



Road King Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 1098)



INTERIM
REPORT **2017**

Road King Infrastructure Limited

Road King Infrastructure Limited ("Road King") is a prominent property developer in Mainland China and Hong Kong focusing on developing quality residential apartments at affordable prices. The existing asset portfolio of property business is primarily located in the Yangtze River Delta and Bohai Rim regions, comprising a land reserve of over 7.2 million square metres. Road King is also a leading toll road investor and operator in Mainland China with over 20 years of experience in the industry. The current toll road portfolio comprises five expressways spanning 340 km in Mainland China.

18 August 2017

Corporate Profile





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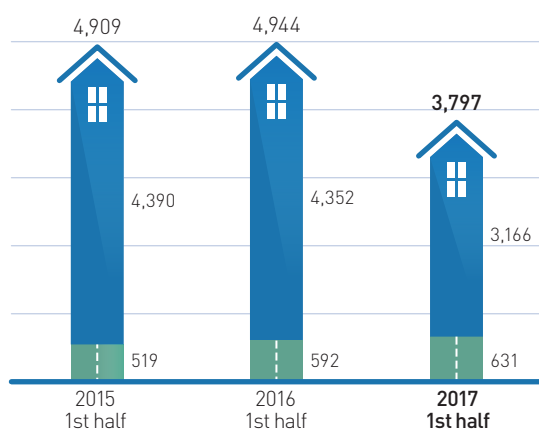
Financial Highlights

(HK\$'million)	For the six months ended 30 June			For the year ended 31 December	
	2017	2016	2015	2016	2015
Revenue from property development	3,166	4,352	4,390	16,842	12,510
Group's share of toll revenue	631	592	519	1,238	1,090
Cash received from toll road projects (including the repayment of shareholders' loans)	390	250	243	580	530
Profit attributable to owners of the Company	284	218	228	1,250	820
Basic earnings per share (HK\$)	0.38	0.30	0.31	1.69	1.11
Net assets per share attributable to owners of the Company (HK\$)	17.88	17.47	17.76	17.96	17.78
Dividend per share (HK\$)	0.15	0.13	0.13	0.68	0.48
Net gearing ratio (%)	30%	62%	77%	66%	73%

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

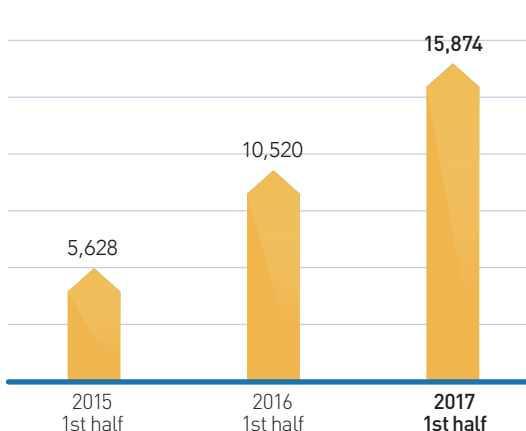
(HK\$'million)

■ Property
■ Toll Road

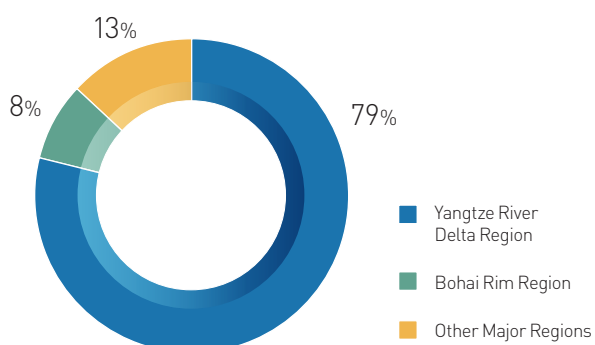


Property sales from property development (including joint venture projects)

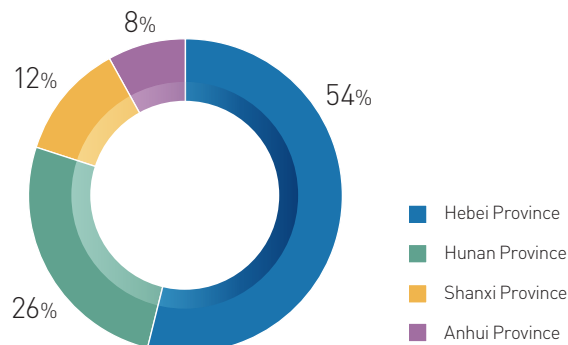
(RMB'million)



Revenue contribution of property projects in first half of 2017 by location



Revenue contribution of toll road projects in first half of 2017 by location



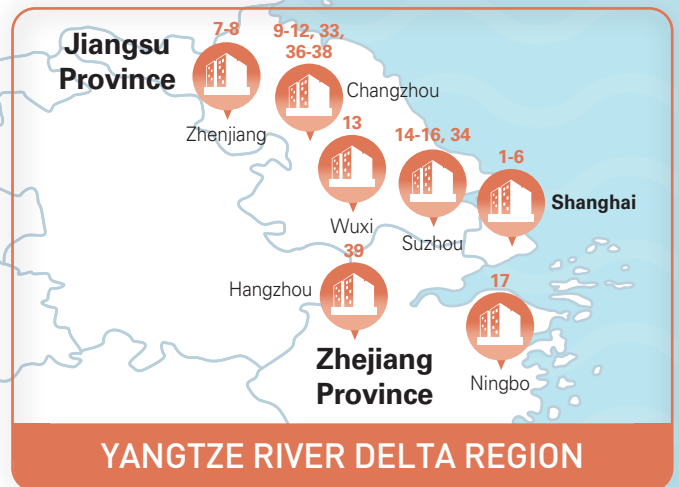
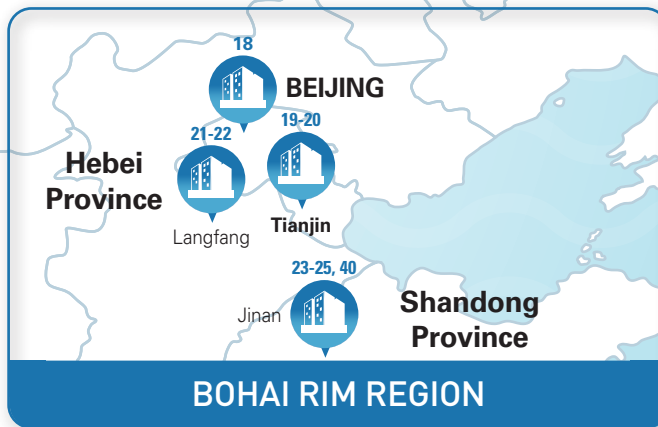
Major Projects Information

PROPERTY PROJECTS

 Yangtze River Delta Region

 Bohai Rim Region

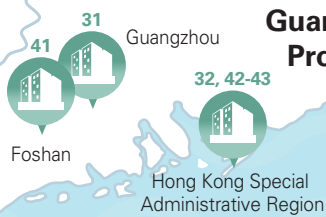
 Other Major Regions



Hunan Province



Guangdong Province



Major Projects Information (continued)

PROPERTIES FOR SALE

As at 30 June 2017

Yangtze River Delta Region

P1	RK Shanghai Villa							
	Floor area (sqm)	61,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	136,000
	Approximate attributable interest	55%	Target completion	2017	Location	West of Bai'an Highway, North of Miaojing River, Waigang Town, Jiading District, Shanghai, the PRC		
Shanghai Juncheng Real Estate Ltd.								
P2	RK Shanghai Manor							
	Floor area (sqm)	35,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	133,000
	Approximate attributable interest	55%	Target completion	2017	Location	Lane 589, Hengrong Road, Waigang Town, Jiading District, Shanghai, the PRC		
Shanghai Juncheng Real Estate Ltd.								
P3	RK Shanghai Style Phase II							
	Floor area (sqm)	73,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	72,000
	Approximate attributable interest	90%	Target completion	2017	Location	East of Yutang Road and South of Bai'an Highway, Anting Town, Jiading District, Shanghai, the PRC		
Shanghai Junda Real Estate Ltd.								
P4	Shanghai Anting Changji Road South Project							
	Floor area (sqm)	80,000	Nature	Residential	Stage of completion (note)	P	Land area (sqm)	42,000
	Approximate attributable interest	75%	Target completion	2019	Location	East of Yutang Road and South of Changji Road, Anting Town, Jiading District, Shanghai, the PRC		
Shanghai Junan Real Estate Ltd.								
P5	RK Sheshan Villa							
	Floor area (sqm)	52,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	37,000
	Approximate attributable interest	60%	Target completion	2017	Location	East to Hexi Road, West to Kungang River, South to Mianzhanggang River and North to Chongnan Road, Xiaokunshan Town, Songjiang District, Shanghai, the PRC		
Shanghai Juntong Real Estate Co., Ltd.								

Major Projects Information (continued)

PROPERTIES FOR SALE

As at 30 June 2017

Yangtze River Delta Region


P6	Xiaokunshan BC Project							
	Floor area (sqm)	177,000	Nature	Residential and commercial	Stage of completion (note)	M	Land area (sqm)	122,000
	Approximate attributable interest	60%	Target completion	2020	Location	East to Kungang Highway, West to Hexi Street, South to Mianzhanggang River and North to Wennan Road, Xiaokunshan Town, Songjiang District, Shanghai, the PRC		
Shanghai Junzhu Real Estate Ltd.								
P7	RK Notting Hill							
	Floor area (sqm)	74,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	98,000
	Approximate attributable interest	100%	Target completion	2018	Location	Chuqiao Road, Dingmao District, Zhenjiang, Jiangsu Province, the PRC		
Zhenjiang RK Properties Developments Ltd.								
P8	RK City (Zhenjiang)							
	Floor area (sqm)	486,000	Nature	Residential	Stage of completion (note)	P/F/S/C	Land area (sqm)	257,000
	Approximate attributable interest	100%	Target completion	2020	Location	South of Yihou Road and West of Yandun Shan Road, Dagang Town, Zhenjiang, Jiangsu Province, the PRC		
Zhenjiang RK Dagang Properties Developments Co., Ltd.								
P9	RK City (Changzhou)							
	Floor area (sqm)	415,000	Nature	Residential	Stage of completion (note)	P/F/S/C	Land area (sqm)	280,000
	Approximate attributable interest	100%	Target completion	2019	Location	East of Huoju Bei Road and North of Guangdian Xi Road, Gaoxin Zone, Hutang Town, Wujin District, Changzhou, Jiangsu Province, the PRC		
Changzhou RK Properties Developments Ltd.								


Major Projects Information (continued)


PROPERTIES FOR SALE


As at 30 June 2017

Yangtze River Delta Region

P10	RK Urban Home Court							
	Floor area (sqm)	128,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	95,000
	Approximate attributable interest	100%	Target completion	2017	Location	West of Dongxi Lin Road and North of Hualin Road, Zhonglou District, Changzhou, Jiangsu Province, the PRC		
	Changzhou RK Hongcheng Properties Developments Ltd.							

P11	RK City Landmark							
	Floor area (sqm)	217,000	Nature	Residential	Stage of completion (note)	P/F/S	Land area (sqm)	89,000
	Approximate attributable interest	100%	Target completion	2020	Location	North of Qingtan Xi Road and West of Chechang Road, Zhonglou District, Changzhou, Jiangsu Province, the PRC		
	Changzhou RK Hongyuan Properties Developments Ltd.							

P12	RK City Signature							
	Floor area (sqm)	224,000	Nature	Residential	Stage of completion (note)	F/S/C	Land area (sqm)	110,000
	Approximate attributable interest	100%	Target completion	2019	Location	East of Longjiang Road, North of Zijing Xi Road, Zhonglou District, Changzhou, Jiangsu Province, the PRC		
	Changzhou RK Hongrun Properties Developments Ltd.							


P13	RK The Providence							
	Floor area (sqm)	136,000	Nature	Residential	Stage of completion (note)	F/S/C	Land area (sqm)	88,000
	Approximate attributable interest	100%	Target completion	2019	Location	Southwest of the junction of Zhongnan Xi Road and Lixi Road, Binhu District, Wuxi, Jiangsu Province, the PRC		
	Wuxi RK Liyuan Properties Limited							

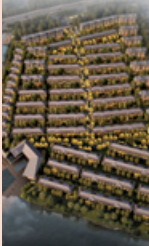
Major Projects Information (continued)

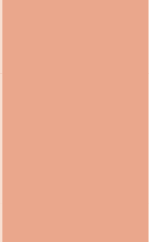
PROPERTIES FOR SALE

As at 30 June 2017

Yangtze River Delta Region

P14	RK Phoenix City							
	Floor area (sqm)	250,000	Nature	Residential	Stage of completion (note)	F/S/C	Land area (sqm)	843,000
	Approximate attributable interest	100%	Target completion	2019	Location	Junction of Zhongxin Da Road East and Xieyu Road South, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		
	Suzhou Junyu Properties Ltd.							

P15	RK Yanjiang Riverside							
	Floor area (sqm)	60,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	58,000
	Approximate attributable interest	58.82%	Target completion	2017	Location	Junction of Xiangzhou Road and Shunxian Road, Yangchenghu Town, Xiangcheng District, Suzhou, Jiangsu Province, the PRC		
	Suzhou Juncheng Properties Developments Co., Ltd.							

P16	Chengtie Xincheng Project							
	Floor area (sqm)	190,000	Nature	Residential	Stage of completion (note)	P	Land area (sqm)	95,000
	Approximate attributable interest	51%	Target completion	2020	Location	West of Anyang Road and North of Huhong Road, Huguan Town, Gaoxin District, Suzhou, Jiangsu Province, the PRC		
	Suzhou Zhongjiao RK Properties Co., Ltd.							

P17	RK XinTianDi (Ningbo) (formerly known as Ningbo Jiangbei Project)							
	Floor area (sqm)	98,000	Nature	Residential and commercial	Stage of completion (note)	P/F/S	Land area (sqm)	27,000
	Approximate attributable interest	100%	Target completion	2019	Location	No. 32, Zhengda Lane, Jiangbei District, Ningbo, Zhejiang Province, the PRC		
	Ningbo Yonghong Property Co., Ltd.							

Major Projects Information (continued)

PROPERTIES FOR SALE

As at 30 June 2017

Bohai Rim Region


	P18 RK World City							
	Floor area (sqm)	80,000	Nature	Residential and commercial	Stage of completion (note)	S/C	Land area (sqm)	108,000
	Approximate attributable interest	100%	Target completion	2019	Location	West to Heying Road, East to Heying Xi Road, North to Changhuai Road Southern Line and South to Changhuai Road, Nanshao Town, Changping District, Beijing, the PRC		
Beijing RK Junyu Properties Developments Ltd.								
	P19 RK Sunny Town							
	Floor area (sqm)	453,000	Nature	Residential	Stage of completion (note)	P/F/S/C	Land area (sqm)	811,000
	Approximate attributable interest	94.74%	Target completion	2020	Location	Junction of Lushan Road and Helan Road, Hedong District, Tianjin, the PRC		
Tianjin Sunco Xindi Property Co., Ltd.								
	P20 RK Emerald Courtyard							
	Floor area (sqm)	266,000	Nature	Residential	Stage of completion (note)	P/F	Land area (sqm)	125,000
	Approximate attributable interest	50%	Target completion	2020	Location	Junction of Chenyong Road and Zhixin Road, Beicang Town, Beichen District, Tianjin, the PRC		
Tianjin Junde Properties Developments Co., Ltd.								
	P21 RK Grandtown							
	Floor area (sqm)	508,000	Nature	Residential	Stage of completion (note)	P/F/S/C	Land area (sqm)	495,000
	Approximate attributable interest	100%	Target completion	2020	Location	East of Shouchuang Da Street, South of Xinkai Da Street, West of Lidaxian and South to North of Dafubei Road, Xiadian Town, Dachang Hui Autonomous County, Langfang, Hebei Province, the PRC		
Dachang Hui Autonomous County Zhongji Shouye Properties Developments Co., Ltd.								

Major Projects Information (continued)


PROPERTIES FOR SALE

As at 30 June 2017

Bohai Rim Region

P22	Guan Project							
	Floor area (sqm)	107,000	Nature	Residential and commercial	Stage of completion (note)	S/C	Land area (sqm)	200,000
	Approximate attributable interest	45%	Target completion	2017	Location	West of Neinanchen Village and East of Daguang Highway, Hot Spring Park, Guan County, Langfang, Hebei Province, the PRC		
	Hebei Kexin Agriculture Development Co., Ltd.							

P23	RK City (Jinan) Phase II							
	Floor area (sqm)	125,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	34,000
	Approximate attributable interest	100%	Target completion	2018	Location	South of Beiyuan Da Street and West of Erhuan East Road, Licheng District, Jinan, Shandong Province, the PRC		
	Jinan RK Juncheng Properties Developments Co., Ltd.							

P24	RK City (Jinan) Phase III							
	Floor area (sqm)	101,000	Nature	Commercial	Stage of completion (note)	P	Land area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	2020	Location	South of Beiyuan Da Street and West of Erhuan East Road, Licheng District, Jinan, Shandong Province, the PRC		
	Jinan RK Juncheng Properties Developments Co., Ltd.							

P25	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%	Target completion	2019	Location	North of University Road, West of Ziwei Road (No. 3), University Technology Zone, Changqing District, Jinan, Shandong Province, the PRC		
	Shandong Yudi Properties Developments Co., Ltd.							

Major Projects Information (continued)


PROPERTIES FOR SALE

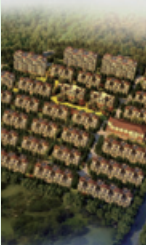
As at 30 June 2017

Other Major Regions

P26	RK International City (Zhengzhou)							
	Floor area (sqm)	467,000	Nature	Residential	Stage of completion (note)	P/F/S	Land area (sqm)	162,000
	Approximate attributable interest	60%	Target completion	2020	Location	Northeast of the junction of Shangduda Road and Renwen Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC		
	Zhengzhou Longgang Real Estate Ltd.							

P27	RK Ninth County (formerly known as Zhengzhou Zhongmou B Project)							
	Floor area (sqm)	886,000	Nature	Residential and commercial	Stage of completion (note)	P/F	Land area (sqm)	314,000
	Approximate attributable interest	60%	Target completion	2024	Location	East to Zhongxing Road, West to Guihua Road, South to Dongfeng Road, North to Wenbo Road, Xiaopan Zhuang, Zhongmou County, Zhengzhou, Henan Province, the PRC		
	Zhengzhou Hua Shou Hong Tian Real Estate Co., Ltd.							

P28	RK Royal City (Luoyang)							
	Floor area (sqm)	267,000	Nature	Residential	Stage of completion (note)	P/F/S/C	Land area (sqm)	147,000
	Approximate attributable interest	100%	Target completion	2020	Location	Huaxia Road, Gaoxin District, Luoyang, Henan Province, the PRC		
	Luoyang RK Properties Developments Ltd.							

P29	RK Leader of Life (Luoyang)							
	Floor area (sqm)	53,000	Nature	Residential	Stage of completion (note)	P/F/S	Land area (sqm)	54,000
	Approximate attributable interest	100%	Target completion	2019	Location	Southwest of the junction of Yanhuang Road and Tianzhong Road, Gaoxin District, Luoyang, Henan Province, the PRC		
	Luoyang RK Hongjun Properties Developments Co., Ltd.							

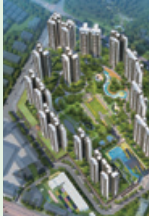
Major Projects Information (continued)

PROPERTIES FOR SALE

As at 30 June 2017

Other Major Regions

P30	Lingling Ancient City (formerly known as Guzhen Yongzhou Project)							
	Floor area (sqm)	120,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	196,000
	Approximate attributable interest	46.55%	Target completion	2018	Location	Xiao Shui Zhi Pan, Heping Yangnan Road, Lingling District, Yongzhou, Hunan Province, the PRC		
Yongzhou Weiguang Huitong Guzhen Culture and Tourism Development Ltd.								


P31	RK Vista Panorama (Guangzhou)							
	Floor area (sqm)	225,000	Nature	Residential	Stage of completion (note)	P/F/S	Land area (sqm)	90,000
	Approximate attributable interest	51%	Target completion	2019	Location	Baohua Road, Huadu District, Guangzhou, Guangdong Province, the PRC		
Guangzhou Junhong Properties Developments Co., Ltd.								


P32	Yuen Long Project							
	Floor area (sqm)	34,000	Nature	Residential	Stage of completion (note)	P	Land area (sqm)	28,000
	Approximate attributable interest	100%	Target completion	2020	Location	Lot No. 1066 in Demarcation District No. 103, Au Tau, Yuen Long, New Territories, Hong Kong		
Power Truth Development Limited								

Major Projects Information (continued)


INVESTMENT PROPERTIES


As at 30 June 2017

P33 RK Grand Metropolis (Changzhou)								
	Floor area (sqm)	113,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	67,000
	Approximate attributable interest	100%	Target completion	Not applicable	Location	No. 33, Huayuan Street, Wujin District, Changzhou, Jiangsu Province, the PRC		
	Changzhou Greatmind Properties Developments Ltd.							

P14 RK Phoenix City								
	Floor area (sqm)	22,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	Not applicable	Location	Junction of Zhongxin Da Road East and Xieyu Road South, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		
	Suzhou Junyu Properties Ltd.							

P34 RK Grand Metropolis (Suzhou) (formerly known as Wujiang Project)								
	Floor area (sqm)	37,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	24,000
	Approximate attributable interest	100%	Target completion	Not applicable	Location	No. 180, Renmin Road, Wujiang District, Suzhou, Jiangsu Province, the PRC		
	Suzhou Junhong Properties Developments Co., Ltd.							

P19 RK Joy Park								
	Floor area (sqm)	17,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	9,000
	Approximate attributable interest	94.74%	Target completion	Not applicable	Location	Junction of Longshan Road and Tianshan Bei Road, Hedong District, Tianjin, the PRC		
	Tianjin Sunco Xindi Property Co., Ltd.							

P35 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	Junction of Shangding Road and Nongye Dong Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC		
	Zhengzhou Keshu Real Estate Co., Ltd.							

Major Projects Information (continued)

NEW PROJECTS ACQUIRED IN 2017

Yangtze River Delta Regions

P36	Xitaihu Project							
	Floor area (sqm)	139,000	Nature	Residential	Stage of completion (note)	M	Land area (sqm)	208,000
	Approximate attributable interest	90%	Target completion	2021	Location	West of Fengyuan Bei Road, South of Daoxiang Road, North of Yanzheng Xi Road, East of Luyang Road, Wujin Economic Development District, Changzhou, Jiangsu Province, the PRC		
	Changzhou Hongchi Properties Developments Co., Ltd.							
P37	Liyang Project							
	Floor area (sqm)	78,000	Nature	Residential	Stage of completion (note)	M	Land area (sqm)	46,000
	Approximate attributable interest	100%	Target completion	2019	Location	North of Yancheng Da Road, East of Yingbin Road, South of Yanming Road, West of Dongtai Road, Yanshan New District, Changzhou, Jiangsu Province, the PRC		
	Liyang Hongjing Properties Developments Co., Ltd.							
P38	Yaoguan Project							
	Floor area (sqm)	124,000	Nature	Residential and commercial	Stage of completion (note)	M/P/C	Land area (sqm)	50,000
	Approximate attributable interest	100%	Target completion	2020	Location	South of Zhongwu Da Road, West of Jinchuang Road, Yaoguan Town, Wujin District, Chanzhou, Jiangsu Province, the PRC		
	Changzhou Hongyao Properties Developments Co., Ltd.							
P39	Chongxian Xincheng Project							
	Floor area (sqm)	74,000	Nature	Residential	Stage of completion (note)	M	Land area (sqm)	37,000
	Approximate attributable interest	49%	Target completion	2019	Location	East to Suichaogang, South to Suihang Street, North to Sanxianqiaogang, Yuhang District, Hangzhou, Zhejiang Province, the PRC		
	Hangzhou Junyuan Real Estate Co., Ltd.							


Major Projects Information (continued)

NEW PROJECTS ACQUIRED IN 2017

Bohai Rim Region

P40	Lixia District Project							
	Floor area (sqm)	149,000	Nature	Residential	Stage of completion (note)	M	Land area (sqm)	50,000
	Approximate attributable interest	100%	Target completion	2019	Location	North of Jingshi Dong Road, Lixia District, Jinan, Shandong Province, the PRC		
Jinan Junsheng Properties Developments Co., Ltd.								

Other Major Regions

P41	Shunde Project							
	Floor area (sqm)	139,000	Nature	Residential	Stage of completion (note)	M	Land area (sqm)	40,000
	Approximate attributable interest	49%	Target completion	2020	Location	North of Ronggui Rongqi Da Road, West of Xianghe Guojiang Tunnel, Shunde District, Foshan, Guangdong Province, the PRC		
Guangzhou Junjie Properties Developments Co., Ltd.								

P42	Wong Chuk Hang Project							
	Floor area (sqm)	54,000	Nature	Residential	Stage of completion (note)	M	Land area (sqm)	11,000
	Approximate attributable interest	50%	Target completion	2022	Location	Site A of Aberdeen Inland Lot No. 467, Hong Kong		
Ease Harvest Investments Limited								

P43	Gold Coast Project							
	Floor area (sqm)	44,000	Nature	Residential	Stage of completion (note)	M	Land area (sqm)	12,000
	Approximate attributable interest	50%	Target completion	2022	Location	Tuen Mun Town Lot No. 520, New Territories, Hong Kong		
Shum King Company Limited								

Notes:

"M" denotes "Master planning"
"S" denotes "Superstructure"

"P" denotes "Planning and design"
"C" denotes "Completed"

"F" denotes "Foundation"






TOLL ROAD PROJECTS



Major Projects Information (continued)

TOLL ROAD BUSINESS

As at 30 June 2017

T1 Baojin Expressway						
	Location	Hebei Province	Length	105km	Equity interest	40%
	Route	National Expressway G18 Baoding-Tianjin ~ 4-lane		Road Rise Investments Limited		
T2 Tangjin Expressway						
	Location	Hebei Province	Length	58km	Equity interest	45%
	Route	National Expressway G25 Tangshan-Tianjin ~ 4/6-lane		Ontex Investments Limited Road Base Investments Limited Road Bond Investments Limited		
T3 Changyi Expressway						
	Location	Hunan Province	Length	69km	Equity interest	43.17%
	Route	National Expressway G5513 Changsha-Yiyang ~ 4-lane		Road Crown Investments Limited Road Express Investments Limited Road Famous Investments Limited Road Glorious Investments Limited Road Grand Investments Limited Road Link Investments Limited		
T4 Longcheng Expressway						
	Location	Shanxi Province	Length	72km	Equity interest	45%
	Route	Provincial Expressway S60 Yuci Longbai Village-Chengzhao, Qixian ~ 6-lane		Intersafe Investments Limited		
T5 Machao Expressway						
	Location	Anhui Province	Length	36km	Equity interest	49%
	Route	Provincial Expressway S24 Ma'anshan-Chaohu ~ 6-lane		Road King (China) Infrastructure Limited		

Management Discussion and Analysis

BUSINESS REVIEW

The property market of Mainland China was thriving in the first half of 2017, together with the dedication of the management team, the property sales continued to deliver outstanding results and achieved RMB15,874 million (including joint venture projects) in the first half of 2017, representing an increase of approximately 51% comparing to the corresponding period of last year. The toll revenue and the average daily traffic volume of the expressway toll road projects reached RMB1,272 million and 220,000 vehicles in the first half of the year, represented an increase of 17% and 13% respectively as compared with the corresponding period of last year. Profit after taxation for the period ended 30 June 2017 was HK\$375 million (2016: HK\$232 million), representing an increase of 62% comparing to the corresponding period of last year. The Group's earnings per share was HK\$0.38.

PROPERTY BUSINESS

Since the fourth quarter of 2016, the central and local governments of Mainland China progressively implemented specific austerity measures in different regions. The property market became more complex due to the tightened austerity measures such as implementing control on land auction, restricting property purchase and mortgage in different regions in the second quarter of 2017. Nonetheless, in the first half of 2017, the Group achieved remarkable results in property sales by adhering to its operating strategies of deeper exploitation, coupled with the flexible marketing approach and the dedication of the management team. The property sales (including joint venture projects) surged 51% to RMB15,874 million, including the contracted sales of RMB13,846 million and outstanding subscribed sales of RMB2,028 million.

Property Sales and Delivery

Set out below is an analysis of the Group's property sales and delivery by region (including joint venture projects) for the first half of 2017:

Regions (Notes)	Sales		Delivery	
	Amount RMB'million	Area sqm	Amount RMB'million	Area sqm
Yangtze River Delta	9,649	563,000	2,052	205,000
Bohai Rim	4,349	224,000	211	23,000
Other major regions	1,876	174,000	346	53,000
Total	15,874	961,000	2,609	281,000

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.

During the first half of 2017, property sales of the Group were concentrated in Yangtze River Delta region, which represented about 61% of the total property sales. The average selling price per sqm was approximately RMB16,500, representing an increase of 21% as compared with the corresponding period of last year. As at 30 June 2017, the total area of properties pre-sold but yet to be delivered was about 1,245,000 sqm.

Management Discussion and Analysis (continued)

PROPERTY BUSINESS

Financial Review

Set out below is an analysis of the performance of the Group's property business for the first half of 2017 and 2016:

	For the six months ended 30 June	
	2017 HK\$'million	2016 HK\$'million
Revenue	3,166	4,352
Gross profit	997	935
Selling and operating expenses	(582)	(448)
Profit after taxation	184	103

In the first half of 2017, the revenue of the Group's property business was mainly contributed by the delivery of properties in Yangtze River Delta region. The total area delivered was about 281,000 sqm and the gross profit margin was increased to approximately 32%. Segment profit of the property business was approximately HK\$184 million, representing an increase of 79% comparing to the corresponding period of last year.

Land Reserve

For land reserve replenishment, the Group acquired eight pieces of land through listing-for-sale, equity acquisition and cooperation for residential developments as well as property development rights in 2017, details of which are set out as follows:

City	Attributable Interest	Acquisition date	Land Area sqm	Floor Area sqm	Total Consideration RMB'million
Yangtze River Delta region					
Changzhou	90%	April 2017	208,000	139,000	1,070
Changzhou	100%	May 2017	46,000	78,000	600
Changzhou	100%	July 2017	50,000	124,000	350
Hangzhou	49%	August 2017	37,000	74,000	966
Bohai Rim region					
Jinan	100%	August 2017	50,000	149,000	2,000
Other major regions					
Foshan	49%	April 2017	40,000	139,000	1,885
Hong Kong Special Administrative Region	50%	June 2017	12,000	44,000	2,782

Save for the aforesaid, in February 2017, the Group and its joint venture partner have been awarded the tender of phase I of the residential plot next to Wong Chuk Hang Station with a total gross floor area of approximately 54,000 sqm. Up to the date of this report, the Group acquired an aggregate floor area of 801,000 sqm in 2017.

PROPERTY BUSINESS

Land Reserve

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 30 June 2017, the Group's land reserve was over 7,200,000 sqm and mainly located in the following regions:

Municipalities/Provinces	Number of projects units	Area sqm
Yangtze River Delta region		
Shanghai	6	478,000
Jiangsu Province	14	2,569,000
Zhejiang Province	1	98,000
Bohai Rim region		
Beijing	1	80,000
Tianjin	2	736,000
Hebei Province	2	615,000
Shandong Province	3	355,000
Other major regions		
Henan Province	5	1,698,000
Hunan Province	1	120,000
Guangdong Province	2	364,000
Hong Kong Special Administrative Region	3	132,000

In the first half of 2017, the Group's new construction area was 1,213,000 sqm while the area of completed projects was 265,000 sqm. New construction area and the area of completed projects in the second half of 2017 are expected to be 1,228,000 sqm and 1,045,000 sqm respectively.

Overview of Major Projects

Yangtze River Delta Region

RK Shanghai Villa, Shanghai

In the first half of 2017, the contracted sales of RK Shanghai Villa was RMB821 million, with an average selling price of villas approximately RMB30,600 per sqm. In the first half of 2017, the value and area of properties delivered were RMB25 million and 1,000 sqm respectively. It is expected that a total area of approximately 32,500 sqm will be delivered in the second half of 2017.

RK Shanghai Manor, Shanghai

In the first half of 2017, the contracted sales of RK Shanghai Manor was RMB389 million, with an average selling price of villas approximately RMB30,300 per sqm. In the first half of 2017, the value and area of properties delivered were RMB118 million and 4,600 sqm respectively. It is expected that a total area of approximately 13,000 sqm will be delivered in the second half of 2017.

Management Discussion and Analysis (continued)

PROPERTY BUSINESS

Overview of Major Projects

Yangtze River Delta Region

RK Shanghai Style Phase II, Shanghai

In the first half of 2017, the contracted sales of RK Shanghai Style Phase II was RMB1,998 million, with an average selling price of approximately RMB31,500 per sqm. In the first half of 2017, the value and area of properties delivered were RMB323 million and 12,000 sqm respectively. It is expected that a total area of approximately 59,000 sqm will be delivered in the second half of 2017.

RK Phoenix City, Suzhou

In the first half of 2017, the contracted sales of RK Phoenix City was RMB1,805 million, of which, the contracted sales of "Forest & Valley Villa" was approximately RMB1,772 million, with an average selling price of approximately RMB30,000 per sqm. In the first half of 2017, the value and area of properties delivered were RMB171 million and 4,300 sqm respectively. It is expected that a total area of approximately 36,900 sqm will be delivered in the second half of 2017.

RK Hong Kong Times, Suzhou

In the first half of 2017, the contracted sales of RK Hong Kong Times was RMB287 million, with an average selling price of approximately RMB24,000 per sqm. In the first half of 2017, the value and area of properties delivered were RMB219 million and 9,600 sqm respectively. It is expected that a total area of approximately 20,000 sqm will be delivered in the second half of 2017.

RK City, Changzhou

In the first half of 2017, the contracted sales of RK City was RMB1,132 million, with an average selling price of approximately RMB10,300 per sqm. In the first half of 2017, the value and area of properties delivered were RMB628 million and 98,000 sqm respectively. It is expected that a total area of approximately 30,000 sqm will be delivered in the second half of 2017.

RK Urban Home Court, Changzhou

In the first half of 2017, the contracted sales of RK Urban Home Court was RMB628 million, with an average selling price of approximately RMB8,300 per sqm. In the first half of 2017, the value and area of properties delivered were RMB20 million and 2,700 sqm respectively. It is expected that a total area of approximately 80,000 sqm will be delivered in the second half of 2017.

RK City Signature, Changzhou

In the first half of 2017, the contracted sales of RK City Signature was RMB743 million, with an average selling price of approximately RMB10,400 per sqm. In the first half of 2017, the value and area of properties delivered were RMB72 million and 5,700 sqm respectively. It is expected that a total area of approximately 5,600 sqm will be delivered in the second half of 2017.

RK The Providence, Wuxi

In the first half of 2017, the contracted sales of RK The Providence was RMB321 million, with an average selling price of approximately RMB16,300 per sqm. In the first half of 2017, the value and area of properties delivered were RMB103 million and 7,200 sqm respectively. It is expected that a total area of approximately 14,600 sqm will be delivered in the second half of 2017.

PROPERTY BUSINESS

Overview of Major Projects

Yangtze River Delta Region

RK Notting Hill, Zhenjiang

In the first half of 2017, the contracted sales of RK Notting Hill was RMB231 million, with an average selling price of approximately RMB7,200 per sqm. In the first half of 2017, the value and area of properties delivered were RMB242 million and 41,000 sqm respectively. It is expected that a total area of approximately 11,000 sqm will be delivered in the second half of 2017.

Bohai Rim Region

RK Sunny Town, Tianjin

In the first half of 2017, the contracted sales of RK Sunny Town was RMB2,707 million, with an average selling price of approximately RMB28,900 per sqm. It is expected that a total area of approximately 109,800 sqm will be delivered in the second half of 2017.

RK City Phase II, Jinan

In the first half of 2017, the contracted sales of RK City was RMB372 million, with an average selling price of approximately RMB12,000 per sqm. It is expected that the project will be completed and delivered in the second half of 2018.

Other Major Regions

RK Vista Panorama, Guangzhou

In the first half of 2017, the contracted sales of RK Vista Panorama was RMB699 million, with an average selling price of approximately RMB22,300 per sqm. It is expected that the project will be completed and delivered in the first quarter of 2018.

RK Royal City, Luoyang

In the first half of 2017, the contracted sales of RK Royal City was RMB404 million. In the first half of 2017, the value and area of properties delivered were RMB216 million and 35,000 sqm respectively. It is expected that a total area of approximately 46,000 sqm will be delivered in the second half of 2017.

New Projects

Acquired in 2017:

Yangtze River Delta Region

Xitaihu Project, Changzhou

In April 2017, the Group acquired the property development right of a piece of land in Xitaihu, Wujin Economic Development District, Changzhou mainly for residential development through listing-for-sale. With a site area and a floor area of 208,000 sqm and 139,000 sqm respectively, the project is expected to be launched for sale in the second half of 2017.

Liyang Project, Changzhou

In May 2017, the Group acquired a piece of land in Yanshan New District, Liyang, Changzhou mainly for residential development through listing-for-sale. With a site area and a floor area of 46,000 sqm and 78,000 sqm respectively, the project is expected to be launched for sale in the first half of 2018.

Management Discussion and Analysis (continued)

PROPERTY BUSINESS

New Projects

Acquired in 2017:

Yangtze River Delta Region

Yaoguan Project, Changzhou

In July 2017, the Group acquired a piece of land in Yaoguan Town, Wujin District, Changzhou mainly for residential development through equity acquisition. With a site area and a floor area of 50,000 sqm and 124,000 sqm respectively, the project is expected to be launched for sale in the first half of 2018.

Chongxian Xincheng Project, Hangzhou

In August 2017, the Group acquired a piece of land in Yuhang District, Hangzhou mainly for residential development through listing-for-sale. With a site area and a floor area of 37,000 sqm and 74,000 sqm respectively, the project is expected to be launched for sale in the second half of 2019.

Bohai Rim Region

Lixia District Project, Jinan

In August 2017, the Group acquired a piece of land in eastern part of Lixia District, Jinan mainly for residential development through listing-for-sale. With a site area and a floor area of 50,000 sqm and 149,000 sqm respectively, the project is expected to be launched for sale in the second half of 2018.

Other Major Regions

Shunde Project, Foshan

In April 2017, the Group acquired a piece of land in Shunde District, Foshan mainly for residential development through joint development with another property developer. With a site area and a floor area of 40,000 sqm and 139,000 sqm respectively, the project is expected to be launched for sale in the first half of 2018.

Wong Chuk Hang Project, Hong Kong Special Administrative Region

In February 2017, the Group acquired phase I of the residential plot next to Wong Chuk Hang Station through public tender with 平安不動產有限公司. This is the first railway property development project on Hong Kong Island in almost 30 years. With a site area and a floor area of 11,000 sqm and 54,000 sqm respectively, the project is expected to be launched for sale in mid-2020.

Gold Coast Project, Hong Kong Special Administrative Region

In June 2017, the Group acquired a piece of land in So Kwun Wat, Tuen Mun, New Territories for residential development through public tender with Shenzhen Investment Limited (stock code: 604). Next to Hong Kong Gold Coast, with a site area and a floor area of 12,000 sqm and 44,000 sqm respectively, the project is expected to be launched for sale in the second half of 2020.

TOLL ROAD BUSINESS

Financial Review

In the first half of 2017, the Group received cash distribution of HK\$390 million from the toll road joint ventures, including the repayment of shareholder loans, representing an increase of 56% compared to the corresponding period of last year.

The average daily traffic volume and toll revenue of the expressway toll road projects in the first half of 2017 are as follows:

	Average Daily Traffic Vehicles	Toll Revenue RMB' million
Baojin Expressway	59,000	383
Tangjin Expressway	50,000	304
Changyi Expressway	71,000	330
Longcheng Expressway	19,000	147
Machao Expressway	21,000	108
Total	220,000	1,272

The average daily traffic volume and toll revenue of the Group's expressway toll road portfolio reached 220,000 vehicles and RMB1,272 million respectively in the first half of 2017, representing an increase of 13% and 17% respectively as compared with the corresponding period of last year. During the period, all expressway projects recorded increase in toll revenue and several projects even demonstrated a double-digit growth in toll revenue. Thus, the Group's share of profit of infrastructure joint ventures for the first half of 2017 increased significantly by 44% to HK\$273 million as compared with the corresponding period of last year.

Review of Toll Road Projects

Baojin Expressway

In the first half of 2017, the traffic volume of Baojin Expressway increased by 7% while the toll revenue increased by 24% as compared with the corresponding period of last year. The Beijing-Tianjin-Hebei integration provided growth momentum to Hebei's economy, leading to the increase of truck traffic. Furthermore, the maintenance of local competitive roads of Baojin Expressway also boosted traffic volume and toll revenue. Due to various favourable factors such as the future development of Xiongan New Area, the project is expected to have a promising prospect.

Tangjin Expressway

In the first half of 2017, the traffic volume of Tangjin Expressway increased by 16% while the toll revenue increased by 17% as compared with the corresponding period of last year, which mainly attributable to the economic recovery of three provinces of Northeast China, increase in throughput of Tangshan Port and growth of cargo transport driven by infrastructure construction. It is expected that the project will still benefit from the Beijing-Tianjin-Hebei integration and continue to record growth.



Management Discussion and Analysis (continued)

TOLL ROAD BUSINESS

Review of Toll Road Projects

Changyi Expressway

Changyi Expressway recorded an increase of 13% and 5% of traffic volume and toll revenue respectively in the first half of 2017. Driven by the economic growth of Changsha-Zhuzhou-Xiangtan region, the project saw a notable increase of short-distance traffic. However, the opening of Erenhot–Guangzhou Expressway (Hunan section) in late 2016 diverted some of the trucks travelling from Hubei to the south, which partially offset the increase of toll revenue of the project. The toll revenue is expected to maintain moderate growth in the second half of 2017.

Longcheng Expressway

In the first half of 2017, the traffic volume and toll revenue of Longcheng Expressway increased significantly by 19% and 24% respectively comparing to the corresponding period of last year. Apart from the economic recovery of Shanxi Province, the truck traffic diverted to the project due to the ban of trucks travelling on outer ring of Jinzhong in the second half of last year also boosted the growth of traffic volume and toll revenue of the project in the first half of 2017. It is expected that the toll revenue will keep growing in the second half of the year at a slightly lower rate comparing to the first half of the year.

Machao Expressway

Since Machao Expressway commenced operation at the end of 2013, the traffic volume and toll revenue have maintained steady growth. In the first half of 2017, the traffic volume and toll revenue of Machao Expressway increased by 24% and 21% respectively as compared with the corresponding period of last year. The traffic volume and toll revenue of the project are expected to achieve a stable growth given the future development of the road network connecting the project and its key position in the east-west passage between Anhui Province and Jiangsu Province.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

Unaudited Condensed Consolidated Statement of Profit or Loss

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 2017 and 2016.

	Six months ended 30 June	
	2017 HK\$' million	2016 HK\$' million
Revenue	3,166	4,352
Gross profit	997	935
Interest and other income, net	357	51
Selling and operating expenses	(656)	(483)
Share of results of joint ventures and an associate	225	188
Finance costs	(156)	(109)
Profit before taxation	767	582
Income tax expenses	(392)	(350)
Profit after taxation	375	232

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 "Property Business".

Interest and Other Income, Net

The increase in interest and net other income was mainly attributable to the exchange gains arising from the appreciation of Renminbi and increase in interest income during the period. Taking into account the capped forward swap contracts entered into by the Group for US dollar denominated borrowings, the exchange gains and related differences for the first half of 2017 increased by approximately HK\$186 million as compared with the corresponding period of last year. Meanwhile, interest income increased by HK\$98 million comparing to the corresponding period of last year due to the increase in loans to joint ventures.

Selling and Operating Expenses

Selling and operating expenses increased mainly due to the surge of property sales during the period, which resulted in the corresponding increase in sales commission and promotional expenses.

Share of Results of Joint Ventures and an Associate

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 subsection headed "Toll Road Business".

Income Tax Expenses

Income tax expenses mainly comprise profit tax, land appreciation tax and deferred tax. The increase in income tax expenses was mainly attributable to the increase in profits of properties delivered during the period as compared to the corresponding period of last year.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

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 2017 and 31 December 2016.

	30 June 2017 HK\$' million	31 December 2016 HK\$' million
Non-current assets		
– Investments in joint ventures and an associate (including shareholders' loans)	9,693	6,549
– Investment properties	2,438	2,468
– Other non-current assets	625	335
	12,756	9,352
Current assets		
– Inventory of properties (including prepayment for land leases)	30,247	27,386
– Bank balances and cash (including pledged bank deposits)	13,751	8,215
– Loans to joint ventures	3,111	2,036
– Other current assets	5,075	3,411
	52,184	41,048
Current liabilities		
– Creditors and accrued charges	(7,005)	(6,784)
– Loans from a joint venture and an associate	(428)	(718)
– Deposits from pre-sale of properties	(17,303)	(8,747)
– Bank and other borrowings – due within one year	(5,119)	(5,847)
– Other current liabilities	(1,013)	(1,614)
	(30,868)	(23,710)
Non-current liabilities	(15,102)	(12,457)
Total equity	18,970	14,233

FINANCIAL REVIEW

Investments in Joint Ventures and an Associate (including Shareholders' Loans)

It mainly represented our interests in the joint ventures and an associate relating to the toll road and property business, including shareholders' loans to the joint ventures. The increase in balance was mainly attributable to the payment of investment costs or land premiums prepaid for the acquisition of new joint venture property projects during the period.

In March 2017, the Group has entered into the undertaking agreement with an independent third party. Pursuant to which, the Group undertakes for a prompt settlement of 50% of outstanding debts incurred by the property development joint venture, in which the Group held 50% equity interest. As at 30 June 2017, the estimated amount of the liabilities undertaken by the Group amounted to approximately HK\$2,709 million. Save for this liability undertaking, details of other guarantees given by the Group to joint ventures were set out in the subsection headed "Contingent Liabilities" under "Financial Review".

Investment Properties

This comprised carrying value of the investment properties, details of which are set out in note 13 of the unaudited condensed consolidated financial statements. As of 30 June 2017, the total floor area of the investment properties of the Group was approximately 214,000 sqm.

Inventory of Properties (including Prepayment for Land Leases)

The increase in inventory balance was mainly caused by the partial prepayment of land premiums of the new projects during the period under review.

Bank Balances and Cash (including Pledged Bank Deposits)

The increase in the bank balances and cash was mainly attributable to the significant increase in proceeds from pre-sale of properties and the issuance of two offshore senior guaranteed perpetual capital securities (classified to total equity) in an aggregate principal of US\$600 million during the period, but were partially offset by the land premiums paid for the acquisition of new projects.

Other Current Assets

Other current assets increased mainly due to the increase in land deposits paid and other deposits paid for investments as compared with last year end, together with the increase in prepaid tax due to the significant increase in property sales.

Deposits from Pre-sale of Properties

The increase in deposits from pre-sale of properties was mainly due to the drastic increase in property sales during the period, as well as the increase in both average selling price and area of the pre-sold properties as compared with the corresponding period of last year.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

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

Bank and other borrowings and non-current liabilities mainly represented offshore guaranteed senior notes and syndicated loans, onshore domestic bonds and project development loans of the Group.

Details of the Group's loan profile are set out as follows:

	30 June 2017	31 December 2016
	HK\$' million	HK\$' million
Repayable:		
On demand or within one year	5,119	5,847
After one year but within two years	1,146	1,515
After two years but within five years	12,981	9,935
More than five years	258	280
Total Loans	19,504	17,577

Source of Loans

	30 June 2017	31 December 2016
Short term loans	26%	33%
Long term loans	74%	67%
	100%	100%

Nature of Debts

	30 June 2017	31 December 2016
Unsecured loans	71%	61%
Secured loans	29%	39%
	100%	100%

Currency Profile of Loans

	30 June 2017	31 December 2016
HKD	4%	4%
RMB	48%	42%
USD	48%	54%
	100%	100%

Interest Rates Basis

	30 June 2017	31 December 2016
Floating rate	34%	42%
Fixed rate	66%	58%
	100%	100%

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

Certain of the Group's loans were on a fixed annual rate basis, which included, among the others, the following notes:

- (a) USD450 million 5% guaranteed senior notes due in 2019;
- (b) RMB1,500 million 4.5% domestic bonds due in 2019; and
- (c) USD500 million 4.7% guaranteed senior notes due in 2021.

In the first half of 2017, the Group also issued the following two senior guaranteed perpetual capital securities, which gave strong support to its business development in Hong Kong:

- (a) USD300 million 7.95% senior guaranteed perpetual capital securities issued in February; and
- (b) USD300 million 7% senior guaranteed perpetual capital securities issued in June.

The net gearing ratio of the Group decreased drastically from 66% as at the end of last year to 30% as at 30 June 2017. Meanwhile, the net capitalisation ratio dropped from 40% as at the end of last year to 23%. Net gearing ratio represents the difference between the Group's total interest bearing borrowings (excluding loans from non-controlling interests of subsidiaries) and the bank balances and cash (including pledged bank deposits) ("Net Debt") to the total equity. The net capitalisation ratio represents the Net Debt to the sum of Net Debt and total equity.

Interest coverage for the period under review was 7.23 times (2016: 7.98 times).

In connection with the spin-off of the toll road business, given that the Group failed to agree with the joint global coordinators on the pricing, the Group has suspended the proposed spin-off of the toll road business. In addition to tapping the debt and perpetual capital securities market, the Group will continue to proactively review and optimise its financing and operating resources from time to time and would consider other proposals. Should the Company decide to proceed with any such proposal, further details will be published in accordance with relevant regulations.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

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 2017 and 2016.

	Six months ended 30 June	
	2017 HK\$'million	2016 HK\$'million
Payments for land leases (including payments through joint venture arrangement)	(4,568)	(969)
Net cash from operating activities, other than payments for land leases	5,305	2,645
Net cash (used in) from investing activities, other than payments for land leases	(948)	716
Net cash from financing activities	5,162	62
Effect of change in exchange rates	107	(57)
Cash and cash equivalents as at 1 January	7,291	2,651
Cash and cash equivalents as at 30 June	12,349	5,048

Payments for Land Leases (including Payments Through Joint Venture Arrangement)

The payments for land leases in the first half of 2017 mainly represented the land premiums of the new joint venture projects located in Suzhou, Foshan and Hong Kong, and the remaining payments mainly represented the land premiums of the land parcels acquired by the Group in Changzhou. The payments in the last corresponding period mainly represented the payments of land premiums of the new joint venture projects located in Shanghai and Tianjin.

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

During the period, the increase in net cash from operating activities comparing to the corresponding period of last year was mainly caused by the excellent performance of the property market, which resulted in the significant increase in cash proceeds from the pre-sale and sale of properties.

Net Cash (used in) from Investing Activities, other than Payments for Land Leases

During the period, the net cash used in investing activities mainly represented the investments in the new asset management business, which was partially offset by the cash distributed or dividends received from the infrastructure joint venture projects.

Net Cash from Financing Activities

The increase in net cash from financing activities was mainly caused by the issuance of two offshore senior guaranteed perpetual capital securities in an aggregate principal of US\$600 million and the drawdown of various onshore loans for development of property projects.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2017, the equity attributable to owners of the Company was HK\$13,330 million (31 December 2016: HK\$13,292 million). Net assets per share attributable to owners of the Company was HK\$17.88 (31 December 2016: HK\$17.96).

As at 30 June 2017, the Group's total assets were HK\$64,940 million (31 December 2016: HK\$50,400 million) and bank balances and cash were HK\$13,554 million (31 December 2016: HK\$8,049 million), of which 72% was denominated in Renminbi and the remaining 28% was mainly denominated in US dollar or HK dollar.

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.

During the period under review, the Group drew down various offshore bank loans and property development loans in Hong Kong and Mainland China in an aggregate amount equivalent to HK\$6,888 million. The new drawdowns were partially offset by repayment of certain bank loans.

Charges on Assets

As at 30 June 2017, bank balances of HK\$197 million (31 December 2016: HK\$166 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects and short-term credit facilities granted to the Group. In addition to these charged bank deposits, properties with carrying value of HK\$4,822 million (31 December 2016: HK\$5,099 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 dollar but the cash flow is mainly generated from projects whose earnings are denominated in Renminbi. As a result, the Group is exposed to the foreign exchange risk on the fluctuation of Renminbi and US dollar. Since the reform of foreign exchange in August 2015, fluctuation of Renminbi has been gradually intensified as compared with the past. For minimising the impacts arisen from fluctuation of exchange rate of Renminbi on the Group, the Group has entered into capped forward swap contracts in respect of US dollar bonds and parts of offshore debts since last year.

The Group's exposure to interest rate risk is mainly from fluctuation in interest rates relating to its borrowings denominated in Renminbi and US dollar. Although the monetary policies implemented by the PRC and the US governments continue to have a major impact on the Group's results and operation, 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 operation 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 closely monitor the above risks and may arrange hedging against the risks exposed as and when necessary and appropriate.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

Contingent Liabilities

As at 30 June 2017, the Group had provided guarantees of HK\$6,649 million (31 December 2016: HK\$6,640 million) to banks in respect of the mortgage loans of the purchasers of the Group's properties. The guarantees would be released after the purchasers have pledged their property ownership certificates as securities to the banks for the mortgage loans granted.

In addition, the Group had provided guarantees of HK\$1,941 million (31 December 2016: HK\$773 million) for banking facilities granted to the joint ventures of the Group as at 30 June 2017.

Employees

Excluding the staff of joint ventures and an associate, the Group had 3,188 employees as at 30 June 2017. Expenditure on staff (excluding Directors' emoluments and share-based payment) for the period under review amounted to HK\$355 million (2016: HK\$282 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 scheme. During the period under review, no share option was granted.

PROSPECT

In the first half of 2017, there was an upturn in the economy of Mainland China. Given that the property industry is an important pillar of the economy, the government will continue to maintain stability through its policies and implement specific austerity measures in different regions. In view of the sustaining growth of property sales in Hong Kong, the HKSAR government introduced new regulatory measures to cool down the market in the first half of 2017. Such initiatives will facilitate the healthy development of the real estate markets of Mainland China and Hong Kong in the long term, hence the Group is optimistic about the market outlooks. The Group will continue to adopt the strategy for regional exploration, work closely with its business partners to seek for better development opportunities, implement an operating strategy for striking a balance between profits and sales volume, develop market-oriented products through a well-established managerial system, enhance the value-added services of property management, and improve products and services quality as well as brand recognition. The Group believes that its market position and well-developed operation team have provided a solid foundation for the continuous expansion of the property business in the Mainland China. In this year, the Group was awarded the tender of residential development projects in Hong Kong separately with 平安不動產有限公司 and Shenzhen Investment Limited. It will keep capturing suitable opportunities for developing the property business in Hong Kong.

The toll revenue of toll road business will increase steadily with the growth of Mainland China's economy. Leveraging the experience accumulated over the past two decades, the Group's toll road business will maintain steady operation and development and continue to provide steady cash flows for the Group.

DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.15 (2016: HK\$0.13) per share for the six months ended 30 June 2017 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 6 September 2017.

It is expected that the payment of the interim dividend will be made on or before Friday, 29 September 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 5 September 2017 to Wednesday, 6 September 2017, 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, 4 September 2017 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 2017.

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 the Directors of the Company have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30 June 2017.

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 June 2017, the interests and short positions of the Directors of the Company 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 3)
			Long position	Short position	
Zen Wei Peu, Derek	Personal	1	17,020,000	–	2.28
Fong Shiu Leung, Keter	Personal	1	400,000	–	0.05
Lau Sai Yung	Personal	1	605,000	–	0.08
Chow Ming Kuen, Joseph	Personal	1	150,000	–	0.02
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 of the Company are included in this category, the particulars of which are set out in (II) below.
3. The percentage was calculated based on 745,536,566 shares of the Company in issue as at 30 June 2017.

Disclosure of Interests (continued)

DIRECTORS' INTERESTS AND SHORT POSITIONS

(II) Underlying Shares – Share Options

The share option scheme was adopted by the Company on 8 May 2013. Particulars of the share option scheme are set out in note 26 to the consolidated financial statements in the Company's annual report for the year ended 31 December 2016.

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

Name	Notes	Number of share options				Balance at 30.06.2017	Weighted average closing price HK\$ (Note 3)
		Balance at 01.01.2017	Granted during the period	Exercised during the period	Lapsed during the period		
Directors							
Zen Wei Peu, Derek	1	1,500,000	–	(1,500,000)	–	–	8.85
Fong Shiu Leung, Keter	1	1,200,000	–	(1,200,000)	–	–	11.54
Lam Wai Hon, Patrick	1&2	50,000	–	(50,000)	–	–	11.30
Lau Sai Yung	1	150,000	–	(150,000)	–	–	11.28
Chow Ming Kuen, Joseph	1	150,000	–	(150,000)	–	–	11.28
Tse Chee On, Raymond	1	100,000	–	–	–	100,000	–
Total		3,150,000	–	(3,050,000)	–	100,000	
Others							
Employees	1	7,050,000	–	(2,550,000)	(800,000)	3,700,000	10.243
Total		7,050,000	–	(2,550,000)	(800,000)	3,700,000	
Grand Total		10,200,000	–	(5,600,000)	(800,000)	3,800,000	

Notes:

- 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.
- Mr. Lam Wai Hon, Patrick retired as a Non-executive Director of the Company with effect from the conclusion of the annual general meeting of the Company held on 18 May 2017.
- This represents the weighted average closing price of the shares immediately before the dates on which the share options were exercised.

DIRECTORS' INTERESTS AND SHORT POSITIONS

Save as disclosed above, none of the Directors of the Company 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 of the Company 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2017, 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 11)
		Long position (Note 1)	Short position	
Wai Kee Holdings Limited (Note 2)	Interest in controlled corporation	306,734,428	–	41.14
Wai Kee (Zens) Holding Limited (Note 3)	Interest in controlled corporation	306,734,428	–	41.14
Groove Trading Limited (Note 4)	Beneficial owner	65,918,000	–	8.84
Wai Kee China Investments (BVI) Company Limited (Note 4)	Interest in controlled corporation	237,816,428	–	31.90
Wai Kee China Investments Company Limited (Note 5)	Interest in controlled corporation	237,816,428	–	31.90
ZWP Investments Limited (Note 6)	Beneficial owner	237,816,428	–	31.90
深業集團有限公司 (Shum Yip Group Limited*) (Note 7)	Interest in controlled corporation	202,334,142	–	27.14
Shum Yip Holdings Company Limited (Note 8)	Interest in controlled corporation	202,334,142	–	27.14
Shenzhen Investment Limited (Note 9)	Interest in controlled corporation	202,334,142	–	27.14
Hover Limited (Note 10)	Beneficial owner	202,334,142	–	27.14

Disclosure of Interests (continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS

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, Build King Management Limited and Build King Civil Engineering Limited, which beneficially held 3,000,000 shares of the Company. Both Mr. Zen Wei Pao, William and Mr. Zen Wei Peu, Derek are directors of Wai Kee Holdings Limited.
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.
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). Mr. Mou Yong is a director of 深業集團有限公司.
8. Shum Yip Holdings Company Limited (incorporated in Hong Kong) is deemed to be interested in the shares of the Company through its approximately 60.95% interests in Shenzhen Investment Limited. Mr. Mou Yong is a director of Shum Yip Holdings Company 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. Mr. Mou Yong is a director of Shenzhen Investment Limited.
10. Hover Limited is a direct wholly-owned subsidiary of Shenzhen Investment Limited.
11. The percentage was calculated based on 745,536,566 shares of the Company in issue as at 30 June 2017.

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

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

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 2017.

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 13.16 of the Listing Rules:

Subsequent to the reporting period, the aggregate financial assistance given by the Group to its affiliated companies amounts to approximately HK\$5,255 million, which exceeds 8% of the Group's total assets as disclosed in the announcement of the Company dated 14 July 2017.

2. Pursuant to Rule 13.18 of the Listing Rules:

Notes

The Group issued US\$450 million 5% guaranteed senior notes due 2019 and US\$500 million 4.7% guaranteed senior notes due 2021 in August and September 2016 respectively. The Company is obliged to make an offer to repurchase US\$450 million 5% guaranteed senior notes due 2019 and US\$500 million 4.7% guaranteed senior notes due 2021 (the "Notes") then outstanding at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, up to (but not including) the date of repurchase upon the occurrence of a change of control triggering event and a decline in the rating of the Notes.

Perpetual Capital Securities

The Group issued US\$300 million 7.95% senior guaranteed perpetual capital securities and US\$300 million 7% senior guaranteed perpetual capital securities in February and June 2017 respectively. The Company may redeem all, but not some only, of US\$300 million 7.95% senior guaranteed perpetual capital securities and US\$300 million 7% senior guaranteed perpetual capital securities (the "Securities") at 101% of the principal amount (together with any distribution accrued to the date fixed for redemption, including any deferred distribution and any additional distribution payable on it) upon the occurrence of a change of control triggering event and a decline in the rating of the Securities.

Other Disclosures (continued)

CONTINUING DISCLOSURE OF THE LISTING RULES

3. 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 of the Company 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 Pao, William	He was re-designated as the Co-Chairman of the Company with effect from 19 May 2017.
Mr. Zen Wei Peu, Derek	He was appointed as the Co-Chairman of the Company with effect from 19 May 2017.
Mr. Lam Wai Hon, Patrick	He retired as a Non-executive Director of the Company with effect from the conclusion of the annual general meeting of the Company held on 18 May 2017. Upon his retirement, he also ceased as a member of the Audit Committee of the Company.
Mr. Mou Yong	His annual emolument was revised from HK\$315,000 to HK\$328,000 for acting as a Non-executive Director of the Company for the period from 19 May 2017 to the date of the annual general meeting of the Company held in 2018.
Mr. Dong Fang	His annual emolument was revised from HK\$315,000 to HK\$328,000 for acting as a Non-executive Director of the Company for the period from 19 May 2017 to the date of the annual general meeting of the Company held in 2018.
Mr. Lau Sai Yung	He entered into a letter of appointment with the Company for a period commencing from 10 May 2017 to 9 May 2020 or the date of the annual general meeting of the Company held in 2020, whichever is earlier. His annual emolument was revised from HK\$555,000 to HK\$578,000 for acting as an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company for the period from 19 May 2017 to the date of the annual general meeting of the Company held in 2018.

CONTINUING DISCLOSURE OF THE LISTING RULES

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

Name of Directors	Details of changes
Dr. Chow Ming Kuen, Joseph	His annual emolument was revised from HK\$545,000 to HK\$567,000 for acting as an Independent Non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company for the period from 19 May 2017 to the date of the annual general meeting of the Company held in 2018.
Mr. Tse Chee On, Raymond	<p>He was appointed as a member of the Audit Committee of the Company with effect from 1 April 2017.</p> <p>His annual emolument was revised from HK\$389,000 to HK\$504,000 for acting as an Independent Non-executive Director and a member of the Audit Committee and the Remuneration Committee of the Company for the period from 19 May 2017 to the date of the annual general meeting of the Company held in 2018.</p>
Mr. Wong Wai Ho	<p>His annual emolument was revised from HK\$465,000 to HK\$484,000 for acting as an Independent Non-executive Director and a member of the Audit Committee and the Nomination Committee of the Company for the period from 19 May 2017 to the date of the annual general meeting of the Company held in 2018.</p> <p>He was appointed as an Independent Non-executive Director of Hang Chi Holdings Limited (which is listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 12 July 2017) with effect from 21 June 2017.</p>
Mr. Zhang Yongliang	His annual emolument was revised from HK\$315,000 to HK\$328,000 for acting as an Independent Non-executive Director of the Company for the period from 19 May 2017 to the date of the annual general meeting of the Company held in 2018.

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 (continued)

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 2017, 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.

EXECUTIVE DIRECTORS

Zen Wei Pao, William (*Co-Chairman*)
Zen Wei Peu, Derek (*Co-Chairman*)
Ko Yuk Bing (*Deputy Chairman, Managing Director and Chief Executive Officer*)
Fong Shiu Leung, Keter (*Finance Director*)

NON-EXECUTIVE DIRECTORS

Mou Yong
Dong Fang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lau Sai Yung
Chow Ming Kuen, Joseph
Tse Chee On, Raymond
Wong Wai Ho
Zhang Yongliang

PROPERTY BUSINESS MANAGEMENT COMMITTEE

Ko Yuk Bing (*Chairman*)
Zen Wei Peu, Derek
Fong Shiu Leung, Keter
Chuk Wing Suet, Josephine
Zhang Nan
Diao Lu, Amy
Tsui Wai Tim
Zhao Min
Tan Qi

AUDIT COMMITTEE

Lau Sai Yung (*Chairman*)
Chow Ming Kuen, Joseph
Tse Chee On, Raymond
Wong Wai Ho

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Fong Shiu Leung, Keter

AUDITOR

Deloitte Touche Tohmatsu

SOLICITORS

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

PRINCIPAL BANKERS

The PRC

Agricultural Bank of China Limited
China Bohai Bank
China CITIC Bank Corporation Limited
Industrial and Commercial Bank of China Limited

Hong Kong

China CITIC Bank International Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) 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

Corporate Information (continued)

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

SHARE LISTING

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

NOTES, SECURITIES AND BONDS LISTING

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

- US\$450 million 5% guaranteed senior notes due 2019 (Stock Code: 5695)
- US\$500 million 4.7% guaranteed senior notes due 2021 (Stock Code: 4309)

The following securities are listed on the Singapore
Exchange Securities Trading Limited

- US\$300 million 7.95% senior guaranteed perpetual capital securities
- US\$300 million 7% senior guaranteed perpetual capital securities

The following bonds are listed on the Shanghai Stock
Exchange

- RMB1.5 billion 4.5% first tranche domestic bonds due 2019

INVESTOR RELATIONS

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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 2017

	NOTES	Six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Revenue	4	3,165,640	4,352,386
Cost of sales		(2,168,378)	(3,416,967)
Gross profit		997,262	935,419
Interest income		163,072	65,029
Other income		23,742	21,454
Other gains and losses	6	170,130	(35,907)
Selling expenses		(297,491)	(219,424)
Administrative expenses		(358,142)	(264,353)
Share of result of an associate		(4,519)	–
Share of results of joint ventures	7	229,706	188,263
Finance costs	8	(156,469)	(108,523)
Profit before taxation	9	767,291	581,958
Income tax expenses	10	(392,672)	(350,218)
Profit for the period		374,619	231,740
Profit attributable to:			
Owners of the Company		283,879	218,323
Owners of perpetual capital securities		71,923	–
Non-controlling interests of subsidiaries		18,817	13,417
		374,619	231,740
Earnings per share	12		
– Basic		HK\$0.38	HK\$0.30
– Diluted		HK\$0.38	HK\$0.30

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2017

Six months ended 30 June

	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Profit for the period	374,619	231,740
Other comprehensive income (expense)		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation to presentation currency	134,224	(209,338)
Total comprehensive income for the period	508,843	22,402
Total comprehensive income (expense) attributable to:		
Owners of the Company	408,282	26,850
Owners of perpetual capital securities	71,923	–
Non-controlling interests of subsidiaries	28,638	(4,448)
	508,843	22,402

Condensed Consolidated Statement of Financial Position

At 30 June 2017

	NOTES	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		112,085	42,531
Investment properties	13	2,438,288	2,468,194
Interest in an associate		794,673	799,192
Interests in joint ventures	14	4,976,641	4,564,980
Deferred tax assets		36,008	29,968
Amounts due from joint ventures	17	3,921,948	1,185,114
Loan receivables		406,219	261,959
Long-term prepayment		69,841	–
		12,755,703	9,351,938
Current assets			
Inventory of properties	15	29,563,494	26,283,708
Prepayment for land leases	16	683,371	1,102,355
Amounts due from joint ventures	17	3,110,883	2,035,678
Loan receivables		311,447	200,634
Debtors, deposits and prepayments	18	3,286,322	2,231,787
Prepaid income tax		1,206,014	582,387
Other financial assets	19	271,531	396,918
Pledged bank deposits	20	197,115	165,909
Bank balances and cash	20	13,553,675	8,048,817
		52,183,852	41,048,193
Total assets		64,939,555	50,400,131

Condensed Consolidated Statement of Financial Position

At 30 June 2017

	NOTES	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	21	74,554	73,994
Reserves		13,255,525	13,217,837
Equity attributable to owners of the Company		13,330,079	13,291,831
Perpetual capital securities	22	4,648,164	–
Non-controlling interests of subsidiaries		991,959	940,797
Total equity		18,970,202	14,232,628
Non-current liabilities			
Bank and other borrowings – due after one year	23	14,385,188	11,729,547
Loans from non-controlling interests of subsidiaries	24	–	77,904
Deferred tax liabilities		716,670	649,305
		15,101,858	12,456,756
Current liabilities			
Creditors and accrued charges	25	7,004,832	6,784,521
Amounts due to a joint venture and an associate		427,794	717,659
Deposits from pre-sale of properties		17,302,556	8,747,284
Income tax payable		1,013,893	1,409,744
Bank and other borrowings – due within one year	23	5,118,420	5,847,427
Loans from non-controlling interests of subsidiaries	24	–	204,112
		30,867,495	23,710,747
Total equity and liabilities		64,939,555	50,400,131

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	Attributable to owners of the Company								Non-controlling interests of subsidiaries	Total equity	
	Share capital	Share premium	Foreign currency translation reserve	Special reserve	Share option reserve	Statutory reserve	Retained profits	Sub-total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2016 (audited)	73,994	3,152,986	1,667,804	1,260,000	6,336	1,239,514	5,754,763	13,155,397	-	820,470	13,975,867
Profit for the period	-	-	-	-	-	-	218,323	218,323	-	13,417	231,740
Exchange difference arising on translation to presentation currency	-	-	(191,473)	-	-	-	-	(191,473)	-	(17,865)	(209,338)
Total comprehensive (expense) income for the period	-	-	(191,473)	-	-	-	218,323	26,850	-	(4,448)	22,402
Sub-total	73,994	3,152,986	1,476,331	1,260,000	6,336	1,239,514	5,973,086	13,182,247	-	816,022	13,998,269
Capital contributions from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	30,446	30,446
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	59,468	59,468
Dividend (note 11)	-	-	-	-	-	-	(258,978)	(258,978)	-	-	(258,978)
Balance at 30 June 2016 (unaudited)	73,994	3,152,986	1,476,331	1,260,000	6,336	1,239,514	5,714,108	12,923,269	-	905,936	13,829,205
Balance at 1 January 2017 (audited)	73,994	3,152,986	909,333	1,260,000	6,214	1,528,635	6,360,669	13,291,831	-	940,797	14,232,628
Profit for the period	-	-	-	-	-	-	283,879	283,879	71,923	18,817	374,619
Exchange difference arising on translation to presentation currency	-	-	124,403	-	-	-	-	124,403	-	9,821	134,224
Total comprehensive income for the period	-	-	124,403	-	-	-	283,879	408,282	71,923	28,638	508,843
Sub-total	73,994	3,152,986	1,033,736	1,260,000	6,214	1,528,635	6,644,548	13,700,113	71,923	969,435	14,741,471
Issue of ordinary shares upon exercise of share options	560	42,779	-	-	(3,411)	-	-	39,928	-	-	39,928
Lapse of share options	-	-	-	-	(487)	-	487	-	-	-	-
Capital contributions from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	22,524	22,524
Issue of perpetual capital securities	-	-	-	-	-	-	-	-	4,576,241	-	4,576,241
Dividend (note 11)	-	-	-	-	-	-	(409,962)	(409,962)	-	-	(409,962)
Balance at 30 June 2017 (unaudited)	74,554	3,195,765	1,033,736	1,260,000	2,316	1,528,635	6,235,073	13,330,079	4,648,164	991,959	18,970,202

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

Six months ended 30 June

	NOTE	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Net cash from operating activities:			
Payment for land leases		(1,058,048)	(439,332)
Increase in debtors, deposits and prepayments		(963,962)	(1,023,393)
(Increase) decrease in inventory of properties		(1,165,585)	1,051,146
Increase in deposits from pre-sale of properties		8,382,246	4,106,396
Income tax paid		(1,350,825)	(786,130)
Other operating cash flows		403,108	(703,160)
		4,246,934	2,205,527
Net cash (used in) from investing activities:			
Cash distributions/dividends received from joint ventures		366,709	229,703
Proceeds on disposal of investment properties		28,402	11,767
Repayment from joint ventures		276,697	1,091,730
Net cash outflow from acquisition of a subsidiary		–	(280,516)
Capital contributions to joint ventures/acquisition of joint ventures		(505,825)	(151,898)
Advance to joint ventures		(4,088,736)	(18,735)
Increase in restricted bank balances		(446,752)	(762,433)
Increase in pledged bank deposits		(31,206)	(29,274)
Deposit received from disposal of a subsidiary		146,617	–
Other investing cash flows		(204,454)	95,207
		(4,458,548)	185,551
Net cash from financing activities:			
New borrowings raised		6,888,087	2,524,339
Issue of perpetual capital securities		4,576,241	–
Repayment of borrowings		(4,851,145)	(1,442,785)
Capital contributions from non-controlling interests of subsidiaries		22,524	30,446
Repayment of loans from non-controlling interests of subsidiaries		(282,016)	(250,597)
Advance from a joint venture		54,100	–
Repayment to an associate		(343,965)	–
Issue of ordinary shares		39,928	–
Interest paid		(531,641)	(540,321)
Dividend paid		(409,962)	(258,978)
		5,162,151	62,104
Net increase in cash and cash equivalents		4,950,537	2,453,182
Cash and cash equivalents at 1 January		7,290,782	2,651,312
Effect of foreign exchange rate changes		107,569	(56,949)
Cash and cash equivalents at 30 June	26	12,348,888	5,047,545

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (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. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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 2016, except for the adoption of amendments to HKFRSs as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle

The application of these amendments to 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 following new and amendments to HKFRSs and the new interpretations that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and Related Amendments ¹
HKFRS 16	Leases ³
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ³
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 40	Transfer of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle except for amendments to HKFRS 12 ¹

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2019.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 9 “Financial Instruments”

HKFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 “Financial Instruments: Recognition and Measurement”. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. The expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost. Other than that, the directors of the Company (the “Directors”) anticipate that the application of the HKFRS 9 will have no material impact on the results and the financial position of the Group.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent consideration, as well as licensing application guidance.

The Directors anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the Directors do not anticipate that the application of HKFRS 15 will have a significant impact on the amount recognised in the Group’s condensed consolidated financial statements.

HKFRS 16 “Leases”

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will be effective for annual periods on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 “Revenue from Contracts with Customers” at or before the date of initial application of HKFRS 16. The Directors do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group’s result but it is expected that certain portion of the operating lease commitments will be required to be recognised in the condensed consolidated statement of financial position in future as right-of-use assets and lease liabilities.

Other than the above, the Directors anticipate that the application of the other new and amendments to HKFRSs and the new interpretations will have no material impact on the results and the financial position of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets measured at fair value

The other financial assets comprising 12 (31 December 2016: 14) outstanding structured foreign currency forward contracts of HK\$271,531,000 (31 December 2016: HK\$396,918,000) 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 structured foreign currency forward contracts is determined based on valuation provided by the counterparty financial institutions, which is measured using discounted cash flow analysis based on, inter alia, the contracted exchange rate and the forward exchange rate.

The swap contracts require gross settlement.

During the six months ended 30 June 2017 and 2016, 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 30 June 2017 and 31 December 2016 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 2017		31 December 2016	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
2016 August guaranteed senior notes	3,449,455	3,503,873	3,476,890	3,517,107
2016 September guaranteed senior notes	3,795,495	3,807,832	3,858,575	3,724,179
2016 Domestic bonds	1,691,073	1,716,933	1,708,428	1,683,858

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

4. REVENUE

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Revenue of the Group		
Sale of completed properties held for sale	2,933,998	4,183,241
Property management income	170,803	135,778
Gross rental income from properties and others	60,839	33,367
	3,165,640	4,352,386
Group's share of toll revenue of infrastructure joint ventures	631,584	591,859
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	3,797,224	4,944,245

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:

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

5. SEGMENT INFORMATION *(CONTINUED)*

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

	Six months ended 30 June 2017			Six months ended 30 June 2016		
	Property development and investment HK\$'000	Toll road HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Total HK\$'000
Segment revenue	3,165,640	-	3,165,640	4,352,386	-	4,352,386
Segment profit	184,171	200,618	384,789	102,618	158,480	261,098

	At 30 June 2017			At 31 December 2016		
	Property development and investment HK\$'000	Toll road HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Total HK\$'000
Segment assets (including interests in joint ventures and an associate)	48,706,703	3,680,906	52,387,609	40,076,979	3,563,906	43,640,885
Segment liabilities	(44,318,726)	(68,735)	(44,387,461)	(34,440,653)	(47,033)	(34,487,686)

(a) Measurement

Segment profit represents profit earned by each segment, which includes share of result of an associate, share of results of joint ventures, fair value gains on transfer of completed properties held for sale to investment properties, change in fair value of investment properties, change in fair value of other financial assets and liabilities, net exchange gains (losses), 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 headquarters' income and expenses.

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

5. SEGMENT INFORMATION *(CONTINUED)*

(a) Measurement *(Continued)*

Segment assets include property, plant and equipment, investment properties, interest in an associate, interests in joint ventures, long-term prepayment, inventory of properties, prepayment for land leases, amounts due from joint ventures, loan receivables, debtors, deposits and prepayments, prepaid income tax, other financial assets, 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, amounts due to a joint venture and an associate, 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	
	2017 HK\$'000	2016 HK\$'000
Total segment profit	384,789	261,098
Unallocated items:		
Interest income	1,497	1,226
Corporate income	12,736	5,932
Corporate expenses	(5,370)	(24,295)
Finance costs	(19,033)	(12,221)
Consolidated profit for the period	374,619	231,740
	30 June 2017 HK\$'000	31 December 2016 HK\$'000
Total segment assets	52,387,609	43,640,885
Unallocated assets:		
Property, plant and equipment	54	79
Deposits and prepayments	2,081	2,361
Other financial assets	54,306	66,286
Bank balances and cash	12,495,505	6,690,520
Consolidated total assets	64,939,555	50,400,131
Total segment liabilities	(44,387,461)	(34,487,686)
Unallocated liabilities:		
Accrued charges	(132,902)	(135,059)
Bank and other borrowings	(1,448,990)	(1,544,758)
Consolidated total liabilities	(45,969,353)	(36,167,503)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Net exchange gains (losses)	183,228	(111,283)
Change in fair value of other financial assets and liabilities	(84,265)	24,309
	98,963	(86,974)
Gains on disposal of property, plant and equipment	652	76
Fair value gains on transfer of completed properties held for sale to investment properties	337	–
Change in fair value of investment properties	70,178	50,991
	170,130	(35,907)

7. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Share of profits of infrastructure joint ventures	272,808	189,994
Share of losses of other joint ventures	(43,102)	(1,731)
	229,706	188,263

8. FINANCE COSTS

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Interest on borrowings	543,969	552,866
Other finance costs	81,001	38,013
	624,970	590,879
Less: Capitalised in properties under development for sale	(468,501)	(482,356)
	156,469	108,523

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

9. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	7,780	6,418
Less: Capitalised in properties under development for sale	(372)	(383)
	7,408	6,035
Share of amortisation of toll road operation rights (included in share of profits of infrastructure joint ventures)	111,384	126,117
and after crediting:		
Bank interest income	20,805	13,072

10. INCOME TAX EXPENSES

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Current tax:		
PRC enterprise income tax ("EIT")	214,258	261,194
PRC land appreciation tax ("LAT")	101,345	12,674
PRC withholding tax	15,744	9,827
	331,347	283,695
Deferred tax:		
Current period	61,325	66,523
	392,672	350,218

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

11. DIVIDEND PAID

	Six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
2016 final dividend paid of HK\$0.55 (six months ended 30 June 2016: 2015 final dividend paid of HK\$0.35) per share	409,962	258,978

An interim dividend in respect of 2017 of HK\$0.15 (six months ended 30 June 2016: HK\$0.13) per share amounting to a total of approximately HK\$112 million (six months ended 30 June 2016: HK\$96 million) was declared by the Board of Directors on 18 August 2017. 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 745,636,566 shares in issue as at 18 August 2017.

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	
	2017 HK\$'000	2016 HK\$'000
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	283,879	218,323
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	742,281	739,937
Effect of dilutive potential ordinary shares: Share options	1,161	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	743,442	739,937

The computation of diluted earnings per share for the six months ended 30 June 2016 did not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of the shares for the prior period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

13. INVESTMENT PROPERTIES

	HK\$'000
Completed properties, at fair value	
At 1 January 2017	2,468,194
Transfer from completed properties held for sale (note (a))	531
Transfer to property, plant and equipment	(67,198)
Addition during the period	15,938
Adjustment to the acquisition cost of an investment property (note (b))	(45,743)
Disposal during the period	(28,402)
Fair value gains on transfer of completed properties held for sale to investment properties	337
Change in fair value recognised in profit or loss	70,178
Exchange difference arising on translation to presentation currency	24,453
	2,438,288
At 30 June 2017	2,438,288

Notes:

- (a) 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.
- (b) In June 2016, the Group entered into an asset acquisition agreement with the vendors, 蘇州南海明珠房地產開發有限公司 and 鹽城潤宇商業管理有限公司 to acquire the investment property located in Suzhou at a consideration of RMB255,810,000. The consideration shall be settled by instalments based on the progress for the fulfilment of certain conditions of the investment property set out in the agreement. As certain conditions of the investment property were not fulfilled, the final amount of consideration was reduced by HK\$45,743,000 and therefore, the carrying amount of investment properties and the accruals were reduced by the aforesaid amount.

The fair values of completed investment properties at 30 June 2017 and 31 December 2016 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 reports on these properties were signed by directors of the firm of professional valuers who are members of The Hong Kong Institute of Surveyors. The fair values of the completed investment properties were determined 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.

The investment properties are situated in the PRC. 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

For the six months ended 30 June 2017

14. INTERESTS IN JOINT VENTURES

	30 June 2017 HK\$'000	31 December 2016 HK\$'000
Interests in infrastructure joint ventures		
Cost of investments	4,782,431	4,782,431
Return of cost of investments (note (a))	(3,154,744)	(3,154,530)
Share of post-acquisition profits, net of dividends received	1,024,520	1,118,207
Exchange adjustments	628,209	595,728
	3,280,416	3,341,836
Interests in other joint ventures		
Cost of investments	1,729,282	1,223,457
Share of post-acquisition profits, net of dividends received	3,933	47,035
Exchange adjustments	(36,990)	(47,348)
	1,696,225	1,223,144
	4,976,641	4,564,980

Notes:

- (a) Pursuant to the joint venture agreements, the infrastructure joint ventures distribute the cash surplus to the Group and the other venturers based on the agreed profit/cash sharing ratio for cash distributions. The cash surplus is determined by the joint venture partners with reference to the toll receipt less various expenses (not including depreciation and amortisation) and budgeted capital expenditure of joint ventures, other than the cash distributed to the joint venture partners in the form of dividend. The actual 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.
- (b) During the six months ended 30 June 2017, the Group has acquired two joint ventures which are engaging in property development business in the PRC and the total consideration paid for the acquisitions was HK\$483,485,000.
- (c) In March 2017, the Group entered into an undertaking agreement with an independent third party (the land provider) pursuant to which the Company undertakes for a prompt settlement of 50% of the outstanding debts incurred by a joint venture of the Group for a property development project in Hong Kong. The remaining 50% of the outstanding debts incurred by the joint venture is borne by the joint venture partner. At 30 June 2017, the estimated amount of the liabilities of the joint venture undertaken by the Group was about HK\$2,709,000,000.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

15. INVENTORY OF PROPERTIES

	30 June 2017 HK\$'000	31 December 2016 HK\$'000
Completed properties held for sale	4,269,514	5,457,668
Properties under development for sale (note)	25,293,980	20,826,040
	29,563,494	26,283,708

Note: Included in the amount are properties under development for sale of HK\$16,914,304,000 (31 December 2016: HK\$15,264,035,000) 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 2017, the total consideration of HK\$683,371,000 (31 December 2016: HK\$1,102,355,000) was prepaid in full in accordance with 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. Such prepayment is classified as current assets. Upon the delivery of relevant land title documents 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".

17. AMOUNTS DUE FROM JOINT VENTURES

	30 June 2017 HK\$'000	31 December 2016 HK\$'000
Current portion	3,110,883	2,035,678
Non-current portion	3,921,948	1,185,114
	7,032,831	3,220,792
Analysed into:		
Interest bearing at fixed interest rate ranged from 5% to 11% (31 December 2016: 6.02% to 12%) per annum	6,470,359	2,698,343
Interest bearing at variable interest rate at 10% over the lending rate (31 December 2016: 10% over the lending rate) set by the People's Bank of China ("PBOC") per annum	115,797	138,963
Interest-free	446,675	383,486
	7,032,831	3,220,792

The amounts due from joint ventures are all unsecured and the Group expects to receive the current portion within twelve months from the end of the reporting period based on the status of the property projects of property joint ventures and the performance of the infrastructure joint ventures.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

18. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2017 HK\$'000	31 December 2016 HK\$'000
Aging analysis of trade debtors, presented based on invoice dates (note (a)):		
Within 60 days	2,681	146,517
61 to 90 days	162	1,014
More than 90 days	28,590	6,532
	31,433	154,063
Prepayment for land development cost (note (b))	549,607	515,438
Deposits paid for acquisition of inventory of properties (note (c))	957,642	452,107
Prepayment of business tax and other taxes	729,752	327,629
Other receivables, deposits and prepayments (note (d))	1,017,888	782,550
	3,286,322	2,231,787

Notes:

(a) 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 property purchasers.

(b) In January 2016, the Group entered into an agreement with certain independent third parties who own certain pieces of industrial land in Jinan, the PRC (the "Contracting Parties") pursuant to which the Group will pay not more than RMB500,000,000 to the Contracting Parties to settle the debts of Contracting Parties and for the severance payments and labour compensation of the Contracting Parties such that the land can be cleared up and change its use from industrial to residential purpose and put into public auction. At 30 June 2017, prepayment of land development cost of HK\$494,102,000 (31 December 2016: HK\$459,933,000) has been made. According to the agreement, if the Group cannot obtain the land through the public auction, the prepayment will be refunded and a daily interest of 0.03% on the prepaid amount will be received. Based on the progress of the project, the public auction is expected to be launched within one year.

At 30 June 2017, the Group has also paid HK\$55,505,000 to certain independent third parties for the land development cost in the PRC. The amounts will be fully refunded if the land bidding is not successful and the land public auction is expected to be launched within one year from the end of the reporting period.

(c) At 30 June 2017, the amount includes HK\$91,116,000 deposits paid by the Group to the local government of Zhengzhou for the participation in the real estate projects which target for the combination of property development and cultural tourism in Zhengzhou. The land use rights of the property projects will be obtained through the land public auction which are expected to be completed within one year.

The remaining balances mainly represent a tender deposit paid for public auction of land in Hong Kong and deposits for acquisition of property development projects in the PRC, which will be fully refunded if the Group cannot acquire the land/projects successfully. Out of which, HK\$581,788,000 in aggregate has been subsequently refunded to the Group in July 2017.

(d) Included in other receivables at 30 June 2017 is the temporary advance to a joint venture amounting to HK\$202,868,000, which is unsecured, interest-free and repayable on demand. The amount has been fully repaid by the joint venture in mid-August 2017.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

19. OTHER FINANCIAL ASSETS

The other financial assets of HK\$271,531,000 (31 December 2016: HK\$396,918,000) represented the fair value of 12 (31 December 2016: 14) outstanding structured foreign currency forward contracts with banks in Hong Kong in order to manage the Group's currency risk.

The Group is required to transact with the banks at the end of the contract period for designated notional amount under the respective contracts. If the spot rate for conversion of United States dollars ("US\$") for Renminbi ("RMB") as prevailing in the international foreign exchange market ("Spot Rate") on fixing date is (1) at or above the capped strike rate, the Group will buy US\$ notional amount at the varied strike rate, which is the Spot Rate on fixing date minus the spread between the capped strike rate and the strike rate; (2) below the capped strike rate and at or above the strike rate, the Group will buy US\$ notional amount at the strike rate, and; (3) below the strike rate, the Group will buy the US\$ notional amount at the strike rate.

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

20. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits of HK\$197,115,000 (31 December 2016: HK\$165,909,000) 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\$146,617,000 (31 December 2016: Nil) represented the deposit received from disposal of a subsidiary which is restricted for use by the Group and HK\$1,810,473,000 (31 December 2016: HK\$1,358,297,000) in total were restricted 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\$1,058,170,000 (31 December 2016: HK\$758,035,000) according to the relevant requirements of the PRC local government. The remaining cash of HK\$752,303,000 (31 December 2016: HK\$600,262,000) is received mainly from the bank loans for property development.

Bank balances carry interest at market rates which range from 0.01% to 1.25% (31 December 2016: 0.01% to 2.5%) per annum.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

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 2017	739,936,566	73,994
Issue of shares upon exercise of share options	5,600,000	560
At 30 June 2017	745,536,566	74,554

22. PERPETUAL CAPITAL SECURITIES

	30 June 2017 HK\$'000
2017 February perpetual capital securities (note)	2,348,313
2017 June perpetual capital securities (note)	2,299,851
	4,648,164

Note:

In February 2017 and June 2017, the wholly-owned subsidiaries of the Company issued US\$300 million 7.95% senior guaranteed perpetual capital securities ("2017 February perpetual capital securities") and US\$300 million 7% senior guaranteed perpetual capital securities ("2017 June perpetual capital securities") respectively at issue price of 100% of the principal amounts. Both capital securities were then listed on the Singapore Stock Exchange Securities Trading Limited ("Singapore Exchange") and guaranteed by the Company for the due payment. Distributions are paid semi-annually in arrears and can be deferred at the discretion of the issuers. The perpetual capital securities have no fixed maturity and are redeemable at the issuers' option at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company cannot declare or, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank, which includes the ordinary shares of the Company. Additional information for the capital securities is as follows:

List of perpetual capital securities	Listing date	First call date*
2017 February perpetual capital securities	20 February 2017	17 February 2022
2017 June perpetual capital securities	27 June 2017	23 June 2022

* The issuers may redeem the perpetual capital securities on or after the first call date.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

23. BANK AND OTHER BORROWINGS

	30 June 2017 HK\$'000	31 December 2016 HK\$'000
2016 August guaranteed senior notes (note (a))	3,449,455	3,476,890
2016 September guaranteed senior notes (note (b))	3,795,495	3,858,575
2016 Domestic bonds (note (c))	1,691,073	1,708,428
Bank loans (note (d))	7,941,731	8,390,143
Other loans (note (e))	2,625,854	142,938
	19,503,608	17,576,974
The maturity of the above loans and notes is as follows:		
Unsecured borrowings repayable*:		
Within one year	721,290	2,524,203
More than one year but not exceeding two years	106,496	560,540
More than two years but not exceeding five years	12,821,635	7,335,465
	13,649,421	10,420,208
Secured borrowings repayable*:		
Within one year	4,137,130	3,063,224
More than one year but not exceeding two years	1,040,063	954,556
More than two years but not exceeding five years	159,147	2,599,373
More than five years	257,847	279,613
	5,594,187	6,896,766
Carrying amount of unsecured bank loans containing a repayable on demand clause	260,000	260,000
Total borrowings	19,503,608	17,576,974
Less: Amounts classified as current liabilities	(5,118,420)	(5,847,427)
Amount due over one year shown and classified as non-current liabilities	14,385,188	11,729,547

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

23. BANK AND OTHER BORROWINGS *(CONTINUED)*

Notes:

- (a) The 2016 August guaranteed senior notes with an outstanding principal amount of US\$450,000,000 (31 December 2016: US\$450,000,000) are listed on the Stock Exchange and were issued in August 2016. The notes, bearing interest at a fixed rate of 5% per annum, will mature in August 2019.
- (b) The 2016 September guaranteed senior notes with an outstanding principal amount of US\$500,000,000 (31 December 2016: US\$500,000,000) are listed on the Stock Exchange and were issued in September 2016. The notes, bearing interest at a fixed rate of 4.7% per annum, will mature in September 2021.
- (c) The 2016 Domestic bonds with an outstanding principal amount of RMB1,500,000,000 are listed on The Shanghai Stock Exchange, bearing interest at a fixed rate of 4.5% per annum and have a term of five years. At the end of the third year of issuance, the Group has the option to adjust the coupon rate, while the investors are entitled to require the Group to repurchase the bonds at the principal amount.
- (d) At 30 June 2017, bank loans with carrying amount of HK\$3,739,140,000 (31 December 2016: HK\$4,691,755,000) bear a floating interest rate based on PBOC plus a specified margin, ranging from 4.28% to 5.7% (31 December 2016: 4.28% to 7.48%) per annum. At 30 June 2017, bank loans with carrying amount of HK\$1,315,490,000 (31 December 2016: HK\$1,043,850,000) bear interest at a fixed rate ranging from 5.46% to 6.3% (31 December 2016: 5.46% to 10%) per annum. Interest rates on the remaining bank loans, which carry at floating interest rates based on either Hong Kong Interbank Offered Rate ("HIBOR") or London Interbank Offered Rate ("LIBOR") plus a specified margin, ranging from 2.43% to 4.33% (31 December 2016: 2.27% to 4.73%) per annum.
- (e) At 30 June 2017, other loans with carrying amount of HK\$2,625,854,000 (31 December 2016: HK\$142,938,000) bear interest at a fixed rate ranging from 6.79% to 9.8% (31 December 2016: 6.23% to 9%) per annum.

24. LOANS FROM NON-CONTROLLING INTERESTS OF SUBSIDIARIES

At 31 December 2016, the loans with carrying amount of HK\$204,112,000 (included in current liabilities) were unsecured, carrying interest at fixed rate of 5.22% to 5.7% per annum and the entire balance was repaid during the six months ended 30 June 2017.

At 31 December 2016, the loans with carrying amount of HK\$77,904,000 (included in non-current liabilities) were unsecured and carrying interest at a fixed rate of 5.7% per annum. Such amounts were repayable in March and July 2018. During the six months ended 30 June 2017, the whole balance was early repaid.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

25. CREDITORS AND ACCRUED CHARGES

	30 June 2017 HK\$'000	31 December 2016 HK\$'000
Aging analysis of creditors presented based on invoice dates:		
Trade payables		
Within 60 days	133,169	362,882
61 to 90 days	17,242	44,738
More than 90 days	560,541	509,970
	710,952	917,590
Bills payables		
Within 60 days	78,018	16,175
61 to 90 days	–	–
More than 90 days	–	42,226
	78,018	58,401
Accrued construction costs	4,369,712	4,198,020
	5,158,682	5,174,011
Interest payable	195,399	174,385
Accrued taxes (other than EIT and LAT)	210,735	227,191
Deposit received from disposal of a subsidiary	146,617	–
Consideration payable from acquisition of subsidiaries and joint ventures	341,438	395,159
Other payables	951,961	813,775
	7,004,832	6,784,521

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 reporting period as shown in the 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 2017 HK\$'000	31 December 2016 HK\$'000
Bank balances and cash	13,553,675	8,048,817
Less: restricted bank balances – proceeds from pre-sale of properties (note 20)	(1,058,170)	(758,035)
Less: restricted bank balances – deposit received from disposal of a subsidiary (note 20)	(146,617)	–
	12,348,888	7,290,782

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

27. CONTINGENT LIABILITIES

Other than the Group's undertaking of the outstanding debts of a joint venture as disclosed in note 14(c), the Group has the following contingent liabilities at 30 June 2017.

At 30 June 2017, the Group provided guarantees of HK\$6,649,342,000 (31 December 2016: HK\$6,640,336,000) 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 will 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 consider that the fair value of such guarantees is insignificant.

At 30 June 2017, the Group provided guarantee of HK\$1,941,481,000 (31 December 2016: HK\$773,285,000) to banks in connection with the banking facilities granted to joint ventures. The Directors consider that the fair value of such guarantee is insignificant as the joint ventures have strong net asset position and the default risk is low.

28. 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\$4,821,723,000 (31 December 2016: HK\$5,099,271,000) were pledged to banks to secure the banking facilities granted to the Group.

29. RELATED PARTY TRANSACTIONS

Other than set out in notes 17, 18(d), 24 and 27, included in non-current loan receivables at 30 June 2017 was the loan to non-controlling interest of subsidiary amounting to HK\$121,481,000 which was unsecured, carried interest at a fixed rate, ranging from 12% to 18% per annum and will be repaid in 2019.

The Group also had transactions with the following related parties during the period:

Related parties	Nature	Six months ended 30 June	
		2017 HK\$'000	2016 HK\$'000
An expressway joint venture	Interest income	3,085	5,023
Property joint ventures	Interest income	135,768	46,934
Non-controlling interests of subsidiaries	Interest income	2,942	–
Non-controlling interests of subsidiaries	Interest expenses	4,281	18,460

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2017

29. RELATED PARTY TRANSACTIONS (CONTINUED)

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	
	2017 HK\$'000	2016 HK\$'000
Short-term employment benefits	78,742	59,140
Post-employment benefits	3,091	2,854
	81,833	61,994

The remuneration of Directors and key executives is determined with reference to the performance of individuals and market trends.

30. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2017 amounted to HK\$34,072,060,000 (31 December 2016: HK\$26,689,384,000). The Group's net current assets at 30 June 2017 amounted to HK\$21,316,357,000 (31 December 2016: HK\$17,337,446,000).

31. CAPITAL COMMITMENTS

	30 June 2017 HK\$'000	31 December 2016 HK\$'000
Capital injection into joint ventures contracted for but not provided in the condensed consolidated financial statements	276,879	174,373

32. EVENT AFTER THE END OF THE REPORTING PERIOD

Pursuant to a shareholders agreement dated 14 July 2017 entered into between Profit City Global Limited ("Profit City"), a wholly-owned subsidiary of Road King Infrastructure Limited ("Road King") and Medos Limited ("Medos"), a wholly-owned subsidiary of a shareholder of Road King, a joint venture is established in Hong Kong as to 50% owned by Profit City and 50% owned by Medos. The joint venture has been awarded the tender for a piece of land in Hong Kong. The maximum capital commitment of the Group for the development of the land is HK\$3,000 million. Details of the transaction are set out in the public announcement of the Company dated 14 July 2017.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

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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-27, which comprise the condensed consolidated statement of financial position as of 30 June 2017 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

18 August 2017



Road King Infrastructure Limited