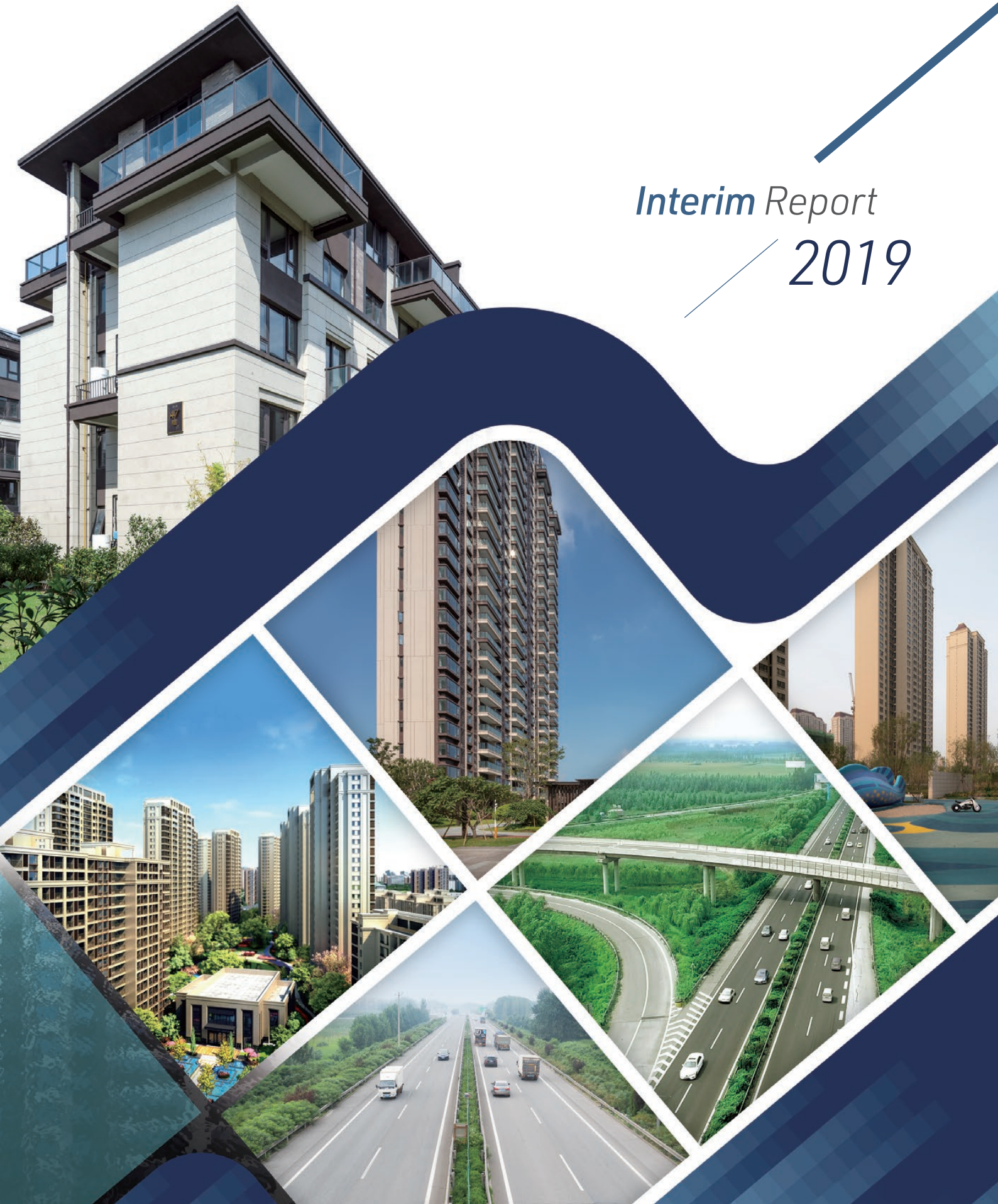




Road King Infrastructure Limited

(Incorporated in Bermuda with limited liability)
(Stock Code : 1098)

Interim Report
2019



Corporate Profile

ROAD KING INFRASTRUCTURE LIMITED

Road King Infrastructure Limited is a prominent property developer in Mainland China and Hong Kong focusing on developing quality residential apartments and also a leading toll road investor and operator in Mainland China with over 20 years of experience in the industry. The existing real estate portfolio is mainly located in the Yangtze River Delta, Bohai Rim regions and Greater Bay Area, comprising a land reserve of about 7.91 million square meters. The current toll road portfolio consists of five expressways spanning 340 km in Mainland China.

19 August 2019





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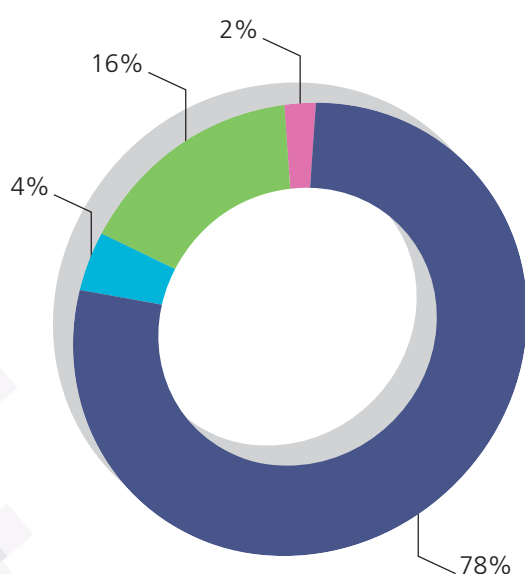
Condensed Consolidated Financial Statements

F-1	Condensed Consolidated Statement of Profit or Loss
F-2	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
F-3	Condensed Consolidated Statement of Financial Position
F-5	Condensed Consolidated Statement of Changes in Equity
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Financial Highlights

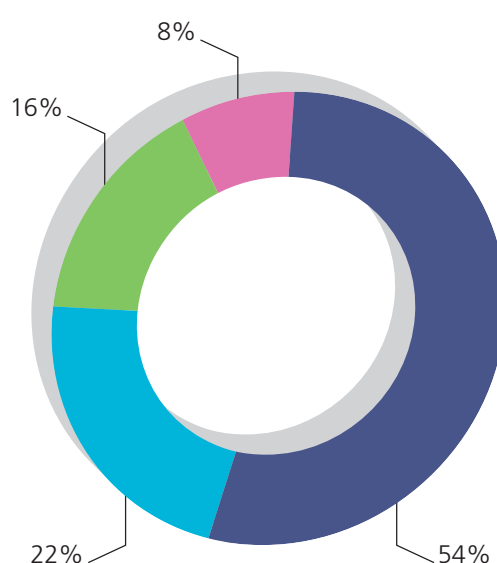
(HK\$'million)	For the six months ended 30 June			For the year ended 31 December	
	2019	2018	2017	2018	2017
Revenue of the Group	6,856	5,722	3,166	22,365	14,756
Group's share of revenue of joint ventures	2,522	1,920	631	4,624	1,504
Revenue of the Group and Group's share of revenue of joint ventures	9,378	7,642	3,797	26,989	16,260
Cash received from toll road projects (including the repayment of shareholders' loans)	264	374	390	827	713
Profit for the period/year	1,200	1,160	375	3,699	2,476
Profit attributable to owners of the Company	868	808	284	2,988	1,944
Equity attributable to owners of the Company	17,624	15,701	13,330	17,398	15,635
Total assets	84,060	77,155	64,940	78,952	69,735
Bank balances and cash	13,917	9,976	13,554	11,793	8,552
Basic earnings per share (HK\$)	1.16	1.08	0.38	3.99	2.61
Dividend per share (HK\$)	0.30	0.30	0.15	1.18	0.93
Net assets per share attributable to owners of the Company (HK\$)	23.52	20.95	17.88	23.22	20.90
Net gearing ratio (%)	52%	49%	30%	35%	54%

PROPERTY DELIVERY IN FIRST HALF OF 2019 BY LOCATION (INCLUDING JOINT VENTURE PROJECTS)



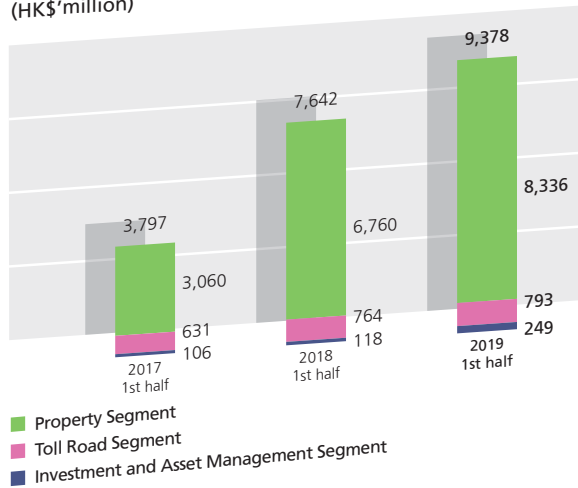
- Yangtze River Delta Region
- Bohai Rim Region
- Guangdong - Hong Kong - Macao Bay Area
- Other Regions

TOLL REVENUE FROM EXPRESSWAY PROJECTS IN FIRST HALF OF 2019 BY LOCATION

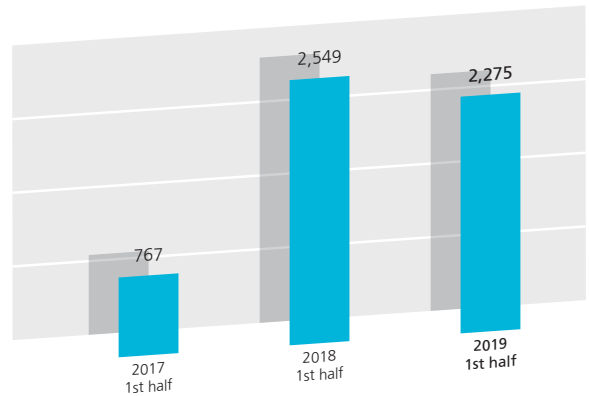


- Hebei Province
- Hunan Province
- Shanxi Province
- Anhui Province

REVENUE (INCLUDING SHARE OF REVENUE OF JOINT VENTURES)
(HK\$'million)



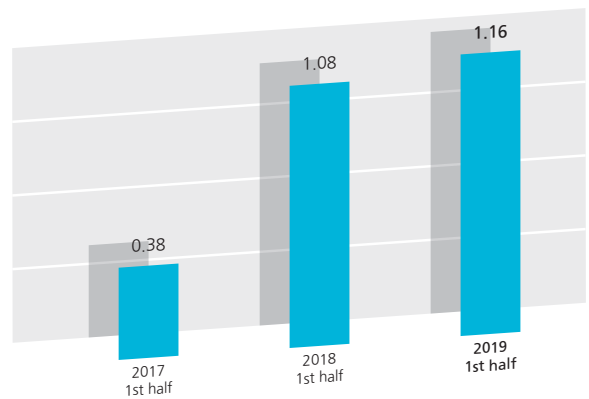
PROFIT BEFORE TAXATION
(HK\$'million)



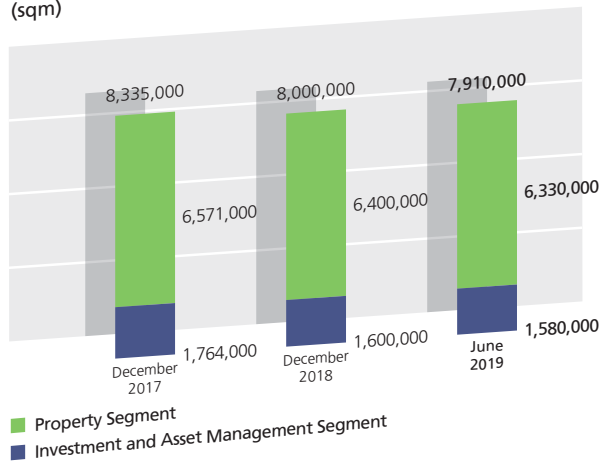
PROPERTY SALES (INCLUDING JOINT VENTURE PROJECTS)
(RMB'million)



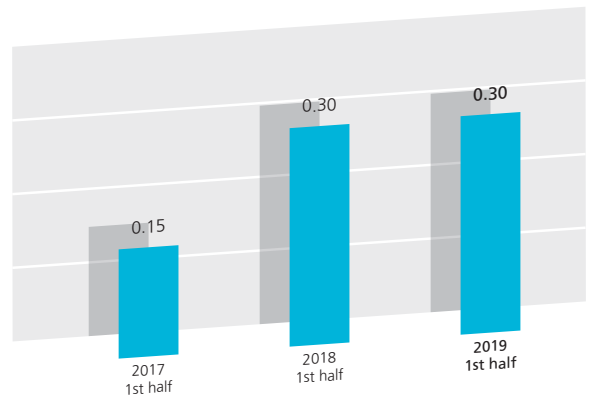
BASIC EARNINGS PER SHARE
(HK\$)



LAND RESERVE (INCLUDING JOINT VENTURE PROJECTS)
(sqm)



DIVIDEND PER SHARE
(HK\$)



Management Discussion and Analysis

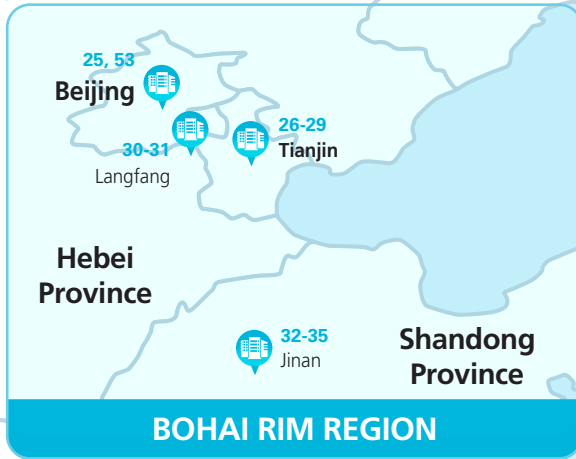
PROPERTY PROJECTS

 Yangtze River Delta Region

 Bohai Rim Region

 Guangdong – Hong Kong – Macao Bay Area

 Other Regions



LAND RESERVE

As at 30 June 2019

Region	Floor Area	
	sqm	Proportion
Shanghai	173,000	2%
Jiangsu Province	3,296,000	42%
Zhejiang Province	450,000	6%
Yangtze River Delta Region	3,919,000	50%
Beijing	124,000	2%
Tianjin	747,000	9%
Hebei Province	455,000	6%
Shandong Province	437,000	5%
Bohai Rim Region	1,763,000	22%
Guangdong Province	449,000	6%
Hong Kong Special Administrative Region	118,000	1%
Guangdong – Hong Kong – Macao Bay Area	567,000	7%
Henan Province	1,393,000	18%
Hubei Province	268,000	3%
Other Regions	1,661,000	21%
Total	7,910,000	100%
Of which:		
Properties for Sale	7,661,000	97%
Investment Properties	249,000	3%

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Yangtze River Delta Region


	1 RK Sheshan Villa • Dongyuan							
	Floor area (sqm)	173,000	Nature	Residential and commercial	Stage of completion (note)	F/C	Land area (sqm)	122,000
	Approximate attributable interest	60%	Target completion	2021	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		
	2 RK City (Zhenjiang)							
	Floor area (sqm)	370,000	Nature	Residential	Stage of completion (note)	P/F/S	Land area (sqm)	257,000
	Approximate attributable interest	100%	Target completion	2023	Location	South of Yihou Road and West of Yandun Shan Road, Dagang Town, Zhenjiang, Jiangsu Province, the PRC		
	3 Lakeside Mansion (formerly known as Yuhuatai District Project)							
	Floor area (sqm)	95,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	34,000
	Approximate attributable interest	25%	Target completion	2020	Location	Saihongqiao Street, Nanxiying Village, Yuhuatai District, Nanjing, Jiangsu Province, the PRC		
	4 RK City (Changzhou)							
	Floor area (sqm)	162,000	Nature	Residential	Stage of completion (note)	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		
	5 RK City Landmark							
	Floor area (sqm)	165,000	Nature	Residential	Stage of completion (note)	S/C	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		

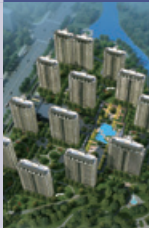
MAJOR PROJECTS INFORMATION


Properties for Sale


As at 30 June 2019


Yangtze River Delta Region

6	RK Taihu Lake Yard							
	Floor area (sqm)	197,000	Nature	Residential	Stage of completion (note)	P/F/S	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		

7	RK Sky Peninsula							
	Floor area (sqm)	76,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	46,000
	Approximate attributable interest	60%	Target completion	2019	Location	North of Yancheng Avenue, East of Yingbin Road, South of Yanming Road, West of Dongtai Road, Yanshan New District, Changzhou, Jiangsu Province, the PRC		

8	RK Metropolis							
	Floor area (sqm)	97,000	Nature	Residential and commercial	Stage of completion (note)	S/C	Land area (sqm)	50,000
	Approximate attributable interest	100%	Target completion	2019	Location	South of Zhongwu Avenue, West of Jinchuang Road, Yaoguan Town, Wujin District, Changzhou, Jiangsu Province, the PRC		

9	Tang Song							
	Floor area (sqm)	232,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	129,000
	Approximate attributable interest	49%	Target completion	2021	Location	Southeast of Dingxiang Road and Zhongwu Avenue, Zhonglou District, Changzhou, Jiangsu Province, the PRC		

10	City Wan Xiang							
	Floor area (sqm)	214,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	109,000
	Approximate attributable interest	51%	Target completion	2020	Location	East of Longjiang Zhong Road, South of Zijing West Road, West of Chuanfang North Road, North of Zhongwu Avenue, Zhonglou District, Changzhou, Jiangsu Province, the PRC		

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Yangtze River Delta Region

11 Guo Shi Jiu Li								
	Floor area (sqm)	113,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	61,000
	Approximate attributable interest	50%	Target completion	2020	Location	West of Chechang Road, South of Qingtan West Road, Zhonglou District, Changzhou, Jiangsu Province, the PRC		
12 Embrace of Glory								
	Floor area (sqm)	148,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	106,000
	Approximate attributable interest	33.3%	Target completion	2020	Location	Northwest of the junction of Guanhu Road and Yugang Road, Binhu District, Wuxi, Jiangsu Province, the PRC		
13 Pearl of the Lake								
	Floor area (sqm)	42,000	Nature	Residential	Stage of completion (note)	C	Land area (sqm)	320,000
	Approximate attributable interest	33.3%	Target completion	2019	Location	No. 8, Mashan Changle Road, Binhu District, Wuxi, Jiangsu Province, the PRC		
14 Mei Du Mansion								
	Floor area (sqm)	71,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	45,000
	Approximate attributable interest	60%	Target completion	2020	Location	Northwest of intersection of Taibo Avenue, Meicun Street and Meixi Road, Xinwu District, Wuxi, Jiangsu Province, the PRC		
15 Meili Ancient Town								
	Floor area (sqm)	55,000	Nature	Commercial	Stage of completion (note)	S	Land area (sqm)	68,000
	Approximate attributable interest	60%	Target completion	2019	Location	Southeast of Xinhua Road and Taibo Avenue, Xinwu District, Wuxi, Jiangsu Province, the PRC		

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Yangtze River Delta Region

	16 RK Phoenix City							
	Floor area (sqm)	88,000	Nature	Residential	Stage of completion (note)	P/S/C	Land area (sqm)	843,000
	Approximate attributable interest	100%	Target completion	2021	Location	Junction of Zhongxin Da Road East and Xieyu Road South, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		
	17 The Legendary One							
	Floor area (sqm)	178,000	Nature	Residential	Stage of completion (note)	S/C	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		
	18 New Lake New City							
	Floor area (sqm)	356,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	173,000
	Approximate attributable interest	33%	Target completion	2021	Location	North of Kuaixiang Avenue, East of Xiangshan Bei Road, Wuzhong Taihu National Tourism Resort Zone, Suzhou, Jiangsu Province, the PRC		
	19 RK One More Time (formerly known as Lu Zhi Project)							
	Floor area (sqm)	97,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	45,000
	Approximate attributable interest	100%	Target completion	2020	Location	East of Fucheng North Road, South of Luzhi Avenue, Wuzhong District, Suzhou, Jiangsu Province, the PRC		
	20 Lan Ting Long Yue Hua Yuan (formerly known as Langting Gem Mansion)							
	Floor area (sqm)	152,000	Nature	Residential	Stage of completion (note)	P/F	Land area (sqm)	71,000
	Approximate attributable interest	49%	Target completion	2021	Location	North of Youyi Road, East of Tonglu Road, Lujia Town, Kunshan, Jiangsu Province, the PRC		

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Yangtze River Delta Region

21	Jinmao Palace							
	Floor area (sqm)	200,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	116,000
	Approximate attributable interest	45%	Target completion	2020	Location	North land locates at Qingfeng Road East, Tangqiao Road South, South land locates at Youquan Road North, Shiqiaoang West, Economic and Technological Development Zone, Jiaying, Zhejiang Province, the PRC		
22	Ocean River Masterpiece (formerly known as Shanghe Chen Zhang)							
	Floor area (sqm)	73,000	Nature	Residential	Stage of completion (note)	S	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		
23	Jiangnan Courtyard							
	Floor area (sqm)	79,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	40,000
	Approximate attributable interest	51%	Target completion	2020	Location	East to Nianyu Banggang Green Zone, South to Nianyu Banggang Zhuliu Green Zone, West to Nianyu Banggang Zhuliu Green Zone, North to Raocheng Highway Green Zone, Yuhang District, Hangzhou, Zhejiang Province, the PRC		
24	RK XinTianDi (Ningbo)							
	Floor area (sqm)	98,000	Nature	Residential and commercial	Stage of completion (note)	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		

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Bohai Rim Region

25	RK World City							
	Floor area (sqm)	4,000	Nature	Residential	Stage of completion (note)	C	Land area (sqm)	86,000
	Approximate attributable interest	100%	Target completion	Completed	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		
26	RK Sunny Town							
	Floor area (sqm)	197,000	Nature	Residential	Stage of completion (note)	F/S/C	Land area (sqm)	811,000
	Approximate attributable interest	94.74%	Target completion	2022	Location	Junction of Lushan Road and Helan Road, Hedong District, Tianjin, the PRC		
27	RK Junlan Bay							
	Floor area (sqm)	273,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	125,000
	Approximate attributable interest	100%	Target completion	2020	Location	Junction of Chenyong Road and Zhixin Road, Beicang Town, Beichen District, Tianjin, the PRC		
28	Joy Meaningful Residence (formerly known as Joyful Residence)							
	Floor area (sqm)	163,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	109,000
	Approximate attributable interest	50%	Target completion	2020	Location	East of Huangzhuang Street and Quanshang Road, Wuqing District, Tianjin, the PRC		
29	RK Fabulous Community (formerly known as Hai Jieo Yuan Project)							
	Floor area (sqm)	100,000	Nature	Residential	Stage of completion (note)	F	Land area (sqm)	72,000
	Approximate attributable interest	100%	Target completion	2020	Location	East of Wenhui North Road, Haihe Education Park, Tianjin, the PRC		

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Bohai Rim Region

30	RK Grandtown							
	Floor area (sqm)	376,000	Nature	Residential	Stage of completion (note)	F/S/C	Land area (sqm)	495,000
	Approximate attributable interest	100%	Target completion	2021	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		
31	Guan Project							
	Floor area (sqm)	79,000	Nature	Residential and commercial	Stage of completion (note)	C	Land area (sqm)	200,000
	Approximate attributable interest	45%	Target completion	Completed	Location	West of Neinanchen Village and East of Daguang Highway, Hot Spring Park, Guan County, Langfang, Hebei Province, the PRC		
32	RK City (Jinan) Phase III							
	Floor area (sqm)	101,000	Nature	Residential and commercial	Stage of completion (note)	F	Land area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	2021	Location	South of Beiyuan Da Street and West of Erhuan East Road, Licheng District, Jinan, Shandong Province, the PRC		
33	Joy Mansion of Glory							
	Floor area (sqm)	129,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	50,000
	Approximate attributable interest	50%	Target completion	2020	Location	North of Jingshi Dong Road, Lixia District, Jinan, Shandong Province, the PRC		
34	Noble Mansion of Glory							
	Floor area (sqm)	60,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	21,000
	Approximate attributable interest	50%	Target completion	2021	Location	South of Xinggang Road, Lixia District, Jinan, Shandong Province, the PRC		
35	Jin Mao Noble Manor							
	Floor area (sqm)	147,000	Nature	Residential	Stage of completion (note)	F/S	Land area (sqm)	81,000
	Approximate attributable interest	50%	Target completion	2020	Location	North of Feiyue Avenue, East of Hancang River, South of Hancang Avenue, Licheng District, Jinan, Shandong Province, the PRC		

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Guangdong – Hong Kong – Macao Bay Area







36	RK Mont Panorama (Guangzhou)							
	Floor area (sqm)	108,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	90,000
	Approximate attributable interest	51%	Target completion	2019	Location	Baohua Road, Huadu District, Guangzhou, Guangdong Province, the PRC		
37	Elite's Mansion							
	Floor area (sqm)	138,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	40,000
	Approximate attributable interest	49%	Target completion	2020	Location	North of Ronggui Rongqi Avenue East, West of Xianghe Guojiang Tunnel, Shunde District, Foshan, Guangdong Province, the PRC		
38	Rivage Panorama							
	Floor area (sqm)	49,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	22,000
	Approximate attributable interest	100%	Target completion	2020	Location	No. 27 of Rongqi Avenue East, Ronggui Rongli Neighborhood Committee, Shunde District, Foshan, Guangdong Province, the PRC		
39	Crescent Green (formerly known as Yuen Long Project)							
	Floor area (sqm)	31,000	Nature	Residential	Stage of completion (note)	S	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		
40	Wong Chuk Hang Project							
	Floor area (sqm)	47,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	11,000
	Approximate attributable interest	50%	Target completion	2022	Location	Site A of Aberdeen Inland Lot No. 467, Hong Kong		
41	So Kwun Wat Project							
	Floor area (sqm)	40,000	Nature	Residential	Stage of completion (note)	F	Land area (sqm)	12,000
	Approximate attributable interest	50%	Target completion	2023	Location	Tuen Mun Town Lot No. 520, New Territories, Hong Kong		

MAJOR PROJECTS INFORMATION

Properties for Sale

As at 30 June 2019

Other Regions




	42 RK International City (Zhengzhou)							
	Floor area (sqm)	234,000	Nature	Residential	Stage of completion (note)	F/S/C	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		
	43 RK Ninth County							
	Floor area (sqm)	888,000	Nature	Residential and commercial	Stage of completion (note)	P/F/S	Land area (sqm)	314,000
	Approximate attributable interest	60%	Target completion	2025	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		
	44 RK Royal City (Luoyang)							
	Floor area (sqm)	199,000	Nature	Residential	Stage of completion (note)	S/C	Land area (sqm)	147,000
	Approximate attributable interest	100%	Target completion	2021	Location	Huaxia Road, Gaoxin District, Luoyang, Henan Province, the PRC		
	45 RK Leader of Life (Luoyang)							
	Floor area (sqm)	54,000	Nature	Residential	Stage of completion (note)	P	Land area (sqm)	54,000
	Approximate attributable interest	100%	Target completion	2022	Location	Southwest of the junction of Yanhuang Road and Tianzhong Road, Gaoxin District, Luoyang, Henan Province, the PRC		
	46 RK Times City							
	Floor area (sqm)	60,000	Nature	Residential	Stage of completion (note)	S	Land area (sqm)	24,000
	Approximate attributable interest	80%	Target completion	2021	Location	Wulijie Street, Maojiafan Village, Jiangxia District, Wuhan, Hubei Province, the PRC		
	47 Shan He Wan							
	Floor area (sqm)	208,000	Nature	Residential	Stage of completion (note)	P/S	Land area (sqm)	73,000
	Approximate attributable interest	80%	Target completion	2021	Location	No. 34 Jiexing Road, Wulijie Street, Jiangxia District, Wuhan, Hubei Province, the PRC		

MAJOR PROJECTS INFORMATION



Investment Properties

As at 30 June 2019


Yangtze River Delta Region

48 RK Grand Metropolis (Changzhou)								
	Floor area (sqm)	94,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	67,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 33, Huayuan Street, Wujin District, Changzhou, Jiangsu Province, the PRC		
16 RK Phoenix City								
	Floor area (sqm)	23,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	Completed	Location	Junction of Zhongxin Da Road East and Xieyu Road South, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		
49 RK Grand Metropolis (Suzhou)								
	Floor area (sqm)	37,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	24,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 180, Renmin Road, Wujiang District, Suzhou, Jiangsu Province, the PRC		

Bohai Rim Region

25 RK World Plaza								
	Floor area (sqm)	63,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	22,000
	Approximate attributable interest	100%	Target completion	Completed	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		
26 RK Joy Park								
	Floor area (sqm)	14,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	9,000
	Approximate attributable interest	94.74%	Target completion	Completed	Location	Junction of Longshan Road and Tianshan Bei Road, Hedong District, Tianjin, the PRC		


Other Regions


50 RK Central Special Zone								
	Floor area (sqm)	18,000	Nature	Commercial	Stage of completion (note)	C	Land area (sqm)	9,000
	Approximate attributable interest	94.74%	Target completion	Completed	Location	Junction of Shangding Road and Nongye Dong Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC		

MAJOR PROJECTS INFORMATION


NEW PROJECTS ACQUIRED IN THE FIRST HALF OF 2019

Yangtze River Delta Region


51	Yan Cheng Project							
	Floor Area (sqm)	159,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	108,000
	Approximate attributable interest	51%	Target completion	2021	Location	South of Yanzheng Middle Avenue, West of Fenglin North Road, Hutang Town, Wujin District, Changzhou, Jiangsu Province, the PRC		

52	Mu Du Project							
	Floor Area (sqm)	75,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	36,000
	Approximate attributable interest	51%	Target completion	2021	Location	South of Sufu Road, East of Suxu Bay, Zhonghai, Mudu Town, Wuzhong District, Suzhou, Jiangsu Province, the PRC		

Bohai Rim Region

53	RK Yun He Shan Yuan (formerly known as Mi Yun Project)							
	Floor area (sqm)	57,000	Nature	Residential	Stage of completion (note)	P	Land area (sqm)	33,000
	Approximate attributable interest	100%	Target completion	2020	Location	Ligezhuang Road, Miyun District, Beijing, the PRC		


Guangdong – Hong Kong – Macao Bay Area

54	Phoenix Residence							
	Floor Area (sqm)	154,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	58,000
	Approximate attributable interest	30%	Target completion	2021	Location	East of Phoenix South Road, South of Huadu Lake, Huadu District, Guangzhou, Guangdong Province, the PRC		

MAJOR PROJECTS INFORMATION

NEW PROJECTS ACQUIRED IN THE SECOND HALF OF 2019 AND UP TO THIS REPORT DATE

Yangtze River Delta Region

55	An Ting Project							
	Floor Area (sqm)	59,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	36,000
	Approximate attributable interest	52.5%	Target completion	2021	Location	East to Nanqian Path, South to the Base Boundary, West to Cuiyu Road, North to Hejing East Road, Huangdu Town, Jiading District, Shanghai, the PRC		

56	Xiangcheng District Project							
	Floor Area (sqm)	155,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	79,000
	Approximate attributable interest	51%	Target completion	2021	Location	East of Kangyang Road, South of Chunguang Road, Huangdai Town, Xiangcheng District, Suzhou, Jiangsu Province, the PRC		

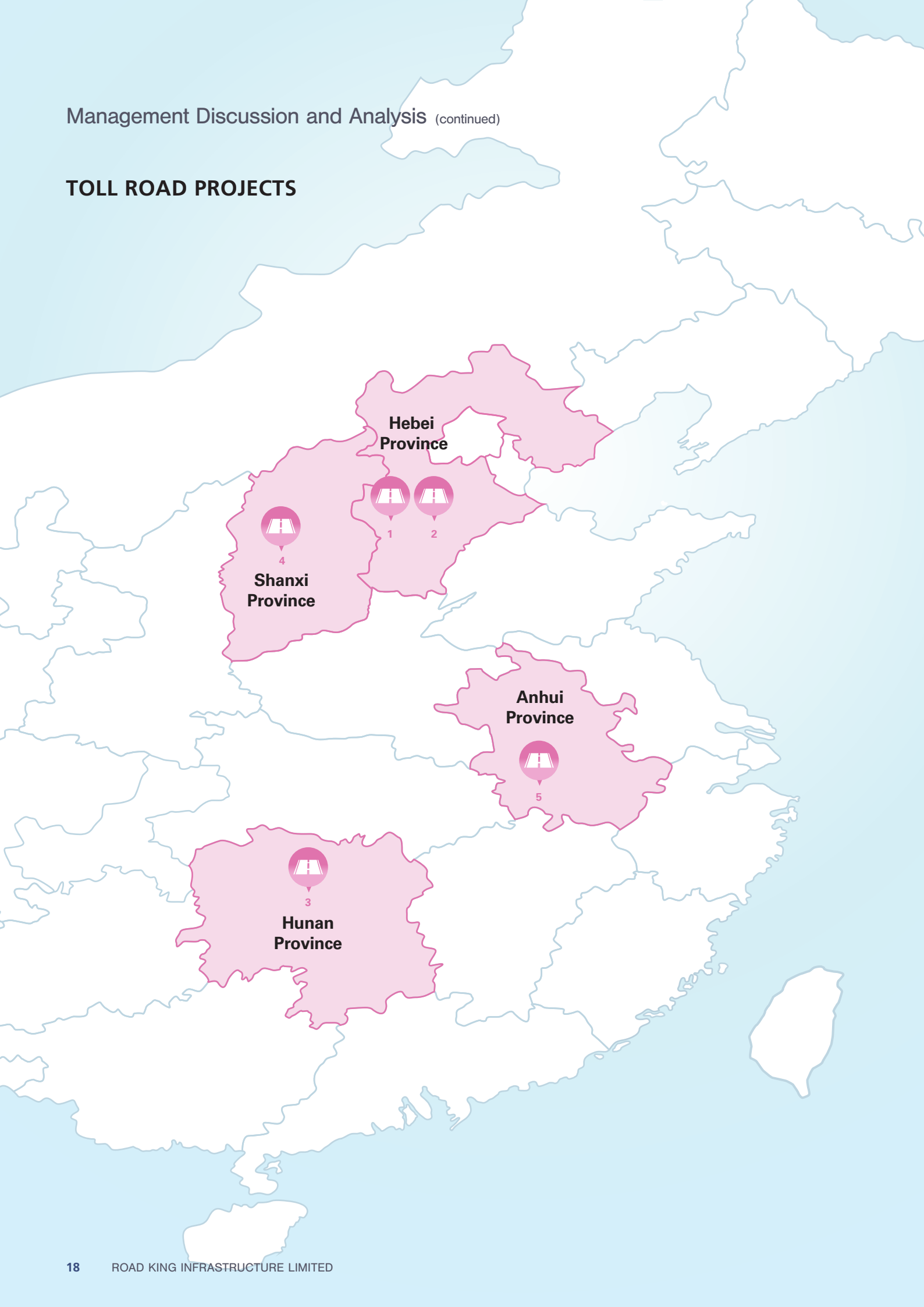
57	Yuhang District Project							
	Floor Area (sqm)	11,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	9,000
	Approximate attributable interest	100%	Target completion	2020	Location	South of Baoqing Street, West of Chenghuang Middle Road, Qiaosi Street, Yuhang District, Hangzhou, Zhejiang, the PRC		

Notes:

"P" denotes "Planning and design"
 "S" denotes "Superstructure"

"F" denotes "Foundation"
 "C" denotes "Completed"

TOLL ROAD PROJECTS



MAJOR PROJECTS INFORMATION

Toll Road Projects

As at 30 June 2019

1 Baojin Expressway						
	Location	Hebei Province	Length	105km	Equity interest (note)	40%
	Route	National Expressway G18 Baoding-Tianjin ~ 4-lane		Road Rise Investments Limited		
2 Tangjin Expressway						
	Location	Hebei Province	Length	58km	Equity interest (note)	45%
	Route	National Expressway G25 Tangshan-Tianjin ~ 4/6-lane		Ontex Investments Limited Road Base Investments Limited Road Bond Investments Limited		
3 Changyi Expressway						
	Location	Hunan Province	Length	69km	Equity interest (note)	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		
4 Longcheng Expressway						
	Location	Shanxi Province	Length	72km	Equity interest (note)	45%
	Route	Provincial Expressway S2002 Yuci Longbai Village-Chengzhao, Qixian ~ 6-lane		Intersafe Investments Limited		
5 Machao Expressway						
	Location	Anhui Province	Length	36km	Equity interest (note)	49%
	Route	Provincial Expressway S24 Ma'anshan-Chaohu ~ 6-lane		Road King (China) Infrastructure Limited		

Note:

As at 30 June 2019, the toll road projects are indirectly held by Road King Expressway International Holdings Limited, which is 75% (31 December 2018: 75%) held by the Group.

BUSINESS REVIEW

For the first half of 2019, property sales and toll revenue of the Group (including joint venture projects) were RMB22,030 million and RMB1,596 million respectively, amounting to RMB23,626 million in total and representing an increase of 26% as compared with the corresponding period of last year. The profit for the period ended 30 June 2019 was HK\$1,200 million, with earnings per share of HK\$1.16 and net assets per share of HK\$23.52.

For land reserve replenishment, the Group acquired four parcels of land in Mainland China for residential purpose through listing-for-sale and co-development in the first half of 2019, with an aggregate floor area of 445,000 sqm. As at 30 June 2019, the Group's land reserve in Mainland China and Hong Kong were 7,790,000 sqm and 120,000 sqm respectively, with 7,910,000 sqm in total, of which the total area of properties pre-sold but yet to be delivered was 2,390,000 sqm.

BUSINESS SEGMENTS OVERVIEW AND OUTLOOK

(i) Property Segment

In the first half of 2019, the central government of Mainland China reaffirmed the policy of "house is for living, not for speculating" and implemented the long term effective mechanism of "one policy for one city, assuming the primary responsibility of local government" under the overall guideline of maintaining stability. Austerity measures have also been continuously intensified, such as regulating land auction, tightening home purchase restrictions, restriction on prices and mortgage, have gradually become routinised in various regions. Although the overall transaction volume increased gradually in the first half of the year, transactions differed notably in various cities and have led to a fluctuated property market environment. By closely following the market trend and adhering to the operating principle of ensuring a balance between profitability and sales volume, the operation team of the Group concerted their efforts and drove property sales of the property segment in the first half of 2019 (including joint venture projects) to a record high of RMB20,239 million, comprising the contracted sales of RMB18,025 million and outstanding subscribed sales of RMB2,214 million.

Property Sales and Delivery

Set out below is an analysis of the property segment's property sales and delivery by region (including joint venture projects) for the first half of 2019:

Regions (Notes)	Sales		Delivery	
	Amount RMB'million	Area sqm	Amount RMB'million	Area sqm
Yangtze River Delta Region	13,807	683,000	6,529	408,000
Bohai Rim Region	5,015	271,000	326	16,000
Guangdong – Hong Kong – Macao Bay Area	1,018	45,000	1,337	66,000
Other Regions	399	42,000	8	1,000
Total (first half of 2019)	20,239	1,041,000	8,200	491,000
Total (first half of 2018)	16,116	876,000	6,180	383,000

Notes:

Yangtze River Delta Region comprises Shanghai, Jiangsu Province and Zhejiang Province.

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

Guangdong-Hong Kong-Macao Bay Area comprises Guangdong Province and Hong Kong Special Administrative Region.

Other Regions comprise Henan Province.

Management Discussion and Analysis (continued)

In the first half of 2019, property sales from the property segment increased by approximately 26% as compared with the first half of 2018. The average selling price increased to RMB19,400 per sqm. The sales mainly concentrated in Yangtze River Delta Region, representing about 68% of the total property sales. As at 30 June 2019, the total area of properties pre-sold but yet to be delivered was about 2,050,000 sqm.

Financial Review

Set out below is an analysis of the performance of the Group's property segment for the first half of 2019 and 2018:

	Six months ended 30 June	
	2019 HK\$'million	2018 HK\$'million
Revenue	6,756	5,604
Gross profit	2,638	2,595
Selling and operating expenses	(628)	(583)
Profit for the period	966	915

In the first half of 2019, revenue from the property segment mainly generated from the delivery of properties in Yangtze River Delta Region (representing about 80% of total delivery). The average selling price per sqm was approximately RMB16,700 and gross profit margin was close to 40%. Total delivery during the period increased compared with the corresponding period of last year, so profit of the property segment increased to HK\$966 million.

Land Reserve

For land reserve replenishment, the Group's property segment acquired four parcels of land for residential purpose in the first half of 2019 through listing-for-sale and co-development with an aggregate floor area of 445,000 sqm. Of which, three pieces of land are under co-development with competent enterprises. Details of which are set out as follows:

City	Attributable Interest	Acquisition Date	Land Area sqm	Floor Area sqm	Total Consideration RMB' million
Beijing	100%	January 2019	33,000	57,000	408
Guangzhou	30%	March 2019	58,000	154,000	2,595
Suzhou	51%	May 2019	36,000	75,000	1,343
Changzhou	51%	June 2019	108,000	159,000	2,090

Management Discussion and Analysis (continued)

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 30 June 2019, the property segment's land reserve was approximately 6,330,000 sqm and mainly located in Yangtze River Delta Region.

In July 2019, the Group further acquired three pieces of land for residential developments through listing-for-sale, including a piece of land for residential development in Xiangcheng District, Suzhou with a floor area of 155,000 sqm, a piece of land for residential development in Jiading District, Shanghai with a floor area of 59,000 sqm and a piece of land for residential development in Yuhang District, Hangzhou with a floor area of 11,000 sqm. The total floor area was approximately 225,000 sqm.

In the first half of 2019, the Group's new construction area was 1,410,000 sqm while the area of completed projects was 1,000,000 sqm. New construction area and the area of completed projects in the second half of 2019 are expected to be 1,450,000 sqm and 1,660,000 sqm respectively.

Looking forward to the second half of the year, it is expected that the central and local governments will continue to strictly abide specific austerity measures such as tightening home purchase restrictions, restriction on prices and "city-specific policies". The land supply is expected to be stable and increased mildly in the second half of the year. However, with the continuously tightened capital market and the consideration for the market downward risks, the Group's land acquisition strategy will be more prudent. Since the beginning of the year, the repeated Sino-US trade conflicts have affected and fluctuated the economy and exchange rates of two countries, increasing the downward pressure on the domestic and Hong Kong economy in the second half of the year, and having a negative impact on various industries, including the property market. The Sino-US trade conflicts have certain impacts on the Mainland China's economy in the short term, but real estate industry, as a pillar industry in Mainland China, still supports economic growth in the long term. The Group stays cautiously optimistic in regards to the business development.

Through years of development, the Group's current business has a well-established model, a well-functioned management system, a seasoned and dedicated operation team and a sound market position. In the second half of the year, the management and operation team of the Group will continue its pragmatic approach and adhere to the operating strategy of striking a balance between profitability and sales volume, as well as striving to boost the sales volume and maintaining the growth trend of profits. To establish the Group as a more widely recognised property enterprise, it will continue to research and develop market-oriented products and promote the brand name of the Group. The Group will also continue to explore business opportunities, optimise the land reserve portfolio and seek for more collaboration opportunities with business partners for further development.

Overview of Major Projects

Yangtze River Delta Region

RK Sheshan Villa, Shanghai

In the first half of 2019, the contracted sales of RK Sheshan Villa was RMB317 million, with an average selling price of approximately RMB44,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB125 million and 3,000 sqm respectively. It is expected that a total area of approximately 8,000 sqm will be delivered in the second half of 2019.

RK Sheshan Villa • Dongyuan, Shanghai

In the first half of 2019, the contracted sales of RK Sheshan Villa•Dongyuan was RMB1,831 million, with an average selling price of approximately RMB41,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB597 million and 20,000 sqm respectively. It is expected that a total area of approximately 14,000 sqm will be delivered in the second half of 2019.

RK Yanjiang Riverside, Suzhou

In the first half of 2019, the contracted sales of RK Yanjiang Riverside was RMB227 million, with an average selling price of approximately RMB20,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB315 million and 18,000 sqm respectively. It is expected that a total area of approximately 13,000 sqm will be delivered in the second half of 2019.

New Lake New City, Suzhou

In the first half of 2019, the contracted sales of New Lake New City was RMB1,420 million with an average selling price of approximately RMB19,000 per sqm. It is expected that a total area of approximately 141,000 sqm will be delivered in the second half of 2019.

The Legendary One, Suzhou

In the first half of 2019, the contracted sales of The Legendary One was RMB1,234 million, with an average selling price of approximately RMB31,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB297 million and 10,000 sqm respectively. It is expected that a total area of approximately 26,000 sqm will be delivered in the second half of 2019.

RK City, Changzhou

In the first half of 2019, the contracted sales of RK City was RMB67 million, with an average selling price of approximately RMB12,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB966 million and 82,000 sqm respectively. It is expected that a total area of approximately 143,000 sqm will be delivered in the second half of 2019.

RK City Landmark, Changzhou

In the first half of 2019, the contracted sales of RK City Landmark was RMB52 million, with an average selling price of approximately RMB16,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB794 million and 52,000 sqm respectively. It is expected that a total area of approximately 80,000 sqm will be delivered in the second half of 2019.

RK City Signature, Changzhou

In the first half of 2019, the contracted sales of RK City Signature was RMB35 million. In the first half of 2019, the value and area of properties delivered were RMB818 million and 87,000 sqm respectively. It is expected that a total area of approximately 4,000 sqm will be delivered in the second half of 2019.

Management Discussion and Analysis (continued)

RK Taihu Lake Yard, Changzhou

In the first half of 2019, the contracted sales of RK Taihu Lake Yard was RMB692 million, with an average selling price of approximately RMB17,000 per sqm. It is expected that a total area of approximately 39,000 sqm will be delivered in the second half of 2019.

RK Sky Peninsula, Changzhou

In the first half of 2019, the contracted sales of RK Sky Peninsula was RMB317 million, with an average selling price of approximately RMB14,000 per sqm. It is expected that a total area of approximately 76,000 sqm will be delivered in the second half of 2019.

City Wan Xiang, Changzhou

In the first half of 2019, the contracted sales of City Wan Xiang was RMB1,022 million, with an average selling price of approximately RMB16,000 per sqm. The project is expected to be completed and delivered in the first half of 2020.

Tang Song, Changzhou

In the first half of 2019, the contracted sales of Tang Song was RMB906 million, with an average selling price of approximately RMB17,000 per sqm. The project is expected to be completed and delivered in the first half of 2020.

Guo Shi Jiu Li, Changzhou

In the first half of 2019, the contracted sales of Guo Shi Jiu Li was RMB324 million, with an average selling price of approximately RMB22,000 per sqm. The project is expected to be completed and delivered in the second half of 2020.

RK The Providence, Wuxi

In the first half of 2019, the contracted sales of RK The Providence was RMB238 million, with an average selling price of approximately RMB22,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB1,843 million and 81,000 sqm respectively. It is expected that a total area of approximately 32,000 sqm will be delivered in the second half of 2019.

Pearl of the Lake, Wuxi

In the first half of 2019, the contracted sales of Pearl of the Lake was RMB131 million, with an average selling price of approximately RMB19,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB272 million and 23,000 sqm respectively. It is expected that a total area of approximately 40,000 sqm will be delivered in the second half of 2019.

Embrace of Glory, Wuxi

In the first half of 2019, the contracted sales of Embrace of Glory was RMB422 million, with an average selling price of approximately RMB17,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB68 million and 4,000 sqm respectively. It is expected that a total area of approximately 2,000 sqm will be delivered in the second half of 2019.

Mei Du Mansion, Wuxi

In the first half of 2019, the contracted sales of Mei Du Mansion was RMB842 million, with an average selling price of approximately RMB18,000 per sqm. The project is expected to be completed and delivered in the first half of 2020.

Jinmao Palace, Jiaxing

In the first half of 2019, the contracted sales of Jinmao Palace was RMB971 million, with an average selling price of approximately RMB14,000 per sqm. The project is expected to be completed and delivered in the second half of 2019.

Jiangnan Courtyard, Hangzhou

In the first half of 2019, the contracted sales of Jiangnan Courtyard was RMB1,109 million, with an average selling price of approximately RMB26,000 per sqm. The project is expected to be completed and delivered in the second half of 2019.

Bohai Rim Region

RK Sunny Town, Tianjin

In the first half of 2019, the contracted sales of RK Sunny Town was RMB1,097 million, with an average selling price of approximately RMB28,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB72 million and 2,000 sqm respectively. It is expected that a total area of approximately 97,000 sqm will be delivered in the second half of 2019.

RK Junlan Bay, Tianjin

In the first half of 2019, the contracted sales of RK Junlan Bay was RMB604 million, with an average selling price of approximately RMB15,000 per sqm. It is expected that a total area of approximately 103,000 sqm will be delivered in the second half of 2019.

Joy Meaningful Residence, Tianjin (formerly known as Joyful Residence)

In the first half of 2019, the contracted sales of Joyful Residence was RMB666 million, with an average selling price of approximately RMB18,000 per sqm. The project is expected to be completed and delivered in the second half of 2020.

RK Grandtown, Langfang

In the first half of 2019, the contracted sales of RK Grandtown was RMB941 million, with an average selling price of approximately RMB16,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB210 million and 13,000 sqm respectively. It is expected that a total area of approximately 141,000 sqm will be delivered in the second half of 2019.

Guangdong – Hong Kong – Macao Bay Area

RK Mont Panorama, Guangzhou

In the first half of 2019, the contracted sales of RK Mont Panorama was RMB623 million, with an average selling price of approximately RMB26,000 per sqm. In the first half of 2019, the value and area of properties delivered were RMB1,337 million and 66,000 sqm respectively. It is expected that a total area of approximately 87,000 sqm will be delivered in the second half of 2019.

Other Regions

RK Royal City, Luoyang

In the first half of 2019, the contracted sales of RK Royal City was RMB305 million. In the first half of 2019, the value and area of properties delivered were RMB11 million and 1,000 sqm respectively. It is expected that a total area of approximately 83,000 sqm will be delivered in the second half of 2019.

Management Discussion and Analysis (continued)

New Projects

Acquired in the first half of 2019:

Yangtze River Delta Region

Mu Du Project, Suzhou

In May 2019, the Group acquired a piece of land in Wuzhong District, Suzhou for residential development through listing-for-sale and will develop the project with a competent enterprise in Mainland China. The project is located in Mudu Town, Wuzhong District, Suzhou, and in proximity of the west extension line of Suzhou inner ring express road's south ring elevated road. With its location in the intersection of Mudu area and Shishan area of Gaoxin District, the project is surrounded by residential areas with convenient access and well-established amenities. The project is fit for developing into a middle to high end residential community. The project has a site area and a floor area of 36,000 sqm and 75,000 sqm respectively, and is planned to be launched in the second half of 2020.

Yan Cheng Project, Changzhou

In June 2019, the Group acquired a piece of land in Wujin District, Changzhou for residential development through listing-for-sale and will develop the project with a competent enterprise in Mainland China. The project is located in the south of Yanzheng Middle Avenue and the west of Fenglin North Road. With its proximity of the Yancheng scenic area, the project is in the prime location in Wujin main city area. Surrounded by established transport, commercial, healthcare and educational facilities, the project is fit for developing into a low density residential area. The project has a site area of 108,000 sqm and a floor area of 159,000 sqm respectively, and is planned to be launched in the first half of 2020.

Bohai Rim Region

RK Yun He Shan Yuan, Beijing (formerly known as Mi Yun Project)

In January 2019, the Group acquired a piece of land in Miyun District, Beijing for residential development through listing-for-sale. The project is located in the Miyun District, Beijing and adjacent to Miguan Road. With quality natural environment and upgraded amenities and surrounded by residential developments, the land is fit for developing into a residential community that meets the demand from first-time home buyers. The project has a site area and a floor area of 33,000 sqm and 57,000 sqm respectively, and is planned to be launched in the second half of 2019.

Guangdong – Hong Kong – Macao Bay Area

Phoenix Residence, Guangzhou

In March 2019, the Group acquired a piece of land in Huadu District, Guangzhou for residential development through co-development. The project is located at Phoenix South road, Huadu District, Guangzhou with superior geographical location. Its straight line distance from Baiyun International Airport is merely 5 km. The project is in the Binhu residential new town within the prime development of Huadu District and adjacent to the Huadu Lake National Wetland Park. With its excellent natural environment, the project is fit for developing into a middle to high end residential area. The project has a site area and a floor area of 58,000 sqm and 154,000 sqm respectively, and is planned to be launched in the second half of 2019.

New Projects Acquired in the Second Half of 2019 and up to this Report Date

Yangtze River Delta Region

Xiangcheng District Project, Suzhou

In July 2019, the Group acquired a piece of land in Xiangcheng District, Suzhou for residential development through listing-for-sale and will develop the project with a competent enterprise in Mainland China. The project is located in the fully developed prime location in Huangdai Town, Xiangcheng District and adjacent to the north road of Suzhou middle ring express road. With a developed economy, convenient access, established commercial, healthcare and educational facilities, the project is fit for developing into a middle to high end residential area. The project has a site area and a floor area of 79,000 sqm and 155,000 sqm respectively, and is planned to be launched in the second half of 2020.

An Ting Project, Shanghai

In July 2019, the Group acquired a piece of land in Jiading District, Shanghai for residential development through listing-for-sale and will develop the project with a competent enterprise in Mainland China. The project is located in the prime location in Anting International Automobile City business area in Jiading District, and adjacent to the Shanghai Style project. The An Ting Project is surrounded by established transport facilities, and its straight line distance from Changji East Road Station of Shanghai Metro Line 11 is merely 500 m. With established commercial, healthcare and educational facilities, the project is fit to develop into a middle to high end residential community. The project has a site area and a floor area of 36,000 sqm and 59,000 sqm respectively, and is planned to be launched in the first half of 2020.

Yuhang District Project, Hangzhou

In July 2019, the Group acquired a piece of land in Yuhang District, Hangzhou for residential development through listing-for-sale. The project is located in the prime location of Qiaosi street in Yuhang district with convenient access and its straight line distance from Qiaosi Station of Hangzhou Metro Line 1 is approximately 700m. Surrounded by established commercial, medical and educational facilities, the project is fit for developing into a middle end residential community. The project has a site area and a floor area of 9,000 sqm and 11,000 sqm respectively, and is planned to be launched in the first half of 2020.

Management Discussion and Analysis (continued)

(ii) Toll Road Segment

In the first half of 2019, the Group received cash distribution of HK\$264 million from the expressway joint ventures (including the repayment of shareholder loans), which continues to provide the Group with steady cash flows.

The traffic volume and toll revenue of the expressway projects for the first half of 2019 are analysed below:

Projects	Average	Toll revenue RMB'million
	Daily Traffic Vehicle	
Baojin Expressway	76,600	447
Tangjin Expressway	61,500	407
Changyi Expressway	73,000	344
Longcheng Expressway	23,700	262
Machao Expressway	29,500	136
Total (first half of 2019)	264,300	1,596
Total (first half of 2018)	254,100	1,470

The average daily traffic volume and toll revenue of the Group's expressway projects portfolio reached 264,300 vehicles and RMB1,596 million respectively in the first half of 2019, representing an increase of approximately 4% and 9% as compared with the corresponding period of last year. During the period, the traffic volume and toll revenue in Tangjin Expressway and Machao Expressway recorded steady increase, together with the double-digit growth in Longcheng Expressway, the Group's share of profit of infrastructure joint ventures for the first half of the year increased by 11% to HK\$378 million as compared with the corresponding period of last year.

Toll Road Projects

Baojin Expressway

The traffic volume and toll revenue of Baojin Expressway decreased slightly by 1% and 4% respectively in the first half of 2019 as compared with the corresponding period of last year. It was mainly attributable to diversion by the opening of new expressways at the end of last year. It is expected that toll revenue of the project to remain stable in the second half of the year.

Tangjin Expressway

In the first half of 2019, the traffic volume and toll revenue of Tangjin Expressway increased by 6% and 12% respectively as compared with the corresponding period of last year. It was mainly attributable to the benefits from the Beijing-Tianjin-Hebei synergy, the steady economic development in the three provinces of Northeast China and additional revenue from the new toll rates on overweight vehicles. It is expected that the project will continue to be benefited from the development of Beijing-Tianjin-Hebei integration and the economic growth of Northeast China.

Changyi Expressway

Both the traffic volume and toll revenue of Changyi Expressway decreased slightly by 1% in the first half of 2019. It was mainly attributable to the traffic volume of the project reached its maximum capacity during peak hours and the implementation of the relevant traffic control policy which inhibit the revenue growth. The traffic control policy is being gradually optimised and has shown proven results. It is expected that traffic volume and toll revenue will increase in the second half of the year as compared to the first half of the year.

Longcheng Expressway

In the first half of 2019, the traffic volume and toll revenue increased by 27% and 57% respectively. The increase is mainly benefited from the Taichang Expressway (Taiyuan section) being closed in most of the first half of the year, and the majority of affected traffic flow diverted to Longcheng Expressway. The toll revenue of Longcheng Expressway is expected to keep growing in the second half of the year as benefit from the closure of another adjacent expressway for maintenance and vehicles are diverted to Longcheng Expressway. However, as the basis in the second half of 2018 was higher than that in the first half of the year, it is estimated that the increase in the second half of 2019 would be narrowed as compared with that in the first half of the year.

Machao Expressway

While the connecting expressway undertakes expansion work, the traffic volume and toll revenue of Machao Expressway recorded an increase of 12% and 8% respectively despite lower than expectation as compared with the corresponding period of last year. As the expansion work will extend to the second half of the year, the increase in traffic volume and toll revenue of Machao Expressway is still expected to be affected in the second half of the year.

The Group expected that the expressway business will maintain a steady development in the second half of the year, while the acquisition of promising toll road projects in Mainland China and Southeast Asian countries will lay down the growth foundation in the medium and long term.

Management Discussion and Analysis (continued)

(iii) Investment and Asset Management Segment

The Group continued to consolidate the investment and asset management businesses during 2019, including our property fund, cultural attraction and tourism, entertainment and content development businesses. During the first half of 2019, the projects of investment and asset management segment (including joint venture projects) achieved property sales of RMB1,791 million, representing a growth of 61% as compared to the same period of 2018.

Overview of Major Businesses

Property Fund Business

The total asset under the Group's management was RMB11 billion by the end of June 2019.

Cultural Attraction and Tourism Business

The projects of cultural attraction and tourism achieved property sales of RMB227 million for the first half of 2019, including contracted sales of RMB214 million and outstanding subscribed sales of RMB13 million. The Group is working towards the launch of Wuxi Meili project by the end of 2019. Besides, regarding the new project in Zhengzhou Xinmi, the land auction is expected to take place in the 4th quarter this year.

Entertainment and Content Development Business

The Group continues to expand its entertainment and content development businesses in 2019, the accumulated contracted sum amounted to RMB99 million as at 30 June 2019. The fund raising of entertainment and content development sector has already completed as of the date of this report, and the total fund raising size was US\$50 million.

Property Development Business

The property development projects of investment and asset management segment (including joint venture projects) achieved property sales of RMB1,564 million for the first half of 2019, including contracted sales of RMB1,340 million and outstanding subscribed sales of RMB224 million.

As at 30 June 2019, the investment and asset management segment's land reserve was approximately 1,580,000 sqm, which was mainly located in Henan and Hubei provinces. As at 30 June 2019, total area of properties pre-sold but yet to be delivered was 340,000 sqm.

The Group will continue to seek new opportunities and drivers for profit growth in property fund and property related business under controllable risks.

FINANCIAL REVIEW OF THE GROUP

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 2019 and 2018.

	Six months ended 30 June	
	2019 HK\$'million	2018 HK\$'million
Revenue	6,856	5,722
Gross profit	2,727	2,693
Interest and other income, net	427	434
Selling and operating expenses	(790)	(729)
Share of results of joint ventures and associates	401	432
Finance costs	(490)	(281)
Profit before taxation	2,275	2,549
Income tax expenses	(1,075)	(1,389)
Profit for the period	1,200	1,160
Profit attributable to:		
– Owners of the Company	868	808
– Owners of perpetual capital securities	175	175
– Non-controlling interests of subsidiaries	157	177
	1,200	1,160

Management Discussion and Analysis (continued)

Revenue and Gross Profit

Revenue and gross profit of the Group for the period under review were mainly contributed by the property business. The details are contained in the subsection headed "Financial Review" under "Property Segment".

Interest and Other Income, Net

During the period, as the interest-bearing loans provided by the Group to joint ventures decreased as compared to the corresponding period of last year, the interest income decreased by HK\$147 million as compared with the corresponding period of last year. However, due to the narrowing of depreciation of Renminbi and the increase in fair value of foreign currency forward contracts, the Group recorded net exchange gains of approximately HK\$24 million for the first half of 2019 (2018: net exchange losses of approximately HK\$101 million), offsetting certain decrease in interest and other income. The tensions in the Sino-US trade conflicts escalated in early August. On the date of this report, Renminbi depreciated by approximately 2% as compared to 30 June 2019. If the situation persists, the performance of the Group will be affected. The Group will expand foreign currency forward contracts to hedge the foreign exchange risks, when appropriate.

Selling and Operating Expenses

The increase in expenses during the period was mainly due to the Group's development in the investment and asset management business as well as the addition of a number of property development projects resulting in the increase in operating expenses accordingly.

Share of Results of Joint Ventures and Associates

This represented mainly share of results of the infrastructure joint ventures of HK\$378 million and share of results of property joint ventures and associates of HK\$23 million of the Group during the period under review. The details are contained in the analysis of each business segment. The decrease of profit was attributable to the launch of sales of various property projects during the period leading to the increase in selling expenses in which those projects have not reached the point in time for delivery. However, the satisfactory growth in toll road business partially offset the decrease in profits from the property projects.

Finance Costs

During the period, the Group issued two offshore guaranteed senior notes in an aggregate principal of US\$800 million and entered into various foreign currency forward contracts, resulting in the increase in interest on borrowings and related finance costs.

Income Tax Expenses

Income tax expenses mainly comprise profit tax, land appreciation tax and deferred tax. The higher income tax expenses in the corresponding period of last year as compared to the same period this year was mainly attributable to the settlement of land appreciation tax for various property projects last year which increased the provision for land appreciation tax.

Unaudited Condensed Consolidated Statement of Financial Position

The table below summarised the major items of the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2019 and 31 December 2018.

	30 June 2019 HK\$'million	31 December 2018 HK\$'million
Non-current assets		
– Investments in joint ventures and associates (including shareholders' loans)	22,236	20,955
– Investment properties	3,600	2,516
– Other non-current assets	1,882	1,114
	27,718	24,585
Current assets		
– Inventory of properties (including prepayment for land leases)	33,613	32,221
– Bank balances and cash (including pledged bank deposits)	14,039	11,922
– Loans to joint ventures	3,337	3,714
– Other-current assets	5,353	6,510
	56,342	54,367
Current liabilities		
– Creditors and accrued charges	(8,444)	(9,825)
– Loans from joint ventures and an associate	(1,618)	(1,247)
– Deposits from pre-sale of properties	(15,636)	(16,288)
– Bank and other borrowings	(12,222)	(10,461)
– Other current liabilities	(4,887)	(5,256)
	(42,807)	(43,077)
Non-current liabilities (including bank and other borrowings)	(16,070)	(11,107)
Total equity (including perpetual capital securities)	25,183	24,768

Management Discussion and Analysis (continued)

Investments in Joint Ventures and Associates (including Shareholders' Loans)

It mainly represented the Group's interests in infrastructure joint ventures of HK\$3,336 million and interests in property joint ventures and associates of HK\$22,237 million, including shareholders' short term loans to the joint ventures (included in current assets). The increase in balance was mainly attributable to the payment of investment costs or land premiums prepaid for the acquisition of a number of property projects through joint ventures during the period. The details on new land parcels acquired through joint ventures are contained in the subsections headed "Land Reserve" and "New Projects" under "Property Segment".

The Group entered into the undertaking agreement with an independent third party in 2017. Pursuant to which, the Group undertakes for a prompt settlement of 50% of the outstanding debts incurred by the property development joint venture, in which the Group held 50% of equity interests. As at 30 June 2019, the carrying amount of the liabilities undertaken by the Group amounted to approximately HK\$2,715 million (31 December 2018: HK\$2,716 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".

Investment Properties

This comprises the carrying value of investment properties including projects located in Changzhou, Suzhou, Zhengzhou, Tianjin and Beijing. The details of which are set out in note 12 of the consolidated financial statements. The increase in balance was attributable to the addition of a newly completed commercial property in Beijing. As of 30 June 2019, the total floor area of the investment properties of the Group was around 249,000 sqm.

Inventory of Properties (including Prepayment for Land Leases)

The increase in inventory balance was mainly caused by the prepayment of land premiums of the new projects, as well as acceleration of the construction progress during the period under review in order to cope with the sales and delivery plan in the second half of the year.

Bank Balances and Cash (including Pledged Bank Deposits)

The increase in the bank balances and cash was mainly attributable to the Group's issuance of two offshore guaranteed senior notes in an aggregate principal of US\$800 million to provide financial support for the development of the Group's business.

Deposits from Pre-sale of Properties

The decrease in deposits from pre-sale of properties was mainly due to the adjustment of pre-sale property portfolio with the increase in joint venture projects and decrease in the floor area of pre-sale properties in wholly-owned projects of the Group as compared with last year. As at 30 June 2019, the total area of properties (including joint venture projects) pre-sold but yet to be delivered was about 2,390,000 sqm.

Bank and Other Borrowings and Non-current Liabilities

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

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

	30 June 2019 HK\$'million	31 December 2018 HK\$'million
Repayable:		
On demand	882	1,454
Within one year	11,341	9,007
After one year but within two years	6,468	1,991
After two years but within five years	8,343	7,978
More than five years	177	215
Total loans	27,211	20,645

Source of Loans

	30 June 2019	31 December 2018
Short term loans	45%	51%
Long term loans	55%	49%
Total	100%	100%

Nature of Debts

	30 June 2019	31 December 2018
Unsecured loans	64%	69%
Secured loans	36%	31%
Total	100%	100%

Currency Profile of Loans

	30 June 2019	31 December 2018
HKD	5%	7%
RMB	42%	45%
USD	53%	48%
Total	100%	100%

Type of Loans

	30 June 2019	31 December 2018
Guaranteed senior notes*	44%	36%
Other offshore loans	14%	19%
Total	58%	55%
Domestic bonds	6%	8%
Other onshore loans	36%	37%
Total	42%	45%
Total	100%	100%

Interest Rates Basis

	30 June 2019	31 December 2018
Floating rate	30%	40%
Fixed rate	70%	60%
Total	100%	100%

* Excluding perpetual capital securities (classified as equity)

Management Discussion and Analysis (continued)

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

- (a) US\$450 million 5% guaranteed senior notes (US\$225 million was repurchased in early 2019 and the remaining US\$225 million was then subsequently redeemed after 30 June 2019);
- (b) RMB1,500 million 4.5% domestic bonds;
- (c) US\$500 million 4.7% guaranteed senior notes;
- (d) US\$400 million 7.75% guaranteed senior notes (issued in January 2019); and
- (e) US\$400 million 7.875% guaranteed senior notes (issued in February 2019).

Apart from the above loans, the Group issued the following two senior guaranteed perpetual capital securities:

- (a) US\$300 million 7.95% senior guaranteed perpetual capital securities; and
- (b) US\$300 million 7% senior guaranteed perpetual capital securities.

As at 30 June 2019, the net gearing ratio and the net capitalisation ratio of the Group were 52% and 34% respectively. Net gearing ratio represents the difference between the Group's total interest bearing borrowings 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.

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 2019 and 2018.

	Six months ended 30 June	
	2019 HK\$'million	2018 HK\$'million
Payment for land leases	(2,605)	(3,156)
Net cash (used in) from operating activities, other than payment for land leases	(2,254)	5,583
Net cash from (used in) investing activities, other than payment for land leases	2,136	(738)
Net cash from (used in) financing activities	4,976	(756)
Effect of change in exchange rates	–	(19)
Cash and cash equivalents at 1 January	10,673	7,926
Cash and cash equivalents at 30 June	12,926	8,840

Payment for Land Leases (including joint venture projects)

During the period, the payments of land premiums were mainly for projects newly acquired in Beijing, Guangzhou, Suzhou, Changzhou and Shanghai. The details on new land parcels acquired through joint ventures are contained in the subsections headed "Land Reserve" and "New Projects" under "Property Segment".

Net Cash (used in) from Operating Activities, other than Payment for Land Leases

The decrease in net cash from operating activities comparing to last year was mainly caused by the adjustment on pre-sale property portfolio, resulting in the increase in pre-sale and sale of joint venture properties during the period and the decrease in cash proceeds from the pre-sale and sale of properties of the Group's wholly owned projects.

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

In the same period of last year, the high amount in net cash used in investing activities mainly represented the investment cost in the new asset management business and loans to joint ventures. During the period, the net cash from investing activities is attributable to the cash distributed or dividends received from the infrastructure joint venture projects and repayment of shareholders' loans in property joint venture projects.

Net Cash from (used in) Financing Activities

The increase in net cash from financing activities was attributable to the increase in cash flow due to the Group's issuance of two offshore senior guaranteed senior notes in an aggregate principal of US\$800 million for repayment of existing debts and business development.

Liquidity and Financial Resources

As at 30 June 2019, the equity attributable to owners of the Company was HK\$17,624 million (31 December 2018: HK\$17,398 million). Net assets per share attributable to owners of the Company was HK\$23.52 (31 December 2018: HK\$23.22).

As at 30 June 2019, the Group's total assets were HK\$84,060 million (31 December 2018: HK\$78,952 million) and bank balances and cash were HK\$13,917 million (31 December 2018: HK\$11,793 million), of which 65% was denominated in Renminbi and the remaining 35% was mainly denominated in US dollar or HK dollar.

During the period under review, the Group drew down various offshore bank loans and project development loans in Hong Kong and Mainland China in an aggregate amount equivalent to HK\$11,411 million. The drawdown of new borrowings was partially offset by repayment of certain bank loans.

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. Going forward, the Group will continue to maintain healthy treasury strategy and explore and broaden financing channels, so as to manage financing costs and enhance cash flows of the Group.

Charges on Assets

As at 30 June 2019, bank balances of HK\$122 million (31 December 2018: HK\$129 million) were pledged as security in favour of banks for certain mortgage facilities granted to purchasers of the Group's properties and short term credit facilities granted to the Group. In addition to these charged bank deposits, properties with carrying value of HK\$7,147 million (31 December 2018: HK\$3,909 million) were pledged as securities for certain loan facilities.

Management Discussion and Analysis (continued)

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. For minimising the impacts arisen from fluctuation of exchange rate between US dollar and Renminbi on the Group, the Group has entered into capped forward swap contracts and range forward swap contracts for parts of offshore US dollar debts. In early August, the tensions in the Sino-US trade row escalated. On the date of this report, Renminbi depreciated by approximately 2% as compared to 30 June 2019. If the situation persists, the performance of the Group will be affected. The Group will expand foreign currency forward contracts to hedge the foreign exchange risks, when appropriate.

The Group's exposure to interest rate risk is mainly from fluctuation in interest rate relating to its borrowings denominated in Renminbi and US dollar. Although the monetary policies implemented by Mainland China 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.

Contingent Liabilities

As at 30 June 2019, the Group had provided guarantees of HK\$8,385 million (31 December 2018: HK\$8,616 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\$4,791 million (31 December 2018: HK\$4,449 million) for banking facilities granted to the joint ventures of the Group as at 30 June 2019.

Employees

Excluding the staff of joint ventures and associates, the Group had 4,284 employees as at 30 June 2019 (30 June 2018: 3,973 employees). Expenditure on staff (excluding Directors' emoluments and share-based payment) for the period under review amounted to HK\$564 million (30 June 2018: HK\$500 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.

DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.30 (2018: HK\$0.30) per share for the six months ended 30 June 2019 to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 5 September 2019.

It is expected that the payment of the interim dividend will be made on or before Monday, 30 September 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 4 September 2019 to Thursday, 5 September 2019, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 3 September 2019 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 2019.

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 2019.

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 June 2019, 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 & 2	24,649,000	–	3.29
Fong Shiu Leung, Keter	Personal	1	260,000	–	0.03
Lau Sai Yung	Personal	1	462,000	–	0.06

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. Included in the balance is 1,000,000 shares of the Company held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
3. The percentage was calculated based on 749,336,566 shares of the Company in issue as at 30 June 2019.

Disclosure of Interests (continued)

(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 27 to the consolidated financial statements in the Company's annual report for the year ended 31 December 2018.

During the six months ended 30 June 2019, there were no outstanding share options under the share option scheme.

(III) Debentures of Associated Corporations

<u>Name of Directors</u>	<u>Name of company</u>	<u>Nature of interest</u>	<u>Type of debentures</u>	<u>Principal amount held</u>
Zen Wei Peu, Derek	RKI Overseas Finance 2017 (A) Limited	Personal	US\$300 million 7% senior guaranteed perpetual capital securities	US\$800,000 <i>(note)</i> (long position)
Wong Wai Ho	RKP Overseas Finance 2016 (A) Limited	Personal	US\$300 million 7.95% senior guaranteed perpetual capital securities	US\$200,000 (long position)

Note:

A principal amount of US\$400,000 of US\$300 million 7% senior guaranteed perpetual capital securities was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.

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 2019, the interests and 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	320,646,428	–	42.79
Wai Kee (Zens) Holding Limited (Note 3)	Interest in controlled corporation	320,646,428	–	42.79
Groove Trading Limited (Note 4)	Beneficial owner	65,918,000	–	8.80
Wai Kee China Investments (BVI) Company Limited (Note 4)	Interest in controlled corporation	251,728,428	–	33.59
Wai Kee China Investments Company Limited (Note 5)	Interest in controlled corporation	251,728,428	–	33.59
ZWP Investments Limited (Note 6)	Beneficial owner	251,728,428	–	33.59
深業集團有限公司 (Shum Yip Group Limited*) (Note 7)	Interest in controlled corporation	202,334,142	–	27.00
Shum Yip Holdings Company Limited (Note 8)	Interest in controlled corporation	202,334,142	–	27.00
Shenzhen Investment Limited (Note 9)	Interest in controlled corporation	202,334,142	–	27.00
Hover Limited (Note 10)	Beneficial owner	202,334,142	–	27.00

Disclosure of Interests (continued)

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 62.71% 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 749,336,566 shares of the Company in issue as at 30 June 2019.

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 purpose only

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

During the period, the Company purchased an aggregate principal amount of US\$224,743,000 of US\$450 million 5% guaranteed senior notes due 2019 (the "Notes") issued by RKI Overseas Finance 2016 (A) Limited under a tender offer. Following the purchase, the Notes in an aggregate principal amount of US\$224,743,000 were cancelled on 23 January 2019 and the Notes in an aggregate principal amount of US\$225,257,000 remain outstanding.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Group's listed securities during the six months ended 30 June 2019.

Subsequent to the reporting period and up to the date of this report, the Company redeemed the remaining aggregate principal amount of US\$225,257,000 of the Notes.

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 13.22 of the Listing Rules:
 - (a) A summary of aggregate financial information of the affiliated companies, based on the unaudited financial statements prepared under the accounting principles generally accepted in Hong Kong, as at 30 June 2019, is as follows:

	At 30 June 2019 HK\$'million
Statement of Financial Position	
Non-current assets	4,554
Current assets	38,566
Current liabilities	(24,671)
Net current assets	13,895
Non-current liabilities	(12,177)
Net assets	6,272

Other Disclosures (continued)

(b) Details of the affiliated companies are as follows:

	The Group's attributable interest in the affiliated companies	Amount of guarantee given by the Group HK\$'million	Amount of commitment for amounts advanced or to be advanced by the Group HK\$'million
Kunshan Hongjinjun Properties Developments Co., Ltd.*	49%	–	292
Jinan Juanmao Real Estate Co., Ltd.*	50%	–	108
Hebei Jiantou Road King Urbanization Construction & Development Co., Ltd.*	45%	–	456
Tianjin Junda Corporate Management Co., Ltd.*	50%	–	555
Nanjing Jingrui Properties Investments Co., Ltd.*	25%	–	390
Guangzhou Runhe Real Estate Co., Ltd.*	30%	–	742
Shum King Company Limited	50%	634	2,367
Foshan Qihui Properties Co., Ltd.*	49%	–	515
Jinan Junsheng Properties Developments Co., Ltd.*	50%	–	610
Changzhou Yajing Properties Developments Co., Ltd.*	49%	–	398
Suzhou Juntai Properties Developments Co., Ltd.*	33.3%	–	180
Shanghai Sunco Fangcheng Property Co., Ltd.*	36.17%	–	351
Jinan Yajun Properties Developments Co., Ltd.*	50%	–	257

	The Group's attributable interest in the affiliated companies	Amount of guarantee given by the Group HK\$'million	Amount of commitment for amounts advanced or to be advanced by the Group HK\$'million
Hangzhou Junyuan Real Estate Co., Ltd.*	49%	–	475
Holovis International Ltd	40%	–	54
Hunan Changyi Expressway Co., Ltd.* <i>(note)</i>	43.17%	–	23
Wuxi Jinfeng Investments Co., Ltd.*	33.3%	167	–
Anhui Machao Expressway Co., Ltd.* <i>(note)</i>	49%	543	–
		1,344	7,773

Note:

As at 30 June 2019, the interests in those infrastructure joint ventures are indirectly held by Road King Expressway International Holdings Limited, which is 75% held by the Group.

* for identification purpose only

Other Disclosures (continued)

2. Pursuant to Rule 13.18 of the Listing Rules:

Guaranteed Senior Notes and Senior Guaranteed Perpetual Capital Securities

The Company is obliged to make an offer to repurchase and redeem the following guaranteed senior notes and senior guaranteed perpetual capital securities then outstanding at a rate equal to 101% of the principal amount, plus accrued and unpaid interest, if any, up to (but not including) the date of repurchase, and together with any distribution accrued to the date fixed for redemption, including any deferred distribution and any additional distribution payable on it, respectively upon the occurrence of a change of control triggering event and a decline in the rating of the notes and the securities:

- (a) US\$450 million 5% notes due 2019 (issued in August 2016);
- (b) US\$500 million 4.7% notes due 2021 (issued in September 2016);
- (c) US\$400 million 7.75% notes due 2021 (issued in January 2019);
- (d) US\$400 million 7.875% notes due 2023 (issued in February 2019);
- (e) US\$300 million 7.95% perpetual capital securities (issued in February 2017); and
- (f) US\$300 million 7% perpetual capital securities (issued in June 2017).

During the period, the Company purchased an aggregate principal amount of US\$224,743,000 of US\$450 million 5% notes due 2019. Subsequent to the reporting period and up to the date of this report, the Company redeemed the remaining aggregate principal amount of US\$225,257,000 of the Notes. For details, please refer to the section headed "Repurchase, Sale or Redemption of Listed Securities of the Group".

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 Peu, Derek	He is a director of Emmaus Life Sciences, Inc., whose shares began trading on the Nasdaq Capital Market on 18 July 2019.
Mr. Mou Yong	<p>He entered into a letter of appointment with the Company for a period commencing from 20 May 2019 to 19 May 2022 or the date of the annual general meeting of the Company held in 2022, whichever is earlier.</p> <p>His annual emolument was revised from HK\$345,000 to HK\$352,000 for acting as a Non-executive Director of the Company for the period from 22 May 2019 to the date of the annual general meeting of the Company held in 2020.</p>
Mr. Dong Fang	<p>He entered into a letter of appointment with the Company for a period commencing from 20 May 2019 to 19 May 2022 or the date of the annual general meeting of the Company held in 2022, whichever is earlier.</p> <p>His annual emolument was revised from HK\$345,000 to HK\$352,000 for acting as a Non-executive Director of the Company for the period from 22 May 2019 to the date of the annual general meeting of the Company held in 2020.</p>
Mr. Lau Sai Yung	His annual emolument was revised from HK\$607,000 to HK\$619,000 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 22 May 2019 to the date of the annual general meeting of the Company held in 2020.
Mr. Tse Chee On, Raymond	<p>He entered into a letter of appointment with the Company for a period commencing from 9 May 2019 to 8 May 2022 or the date of the annual general meeting of the Company held in 2022, whichever is earlier.</p> <p>His annual emolument was revised from HK\$552,000 to HK\$563,000 for acting as an Independent Non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company for the period from 22 May 2019 to the date of the annual general meeting of the Company held in 2020.</p>
Mr. Wong Wai Ho	His annual emolument was revised from HK\$574,000 to HK\$585,000 for acting as an Independent Non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company for the period from 22 May 2019 to the date of the annual general meeting of the Company held in 2020.
Mr. Zhang Yongliang	His annual emolument was revised from HK\$345,000 to HK\$352,000 for acting as an Independent Non-executive Director of the Company for the period from 22 May 2019 to the date of the annual general meeting of the Company held in 2020.

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 2019, 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
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
Zhao Min
Tan Qi

AUDIT COMMITTEE

Lau Sai Yung (*Chairman*)
Tse Chee On, Raymond
Wong Wai Ho

NOMINATION COMMITTEE

Zen Wei Pao, William (*Chairman*)
Lau Sai Yung
Wong Wai Ho

REMUNERATION COMMITTEE

Tse Chee On, Raymond (*Chairman*)
Zen Wei Pao, William
Zen Wei Peu, Derek
Lau Sai Yung
Wong Wai Ho

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 Co., Ltd.
China CITIC Bank Corporation Limited
Industrial and Commercial Bank of China Limited

Hong Kong

China CITIC Bank International 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
4th Floor, North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54, 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\$500 million 4.7% guaranteed senior notes due 2021 (Stock Code: 4309)

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

- US\$400 million 7.75% guaranteed senior notes due 2021
- US\$400 million 7.875% guaranteed senior notes due 2023
- 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% domestic bonds due 2019

INVESTOR RELATIONS

Contact Persons: Lee Tak Fai, Kennedy
Tsoi Yuk Gee, Melissa
Telephone: (852) 2957 6800
Facsimile: (852) 2375 2477
E-mail address: ir@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 2019

	NOTES	Six months ended 30 June	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue			
Property sales and service income	3A	6,704,490	5,572,638
Other revenue		151,140	149,026
Total revenue	3B	6,855,630	5,721,664
Cost of sales		(4,128,259)	(3,029,012)
Gross profit		2,727,371	2,692,652
Interest income		315,762	446,932
Other income		57,270	13,754
Other gains and losses	5	54,104	(27,034)
Selling expenses		(270,358)	(273,695)
Administrative expenses		(520,422)	(455,551)
Share of results of associates		(8,539)	(5,774)
Share of results of joint ventures	6	409,912	438,154
Finance costs	7	(490,474)	(280,817)
Profit before taxation	8	2,274,626	2,548,621
Income tax expenses	9	(1,074,621)	(1,388,984)
Profit for the period		1,200,005	1,159,637
Profit attributable to:			
Owners of the Company		868,335	808,123
Owners of perpetual capital securities		174,915	174,915
Non-controlling interests of subsidiaries		156,755	176,599
		1,200,005	1,159,637
Earnings per share	11		
– Basic		HK\$1.16	HK\$1.08
– Diluted		N/A	HK\$1.08

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Profit for the period	1,200,005	1,159,637
Other comprehensive income (expense)		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation to presentation currency	17,156	(110,580)
Total comprehensive income for the period	1,217,161	1,049,057
Total comprehensive income attributable to:		
Owners of the Company	885,491	699,223
Owners of perpetual capital securities	174,915	174,915
Non-controlling interests of subsidiaries	156,755	174,919
	1,217,161	1,049,057

Condensed Consolidated Statement of Financial Position

At 30 June 2019

	NOTES	30 June 2019 (Unaudited) HK\$'000	31 December 2018 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		220,006	203,083
Right-of-use assets		132,575	–
Investment properties	12	3,599,657	2,516,218
Interests in associates		802,576	811,115
Interests in joint ventures	13	10,308,387	9,962,924
Amounts due from joint ventures	15	11,125,067	10,180,660
Loan receivables		883,277	196,190
Financial assets at fair value through profit or loss (“FVTPL”)		514,286	514,286
Deferred tax assets		96,566	130,176
Other non-current assets	16	35,914	70,200
		27,718,311	24,584,852
Current assets			
Inventory of properties	14	33,260,604	31,614,778
Prepayment for land leases		352,000	606,284
Amounts due from joint ventures	15	3,337,353	3,713,510
Loan receivables		605,147	2,161,126
Debtors, deposits and prepayments	16	3,176,784	3,581,178
Prepaid income tax		1,438,839	634,225
Financial assets at FVTPL		131,824	133,564
Pledged bank deposits	17	122,441	128,951
Bank balances and cash	17	13,917,151	11,793,235
		56,342,143	54,366,851
Total assets		84,060,454	78,951,703

Condensed Consolidated Statement of Financial Position

At 30 June 2019

	NOTES	30 June 2019 (Unaudited) HK\$'000	31 December 2018 (Audited) HK\$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	18	74,934	74,934
Reserves		17,549,204	17,323,129
		17,624,138	17,398,063
Perpetual capital securities	19	4,632,594	4,632,638
Non-controlling interests of subsidiaries		2,926,060	2,736,741
Total equity		25,182,792	24,767,442
Non-current liabilities			
Bank and other borrowings	20	14,988,062	10,183,873
Deferred tax liabilities		970,013	923,315
Lease liabilities		111,757	–
		16,069,832	11,107,188
Current liabilities			
Creditors and accrued charges	21	8,444,140	9,824,931
Amounts due to joint ventures and an associate		1,618,259	1,247,350
Contract liabilities		15,635,827	16,288,131
Lease liabilities		24,068	–
Income tax payable		4,863,082	5,255,537
Bank and other borrowings	20	12,222,454	10,461,124
		42,807,830	43,077,073
Total equity and liabilities		84,060,454	78,951,703

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Attributable to owners of the Company										Non-controlling interests of subsidiaries	Total equity
	Share capital	Share premium	Foreign currency translation reserve	Special reserve	Other reserve	Share option reserve	Statutory reserve	Retained profits	Sub-total	Perpetual capital securities		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2018 (audited)	74,814	3,215,627	1,772,340	1,260,000	-	731	2,180,366	7,131,200	15,635,078	4,633,096	1,346,252	21,614,426
Remeasurement arising from adoption of HKFRS 15	-	-	-	-	-	-	-	(57,077)	(57,077)	-	-	(57,077)
Balance at 1 January 2018 (restated)	74,814	3,215,627	1,772,340	1,260,000	-	731	2,180,366	7,074,123	15,578,001	4,633,096	1,346,252	21,557,349
Profit for the period	-	-	-	-	-	-	-	808,123	808,123	174,915	176,599	1,159,637
Exchange differences arising on translation to presentation currency	-	-	(108,900)	-	-	-	-	-	(108,900)	-	(1,680)	(110,580)
Total comprehensive income for the period	-	-	(108,900)	-	-	-	-	808,123	699,223	174,915	174,919	1,049,057
Sub-total	74,814	3,215,627	1,663,440	1,260,000	-	731	2,180,366	7,882,246	16,277,224	4,808,011	1,521,171	22,606,406
Issue of ordinary shares upon exercise of share options	120	9,167	-	-	-	(731)	-	-	8,556	-	-	8,556
Release upon deregistration of subsidiaries of the Company	-	-	(35,290)	-	-	-	(56,792)	92,082	-	-	-	-
Capital contributions from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	8,841	8,841
Dividends paid for non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(163,318)	(163,318)
Distributions paid for perpetual capital securities	-	-	-	-	-	-	-	-	-	(174,716)	-	(174,716)
Dividend (note 10)	-	-	-	-	-	-	-	(584,483)	(584,483)	-	-	(584,483)
Balance at 30 June 2018 (unaudited)	74,934	3,224,794	1,628,150	1,260,000	-	-	2,123,574	7,389,845	15,701,297	4,633,295	1,366,694	21,701,286
Balance at 1 January 2019 (audited)	74,934	3,224,794	740,874	1,260,000	1,002,963	-	2,740,487	8,354,011	17,398,063	4,632,638	2,736,741	24,767,442
Profit for the period	-	-	-	-	-	-	-	868,335	868,335	174,915	156,755	1,200,005
Exchange differences arising on translation to presentation currency	-	-	17,156	-	-	-	-	-	17,156	-	-	17,156
Total comprehensive income for the period	-	-	17,156	-	-	-	-	868,335	885,491	174,915	156,755	1,217,161
Sub-total	74,934	3,224,794	758,030	1,260,000	1,002,963	-	2,740,487	9,222,346	18,283,554	4,807,553	2,893,496	25,984,603
Release upon deregistration of subsidiaries of the Company	-	-	(19,468)	-	-	-	-	19,468	-	-	-	-
Capital contributions from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	32,564	32,564
Distributions paid for perpetual capital securities	-	-	-	-	-	-	-	-	-	(174,959)	-	(174,959)
Dividend (note 10)	-	-	-	-	-	-	-	(659,416)	(659,416)	-	-	(659,416)
Balance at 30 June 2019 (unaudited)	74,934	3,224,794	738,562	1,260,000	1,002,963	-	2,740,487	8,582,398	17,624,138	4,632,594	2,926,060	25,182,792

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	NOTES	Six months ended 30 June	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Operating activities:			
Operating cash flows before movements in working capital		2,018,861	1,995,951
Payment for land leases		(1,718,446)	(1,363,301)
Decrease (increase) in debtors, deposits and prepayments		485,093	(675,457)
Decrease in inventory of properties		66,011	266,175
(Decrease) increase in contract liabilities		(1,317,557)	5,801,009
(Decrease) increase in creditors and accrued charges		(1,333,518)	119,128
Cash (used in) generated from operations		(1,799,556)	6,143,505
Income tax paid		(2,173,332)	(1,923,212)
Net cash (used in) from operating activities		(3,972,888)	4,220,293
Investing activities:			
Cash distributions/dividends received from joint ventures		225,795	349,488
Proceeds on disposal of investment properties		89,623	6,248
Net cash inflow from acquisition of subsidiaries	22	386,887	–
Net cash inflow from disposal of subsidiaries		–	382,143
Net cash inflow from disposal of interest in a joint venture		–	97,565
Acquisition of joint ventures		–	(1,703,676)
Capital contributions to joint ventures		(265,235)	(145,476)
Advances to joint ventures		(2,057,635)	(4,402,704)
Repayment from joint ventures		2,790,314	3,083,206
Decrease (increase) in pledged bank deposits		6,510	(27,608)
Decrease (increase) in restricted bank balances		128,657	(512,133)
Other investing cash flows		(55,908)	340,626
Net cash from (used in) investing activities		1,249,008	(2,532,321)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	NOTES	Six months ended 30 June	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Financing activities:			
New borrowings raised		11,410,747	3,181,964
Repayment of borrowings		(5,284,722)	(3,073,346)
Capital contributions from non-controlling interests of subsidiaries		32,564	8,841
Advances from joint ventures and an associate		638,898	680,722
Repayment to joint ventures and an associate		(267,989)	–
Issue of ordinary shares		–	8,556
Interest paid		(702,347)	(640,104)
Dividend paid		(659,416)	(584,483)
Distributions paid for perpetual capital securities		(174,959)	(174,716)
Dividends paid for non-controlling interests of subsidiaries		–	(163,318)
Repayment of lease liabilities		(16,323)	–
Net cash from (used in) financing activities		4,976,453	(755,884)
Net increase in cash and cash equivalents		2,252,573	932,088
Cash and cash equivalents at 1 January		10,673,126	7,926,458
Effect of foreign exchange rate changes		–	(18,828)
Cash and cash equivalents at 30 June		12,925,699	8,839,718
Analysis of the balances of cash and cash equivalents:			
Bank balances and cash	17	13,917,151	9,976,124
Less: restricted bank balances	17	(991,452)	(1,136,406)
		12,925,699	8,839,718

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as 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”).

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2018.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts and changes in accounting policies of application on HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 “Leases”, and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transitional provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 “Leases”

(Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets include:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the condensed consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within “investment properties”.

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements, except for those that are classified and accounted for as investment properties.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 “Leases” (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 “Financial Instruments” and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever: the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases"

(Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

(Continued)

As a lessee (Continued)

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

As a lessor

Allocation of consideration to components of a contract

Effective on 1 January 2019, the Group applies HKFRS 15 "Revenue from Contracts with Customers" to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 “Leases”

(Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

(Continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- iii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in the People’s Republic of China (the “PRC”) was determined on a portfolio basis.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases"

(Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

(Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 5.04%.

	At 1 January 2019 HK\$'000
Operating lease commitments disclosed as at 31 December 2018	65,098
Lease liabilities discounted at relevant incremental borrowing rates	59,247
Less: Recognition exemption – short-term leases	(8,719)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	<u>50,528</u>
Analysed as:	
– Current	9,925
– Non-current	40,603
	<u>50,528</u>
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 – office premises	<u>50,528</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 “Leases”

(Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

(Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

- (a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s condensed consolidated statement of financial position at 1 January 2019. However, effective from 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.
- (b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The Group had insignificant balances of refundable rental deposits and advance lease payments as at 1 January 2019 and 30 June 2019.
- (c) Effective on 1 January 2019, the Group has applied HKFRS 15 to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the condensed consolidated financial statements of the Group for the current period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases"

(Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

(Continued)

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018 HK\$'000	Adjustments HK\$'000	Carrying amounts under HKFRS16 at 1 January 2019 HK\$'000
Non-current assets			
Right-of-use assets	–	50,528	50,528
Current liabilities			
Lease liabilities	–	9,925	9,925
Non-current liabilities			
Lease liabilities	–	40,603	40,603

Note: For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 June 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

No adjustments have been made, in the application of HKFRS 16 as a lessor, on the Group's condensed consolidated statement of financial position as at 30 June 2019 and its condensed consolidated statement profit or loss, condensed consolidated statement of profit or loss and other comprehensive income and cash flows for the current interim period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

3. REVENUE

3A. (I) Revenue from contracts with customers

By segment	Six months ended 30 June 2019			Six months ended 30 June 2018		
	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000 (restated)	Investment and asset management HK\$'000 (restated)	Total HK\$'000 (restated)
Types of goods or services						
Property sales	6,474,097	–	6,474,097	5,356,752	11,667	5,368,419
Property management and other service income	223,987	6,406	230,393	203,541	678	204,219
Total	6,698,084	6,406	6,704,490	5,560,293	12,345	5,572,638
Geographical market						
Mainland China	6,698,084	6,406	6,704,490	5,560,293	12,345	5,572,638
Timing of revenue recognition						
Goods recognised at a point in time	6,474,097	–	6,474,097	5,356,752	11,667	5,368,419
Services recognised over time	223,987	6,406	230,393	203,541	678	204,219
Total	6,698,084	6,406	6,704,490	5,560,293	12,345	5,572,638

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

3. REVENUE (CONTINUED)

3A. (II) Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

By segment	Six months ended 30 June 2019			Six months ended 30 June 2018		
	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000 (restated)	Investment and asset management HK\$'000 (restated)	Total HK\$'000 (restated)
Revenue from contracts with customers	6,698,084	6,406	6,704,490	5,560,293	12,345	5,572,638
Fund investment income (note)	-	82,950	82,950	-	104,690	104,690
Gross rental and other income from commercial properties	58,290	9,900	68,190	43,834	502	44,336
Other revenue	58,290	92,850	151,140	43,834	105,192	149,026
Total revenue of the Group (note 4)	6,756,374	99,256	6,855,630	5,604,127	117,537	5,721,664

Note: It represents interest revenue on loan receivables calculated by using effective interest method.

3B. TOTAL REVENUE OF THE GROUP

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Property sales and service income	6,704,490	5,572,638
Fund investment income	82,950	104,690
Gross rental and other income from commercial properties	68,190	44,336
Total revenue of the Group	6,855,630	5,721,664
Group's share of revenue of property joint ventures	1,729,108	1,156,554
Group's share of toll revenue of infrastructure joint ventures	792,934	763,633
Revenue of the Group and Group's share of revenue of joint ventures	9,377,672	7,641,851

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

4. 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
Investment and asset management	–	property development and investment, integrated with funds, cultural attraction and tourism, entertainment and content development businesses

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

	Six months ended 30 June 2019				Six months ended 30 June 2018			
	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Segment revenue	6,756,374	–	99,256	6,855,630	5,604,127	–	117,537	5,721,664
Segment profit (loss)	965,637	343,582	(102,743)	1,206,476	915,155	269,646	8,596	1,193,397

	At 30 June 2019				At 31 December 2018			
	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Segment assets (including interests in joint ventures and associates)	67,984,457	5,642,826	8,166,361	81,793,644	63,643,205	5,299,866	7,902,496	76,845,567
Segment liabilities	(53,937,413)	(274,753)	(3,341,252)	(57,553,418)	(48,875,061)	(269,898)	(3,313,815)	(52,458,774)

(a) Measurement

Segment profit (loss) represents profit or loss generated from each segment, which includes share of results of associates, 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 financial assets at FVTPL, net exchange losses, net loss on disposal of subsidiaries, gain on disposal of interest in a joint venture, depreciation of property, plant and equipment, depreciation of right-of-use assets, interest expenses on lease liabilities, relevant interest income, 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 2019

4. SEGMENT INFORMATION (CONTINUED)

(a) Measurement (Continued)

Segment assets include property, plant and equipment, right-of-use assets, investment properties, interests in associates, interests in joint ventures, other non-current assets, inventory of properties, prepayment for land leases, amounts due from joint ventures, loan receivables, debtors, deposits and prepayments, prepaid income tax, financial assets at FVTPL, 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, lease liabilities, amounts due to joint ventures and an associate, contract liabilities, income tax payable, bank and other borrowings 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	
	2019 HK\$'000	2018 HK\$'000
Total segment profit	1,206,476	1,193,397
Unallocated items:		
Interest income	25,080	2,287
Corporate income	7,522	93
Corporate expenses	(7,083)	(21,354)
Finance costs	(31,990)	(14,786)
Consolidated profit for the period	1,200,005	1,159,637
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Total segment assets	81,793,644	76,845,567
Unallocated assets:		
Property, plant and equipment	14	19
Deposits and prepayments	13,045	60,014
Financial assets at FVTPL	26,365	26,713
Bank balances and cash	2,227,386	2,019,390
Consolidated total assets	84,060,454	78,951,703
Total segment liabilities	(57,553,418)	(52,458,774)
Unallocated liabilities:		
Accrued charges	(1,991)	(10,965)
Bank and other borrowings	(1,322,253)	(1,714,522)
Consolidated total liabilities	(58,877,662)	(54,184,261)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Net exchange losses	(7,437)	(93,394)
Change in fair value of financial assets at FVTPL	31,020	(7,852)
	23,583	(101,246)
Gain on disposal of interest in a joint venture	–	33,330
Net loss on disposal of subsidiaries	–	(339)
Gains on disposal of property, plant and equipment	952	198
Fair value gains on transfer of completed properties held for sale to investment properties	3,796	–
Change in fair value of investment properties	25,773	41,023
	54,104	(27,034)

6. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Share of profits of infrastructure joint ventures before amortisation and taxation	612,069	572,631
Less share of:		
Amortisation of toll road operation rights	(127,048)	(126,563)
Income tax expenses	(107,433)	(106,645)
	377,588	339,423
Share of profits of other joint ventures	32,324	98,731
	409,912	438,154

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

7. FINANCE COSTS

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Interest on borrowings	777,914	618,277
Interest on lease liabilities (note 2)	3,522	–
Other interest and finance costs	234,381	213,460
	1,015,817	831,737
Less: Capitalised in properties under development for sale	(525,343)	(550,920)
	490,474	280,817

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Profit before taxation has been arrived at after charging:		
Depreciation of right-of-use assets (note 2)	16,051	–
Depreciation of property, plant and equipment	9,277	19,226
	25,328	19,226
Less: Capitalised in properties under development for sale	(328)	(435)
	25,000	18,791
and after crediting:		
Bank interest income	64,800	23,966

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Current tax:		
PRC enterprise income tax ("EIT")	489,046	589,362
PRC land appreciation tax ("LAT")	483,542	689,680
PRC withholding tax	19,042	33,408
	991,630	1,312,450
Deferred tax:		
Current period	82,991	76,534
	1,074,621	1,388,984

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 PRC, which is charged at progressive rates ranging from 30% to 60% of the appreciation value, with certain allowable deductions.

10. DIVIDEND PAID

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
2018 final dividend paid of HK\$0.88 (six months ended 30 June 2018: 2017 final dividend paid of HK\$0.78) per share	659,416	584,483

An interim dividend in respect of 2019 of HK\$0.30 (six months ended 30 June 2018: HK\$0.30) per share amounting to a total of approximately HK\$225 million (six months ended 30 June 2018: HK\$225 million) was declared by the Board of Directors on 19 August 2019. 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 749,336,566 shares in issue as at 19 August 2019.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

11. 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	
	2019 HK\$'000	2018 HK\$'000
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	868,335	808,123
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	749,337	748,749
Effect of dilutive potential ordinary shares: Share options (note)	N/A	304
Weighted average number of ordinary shares for the purpose of diluted earnings per share	N/A	749,053

Note: No diluted earnings per share for the six months ended 30 June 2019 were presented as there were no dilutive potential ordinary shares in issue during the current interim period.

12. INVESTMENT PROPERTIES

	HK\$'000
Completed properties, at fair value	
At 1 January 2019	2,516,218
Addition during the period	2,146
Transfer from completed properties held for sale	1,141,347
Disposal during the period	(89,623)
Fair value gains on transfer of completed properties held for sale to investment properties	3,796
Change in fair value recognised in profit or loss	25,773
At 30 June 2019	3,599,657

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

12. INVESTMENT PROPERTIES (CONTINUED)

The fair values of completed investment properties at the date of transfer, 30 June 2019 and 31 December 2018 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. The leasehold interests in land held by the Group as right-of-use assets to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

13. INTERESTS IN JOINT VENTURES

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Interests in infrastructure joint ventures		
Cost of investments	4,649,355	4,649,355
Return of cost of investments (note (a))	(3,258,388)	(3,413,436)
Share of post-acquisition profits, net of dividends received	1,329,020	1,332,275
Exchange adjustments	593,222	593,222
	3,313,209	3,161,416
Interests in property and other joint ventures		
Cost of investments	6,807,898	6,665,456
Share of post-acquisition profits, net of dividends received	388,622	356,114
Exchange adjustments	(201,342)	(220,062)
	6,995,178	6,801,508
	10,308,387	9,962,924

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 net cash distribution. 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) 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 2019, the carrying amount of the liabilities of the joint venture undertaken by the Group was approximately HK\$2,714,596,000 (31 December 2018: HK\$2,715,620,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

14. INVENTORY OF PROPERTIES

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Completed properties held for sale	5,293,907	4,264,992
Properties under development for sale (note)	27,966,697	27,349,786
	33,260,604	31,614,778

Note: Included in the amounts are properties under development for sale of HK\$22,473,543,000 (31 December 2018: HK\$17,148,043,000) which are expected to be completed and available for delivery to the customers more than twelve months from the end of the reporting period.

15. AMOUNTS DUE FROM JOINT VENTURES

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Amounts due from joint ventures (note)	14,462,420	13,894,170
Current portion	3,337,353	3,713,510
Non-current portion	11,125,067	10,180,660
	14,462,420	13,894,170

Note: 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 development and pre-sales status of the property projects of property joint ventures and the performance of the infrastructure joint ventures. Included in the balances at 30 June 2019, HK\$4,363,181,000 (31 December 2018: HK\$4,446,106,000) were interest-free and the remaining portion were interest bearing either at fixed rate or variable rate by reference to lending rate set by the People's Bank of China ("PBOC").

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

16. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Aged analysis of trade debtors, presented based on invoice dates (note (a)):		
Within 60 days	22,343	65,899
61 to 90 days	7,791	6,678
More than 90 days	38,032	31,530
Trade debtors derived from goods and services	68,166	104,107
Prepayment for land development cost (note (b))	586,286	586,286
Deposits paid for acquisition of inventory of properties (note (c))	1,587,031	694,857
Prepayment of value added tax and other taxes	258,156	1,451,347
Prepayment for property, plant and equipment and investment properties	35,914	70,200
Other receivables, deposits and prepayments	677,145	744,581
Total debtors, deposits and prepayments	3,212,698	3,651,378
Less: Amounts classified as non-current assets	(35,914)	(70,200)
Amounts classified as current assets	3,176,784	3,581,178

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 (equivalent to HK\$571,429,000) 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 changed its use from industrial to residential purpose and put into public auction. At 30 June 2019, prepayment of land development cost of HK\$571,429,000 (31 December 2018: HK\$571,429,000) has been made. Pursuant to the agreement, the prepayment will be refunded and a daily interest of 0.03% on the prepaid amount will be received, if the Group cannot obtain the land through the public auction. Based on the progress of the project, the public auction is expected to be launched within one year from the end of the reporting period.
- At 30 June 2019, the Group has also paid HK\$14,857,000 (31 December 2018: HK\$14,857,000) to certain independent third parties for the land development cost in the PRC. The amounts have been fully refunded to the Group in July 2019.
- (c) The amount at 30 June 2019 represents deposits for acquisition of property development projects in the PRC, which will be fully refunded if the Group cannot acquire the land/property projects successfully. In July 2019, two pieces of land were successfully obtained by the Group in the public auction in the PRC and the deposits HK\$738,115,000 will be transferred to the inventory of properties.

17. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits of HK\$122,441,000 (31 December 2018: HK\$128,951,000) 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

17. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH (CONTINUED)

Included in bank balances and cash, bank balances of HK\$2,780,224,000 (31 December 2018: HK\$1,696,294,000) 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\$991,452,000 (31 December 2018: HK\$1,120,109,000) according to the relevant requirements of the PRC local government. The remaining cash of HK\$1,788,772,000 (31 December 2018: HK\$576,185,000) is received mainly from the bank loans for property development.

Bank balances carry interest at market rates which range from 0.13% to 3.29% (31 December 2018: 0.13% to 3.7%) per annum.

18. 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 2019 and 30 June 2019	749,336,566	74,934

19. PERPETUAL CAPITAL SECURITIES

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
2017 February perpetual capital securities (note)	2,349,180	2,349,221
2017 June perpetual capital securities (note)	2,283,414	2,283,417
	4,632,594	4,632,638

Note:

In February 2017 and June 2017, two 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 Exchange Securities Trading Limited (the "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 2019

20. BANK AND OTHER BORROWINGS

	Notes	30 June 2019 HK\$'000	31 December 2018 HK\$'000
2016 August guaranteed senior notes	(a)	1,791,647	3,565,331
2016 September guaranteed senior notes	(b)	3,936,360	3,931,673
2016 Domestic bonds	(c)	1,705,230	1,703,141
2019 January guaranteed senior notes	(d)	3,093,360	–
2019 February guaranteed senior notes	(e)	3,090,104	–
Bank loans	(f)	10,607,016	8,931,097
Other loans	(g)	2,986,799	2,513,755
		27,210,516	20,644,997
The maturity of the above loans is as follows:			
Unsecured borrowings repayable*:			
Within one year		4,638,592	4,448,446
More than one year but not exceeding two years		4,864,285	1,034,696
More than two years but not exceeding five years		6,968,420	7,406,220
		16,471,297	12,889,362
Secured borrowings repayable*:			
Within one year		6,702,462	4,558,678
More than one year but not exceeding two years		1,604,114	956,057
More than two years but not exceeding five years		1,374,100	571,826
More than five years		177,143	215,074
		9,857,819	6,301,635
Carrying amount of unsecured bank loan that is repayable within one year and contains a repayable on demand clause		881,400	1,454,000
Total borrowings		27,210,516	20,644,997
Less: Amounts classified as current liabilities		(12,222,454)	(10,461,124)
Amounts due over one year shown and classified as non-current liabilities		14,988,062	10,183,873

* 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 2019

20. BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

- (a) The 2016 August guaranteed senior notes with an outstanding principal amount of US\$225,257,000 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 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 and were issued in September 2016. The notes, 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) The 2019 January guaranteed senior notes with an outstanding principal amount of US\$400,000,000 are listed on the Singapore Exchange and were issued in January 2019. The notes, bearing interest at a fixed rate of 7.75% per annum, will mature in 2021.
- (e) The 2019 February guaranteed senior notes with an outstanding principal amount of US\$400,000,000 are listed on the Singapore Exchange and were issued in February 2019. The notes, bearing interest at a fixed rate of 7.875% per annum, will mature in 2023.
- (f) At 30 June 2019, bank loans with carrying amount of HK\$4,261,143,000 (31 December 2018: HK\$4,280,629,000) bear a floating interest rate based on PBOC plus a specified margin, ranging from 4.75% to 6.65% (31 December 2018: 4.42% to 6.65%) per annum. At 30 June 2019, bank loans with carrying amount of HK\$2,498,178,000 (31 December 2018: HK\$639,363,000) bear interest at a fixed rate ranging from 6% to 10% (31 December 2018: 6%) 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 2.35% to 5.03% (31 December 2018: 3.65% to 6.6%) per annum.
- (g) At 30 June 2019, other loans with carrying amount of HK\$2,986,799,000 (31 December 2018: HK\$2,513,755,000) bear interest at a fixed rate ranging from 7.2% to 18% (31 December 2018: 6.79% to 18%) per annum and are mainly borrowed from certain trust companies.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

21. CREDITORS AND ACCRUED CHARGES

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Aged analysis of creditors presented based on invoice dates:		
Trade payables		
Within 60 days	339,833	481,553
61 to 90 days	31,219	15,328
More than 90 days	954,585	854,397
	1,325,637	1,351,278
Bills payables		
Within 60 days	32,629	12,641
61 to 90 days	331	21,767
More than 90 days	22,333	5,201
	55,293	39,609
Accrued construction costs	4,216,273	5,467,177
Accrued taxes (other than EIT and LAT)	815,685	965,047
Consideration payable from acquisition of subsidiaries and joint ventures	399,751	342,608
Dividend payable to non-controlling interest of a subsidiary	200,000	200,000
Other payables	1,431,501	1,459,212
	8,444,140	9,824,931

22. ACQUISITION OF SUBSIDIARIES

In April 2019, the Group entered into a sale and purchase agreement to acquire the remaining 51% equity interest in 常州宏耀房地產開發有限公司 (“常州宏耀”) from the PRC joint venture partner at a cash consideration of RMB215,733,000 (equivalent to HK\$246,552,000). Prior to the date of acquisition, 常州宏耀 was a joint venture of the Group engaging in the property development in Changzhou, the PRC. Upon completion of the acquisition, 常州宏耀 and its subsidiary become the wholly-owned subsidiaries of the Company. The transaction was accounted for as acquisition of assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

22. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The aggregate net assets of the subsidiaries at the date of acquisition were as follows:

	HK\$'000
Property, plant and equipment	260
Deferred tax assets	2,683
Inventory of properties	642,363
Debtors, deposits and prepayments	37,789
Prepaid income tax	15,367
Bank balances and cash	633,439
Creditors and accrued charges	(74,624)
Amounts due to the Group	(39,365)
Contract liabilities	(561,922)
Bank and other borrowings	(205,714)
	450,276
Satisfied by:	
Cash consideration paid	246,552
Interests in joint ventures disposed of	203,724
	450,276
Net cash inflow arising on acquisition:	
Cash consideration paid	(246,552)
Bank balances and cash acquired	633,439
	386,887

23. CONTINGENT LIABILITIES

At 30 June 2019, the Group provided guarantees of HK\$8,385,105,000 (31 December 2018: HK\$8,616,016,000) 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 on initial recognition is insignificant.

At 30 June 2019, the Group provided guarantee of HK\$4,791,467,000 (31 December 2018: HK\$4,449,278,000) to banks in connection with the banking facilities granted to joint ventures. The Directors consider that the fair value of such guarantee on initial recognition is insignificant as the joint ventures have strong net asset position and the default risk is low.

The details of undertakings of a property joint venture provided by the Group are disclosed in note 13(b).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

24. PLEDGE OF ASSETS

At the end of the reporting period, other than the pledged bank deposits as disclosed in note 17, the Group's inventory of properties of HK\$6,538,052,000 (31 December 2018: HK\$3,435,850,000) and investment properties of HK\$608,709,000 (31 December 2018: HK\$473,246,000) were pledged to banks to secure the banking facilities granted to the Group.

25. CAPITAL COMMITMENTS

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Capital injection into joint ventures contracted for but not provided in the condensed consolidated financial statements	50,857	21,714

26. RELATED PARTY TRANSACTIONS

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

Related parties	Nature	Six months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
Infrastructure joint ventures	Interest income	820	2,005
Property and other joint ventures	Interest income	243,819	391,311
Non-controlling interests of subsidiaries	Interest income	6,016	8,541
A subsidiary of a major shareholder of the Company	Construction costs incurred	386,682	43,680
A subsidiary of a major shareholder of the Company	Construction costs payable	125,944	35,955

During the period ended 30 June 2019, a subsidiary of a major shareholder of the Company provided construction services to the property projects of a subsidiary and a joint venture of the Group amounting to HK\$398,508,000 (six months period ended 30 June 2018: HK\$59,523,000) in aggregate. The construction services provided by the subsidiary of the major shareholder of the Company constituted continuing connected transactions as defined under the Listing Rules.

During the period ended 30 June 2019, the Group has transferred the title of one piece of land included in prepayment for land leases of the Group at its carrying amount of HK\$314,743,000 (31 December 2018: HK\$662,857,000) to a joint venture of the Group and no gain or loss is resulted from such transfer. The said amount will be settled by the joint venture after the pre-sale of properties commences.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

26. 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	
	2019 HK\$'000	2018 HK\$'000
Short-term employment benefits	158,058	151,134
Post-employment benefits	3,052	3,181
	161,110	154,315

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

27. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2019 amounted to HK\$41,252,624,000 (31 December 2018: HK\$35,874,630,000). The Group's net current assets at 30 June 2019 amounted to HK\$13,534,313,000 (31 December 2018: HK\$11,289,778,000).

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets at FVTPL	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2019 HK\$'000	31 December 2018 HK\$'000		
Foreign currency forward contracts	131,824	133,564	Level 2	<ul style="list-style-type: none"> Discounted cash flow. The fair value is provided by counterparty financial institutions, which is measured using discounted cash flow analysis. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rate, discounted at a rate that reflects the credit risk of various counterparties.
Investment in unlisted entity	297,143	297,143	Level 3	<ul style="list-style-type: none"> Income approach. The discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.
Investment in unlisted entity	217,143	217,143	Level 3	<ul style="list-style-type: none"> Price-to-revenue multiples of several comparable companies. Risk adjustment for a discount on lack of marketability.
	646,110	647,850		

During the six months ended 30 June 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2019

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

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 2019 and 31 December 2018 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 2019		31 December 2018	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
2016 August guaranteed senior notes	1,791,647	1,765,790	3,565,331	3,503,682
2016 September guaranteed senior notes	3,936,360	3,870,750	3,931,673	3,662,880
2016 Domestic bonds	1,705,230	1,775,642	1,703,141	1,730,690
2019 January guaranteed senior notes	3,093,360	3,268,200	–	–
2019 February guaranteed senior notes	3,090,104	3,283,800	–	–

29. EVENT AFTER THE END OF THE REPORTING PERIOD

On 9 August 2019, RKI Overseas Finance 2016 (A) Limited, a wholly-owned subsidiary of the Company redeemed an outstanding principal amounting to US\$225,257,000 of 2016 August guaranteed senior notes at maturity date.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

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 (collectively referred to as the "Group") set out on pages F-1 to F-35, which comprise the condensed consolidated statement of financial position as of 30 June 2019 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 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

19 August 2019



Road King Infrastructure Limited