway, previously utilized loans provided by the joint venture partner to finance its past financial needs, while the relevant amount was supported by loans obtained by the joint venture partner from several banks. The joint venture partner is seeking consents from these lending banks to transfer the said loans to the project company, being Machao Expressway. The Group will update the status on its negotiations with these lending banks in the future reports.

FINANCIAL REVIEW

Unaudited Condensed Consolidated Results

The table below extracted major items from the unaudited condensed consolidated statement of profit or loss of the Group for each of the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	HK\$'million	HK\$'million
Revenue	3,722	2,654
Gross profit	989	929
Interest and other income, net	28	251
Selling and operating expenses	(353)	(423)
Share of results of joint ventures	122	109
Finance costs	(94)	(102)
Profit before taxation	692	764
Income tax expenses	(485)	(502)
Profit after taxation	207	262
Non-controlling interests	(9)	(7)
Profit attributable to owners of the Company	198	255

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Unaudited Condensed Consolidated Results (continued)

Revenue and Gross Profit

The details of revenue and gross profit for the period under review are included in the subsection headed "Financial Review" under "Mainland Property Business".

Interest and Other Income, Net

The decrease in net other income was mainly due to the exchange loss (2013: exchange gain) arising from the depreciation of Renminbi was recorded during the period under review.

Selling and Operating Expenses

The decrease in selling and operating expenses was mainly due to the tightened cost control, as well as the reduction in marketing and advertising activities for property development projects in the mainland China during the period under review.

Share of Results of Joint Ventures

This represented mainly share of results of the infrastructure joint ventures of the Group for the period under review. The details are contained in the section headed "Toll Road Business".

Income Tax Expenses

Income tax expenses comprised mainly profit tax, land appreciation tax and deferred tax. The higher income tax expenses in last corresponding period was mainly attributable to the higher margin generated by the properties delivered as well as a higher amount of deferred tax provided for the fair value gains on the investment properties.

Unaudited Condensed Consolidated Statement of Financial Position

The table below summarised the major items of the consolidated statement of financial position of the Group as at 30 June 2014 and 31 December 2013.

	30 June 2014 HK\$'million	31 December 2013 HK\$'million
Non-current assets		
— Interests in joint ventures	3,854	3,567
— Investments in investment properties	2,155	2,174
— Other non-current assets	335	384
	<hr/>	<hr/>
	6,344	6,125
Current assets		
— Inventory of properties (including prepayment for land leases)	31,506	28,308
— Bank balances and cash (including pledged bank deposits)	4,407	6,828
— Other current assets	2,036	2,168
	<hr/>	<hr/>
	37,949	37,304

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Unaudited Condensed Consolidated Statement of Financial Position (continued)

	30 June 2014 HK\$'million	31 December 2013 HK\$'million
Current Liabilities		
— Creditors and accrued charges	(5,086)	(5,551)
— Deposits from pre-sale of properties	(9,452)	(8,209)
— Bank and other borrowings (due within one year)	(5,069)	(5,897)
— Other current liabilities	(1,114)	(1,898)
	<u>(20,721)</u>	<u>(21,555)</u>
Non-current liabilities	<u>(10,062)</u>	<u>(8,511)</u>
Total equity	<u>13,510</u>	<u>13,363</u>

Interests in Joint Ventures

Interests in joint ventures mainly represented our interests in the joint ventures relating to our toll road business. The increase in balance was mainly attributable to the acquisition of 49% equity interests in Machao Expressway in Anhui Province during the period under review.

Investments in Investment Properties

This comprised carrying value of the investment properties, details of which were set out in note 13 of the unaudited condensed consolidated financial statements. The decrease in the balance was mainly attributable to the disposal of certain investment properties located in Guangzhou. As of 30 June 2014, the area of the investment properties attributable to the Group was around 185,000 sqm.

Inventory of Properties (including Prepayment for Land Leases)

The increase of balance was mainly due to the payment of land premiums of the new projects located in Shanghai, Changzhou, Wuxi and Suzhou. The details of which were included in the section headed "Overview of Major Projects" of "Mainland Property Business".

Bank Balances and Cash (including Pledged Bank Deposits)

The decrease in the bank balances was mainly attributable to the payment of land premiums of the new projects.

Other Non-current and Current Assets

The decrease in other assets mainly represented the decrease in tender deposits paid for acquisition of lands, but partially offset by the increase in prepaid income tax and business tax.

Deposits from Pre-sale of Properties

The increase in deposits from pre-sale of properties was mainly due to the property delivery of several major projects was concentrated in the second half of the year. At 30 June 2014, the total area pre-sold but yet to be delivered was 878,000 sqm (31 December 2013: 803,000 sqm).

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Unaudited Condensed Consolidated Statement of Financial Position (continued)

Bank and Other Borrowings — Due within One Year and Non-current Liabilities

They represented mainly the guaranteed senior notes that the Group issued in the past few years and the project development loans.

Details of the loan profile are set out as follows:

	30 June 2014 HK\$'million	31 December 2013 HK\$'million
Repayable:		
On demand or within one year	5,069	5,897
After one year but within two years	1,777	1,617
After two years but within five years	7,061	5,497
More than five years	386	403
	<hr/>	<hr/>
Total Borrowings	14,293	13,414

SOURCE OF BORROWINGS

	30 June 2014	31 December 2013
Short term loans	35%	44%
Long term loans	65%	56%
	<hr/>	<hr/>
	100%	100%

NATURE OF DEBTS

	30 June 2014	31 December 2013
Unsecured loans	72%	75%
Secured loans	28%	25%
	<hr/>	<hr/>
	100%	100%

CURRENCY PROFILE OF BORROWING

	30 June 2014	31 December 2013
HKD	4%	7%
RMB	48%	57%
USD	48%	36%
	<hr/>	<hr/>
	100%	100%

INTEREST RATES BASIS

	30 June 2014	31 December 2013
Floating rate	25%	13%
Fixed rate	75%	87%
	<hr/>	<hr/>
	100%	100%

The Group's borrowings were mainly on a fixed rate basis, which included, among the others, following notes:

- US\$350 million (outstanding principal amount of US\$163.58 million as at 30 June 2014) 9.5% guaranteed senior notes due in 2015;
- RMB2,200 million 6% guaranteed senior notes due in 2016; and
- US\$350 million 9.875% guaranteed senior notes due in 2017.

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Unaudited Condensed Consolidated Statement of Financial Position (continued)

Bank and Other Borrowings — Due within One Year and Non-current Liabilities (continued)

At 30 June 2014, gross gearing ratio and net gearing ratio were 113% and 78% respectively. Gross gearing ratio represents interest bearing borrowings (but excluding loans from non-controlling interests of subsidiaries) to the equity attributable to the owners of the Company, whereas net gearing ratio, representing the difference of Group's total interest bearing borrowings (but excluding loans from non-controlling interests of subsidiaries) and the bank balances and cash (including pledged bank deposits) to the owners' equity of the Company.

Interest coverage for the period under review was 10.04 times (2013: 9.88 times).

Unaudited Condensed Consolidated Statement of Cash Flows

The table below summarised the major items of the unaudited condensed consolidated statement of cash flows of the Group for each of the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	HK\$'million	HK\$'million
Payment for land leases	(3,220)	(1,537)
Net cash from operating activities, other than payment for land leases	656	1,974
Net cash from investing activities	401	739
Net cash from (used in) financing activities	218	(186)
Effect of change in exchange rates	(53)	28
Cash and cash equivalents at 1 January	5,336	3,755
Cash and cash equivalents at 30 June	3,338	4,773

Payment for Land Leases

The payment in first half of 2014 represented the land premiums of the new projects located in Shanghai, Changzhou, Wuxi and Suzhou.

Net Cash from Operating Activities, other than Payment for Land Leases

The decrease in net cash from operating activities for the period under review was mainly attributable to the decrease in cash proceeds from the pre-sale and sale of properties, as well as the increase of tax payment relating to the clearance of land appreciation tax for several property projects in the mainland China.

Net Cash from Investing Activities

The net cash from investing activities for the period under review represented mainly the cash distributed or dividends received from the joint venture infrastructure projects, and the decrease in restricted bank balance relating to the decrease in property sales, but was offset by the investment cost paid for the acquisition of Machao Expressway.

In last period, the net cash flow mainly represented the cash distributed or dividends received from the joint venture infrastructure projects as well as the proceeds received from the disposal of the investment properties located in Guangzhou.

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Unaudited Condensed Consolidated Statement of Cash Flows (continued)

Net Cash from (used in) Financing Activities

The net cash from financing activities for the period under review was mainly attributable to the drawdown of several offshore bank loans in Hong Kong as well as property development loans in the PRC. These new borrowings were partly offset by the repayment of certain bank loans and the redemption of RMB1,300 million guaranteed senior notes.

Liquidity and Financial Resources

As at 30 June 2014, the equity attributable to the owners of the Company was HK\$12,691 million (31 December 2013: HK\$12,672 million). Net assets per share attributable to the owners of the Company was HK\$17.29 (31 December 2013: HK\$17.24).

As at 30 June 2014, the Group's total assets were HK\$44,293 million (31 December 2013: HK\$43,429 million) and bank balances and cash were HK\$4,217 million (31 December 2013: HK\$6,677 million), of which 84% was denominated in Renminbi and the remaining 16% was mainly denominated in US dollars or HK dollars.

The Group continues to adopt prudent financing and treasury policies. The entire Group's financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

Charges on Assets

As at 30 June 2014, bank balances of HK\$190 million (31 December 2013: HK\$151 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects in the mainland China and short-term credit facilities granted to the Group. In addition to these charged bank deposits, properties with carrying value of HK\$3,631 million (31 December 2013: HK\$3,400 million) were pledged as securities for certain loan facilities.

Exposure on Foreign Exchange Fluctuations and Interest Rates

The Group's borrowings are mainly denominated in Renminbi and US dollars but the cash flow is generated from projects whose earnings were denominated principally in Renminbi. As a result, the Group is exposed to foreign currency risk on the fluctuation of Renminbi and US dollars.

The Group's exposure to interest rate risk results mainly from fluctuation in interest rates relating to its borrowings denominated in Renminbi and US dollars. Although the monetary policies implemented by the PRC and the US governments continue to have a major impact on the Group's results and operations, the Directors consider that the interest rate fluctuation caused by the fluidity and instability of the global economy and financial systems also has an impact on the operations of the Group.

Save for the aforesaid, the Group has no significant exposure to foreign exchange risk and interest rate risk. The Group will continue to monitor its exposure to these risks closely and may arrange hedging against the risks exposed as and when necessary and appropriate.

Contingent Liabilities

As at 30 June 2014, the Group had provided guarantees of HK\$4,607 million (31 December 2013: HK\$5,328 million) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's properties. The guarantees would be released after the customers have pledged their property certificates as securities to the banks for the mortgage loans granted.

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Employees

Excluding the staff of joint ventures, the Group had 2,256 employees as at 30 June 2014. Expenditure on staff (excluding Directors' emoluments and share-based payment) for the period under review amounted to HK\$247 million (2013: HK\$223 million). Employees are remunerated according to their performance and contribution. Other employee benefits include provident fund, insurance, medical cover and training programs, as well as share option schemes. During the period under review, no share option was granted.

PROSPECTS

The property industry in the mainland China is a livelihood business as well as a long-lived industry. Short-term adjustments in the market are beneficial to the long-term development of the sector. Although the property market is now in a relatively uncertain environment, the Group remains to have strong confident about its prospects. With the gradual relaxation in policies and release of purchasing power, the sales environment of the mainland property market is expected to improve in the second half of the year. The Group's property business will make timely adjustments to its plans in the second half of the year according to the changes in the market environment for its continuously healthy development.

In response to the demand of economic development in the mainland China, some of the local governments are now reconsidering to bid for foreign investments proactively in toll roads industry. In the second half of the year, in addition to our continued efforts in the disposal of highways and the optimisation of expressway management, the Group will also keep exploring the opportunities to acquire expressways, with a view to further expanding its expressway portfolio.

DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.13 (2013: HK\$0.18) per share for the six months ended 30 June 2014 to the shareholders of the Company whose names appear in the register of members of the Company on Wednesday, 3 September 2014.

It is expected that the payment of the interim dividend will be made on or before Tuesday, 30 September 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 September 2014 to Wednesday, 3 September 2014, both dates inclusive, during which period no transfer of shares will be registered for the purpose of determining the entitlement to the interim dividend.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 1 September 2014 for registration.

Corporate Governance

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2014.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code. All Directors have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30 June 2014.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 June 2014, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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:

(I) Shares

Name of Directors	Nature of interest	Notes	Number of shares held		Percentage of holding % (Note 4)
			Long position	Short position	
Zen Wei Pao, William	Personal	2	3,400,000	–	0.46
Ko Yuk Bing	Personal	1 & 3	1,070,000	–	0.15
		2 & 3	4,700,000	–	0.64
Chan Kam Hung	Personal	1	620,000	–	0.08
		2	2,300,000	–	0.31
Fong Shiu Leung, Keter	Personal	1	500,000	–	0.07
		2	2,300,000	–	0.31
Zen Wei Peu, Derek	Personal	1	10,416,000	–	1.42
		2	2,350,000	–	0.32
Xu Ruxin	Personal	2	950,000	–	0.13
Lam Wai Hon, Patrick	Personal	2	150,000	–	0.02
Lau Sai Yung	Personal	1	305,000	–	0.04
		2	300,000	–	0.04
Chow Ming Kuen, Joseph	Personal	2	300,000	–	0.04
Nie Meisheng	Personal	2	100,000	–	0.01
Tse Chee On, Raymond	Personal	2	100,000	–	0.01

Notes:

1. Long position in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Long position in the underlying shares of the Company pursuant to unlisted equity derivatives (including physically settled, cash settled and other equity derivatives). Share options granted to the Directors are included in this category, the particulars of which are set out in (II) below.
3. Included in the balances are 160,000 shares and 1,600,000 share options of the Company held by Ms. Chuk Wing Suet, Josephine, the spouse of Mr. Ko Yuk Bing.
4. The percentage was calculated based on 733,975,566 shares of the Company in issue as at 30 June 2014.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS (continued)

(II) Underlying Shares — Share Options

The share option schemes were adopted by the Company on 12 May 2003 and 8 May 2013. Particulars of the share option schemes are set out in note 27 to the consolidated financial statements in the Company's annual report for the year ended 31 December 2013.

A summary of movements during the period under the share option schemes was as follows:

Name	Notes	Number of share options				Balance at 30.06.2014	Weighted average closing price HK\$ (Note 4)
		Balance at 01.01.2014	Granted during the period	Exercised during the period	Lapsed during the period		
Directors							
Zen Wei Pao, William	1	1,400,000	–	–	–	1,400,000	–
	2	2,000,000	–	–	–	2,000,000	–
Ko Yuk Bing	1 & 3	2,100,000	–	–	–	2,100,000	–
	2 & 3	2,600,000	–	–	–	2,600,000	–
Chan Kam Hung	1	900,000	–	–	–	900,000	–
	2	1,400,000	–	–	–	1,400,000	–
Fong Shiu Leung, Keter	1	900,000	–	–	–	900,000	–
	2	1,400,000	–	–	–	1,400,000	–
Zen Wei Peu, Derek	1	850,000	–	–	–	850,000	–
	2	1,500,000	–	–	–	1,500,000	–
Xu Ruxin	1	150,000	–	–	–	150,000	–
	2	800,000	–	–	–	800,000	–
Lam Wai Hon, Patrick	2	150,000	–	–	–	150,000	–
Lau Sai Yung	1	150,000	–	–	–	150,000	–
	2	150,000	–	–	–	150,000	–
Chow Ming Kuen, Joseph	1	150,000	–	–	–	150,000	–
	2	150,000	–	–	–	150,000	–
Nie Meisheng	2	100,000	–	–	–	100,000	–
Tse Chee On, Raymond	2	100,000	–	–	–	100,000	–
Total		16,950,000	–	–	–	16,950,000	

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS (continued)

(II) Underlying Shares — Share Options (continued)

Name	Notes	Number of share options				Balance at 30.06.2014	Weighted average closing price HK\$ (Note 4)
		Balance at 01.01.2014	Granted during the period	Exercised during the period	Lapsed during the period		
Others							
Employees	1	5,875,000	–	(125,000)	(365,000)	5,385,000	7.196
	2	7,050,000	–	–	(800,000)	6,250,000	–
		12,925,000	–	(125,000)	(1,165,000)	11,635,000	
Grand Total		29,875,000	–	(125,000)	(1,165,000)	28,585,000	

Notes:

1. The share options under this issue were granted on 9 April 2010 with an exercisable period from 9 April 2010 to 8 April 2015 and an exercise price of HK\$6.79 pursuant to the share option scheme adopted on 12 May 2003.
2. The share options under this issue were granted on 28 May 2013 with an exercisable period from 29 May 2013 to 28 May 2018 and an exercise price of HK\$7.13 pursuant to the share option scheme adopted on 8 May 2013.
3. Included in the balances are 800,000 share options at the exercise price of HK\$6.79 and 800,000 share options at the exercise price of HK\$7.13 of the Company held by Ms. Chuk Wing Suet, Josephine, the spouse of Mr. Ko Yuk Bing.
4. This represents the weighted average closing price of the shares immediately before the dates on which the share options were exercised.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS (continued)

(III) Debentures of Associated Corporations

Name of Directors	Name of company	Nature of interest	Type of debenture	Principal amount held
Zen Wei Peu, Derek	RKI Finance (2010) Limited	Personal	US\$350 million 9.5% guaranteed senior notes due 2015	US\$907,188 ^(note 1) (long position)
	Road King Infrastructure Finance (2012) Limited	Personal	US\$350 million 9.875% guaranteed senior notes due 2017	US\$4,300,000 (long position)
	RKI Finance (2013) Limited	Personal	RMB2,200 million 6% guaranteed senior notes due 2016	RMB12,000,000 ^(note 2) (long position)
Wong Wai Ho	RKI Finance (2010) Limited	Personal	US\$350 million 9.5% guaranteed senior notes due 2015	US\$100,000 ^(note 3) (long position)

Notes:

1. Included in the balance is a principal amount of US\$171,630 of US\$350 million 9.5% guaranteed senior notes due 2015 held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
2. A principal amount of RMB12,000,000 of RMB2,200 million 6% guaranteed senior notes due 2016 was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
3. A principal amount of US\$100,000 of US\$350 million 9.5% guaranteed senior notes due 2015 was held by Ms. Lau Men Ying, the spouse of Mr. Wong Wai Ho.

Save as disclosed above, none of the Directors or their associates had any interests or short positions 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.

Save as disclosed above, none of the Directors or their spouses or children under 18 years of age was granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2014, the interests or short positions of every person, other than the Directors of the Company, 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 of shareholders	Nature of interest	Number of shares held		Percentage of holding % (Note 24)
		Long position (Note 1)	Short position	
Wai Kee Holdings Limited (Note 2)	Interest in controlled corporation	290,534,428	–	39.58
Wai Kee (Zens) Holding Limited (Note 3)	Interest in controlled corporation	290,534,428	–	39.58
Groove Trading Limited (Note 4)	Beneficial owner	65,918,000	–	8.98
Wai Kee China Investments (BVI) Company Limited (Note 4)	Interest in controlled corporation	221,616,428	–	30.19
Wai Kee China Investments Company Limited (Note 5)	Interest in controlled corporation	221,616,428	–	30.19
ZWP Investments Limited (Note 6)	Beneficial owner	221,616,428	–	30.19
深業集團有限公司 (Shum Yip Group Limited*) (Note 7)	Interest in controlled corporation	202,334,142	–	27.57
Shum Yip Holdings Company Limited (Note 8)	Interest in controlled corporation	202,334,142	–	27.57
Shenzhen Investment Limited (Note 9)	Interest in controlled corporation	202,334,142	–	27.57
Hover Limited (Note 10)	Beneficial owner	202,334,142	–	27.57
Jacqueline Desmarais (Note 11)	Trustee/Beneficiary of a Trust	49,500,000	–	6.74
Andre Desmarais (Note 12)	Trustee	49,500,000	–	6.74
Guy Fortin (Note 13)	Trustee	49,500,000	–	6.74
Michel Plessis-Belair (Note 14)	Trustee	49,500,000	–	6.74
Paul Desmarais Jr. (Note 15)	Trustee	49,500,000	–	6.74
Nordex Inc. (Note 16)	Interest in controlled corporation	49,500,000	–	6.74

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

Name of shareholders	Nature of interest	Number of shares held		Percentage of holding % (Note 24)
		Long position (Note 1)	Short position	
Gelco Enterprises Ltd. (Note 17)	Interest in controlled corporation	49,500,000	–	6.74
Power Corporation of Canada (Note 18)	Interest in controlled corporation	49,500,000	–	6.74
171263 Canada Inc. (Note 19)	Interest in controlled corporation	49,500,000	–	6.74
Power Financial Corporation (Note 20)	Interest in controlled corporation	49,500,000	–	6.74
IGM Financial Inc. (Note 21)	Interest in controlled corporation	49,500,000	–	6.74
Mackenzie Inc. (Note 22)	Interest in controlled corporation	49,500,000	–	6.74
Mackenzie Financial Corporation (Note 23)	Beneficial owner	49,500,000	–	6.74

Notes:

1. Long position in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Wai Kee Holdings Limited is deemed to be interested in the shares of the Company through its interests in (i) its wholly-owned subsidiaries, namely Wai Kee (Zens) Holding Limited, Groove Trading Limited, Wai Kee China Investments (BVI) Company Limited, Wai Kee China Investments Company Limited, ZWP Investments Limited and Top Horizon Holdings Limited; and (ii) its subsidiaries, namely Build King Holdings Limited, Top Tactic Holdings Limited, Amazing Reward Group Limited, Leader Construction Company Limited and Leader Civil Engineering Corporation Limited, which beneficially held 3,000,000 shares of the Company.
3. Wai Kee (Zens) Holding Limited is a direct wholly-owned subsidiary of Wai Kee Holdings Limited. Both Mr. Zen Wei Pao, William and Mr. Zen Wei Peu, Derek are directors of Wai Kee (Zens) Holding Limited.
4. Groove Trading Limited and Wai Kee China Investments (BVI) Company Limited are direct wholly-owned subsidiaries of Wai Kee (Zens) Holding Limited. Both Mr. Zen Wei Pao, William and Mr. Zen Wei Peu, Derek are directors of Groove Trading Limited and Wai Kee China Investments (BVI) Company Limited.
5. Wai Kee China Investments Company Limited is a direct wholly-owned subsidiary of Wai Kee China Investments (BVI) Company Limited. Both Mr. Zen Wei Pao, William and Mr. Zen Wei Peu, Derek are directors of Wai Kee China Investments Company Limited.
6. ZWP Investments Limited is a direct wholly-owned subsidiary of Wai Kee China Investments Company Limited. Both Mr. Zen Wei Pao, William and Mr. Zen Wei Peu, Derek are directors of ZWP Investments Limited.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

Notes: (continued)

7. 深業集團有限公司 (Shum Yip Group Limited*) (incorporated in the PRC) is deemed to be interested in the shares of the Company through its 100% interests in Shum Yip Holdings Company Limited (incorporated in Hong Kong).
8. Shum Yip Holdings Company Limited (incorporated in Hong Kong) is deemed to be interested in the shares of the Company through its 60.57% interests in Shenzhen Investment Limited.
9. Shenzhen Investment Limited is deemed to be interested in the shares of the Company through its interests in its wholly-owned subsidiary, namely Hover Limited.
10. Hover Limited is a direct wholly-owned subsidiary of Shenzhen Investment Limited. Mr. Lu Hua is a director of Hover Limited.
11. Jacqueline Desmarais, as trustee and beneficiary of the Desmarais Family Residuary Trust, is deemed to be interested in the shares of the Company through its 68% voting interests in Nordex Inc.
12. Andre Desmarais, as trustee of the Desmarais Family Residuary Trust, is deemed to be interested in the shares of the Company through its 68% voting interests in Nordex Inc.
13. Guy Fortin, as trustee of the Desmarais Family Residuary Trust, is deemed to be interested in the shares of the Company through its 68% voting interests in Nordex Inc.
14. Michel Plessis-Belair, as trustee of the Desmarais Family Residuary Trust, is deemed to be interested in the shares of the Company through its 68% voting interests in Nordex Inc.
15. Paul Desmarais Jr., as trustee of the Desmarais Family Residuary Trust, is deemed to be interested in the shares of the Company through its 68% voting interests in Nordex Inc.
16. Nordex Inc. is deemed to be interested in the shares of the Company through its 94.90% interests in Gelco Enterprises Ltd.
17. Gelco Enterprises Ltd. is deemed to be interested in the shares of the Company through its 53.54% interests in Power Corporation of Canada.
18. Power Corporation of Canada is deemed to be interested in the shares of the Company through its interests in its wholly-owned subsidiary, namely 171263 Canada Inc.
19. 171263 Canada Inc. is deemed to be interested in the shares of the Company through its 65.78% interests in Power Financial Corporation.
20. Power Financial Corporation is deemed to be interested in the shares of the Company through its 58.66% interests in IGM Financial Inc.
21. IGM Financial Inc. is deemed to be interested in the shares of the Company through its interests in its wholly-owned subsidiary, namely Mackenzie Inc.
22. Mackenzie Inc. is deemed to be interested in the shares of the Company through its interests in its wholly-owned subsidiary, namely Mackenzie Financial Corporation.
23. Mackenzie Financial Corporation is a direct wholly-owned subsidiary of Mackenzie Inc.
24. The percentage was calculated based on 733,975,566 shares of the Company in issue as at 30 June 2014.

Save as disclosed above, no other person (other than the Directors of the Company) had an interest or a short position 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.

* For identification purposes only

Other Disclosures

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

(I) Repurchase of Shares

During the period, the Company repurchased a total of 1,292,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK\$9,007,010. Details of the repurchases are as follows:

Month of repurchases	Total number of shares repurchased	Price per share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
March	17,000	7.11	7.11	120,870
June	1,275,000 (note)	7.05	6.86	8,886,140
	<u>1,292,000</u>			<u>9,007,010</u>

Up to the date of this report, all of the abovementioned shares repurchased were cancelled.

Note: cancelled in August 2014.

(II) Redemption of Notes

During the period, RKI Finance (2011) Limited, a wholly-owned subsidiary of the Company, redeemed all the outstanding principal amount of RMB1,272 million of RMB1,300 million 6% guaranteed senior notes due 2014 in February 2014 at the redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest.

Subsequent to the completion of the redemption, the notes were cancelled and delisted from the official list of the Singapore Exchange Securities Trading Limited.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Group's listed securities during the six months ended 30 June 2014.

Subsequent to the reporting period and up to the date of this report, the Company also repurchased a total of 224,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK\$1,590,250. Details of the repurchases are as follows:

Period of repurchases	Total number of shares repurchased	Price per share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
From 2 July to 7 July	224,000 (note)	7.23	7.00	1,590,250

Note: cancelled in August 2014.

Other Disclosures

CONTINUING DISCLOSURE OF THE LISTING RULES

In compliance with continuing disclosure obligations of the Listing Rules, the following information is disclosed:

1. Pursuant to Rule 13.18 of the Listing Rules:

Notes

The Company is obliged to make an offer to repurchase US\$350 million 9.5% guaranteed senior notes due 2015, US\$350 million 9.875% guaranteed senior notes due 2017 and RMB2,200 million 6% guaranteed senior notes due 2016 (the "Notes") then outstanding at a purchase price equal to 101% of the principal amount, plus unpaid interest accrued, if any, up to (but not including) the date of repurchase in the occurrence of a change of control triggering event and a decline in the rating of the Notes.

Loan Facility

On 10 January 2014, RKP Overseas Finance 2013 (A) Limited ("RKP Overseas"), a wholly-owned subsidiary of the Company, was granted a US\$230 million term loan facility with final maturity date of 36 months from the first utilisation date of the loan facility (the "Loan Facility"). For so long as the Loan Facility is made available to RKP Overseas, Wai Kee Holdings Limited is required to own at least 30% of beneficial shareholding interest in the issued share capital of the Company and to maintain as the single largest shareholder of the Company.

2. Pursuant to Rule 13.51B(1) of the Listing Rules:

Upon specific enquiry by the Company, save as disclosed below, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report:

Name of Directors	Details of changes
Mr. Zen Wei Peu, Derek	He was appointed as the chief executive officer of Wai Kee Holdings Limited with effect from 15 August 2014.
Mr. Gao Shengyuan	He was appointed as a Non-executive Director of the Company on 23 May 2014. He entered into a letter of appointment with the Company for a period from the aforesaid date of commencement to the date of the annual general meeting of the Company held in 2015.
Mr. Lau Sai Yung	He entered into a letter of appointment with the Company for a period commencing from 10 May 2014 to 9 May 2017 or the date of the annual general meeting of the Company held in 2017, whichever is earlier.
Ms. Nie Meisheng	She was appointed as an independent non-executive director of Guorui Properties Limited with effect from 1 July 2013, the shares of which are listed on the main board of the Stock Exchange with effect from 7 July 2014.
Mr. Wong Wai Ho	He was appointed as an Independent Non-executive Director of the Company on 23 May 2014. He entered into a letter of appointment with the Company for a period from the aforesaid date of commencement to the date of the annual general meeting of the Company held in 2015.

Save as disclosed above, there is no other continuing disclosure required to be made by the Company pursuant to Chapter 13 of the Listing Rules.

Other Disclosures

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2014, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

ACKNOWLEDGEMENT

The Board expresses its sincere gratitude to the business partners, customers and shareholders for their enduring support, and thanks all staff for their dedication and hard work.

Corporate Information

EXECUTIVE DIRECTORS

Zen Wei Pao, William (*Chairman*)
Ko Yuk Bing (*Deputy Chairman, Managing Director and Chief Executive Officer*)
Chan Kam Hung (*Chief Operating Officer*)
Fong Shiu Leung, Keter (*Finance Director*)
Zen Wei Peu, Derek
Xu Ruxin

NON-EXECUTIVE DIRECTORS

Lu Hua
Lam Wai Hon, Patrick
Gao Shengyuan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lau Sai Yung
Chow Ming Kuen, Joseph
Nie Meisheng
Tse Chee On, Raymond
Wong Wai Ho

AUDIT COMMITTEE

Lau Sai Yung (*Chairman*)
Lam Wai Hon, Patrick
Chow Ming Kuen, Joseph

REMUNERATION COMMITTEE

Chow Ming Kuen, Joseph (*Chairman*)
Zen Wei Pao, William
Lau Sai Yung

NOMINATION COMMITTEE

Zen Wei Pao, William (*Chairman*)
Lau Sai Yung
Chow Ming Kuen, Joseph

MANAGEMENT COMMITTEE

Ko Yuk Bing (*Convenor*)
Chan Kam Hung
Fong Shiu Leung, Keter
Xu Ruxin
Yu Kam Fat, James

COMPANY SECRETARY

Fong Shiu Leung, Keter

AUDITOR

Deloitte Touche Tohmatsu

SOLICITORS

Reed Smith Richards Butler
Conyers, Dill & Pearman
Beijing Global Law Office

PRINCIPAL BANKERS

The PRC
Agricultural Bank of China Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited

Hong Kong
China CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suite 501, 5th Floor
Tower 6, The Gateway
9 Canton Road
Tsimshatsui
Kowloon
Hong Kong

Corporate Information

SHARE LISTING

The Company's shares are listed on the main board of
The Stock Exchange of Hong Kong Limited
(Stock Code: 1098)

NOTES LISTING

The following notes are listed on The Singapore
Exchange Securities Trading Limited

- US\$350 million 9.5% guaranteed senior notes due
2015

The following notes are listed on The Stock Exchange of
Hong Kong Limited

- US\$350 million 9.875% guaranteed senior notes due
2017 (Stock Code: 4565)
- RMB2,200 million 6% guaranteed senior notes due
2016 (Stock Code: 85935)

INVESTOR RELATIONS

Contact Person: Lee Tak Fai, Kennedy
Telephone: (852) 2957 6800
Facsimile: (852) 2375 2477
E-mail address: rki@roadking.com.hk

WEBSITES

<http://www.roadking.com.hk>
<http://www.rkph.com>

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2014

	NOTES	Six months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue	4	3,721,848	2,654,410
Cost of sales		(2,732,924)	(1,725,547)
Gross profit		988,924	928,863
Interest income		24,565	33,099
Other income		46,201	13,111
Other gains and losses	6	(42,725)	205,391
Selling expenses		(126,467)	(167,795)
Operating expenses		(226,252)	(255,888)
Share of results of joint ventures	7	121,768	108,908
Finance costs	8	(93,852)	(101,906)
Profit before taxation	9	692,162	763,783
Income tax expenses	10	(484,661)	(502,151)
Profit for the period		207,501	261,632
Profit attributable to:			
Owners of the Company		198,058	255,259
Non-controlling interests		9,443	6,373
		207,501	261,632
Earnings per share	12		
— Basic		HK\$0.27	HK\$0.34
— Diluted		HK\$0.27	HK\$0.34

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Profit for the period	207,501	261,632
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation to presentation currency	115,655	130,594
Total comprehensive income for the period	323,156	392,226
Total comprehensive income attributable to:		
Owners of the Company	320,728	382,598
Non-controlling interests	2,428	9,628
	323,156	392,226

Condensed Consolidated Statement of Financial Position

At 30 June 2014

	NOTES	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		40,413	43,993
Investment properties	13	2,154,795	2,173,729
Interests in joint ventures	14	3,853,862	3,567,466
Deferred tax assets		63,442	31,474
Loans to joint ventures	17	231,867	308,924
		6,344,379	6,125,586
Current assets			
Inventory of properties	15	29,544,301	26,382,519
Prepayment for land leases	16	1,962,010	1,925,815
Loans to joint ventures	17	138,697	88,608
Debtors, deposits and prepayments	18	1,331,319	1,609,859
Other receivables	19	33,925	34,221
Prepaid income tax		531,892	387,764
Other financial assets	25	–	46,785
Pledged bank deposits	20	189,675	151,091
Bank balances and cash	20	4,217,347	6,677,215
		37,949,166	37,303,877
Total assets		44,293,545	43,429,463
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	21	73,398	73,518
Reserves		12,617,351	12,598,251
		12,690,749	12,671,769
Non-controlling interests		819,224	691,483
Total equity		13,509,973	13,363,252

Condensed Consolidated Statement of Financial Position (continued)

At 30 June 2014

	NOTES	30 June 2014 (Unaudited) HK\$'000	31 December 2013 (Audited) HK\$'000
Non-current liabilities			
Bank and other borrowings — due after one year	22	9,224,115	7,516,859
Loans from non-controlling interests of subsidiaries	23	244,267	410,791
Deferred tax liabilities		594,209	583,292
		10,062,591	8,510,942
Current liabilities			
Creditors and accrued charges	24	5,086,473	5,551,299
Deposits from pre-sale of properties		9,452,282	8,208,965
Income tax payable		595,012	1,630,564
Bank and other borrowings — due within one year	22	5,069,126	5,896,689
Loans from non-controlling interests of subsidiaries	23	454,997	267,752
Other financial liabilities	25	63,091	–
		20,720,981	21,555,269
Total equity and liabilities		44,293,545	43,429,463

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	Attributable to owners of the Company										
	Share capital	Share premium	Foreign currency translation reserve	Special reserve	Share option reserve	Statutory reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2013 (audited)	74,193	3,159,965	2,047,611	1,260,000	17,962	333,505	-	4,899,895	11,793,131	429,742	12,222,873
Profit for the period	-	-	-	-	-	-	-	255,259	255,259	6,373	261,632
Exchange difference arising on translation to presentation currency	-	-	127,339	-	-	-	-	-	127,339	3,255	130,594
Total comprehensive income for the period	-	-	127,339	-	-	-	-	255,259	382,598	9,628	392,226
Sub-total	74,193	3,159,965	2,174,950	1,260,000	17,962	333,505	-	5,155,154	12,175,729	439,370	12,615,099
Issue of ordinary shares upon exercise of share options	12	897	-	-	(148)	-	-	-	761	-	761
Lapse or cancellation of share options	-	-	-	-	(275)	-	-	275	-	-	-
Share repurchased and not yet cancelled	-	-	-	-	-	-	(17,945)	-	(17,945)	-	(17,945)
Recognition of equity-settled share-based payments	-	-	-	-	10,600	-	-	-	10,600	-	10,600
Released upon disposal of interests in joint ventures	-	-	(71,371)	-	-	-	-	71,371	-	-	-
Capital contributions from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	143,541	143,541
Dividend (note 11)	-	-	-	-	-	-	-	(222,614)	(222,614)	-	(222,614)
Balance at 30 June 2013 (unaudited)	74,205	3,160,862	2,103,579	1,260,000	28,139	333,505	(17,945)	5,004,186	11,946,531	582,911	12,529,442
Balance at 1 January 2014 (audited)	73,518	3,111,194	2,258,215	1,260,000	27,112	616,337	(9,794)	5,335,187	12,671,769	691,483	13,363,252
Profit for the period	-	-	-	-	-	-	-	198,058	198,058	9,443	207,501
Exchange difference arising on translation to presentation currency	-	-	122,670	-	-	-	-	-	122,670	(7,015)	115,655
Total comprehensive income for the period	-	-	122,670	-	-	-	-	198,058	320,728	2,428	323,156
Sub-total	73,518	3,111,194	2,380,885	1,260,000	27,112	616,337	(9,794)	5,533,245	12,992,497	693,911	13,686,408
Issue of ordinary shares upon exercise of share options	13	1,002	-	-	(165)	-	-	-	850	-	850
Lapse or cancellation of share options	-	-	-	-	(971)	-	-	971	-	-	-
Shares repurchased and not yet cancelled (note)	-	-	-	-	-	-	(8,886)	-	(8,886)	-	(8,886)
Shares repurchased and cancelled (note)	(133)	(9,783)	-	-	-	-	9,794	-	(122)	-	(122)
Capital contributions from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	125,313	125,313
Dividend (note 11)	-	-	-	-	-	-	-	(293,590)	(293,590)	-	(293,590)
Appropriation	-	-	-	-	-	45,653	-	(45,653)	-	-	-
Balance at 30 June 2014 (unaudited)	73,398	3,102,413	2,380,885	1,260,000	25,976	661,990	(8,886)	5,194,973	12,690,749	819,224	13,509,973

Note: During the period, a subsidiary of the Company repurchased 1,292,000 ordinary shares (six months ended 30 June 2013: 2,588,000 ordinary shares) of HK\$0.1 each of the Company through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK\$9,008,000.

During the period, 1,328,000 ordinary shares repurchased with consideration of HK\$9,916,000 were cancelled, which included 17,000 ordinary shares repurchased in this period with consideration of HK\$122,000 and 1,311,000 ordinary shares repurchased in 2013 with consideration of HK\$9,794,000.

The remaining 1,275,000 ordinary shares repurchased in this period with consideration of HK\$8,886,000 were cancelled subsequent to 30 June 2014.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	NOTE	Six months ended 30 June	
		2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Net cash (used in) from operating activities:			
Payment for land leases		(3,220,112)	(1,537,197)
Decrease (increase) in inventory of properties		494,032	(1,415,662)
Increase in deposits from pre-sale of properties		1,325,612	4,249,573
Income tax paid		(1,663,149)	(825,935)
Other operating cash flows		499,216	(34,010)
		(2,564,401)	436,769
Net cash from investing activities:			
Cash distributions/dividends received from joint ventures		245,000	247,495
Addition to investment properties		(2,425)	(21,156)
Proceeds on disposal of investment properties/deposits received for disposal of assets classified as held for sale		91,465	500,000
Capital contributions to joint ventures		(444,309)	(89,330)
Net proceeds on disposal of interests in joint ventures		–	65,570
Decrease (increase) in restricted bank balances		447,573	(71,263)
(Increase) decrease in pledged bank deposits		(40,099)	30,186
Other investing cash flows		103,882	77,483
		401,087	738,985
Net cash from (used in) financing activities:			
New borrowings raised		3,956,129	2,306,175
Repayment of borrowings		(3,017,970)	(2,037,025)
Capital contributions from non-controlling interests of subsidiaries		125,313	143,541
Loans from non-controlling interests of subsidiaries		66,495	99,493
Repayment of loans from non-controlling interests of subsidiaries		(38,972)	–
Issue of ordinary shares		850	761
Repurchase of ordinary shares		(9,008)	(17,945)
Interest paid		(571,288)	(459,089)
Dividend paid		(293,590)	(222,614)
		217,959	(186,703)
Net (decrease) increase in cash and cash equivalents		(1,945,355)	989,051
Cash and cash equivalents at 1 January		5,336,386	3,755,365
Effect of foreign exchange rate changes		(53,498)	28,165
Cash and cash equivalents at 30 June	26	3,337,533	4,772,581

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new and revised HKAS(s), Hong Kong Financial Reporting Standards ("HKFRS(s)"), amendments and interpretations ("HK(IFRIC)-Int") (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the HKICPA:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Contribution of Hedge Accounting
HK(IFRIC)-Int 21	Levies

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

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The following amendments and interpretation have been issued after the date the consolidated financial statements for the year ended 31 December 2013 were authorised for issuance and are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ⁴
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle ⁶
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle ⁴
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ⁵

¹ Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2017

⁴ Effective for annual periods beginning on or after 1 July 2014

⁵ Effective for annual periods beginning on or after 1 January 2016

⁶ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The Directors are in the process of assessing the impact of the amendments to HKAS 38 on the amortisation of toll roads operating rights held by the infrastructure joint ventures of the Group. Other than the above, the Directors anticipate that the application of the other amendments and interpretation will have no material impact on the results and financial position of the Group.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial liabilities/assets measured at fair value

The other financial liabilities comprising cross-currency interest rate swap contracts of HK\$63,091,000 (31 December 2013: other financial assets of HK\$46,785,000) are measured subsequent to initial recognition at fair value at the end of each reporting period, which are grouped into Level 2 fair value measurements. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of the swap contracts are determined based on valuation provided by the counterparty financial institutions, which is measured using discounted cash flow analysis based on, inter alia, the applicable exchange rate and yield curves of relevant interest rates and contracted interest rates, discounted at a rate that reflects the credit risk of the Group.

The swap contracts require gross settlement.

During the six months ended 30 June 2014 and 2013, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Financial liabilities carried at other than fair value

The Directors consider that the carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost in the condensed consolidated financial statements approximate their fair values as at 31 December 2013 and 30 June 2014 except for the following financial liabilities, for which their carrying amounts and fair values (based on the quoted ask price) are disclosed below:

	30 June 2014		31 December 2013	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
2010 Guaranteed senior notes	1,261,375	1,330,151	1,255,896	1,344,505
2011 Guaranteed senior notes	–	–	1,608,834	1,619,787
2012 Guaranteed senior notes	2,684,453	2,962,050	2,674,364	3,047,363
2013 Guaranteed senior notes	2,734,295	2,760,476	2,757,676	2,798,734

4. REVENUE

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Revenue of the Group		
Sale of completed properties held for sale	3,619,088	2,566,210
Gross rental income from properties	29,376	27,796
Others	73,384	60,404
	3,721,848	2,654,410
Group's share of toll revenue of infrastructure joint ventures	461,611	421,268
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	4,183,459	3,075,678

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

5. SEGMENT INFORMATION

The Group's operating segments, based on the information reported to the Group's chief operating decision maker for the purpose of resources allocation and assessment of performance, are as follows:

Toll road	—	development, operation and management of toll roads through the infrastructure joint ventures
Property development and investment	—	development of properties for sale and for rental income potential and/or capital appreciation

The following is an analysis of the Group's revenue, profit and assets by operating segments for the periods under review:

	Six months ended 30 June 2014			Six months ended 30 June 2013		
	Property development and investment		Total	Property development and investment		Total
	Toll road HK\$'000	investment HK\$'000		Toll road HK\$'000	investment HK\$'000	
Segment revenue	—	3,721,848	3,721,848	—	2,654,410	2,654,410
Segment profit	84,724	207,357	292,081	23,986	206,435	230,421

	At 30 June 2014			At 31 December 2013		
	Property development and investment		Total	Property development and investment		Total
	Toll road HK\$'000	investment HK\$'000		Toll road HK\$'000	investment HK\$'000	
Segment assets (including interests in joint ventures)	4,270,531	36,989,956	41,260,487	4,363,342	34,043,399	38,406,741
Segment liabilities	(27,343)	(29,059,598)	(29,086,941)	(36,584)	(26,847,917)	(26,884,501)

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

5. SEGMENT INFORMATION (continued)

(a) Measurement

Segment profit represents profit earned by each segment, which includes share of results of joint ventures, losses on disposal of interests in joint ventures, fair value gains on transfer of completed properties held for sale to investment properties, change in fair value of investment properties, depreciation of property, plant and equipment, relevant interest income and finance costs and income tax expenses attributable to the relevant segment but without allocation of headquarter's income and expenses.

Segment revenue comprises revenue from external customers. There was no inter-segment revenue.

Segment assets include property, plant and equipment, investment properties, interests in joint ventures, inventory of properties, prepayment for land leases, loans to joint ventures, debtors, deposits and prepayments, other receivables, prepaid income tax, pledged bank deposits, bank balances and cash and deferred tax assets which are directly attributable to the relevant reportable segment.

Segment liabilities include creditors and accrued charges, deposits from pre-sale of properties, income tax payable, bank and other borrowings, loans from non-controlling interests of subsidiaries and deferred tax liabilities which are directly attributable to the relevant reportable segment.

(b) Reconciliation of total segment profit, total segment assets and total segment liabilities

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Total segment profit	292,081	230,421
Unallocated items:		
Interest income	414	155
Corporate income	–	67,287
Corporate expenses	(66,568)	(6,818)
Finance costs	(18,426)	(29,413)
	<hr/>	<hr/>
Consolidated profit for the period	207,501	261,632

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

5. SEGMENT INFORMATION (continued)

(b) Reconciliation of total segment profit, total segment assets and total segment liabilities (continued)

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Total segment assets	41,260,487	38,406,741
Unallocated assets:		
Property, plant and equipment	1,220	1,540
Deposits and prepayments	3,951	42,091
Other financial assets	–	46,785
Bank balances and cash	3,027,887	4,932,306
Consolidated total assets	44,293,545	43,429,463
Total segment liabilities	(29,086,941)	(26,884,501)
Unallocated liabilities:		
Accrued charges	(135,862)	(179,684)
Bank and other borrowings	(1,497,678)	(3,002,026)
Other financial liabilities	(63,091)	–
Consolidated total liabilities	(30,783,572)	(30,066,211)

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Gains on disposal of property, plant and equipment	216	443
Losses on disposal of interests in joint ventures	–	(54,599)
Reversal of impairment losses on other receivables	–	24,876
Fair value gains on transfer of completed properties held for sale to investment properties	–	120,087
Change in fair value of investment properties	76,543	10,170
Change in fair value of other financial liabilities/assets	(50,000)	52,000
Net exchange (losses) gains	(69,484)	52,414
	(42,725)	205,391

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

7. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Share of profits of infrastructure joint ventures before amortisation and taxation	256,965	239,689
Less share of: Amortisation of toll road operation rights	(86,125)	(88,374)
Income tax expenses	(63,337)	(47,966)
	107,503	103,349
Share of profits of other joint ventures	14,265	5,559
	121,768	108,908

8. FINANCE COSTS

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Interest on borrowings		
— wholly repayable within five years	507,323	450,393
— not wholly repayable within five years	13,834	6,793
Other finance costs	58,569	38,327
	579,726	495,513
Less: Capitalised in properties under development for sale	(485,874)	(393,607)
	93,852	101,906

9. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	7,216	5,932
Less: Capitalised in properties under development for sale	(791)	(711)
	6,425	5,221
and after crediting:		
Bank interest income	13,626	21,675

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

10. INCOME TAX EXPENSES

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Current tax:		
PRC enterprise income tax ("EIT")	294,797	200,797
PRC land appreciation tax ("LAT")	170,468	172,549
PRC withholding tax	35,052	20,342
	500,317	393,688
Deferred tax:		
Current period	(15,656)	108,463
	484,661	502,151

No provision for Hong Kong profits tax has been made as there was no assessable profit derived from Hong Kong.

The EIT is calculated at a statutory tax rate of 25%.

The provision of LAT is estimated according to the requirements set forth in the relevant tax laws and regulations of the People's Republic of China (the "PRC"), which is charged at progressive rates ranging from 30% to 60% of the appreciation value, with certain allowable deductions.

11. DIVIDEND PAID

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
2013 final dividend paid of HK\$0.40 (six months ended 30 June 2013:		
2012 final dividend paid of HK\$0.30) per share	293,590	222,614

An interim dividend in respect of 2014 of HK\$0.13 (six months ended 30 June 2013: HK\$0.18) per share amounting to a total of approximately HK\$95 million (six months ended 30 June 2013: HK\$133 million) was declared by the Board on 15 August 2014. This interim dividend has not been included as a liability in these condensed consolidated financial statements as it was declared after the end of the reporting period.

The amount of the interim dividend was calculated on the basis of 732,476,566 shares in issue as at 15 August 2014.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

12. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	198,058	255,259
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	733,862	741,891
Effect of dilutive potential ordinary shares:		
Share options	450	637
Weighted average number of ordinary shares for the purpose of diluted earnings per share	734,312	742,528

13. INVESTMENT PROPERTIES

	HK\$'000
Completed properties, at fair value	
At 1 January 2014	2,095,204
Transfer from completed properties held for sale (note)	16,025
Disposal during the period	(91,465)
Change in fair value recognised in profit or loss	32,295
Exchange difference arising on translation to presentation currency	(21,287)
At 30 June 2014	2,030,772
Properties under construction, at fair value	
At 1 January 2014	78,525
Addition	2,425
Change in fair value recognised in profit or loss	44,248
Exchange difference arising on translation to presentation currency	(1,175)
At 30 June 2014	124,023
Total	2,154,795

Note: They were transferred from completed properties held for sale due to the change in use of the properties as evidenced by the commencement of operating leases.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

13. INVESTMENT PROPERTIES (continued)

The fair values of investment properties under construction and completed investment properties at the date of transfer, 30 June 2014 and 31 December 2013 were determined by reference to valuations carried out by an independent firm of professional valuers not connected with the Group, who had recognised and relevant qualifications. The valuation report on these properties was signed by directors of the firm of professional valuers who are members of The Hong Kong Institute of Surveyors. The fair values of the investment properties were determined by the valuers on the following basis:

- | | | |
|-------------------------------|---|---|
| Completed properties | — | by reference to capitalised income to be derived from the existing tenancies and the reversionary income potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions |
| Properties under construction | — | by reference to the current or recent prices of investment properties and estimated costs to completion based on construction budget, past experience, committed contracts, allowances for contingencies as well as developer's profit margin, which reflect the risks associated with the completion of the development of the properties and in achieving the anticipated income or capital appreciation on the date of valuation |

The investment properties are situated in the PRC and are held under medium term leases. All of the Group's leasehold interests in land held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

14. INTERESTS IN JOINT VENTURES

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Interests in infrastructure joint ventures		
Cost of investments	4,964,806	4,623,485
Share of post-acquisition profits and other comprehensive income, net of dividends received	2,408,240	2,519,933
Return of cost of investments (note)	(3,341,755)	(3,284,430)
Impairment losses recognised on cost of investments	(321,141)	(321,141)
	3,710,150	3,537,847
Interests in other joint ventures		
Cost of investments	117,389	16,123
Share of post-acquisition profits and other comprehensive income, net of dividends received	26,323	13,496
	143,712	29,619
	3,853,862	3,567,466

Note: The infrastructure joint ventures distribute the cash surplus to the Group and the other venturers including a return of total investment costs. The amount of cash distribution varies from time to time and depends on the toll road performance, the amount of operating expenses and capital expenditure incurred by the joint ventures.

15. INVENTORY OF PROPERTIES

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Completed properties held for sale	2,566,493	4,072,755
Properties under development for sale (note)	26,977,808	22,309,764
	29,544,301	26,382,519

Note: Included in the amount are properties under development for sale of HK\$18,406,453,000 (31 December 2013: HK\$14,383,102,000) which are expected to be completed and available for delivery to the customers more than twelve months from the end of the reporting period.

16. PREPAYMENT FOR LAND LEASES

As at 30 June 2014, the total consideration of HK\$1,962,010,000 (31 December 2013: HK\$1,925,815,000) was prepaid in full according to the sale and purchase agreement entered into with the PRC local government for the acquisition of certain pieces of land in the PRC for property development for sale. And such prepayment is classified as current assets. Upon the delivery of relevant land title document to the Group, the prepaid amount, which represents the land purchase costs of those pieces of land, will be recognised as "properties under development for sale" under "inventory of properties".

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

17. LOANS TO JOINT VENTURES

The Group as lenders

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Amount due from		
Hunan Changyi Expressway Co., Ltd (note (a))	280,339	308,924
深圳市路勁雋御投資發展有限公司 (note (b))	2,506	–
Jinzhong Longcheng Expressway Co., Ltd (note (c))	87,719	88,608
	370,564	397,532
Less: amounts shown as current assets	(138,697)	(88,608)
	231,867	308,924
Amounts shown as non-current assets	231,867	308,924

Notes:

- (a) The loans are unsecured, carrying interest at 10% margin on People's Bank of China prescribed interest rate (31 December 2013: a fixed rate of 7.205% to 7.755%) per annum. The amount included in non-current assets is due in October 2019 and the remaining amount of HK\$50,978,000 (31 December 2013: Nil) included in current assets is due within one year.
- (b) The amount is unsecured, carrying interest at a fixed rate of 10% (31 December 2013: nil) per annum and due in October 2015 and included in non-current assets.
- (c) The amount is unsecured, interest free and due in December 2014.

18. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Aged analysis of trade debtors, presented based on invoice dates (note):		
Within 60 days	5,267	3,982
60 to 90 days	159	49
More than 90 days	12,787	3,368
	18,213	7,399
Deferred consideration on disposal of interests in joint ventures	180,052	181,875
Refundable tender deposits for acquisition of land and toll road project	275,689	540,798
Prepayment of business tax and other taxes	477,198	371,421
Other receivables, deposits and prepayments	380,167	508,366
	1,331,319	1,609,859

Note: The debtors are mainly arisen from sale of properties. Consideration in respect of properties sold is paid in accordance with the terms of the related sale and purchase agreements, normally within 60 days from the agreements. Consideration will be fully received prior to the delivery of the properties to the purchasers.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

19. OTHER RECEIVABLES

It represented the cash advance to Huge Rise Investments Limited and its subsidiaries, which are independent third parties of the Group. Based on the cash advance agreement dated 4 January 2010, the cash advance will be fully repaid before December 2014 and it bears interest at 1% per annum over 3-month Hong Kong Interbank Offered Rate.

20. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits of HK\$189,675,000 (31 December 2013: HK\$151,091,000) in total are pledged as securities in favour of banks for mortgage facilities granted to the buyers of properties developed by the Group and short-term facilities granted to the Group.

Included in bank balances and cash, bank balances of HK\$1,189,460,000 (31 December 2013: HK\$1,744,909,000) in total were limited to be used in the development of certain property projects. These bank balances comprised the proceeds received from pre-sale of properties of certain property projects deposited into designated bank accounts of the Group of HK\$879,814,000 (31 December 2013: HK\$1,340,829,000) according to the relevant requirements of the PRC local government. The remaining cash is received mainly from bank loans of HK\$309,646,000 (31 December 2013: HK\$404,080,000) for property development.

Bank balances carry interest at market rates which range from 0.01% to 1.15% (31 December 2013: 0.01% to 2.35%) per annum.

21. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each	20,000,000,000	2,000,000
7.5% convertible preference shares of HK\$0.1 each	518,380	52
Issued and fully paid:		
Ordinary shares		
At 1 January 2014	735,178,566	73,518
Add: Issue of shares upon exercise of share options	125,000	13
Less: Share repurchased and cancelled	(1,328,000)	(133)
At 30 June 2014	733,975,566	73,398

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

22. BANK AND OTHER BORROWINGS

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
2010 Guaranteed senior notes (note (a))	1,261,375	1,255,896
2011 Guaranteed senior notes (note (b))	–	1,608,834
2012 Guaranteed senior notes (note (c))	2,684,453	2,674,364
2013 Guaranteed senior notes (note (d))	2,734,295	2,757,676
Bank loans (note (e))	7,613,118	5,116,778
	14,293,241	13,413,548
The maturity of the above loans and notes is as follows:		
Unsecured borrowings repayable*:		
Within one year	1,058,421	2,695,054
More than one year but not exceeding two years	1,762,909	1,604,453
More than two years but not exceeding five years	6,989,422	5,432,040
	9,810,752	9,731,547
Secured borrowings repayable*:		
Within one year	3,601,205	2,909,849
More than one year but not exceeding two years	14,098	12,660
More than two years but not exceeding five years	72,055	64,873
More than five years	385,631	402,833
	4,072,989	3,390,215
Carrying amount of unsecured bank loans containing a repayable on demand clause	409,500	291,786
Total borrowings	14,293,241	13,413,548
Less: Amounts classified as current liabilities	(5,069,126)	(5,896,689)
Amount due over one year shown and classified as non-current liabilities	9,224,115	7,516,859

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

22. BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) The 2010 Guaranteed senior notes with an outstanding principal amounting to US\$163,580,000 (31 December 2013: US\$163,580,000) are listed on the Singapore Exchange Securities Trading Limited ("SGX") and were issued in September 2010. The notes, bearing interest at a fixed rate of 9.5% per annum, will mature in September 2015.
- (b) At 31 December 2013, the 2011 Guaranteed senior notes with an outstanding principal amounting to RMB1,272,000,000 are listed on the SGX and were issued in February 2011. The notes, bearing interest at a fixed rate of 6% per annum, had matured and were fully redeemed in February 2014.
- (c) The 2012 Guaranteed senior notes with an outstanding principal amounting to US\$350,000,000 (31 December 2013: US\$350,000,000) are listed on the Stock Exchange and were issued in September 2012. The notes, bearing interest at a fixed rate of 9.875% per annum, will mature in September 2017.
- (d) The 2013 Guaranteed senior notes with an outstanding principal amounting to RMB2,200,000,000 (31 December 2013: RMB2,200,000,000) are listed on the Stock Exchange and were issued in December 2013. The notes, bearing interest at a fixed rate of 6% per annum, will mature in December 2016.
- (e) Bank loans with carrying amount of HK\$4,072,989,000 (31 December 2013: HK\$3,390,215,000) bear interest at a fixed rate of 6.15% to 7.38% (31 December 2013: 6.15% to 7.38%) per annum. Interest rates on the remaining bank loans, which carry at floating interest rates based on Hong Kong Interbank Offered Rate or London Interbank Offered Rate plus a specified margin, range from 2.50% to 5.00% (31 December 2013: 2.50% to 5.00%) per annum.

23. LOANS FROM NON-CONTROLLING INTERESTS OF SUBSIDIARIES

At the end of the reporting period, the amounts of HK\$454,997,000 (31 December 2013: HK\$267,752,000) are unsecured, interest bearing at fixed rate of 7.20% to 7.44% (31 December 2013: 6.72% to 7.38%) per annum and the entire balance will be repayable within one year.

At the end of the reporting period, loans with carrying amount of HK\$244,267,000 (31 December 2013: HK\$410,791,000) in aggregate are unsecured and interest bearing at a fixed rate of 7.38% (31 December 2013: 7.38%) per annum. Such amounts are repayable in the second half of 2015 and are classified as non-current liabilities.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

24. CREDITORS AND ACCRUED CHARGES

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Aged analysis of creditors presented based on invoice dates:		
Trade payables		
Within 60 days	126,565	186,187
60 to 90 days	49,445	17,755
More than 90 days	371,516	269,908
	547,526	473,850
Bills payables		
Within 60 days	11,905	8,861
More than 90 days	67,669	11,392
	79,574	20,253
Accrued construction costs	3,519,066	4,082,009
	4,146,166	4,576,112
Interest payable	133,461	161,974
Accrued taxes (other than EIT and LAT)	34,191	47,021
Other payables and accrued charges	772,655	766,192
	5,086,473	5,551,299

25. OTHER FINANCIAL LIABILITIES/ASSETS

The other financial liabilities represent the fair value of cross-currency interest rate swap contracts of HK\$63,091,000 (31 December 2013: other financial assets of HK\$46,785,000). At the end of the reporting period, the Group has two (31 December 2013: three) outstanding cross-currency interest rate swap contracts. The Group will pay United States dollars and receive Renminbi on gross settlement basis at the date specified in the terms of contracts.

Details on the fair value measurement of the swap contracts are set out in note 3.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

26. CASH AND CASH EQUIVALENTS

For the purposes of the condensed consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks except certain restricted bank balances. Cash and cash equivalents at the end of the period as shown in condensed consolidated statement of cash flows can be reconciled to the related items in the condensed consolidated statement of financial position as follows:

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Bank balances and cash	4,217,347	6,677,215
Less: restricted bank balances — proceeds from pre-sale of certain property projects (note 20)	(879,814)	(1,340,829)
	3,337,533	5,336,386

27. CAPITAL COMMITMENTS

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Capital expenditure in respect of the development of investment properties		
— contracted for but not provided in the condensed consolidated financial statements	4,984	12,797
— authorised but not contracted for	2,814	2,797
	7,798	15,594
Capital injection into infrastructure joint ventures contracted for but not provided in the condensed consolidated financial statements	173,120	174,873

28. CONTINGENT LIABILITIES

At 30 June 2014, the Group provided guarantees of HK\$4,607,149,000 (31 December 2013: HK\$5,328,244,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificate of the respective property by the banks from the customers as a pledge for security to the mortgage loan granted. The Directors considered that the fair value of such guarantees on initial recognition was insignificant.

29. PLEDGE OF ASSETS

At the end of the reporting period, other than the pledged bank deposits as disclosed in note 20, the Group's inventory of properties of HK\$3,630,978,000 (31 December 2013: HK\$3,400,356,000) were pledged to secure the banking facilities granted to the Group.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2014

30. RELATED PARTY TRANSACTIONS

Other than set out in notes 17 and 23, the Group had transactions with the following related parties during the period, details of which are as follows:

Related parties	Nature	Six months ended 30 June	
		2014	2013
		HK\$'000	HK\$'000
A joint venture	Interest income	10,899	11,403
Non-controlling interests of subsidiaries	Interest expenses	25,205	13,904

The above transactions did not constitute a connected transaction as defined under the Listing Rules.

Compensation of key management personnel

The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Short-term employment benefits	58,300	56,640
Post-employment benefits	2,742	2,608
Share-based payments	–	10,279
	61,042	69,527

The remuneration of Directors and key executives is determined by the performance of individuals and market trends.

31. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2014 amounted to HK\$23,572,564,000 (31 December 2013: HK\$21,874,194,000). The Group's net current assets at 30 June 2014 amounted to HK\$17,228,185,000 (31 December 2013: HK\$15,748,608,000).

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF ROAD KING INFRASTRUCTURE LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Road King Infrastructure Limited (the "Company") and its subsidiaries set out on pages F-1 to F-23, which comprise the condensed consolidated statement of financial position as of 30 June 2014 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

15 August 2014