



Road King Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 1098)



2025
INTERIM REPORT

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 with over 30 years of experience in the industry. The Company successfully entered into the Southeast Asian market in 2019 and became the first company to invest and participate in the operation of Indonesian expressways among other Mainland China and Hong Kong toll road companies. The existing real estate portfolio is mainly located in the Yangtze River Delta Region, Bohai Rim Region and Guangdong – Hong Kong – Macao Greater Bay Area, comprising a land reserve of approximately 2.36 million square meters. As of 30 June 2025, the toll road portfolio consists of four expressways in Indonesia, all located in major economic regions and spanning approximately 335 km in total.



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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

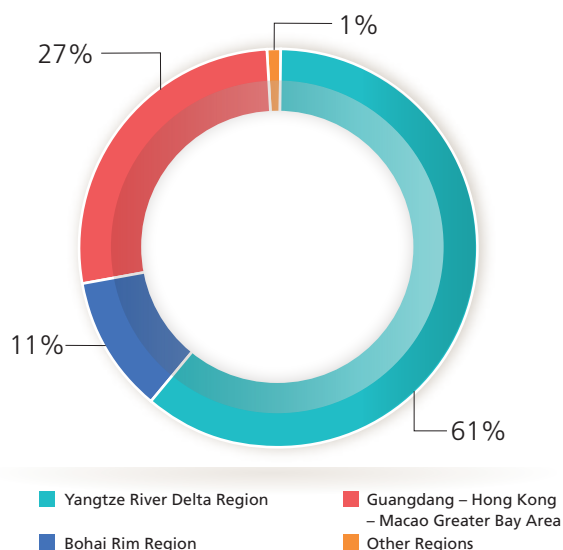
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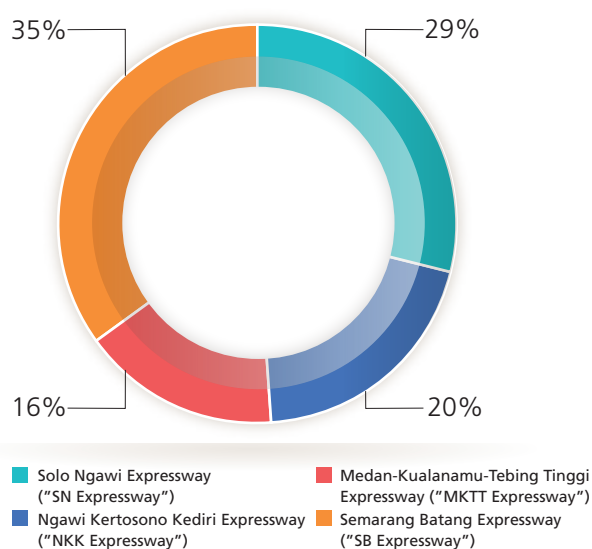
Financial Highlights

	For the six months ended 30 June			For the year ended 31 December	
	2025	2024	2023	2024	2023
(RMB'million)					
Property sales (including joint venture and associate projects)					
– Mainland China projects	3,771	5,523	15,268	9,279	26,555
– Hong Kong projects	1,461	1,781	419	3,183	1,095
	5,232	7,304	15,687	12,462	27,650
(HK\$'million)					
Revenue of the Group	1,785	3,468	6,277	5,537	13,075
Group's share of revenue of joint ventures and associates	2,917	7,673	8,592	11,828	12,953
Revenue of the Group and Group's share of revenue of joint ventures and associates	4,702	11,141	14,869	17,365	26,028
Toll revenue from expressway projects in Indonesia	878	919	790	1,765	1,667
Loss for the period/year	(1,590)	(394)	(881)	(3,308)	(3,761)
Loss attributable to owners of the Company	(2,034)	(1,027)	(1,220)	(4,122)	(3,962)
Equity attributable to owners of the Company	9,183	14,234	18,856	10,815	15,696
Total assets	53,329	64,806	82,089	57,513	73,146
Bank balances and cash	3,084	6,716	7,137	4,274	5,480
Net assets per share attributable to owners of the Company (HK\$)	12.25	19.00	25.16	14.43	20.95

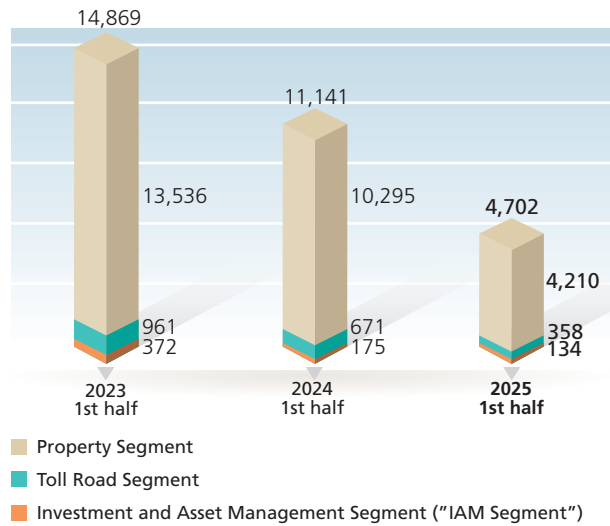
REVENUE CONTRIBUTION OF PROPERTY PROJECTS IN FIRST HALF OF 2025 BY LOCATION
(including joint venture and associate projects)



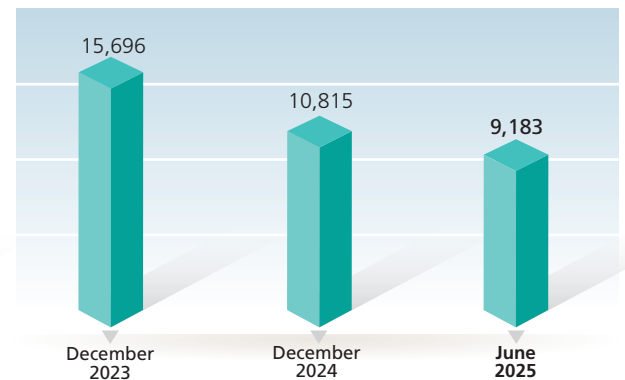
TOLL REVENUE CONTRIBUTION OF EXPRESSWAY PROJECTS IN INDONESIA IN FIRST HALF OF 2025 BY PROJECT



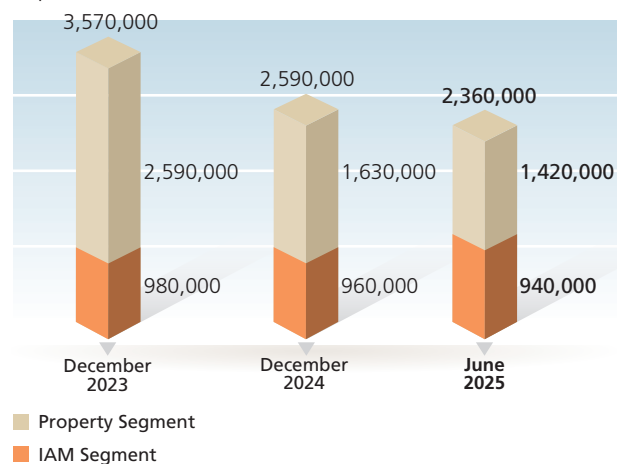
REVENUE
(including share of revenue of joint ventures and associates)
(HK\$'million)



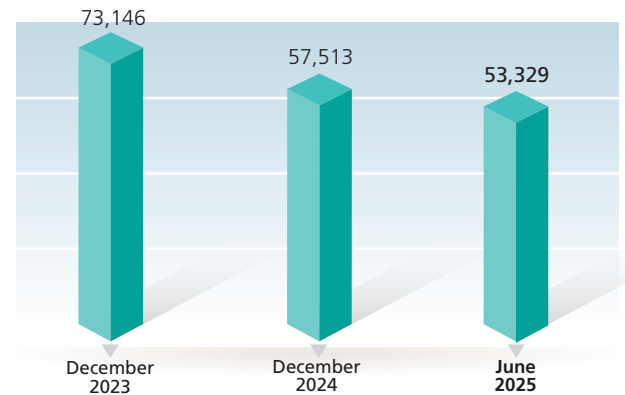
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY
(HK\$'million)



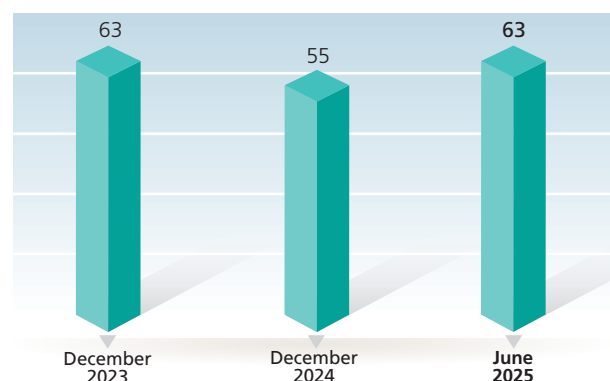
LAND RESERVE
(including joint venture and associate projects)
(sqm)



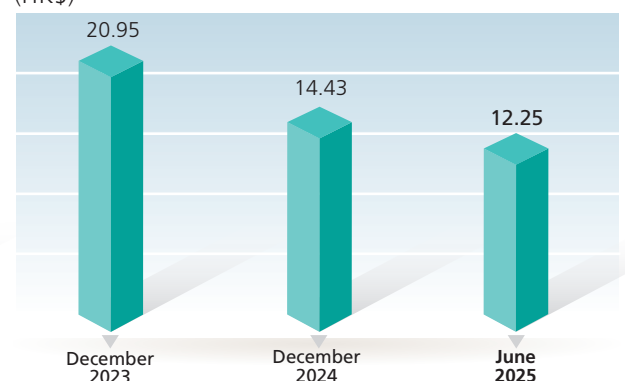
TOTAL ASSETS
(HK\$'million)



NET GEARING RATIO
(%)



NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY
(HK\$)



Management Discussion and Analysis

PROPERTY PROJECTS

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

BOHAI RIM REGION

-  10, 29 Beijing
 -  13 Langfang
 -  11-12, 30 Tianjin
 -  14 Jinan
- Hebei Province
- Shandong Province

OTHER REGIONS

-  23 Luoyang
 -  19-22 Zhengzhou
- Henan Province

YANGTZE RIVER DELTA REGION

- Jiangsu Province
-  3 Nanjing
 -  4-6, 24 Changzhou
 -  7, 25 Wuxi
 -  8-9, 26-27 Suzhou
 -  1-2 Shanghai
 -  28 Ningbo
- Zhejiang Province

GUANGDONG – HONG KONG – MACAO GREATER BAY AREA

-  15-16, 31 Guangzhou
 -  17-18 Hong Kong Special Administrative Region
- Guangdong Province

LAND RESERVE

As at 30 June 2025

Region	Floor Area* sqm	Proportion
Shanghai	123,000	5%
Jiangsu Province	707,000	30%
Zhejiang Province	49,000	2%
Yangtze River Delta Region	879,000	37%
Beijing	88,000	4%
Tianjin	230,000	10%
Hebei Province	99,000	4%
Shandong Province	37,000	2%
Bohai Rim Region	454,000	20%
Guangdong Province	93,000	4%
Hong Kong Special Administrative Region	31,000	1%
Guangdong – Hong Kong – Macao Greater Bay Area	124,000	5%
Henan Province	907,000	38%
Other Regions	907,000	38%
Total	2,364,000	100%
Of which:		
Properties for sale	1,872,000	79%
Investment properties	492,000	21%

* Including joint venture and associate projects






Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2025

Yangtze River Delta Region

1	RK Sheshan Villa • Dongyuan							
	Floor Area (sqm)	95,000	Nature	Residential and commercial	Stage of Completion (note)	P/S/C	Land area (sqm)	122,000
	Approximate attributable interest	100%	Target completion	2028	Location	East to Kungang Highway, West to Hexi Street, South to Mianzhanggang River and North to Wennan Road, Xiaokunshan Town, Songjiang District, Shanghai, the People's Republic of China (the "PRC")		
2	RK Yuemao Mansion							
	Floor Area (sqm)	28,000	Nature	Residential and commercial	Stage of Completion (note)	C	Land Area (sqm)	61,000
	Approximate attributable interest	93.75%	Target completion	Completed	Location	East to Hongshi Road, South to Beiqing Road, West to Baiqiang Port, North to Chenjiashan Road, Jiading District, Shanghai, the PRC		
3	Breeze Mansion							
	Floor Area (sqm)	45,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	83,000
	Approximate attributable interest	40%	Target completion	2026	Location	East to Keji Avenue, South to Yanfa Two Road, West to Development Road, North to Dongji Avenue, Jiangning District, Nanjing, Jiangsu Province, the PRC		
4	West Side Time							
	Floor Area (sqm)	18,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	50,000
	Approximate attributable interest	51%	Target completion	2026	Location	South of Juxiang Road, West of Luyang Road, Wujin District, Changzhou, Jiangsu Province, the PRC		
5	Jade Residence							
	Floor Area (sqm)	80,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	60,000
	Approximate attributable interest	95%	Target completion	2027	Location	South of Yanzheng West Avenue, East of Caoxi Road, Niutang Town, Wujin District, Changzhou, Jiangsu Province, the PRC		

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2025

Yangtze River Delta Region

6	Boyue Cloudy Yard							
	Floor Area (sqm)	105,000	Nature	Residential	Stage of Completion (note)	F/S/C	Land Area (sqm)	87,000
	Approximate attributable interest	40%	Target completion	2029	Location	East to Nanfeng River, South to Yunhe Road, West to Xinqing Road, North to Wutang Road, Zhonglou District, Changzhou, Jiangsu Province, the PRC		
7	Yunjin Oriental							
	Floor Area (sqm)	75,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	54,000
	Approximate attributable interest	30%	Target completion	Completed	Location	Southwest of the intersection of 312 National Highway and Yonghui Road, Luoshe Town, Huishan District, Wuxi, Jiangsu Province, the PRC		
8	City Valley							
	Floor Area (sqm)	58,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	56,000
	Approximate attributable interest	45%	Target completion	Completed	Location	West of Xingpu Road, South of Minsheng Road, Suzhou Industrial Park High Trade Zone, Suzhou, Jiangsu Province, the PRC		
9	Royal Harmony Residence							
	Floor Area (sqm)	37,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	31,000
	Approximate attributable interest	51%	Target completion	2025	Location	East of Wanshou Street, North of Ruoshui Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		






Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2025

Bohai Rim Region


10	RK Yunhe Shangyuan							
	Floor Area (sqm)	25,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	33,000
	Approximate attributable interest	100%	Target completion	2027	Location	Ligezhuang Road, Miyun District, Beijing, the PRC		
11	RK Sunny Town							
	Floor Area (sqm)	92,000	Nature	Residential	Stage of Completion (note)	P/S/C	Land Area (sqm)	811,000
	Approximate attributable interest	94.74%	Target completion	2026	Location	Junction of Lushan Road and Helan Road, Hedong District, Tianjin, the PRC		
12	Joy Meaningful Residence							
	Floor Area (sqm)	91,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	109,000
	Approximate attributable interest	50%	Target completion	2027	Location	East of Huangzhuang Street and Quanshang Road, Wuqing District, Tianjin, the PRC		
13	Park Up Town							
	Floor Area (sqm)	99,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	117,000
	Approximate attributable interest	40%	Target completion	2026	Location	South of Dafu South Road, East of Shouchuang Avenue, Dachang Hui Autonomous County, Langfang, Hebei Province, the PRC		
14	RK Center							
	Floor Area (sqm)	11,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	Completed	Location	South of Beiyuan Da Street and West of Erhuan East Road, Licheng District, Jinan, Shandong Province, the PRC		


MAJOR PROJECTS INFORMATION


PROPERTIES FOR SALE


As at 30 June 2025

Guangdong – Hong Kong – Macao Greater Bay Area


15	RK Rising Star							
	Floor Area (sqm)	23,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	18,000
	Approximate attributable interest	70%	Target completion	Completed	Location	South of Xintang Avenue, Xintang Town, Zengcheng District, Guangzhou, Guangdong Province, the PRC		

16	The Jewel Crown							
	Floor Area (sqm)	52,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	24,000
	Approximate attributable interest	51%	Target completion	2026	Location	West of Panyu Avenue, South of Dongxing Road, Panyu District, Guangdong Province, the PRC		

17	Southland							
	Floor Area (sqm)	3,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	11,000
	Approximate attributable interest	50%	Target completion	Completed	Location	Site A of Aberdeen Inland Lot No. 467, Hong Kong		

18	Mori							
	Floor Area (sqm)	28,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	12,000
	Approximate attributable interest	50%	Target completion	Completed	Location	Tuen Mun Town Lot No. 520, New Territories, Hong Kong		

Other Regions

19	RK International City (Zhengzhou)							
	Floor Area (sqm)	12,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	162,000
	Approximate attributable interest	60%	Target completion	Completed	Location	Northeast of the junction of Shangduda Road and Renwen Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC		

Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2025

Other Regions

20	RK Ninth County							
	Floor Area (sqm)	526,000	Nature	Residential and commercial	Stage of Completion (note)	P/S/C	Land Area (sqm)	314,000
	Approximate attributable interest	60%	Target completion	2030	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		
21	Joyful Park							
	Floor Area (sqm)	17,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	24,000
	Approximate attributable interest	100%	Target completion	Completed	Location	North of Lingyun Road, East of Yulong Street (Planned road name: Baishi East Street), South of Langxing Road, National Economic and Technological Development Zone, Zhengzhou, Henan Province, the PRC		
22	RK Slow City (Central China)							
	Floor Area (sqm)	246,000	Nature	Residential	Stage of Completion (note)	P/S	Land Area (sqm)	249,000
	Approximate attributable interest	100%	Target completion	2030	Location	North side of Xinmi West Railway Station, North side of Dabei Ring Planning Road, Micun Town, Xinmi City, Zhengzhou, Henan Province, the PRC		
23	RK Leader of Life (Luoyang)							
	Floor Area (sqm)	106,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	54,000
	Approximate attributable interest	100%	Target completion	2028	Location	Southwest of the junction of Yanhuang Road and Tianzhong Road, Gaoxin District, Luoyang, Henan Province, the PRC		

MAJOR PROJECTS INFORMATION

INVESTMENT PROPERTIES

As at 30 June 2025

Yangtze River Delta Region

24	RK Grand Metropolis (Changzhou)							
	Floor Area (sqm)	119,000	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		
25	Meili Ancient Town							
	Floor Area (sqm)	51,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	54,000
	Approximate attributable interest	60%	Target completion	Completed	Location	Southeast of Xinhua Road and Taibo Avenue, Xinwu District, Wuxi, Jiangsu Province, the PRC		
26	RK Phoenix City (including Phoenix World and Lan Park)							
	Floor Area (sqm)	82,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	86,000
	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		
27	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		
28	RK XinTianDi (Ningbo)							
	Floor Area (sqm)	49,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	7,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 32, Zhengda Lane, Jiangbei District, Ningbo, Zhejiang Province, the PRC		


Management Discussion and Analysis (continued)


MAJOR PROJECTS INFORMATION


INVESTMENT PROPERTIES

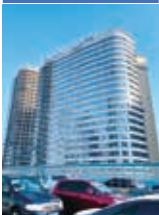
As at 30 June 2025

Bohai Rim Region


29	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		

11	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		

30	RK Yudongcheng							
	Floor Area (sqm)	33,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	13,300
	Approximate attributable interest	94.74%	Target completion	Completed	Location	Junction of Weiguo Road and Helan Road, Hedong District, Tianjin, the PRC		

14	RK Yolo Plaza							
	Floor Area (sqm)	26,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	Completed	Location	South of Beiyuan Da Street and West of Erhuan East Road, Licheng District, Jinan, Shandong Province, the PRC		

Guangdong – Hong Kong – Macao Greater Bay Area

31	RK Jooyu							
	Floor Area (sqm)	18,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	7,500
	Approximate attributable interest	100%	Target completion	Completed	Location	No.8, Yunhe North Street, Yueshi District, Guangzhou City, Guangdong Province, the PRC		

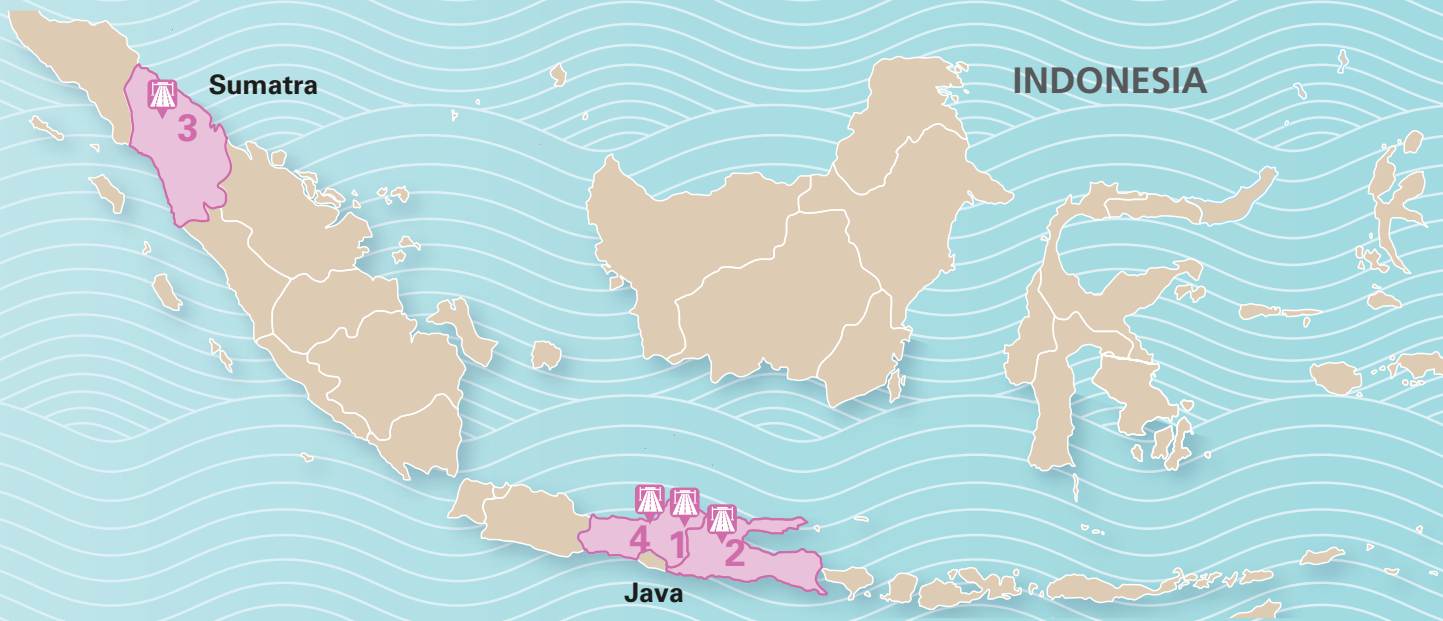
Notes:

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

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



TOLL ROAD PROJECTS







Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

TOLL ROAD PROJECTS

As at 30 June 2025

Indonesia

1	SN Expressway					
	Location	Central and East Java province	Length	91km	Equity interest (Note)	40%
	Route	Trans Java Toll Road, Solo Ngawi Section ~ 4-lane		Kings Key Limited		
2	NKK Expressway					
	Location	East Java province	Length	107km	Equity interest (Note)	40%
	Route	Trans Java Toll Road, Ngawi Kertosono Kediri Section ~ 4-lane		Kings Key Limited		
3	MKTT Expressway					
	Location	North Sumatra province	Length	62km	Equity interest (Note)	45%
	Route	Trans Sumatra Toll Road, Medan Kualanamu Tebing Tinggi Section ~ 4-lane		Kings Ring Limited		
4	SB Expressway					
	Location	Central Java province	Length	75km	Equity interest (Note)	39.77%
	Route	Trans Java Toll Road, Semarang Batang Section ~ 4-lane		Kings Bless Limited		

Note:

As at 30 June 2025, the toll road projects are indirectly held by Road King Expressway International Holdings Limited, which is 75% held by the Group.

BUSINESS REVIEW

The Group achieved property sales (including joint venture and associate projects) for the first half of 2025 were RMB5,232 million, representing a decrease of approximately 28% compared to the corresponding period of last year. Toll revenue of the Group's expressway projects in Indonesia for the first half of 2025 was HK\$878 million, representing a decrease of approximately 4% compared to the corresponding period of last year. For the first half of 2025, the Group recorded a loss of HK\$1,590 million for the period, with a loss attributable to shareholders of HK\$2,034 million. The loss per share was HK\$2.71, and the net assets per share was HK\$12.25.

As at 30 June 2025, the Group had a total land reserve of approximately 2,360,000 sqm, of which the total area pre-sold but yet to be delivered was 380,000 sqm.

BUSINESS SEGMENTS ANALYSIS

(i) Property Segment

In the first half of 2025, the real estate market in Mainland China remained sluggish and core cities have seen a temporary recovery in the market driven by the release of housing demand due to favorable policies. However, the momentum of recovery has weakened since the second quarter, and third- and fourth-tier cities remain constrained by high inventory levels and downward pressure on housing prices. As a pillar industry in Mainland China, the stability of the real estate sector plays a significant role in the economic growth. Therefore, in the first half of this year, the government continuously introduced favourable policies, including emphasizing the aim to "strengthen the real estate market stabilization" and "increase the supply of high-quality housing" in April, and further proposing the goal of "stabilizing the market and preventing further declines" in June. These measures clearly outline a systematic policy direction focused on "stabilizing expectations, expanding demand, optimizing supply and mitigating risks", in hopes of boosting market confidence and sending out signals of stabilizing the market. However, due to impact of global tariff policies and the overall downward trend in the economy, coupled with the fact that the expectations on the increase of personal income and decline in housing prices have not been improving significantly, the market response was not positive. The effectiveness and the sustainability of the policies were limited. Similarly, Hong Kong's property market has been stimulated by expectations of interest rate cuts and government support policies, which helped releasing short-term purchasing power. However, the overall economic and market downturn exerted pressure on the real estate market. The confidence and expectation of homebuyers still needed more favourable policies and time to justify a recovery, and enterprises continued to face severe challenges in sales.

Due to the impact of the ongoing downturn in the real estate market with sluggish sales, the Group's Property Segment achieved total property sales (including joint venture and associate projects) of RMB5,032 million in the first half of 2025. The property sales comprised contracted sales of RMB4,619 million and outstanding subscribed sales of RMB413 million, representing a decrease of approximately 30% compared to the corresponding period of last year.

Management Discussion and Analysis (continued)

Property Sales and Delivery

Set out below is an analysis of the Property Segment's property sales and delivery by region (including joint venture and associate projects) for the first half of 2025:

Regions (Note)	Sales		Delivery	
	Amount RMB'million	Area sqm	Amount RMB'million	Area sqm
Yangtze River Delta Region	1,703	109,000	3,842	158,000
Bohai Rim Region	1,066	67,000	700	54,000
Guangdong – Hong Kong – Macao Greater Bay Area	2,209	43,000	1,698	39,000
Other regions	54	8,000	34	5,000
Total (first half of 2025)	5,032	227,000	6,274	256,000
Total (first half of 2024)	7,174	372,000	21,945	739,000

Note:

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

Other regions comprise Henan Province.

In the first half of 2025, the average selling price of properties in the Property Segment was RMB22,200 per sqm. Among them, the average selling price of Hong Kong projects is HK\$118,000 per sqm, and the average selling price of Mainland China projects is RMB18,000 per sqm. The sales mainly concentrated in Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta Region, representing approximately 44% and 34% of total property sales, respectively. As at 30 June 2025, the total area of properties pre-sold but yet to be delivered was 360,000 sqm.

Financial Review

Set out below is an analysis of the financial performance of the Group's Property Segment for the first half of 2025 and 2024:

	Six months ended 30 June	
	2025 HK\$'million	2024 HK\$'million
Revenue	1,711	3,457
Gross loss	(501)	(361)
Loss for the period	(1,068)	(937)

In the first half of 2025, the revenue from the Group's Property Segment was mainly derived from delivery of properties. The average delivery price was approximately RMB24,500 per sqm, of which the average delivery price of properties was HK\$172,000 per sqm in Hong Kong and RMB19,300 per sqm in Mainland China. The overall average delivery price dropped compared to the corresponding period of last year. Due to the continuous downturn in the real estate market and throat-cutting promotion of competitive projects, the Group's property sales volume and prices both declined, resulting in a loss of HK\$1,068 million for Property Segment during the period.

Land Reserve

In the first half of 2025, due to factors such as the continuous downturn in the real estate market and tight liquidity of enterprises, real estate enterprises remained cautious in land acquisitions, and the land transaction volume shrank significantly. State-owned enterprises remained the major participants in land acquisitions. The Group suspended participation in land auctions to reserve funds for loan repayment and support the Group's daily operation, and therefore did not acquire new project or land parcel during the period.

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 30 June 2025, the Property Segment's land reserve was approximately 1,420,000 sqm and mainly located in Yangtze River Delta Region, representing approximately 52% of the land reserve.

In the first half of 2025, the area under construction of the Group was 630,000 sqm while the area of completed projects was 120,000 sqm. The area under construction and the area of completed projects of the Group in the second half of 2025 are expected to be 920,000 sqm and 210,000 sqm, respectively.

Looking forward to the second half of the year, the real estate market in Mainland China is expected to continue its divergent adjustment trend, with core cities remaining resilient, but the overall market still in the process of bottoming out. It is anticipated that the central government will introduce more incremental policies and push for the implementation of existing policies. In the financial sector, further improvement in the financing environment for real estate enterprises is expected, with mortgage rates potentially being moderately reduced to stimulate demand. Meanwhile, the land market, affected by the downturn, may see a continued contraction in transaction volumes, with the divergence between first- and second-tier cities and third- and fourth-tier cities intensifying. It is expected that a full market recovery will depend on the improvements in personal income of residents and the resolution of real estate enterprises' debt risks. The market outlook for the second half of the year is challenging. Given that the Group has already begun exploring a holistic solution for offshore debt, the Group will be more cautious in its investment decisions and funding arrangements.

As mentioned above, the economic development in Mainland China is facing challenges, with insufficient domestic demand and operational difficulties faced by enterprises. Coupled with the geopolitical tensions and global tariff policies, the economy of Mainland China will continue to be affected in the short term. The outlook for the real estate market is expected to remain quite severe in the short term, but it is generally believed that the real estate industry in Mainland China still plays an important role in supporting economic growth. The Group stays cautious in regard to the outlook of property business development in Mainland China.

In the second half of the year, the Group's property operation team will continue to ensure the stability of daily operations, ensure the timely delivery of properties, and strictly control its cash flow. Regarding offshore debt, the Group will proactively explore solutions and, after consulting with advisors, promptly initiate communications with creditors to seek their support and cooperation, with the aim of safeguarding the interests of Road King, all creditors, and other stakeholders. We will strive to pursue a professional, efficient, and fair process to explore a holistic solution. In this process, we will respect creditors' constructive opinions and call for their patience, understanding, and support to the company to reach a holistic solution through consensus as soon as possible.

Management Discussion and Analysis (continued)

Overview of Major Projects

Yangtze River Delta Region

Atop The Cloud, Shanghai

In the first half of 2025, the contracted sales of Atop The Cloud was RMB382 million, with an average selling price of approximately RMB42,000 per sqm. In the first half of 2025, the value and area of properties delivered were RMB2,555 million and 63,000 sqm, respectively. It is expected that a total area of approximately 1,000 sqm will be delivered in the second half of 2025.

Boyue Cloudy Yard, Changzhou

In the first half of 2025, the contracted sales of Boyue Cloudy Yard was RMB264 million, with an average selling price of approximately RMB17,000 per sqm. In the first half of 2025, the value and area of delivered properties were RMB242 million and 16,000 sqm respectively. It is expected that a total area of approximately 4,000 sqm will be delivered in the second half of 2025.

Bohai Rim Region

RK Sunny Town, Tianjin

In the first half of 2025, the contracted sales of RK Sunny Town was RMB500 million, with an average selling price of approximately RMB21,000 per sqm for residential units.

Park Up Town, Langfang

In the first half of 2025, the contracted sales of Park Up Town was RMB89 million, with an average selling price of approximately RMB11,000 per sqm. In the first half of 2025, the value and area of delivered properties were RMB317 million and 29,000 sqm respectively. It is expected that a total area of approximately 26,000 sqm will be delivered in the second half of 2025.

Guangdong-Hong Kong-Macao Greater Bay Area

The Jewel Crown, Guangzhou

In the first half of 2025, the contracted sales of The Jewel Crown was RMB533 million, with an average selling price of approximately RMB36,000 per sqm. It is expected to be delivered in the first half of 2026.

Southland, Hong Kong Special Administrative Region

In the first half of 2025, the contracted sales of Southland was HK\$334 million, with an average selling price of approximately HK\$330,000 per sqm for residential units. In the first half of 2025, the value and area of delivered properties were HK\$833 million and 2,000 sqm respectively. It is expected that a total area of approximately 1,000 sqm will be delivered in the second half of 2025.

Mori, Hong Kong Special Administrative Region

In the first half of 2025, the contracted sales of Mori was HK\$1,233 million, with an average selling price of approximately HK\$100,000 per sqm for residential units. In the first half of 2025, the value and area of delivered properties were HK\$747 million and 7,000 sqm respectively. It is expected that a total area of approximately 13,500 sqm will be delivered in the second half of 2025.

(ii) Toll Road Segment

Traffic Volume and Toll Revenue

The Group's average daily traffic volume and toll revenue of the expressway projects in Indonesia for the first half of 2025 are analysed below:

	Average Daily Traffic Volume Vehicles	Toll Revenue HK\$'million
Projects		
SN Expressway	20,600	255
NKK Expressway	19,200	177
MKTT Expressway	22,400	139
SB Expressway	28,900	307
Total (First half of 2025)	91,100	878
Total (First half of 2024) (Note 1)	89,900	919

Note 1: The Group completed the disposal of its entire interest in the expressway projects in Mainland China on 22 April 2024. Comparative data does not include traffic volume and toll revenue from the expressway projects in Mainland China.

In the first half of 2025, the Group's expressway projects in Indonesia recorded an average daily traffic volume of 91,100 vehicles and toll revenue of HK\$878 million (first half of 2024: 89,900 vehicles and HK\$919 million), representing an increase of 1% and a decrease of 4% respectively compared to the corresponding period of last year.

Despite approximately 5% increase in Indonesia's Gross Domestic Product for the first half of 2025, geopolitical tensions and the United States tariff policies have constrained the growth of commerce and logistics around certain projects, leading to a more cautious attitude toward travel and consumption among the local residents. Some Indonesian manufacturing sectors are highly dependent on the United States market. The rise in tariffs has forced companies to seek new markets or adjust their production structures, potentially leading to overcapacity and rising unemployment in the short term. In this context, the average daily traffic volume on the expressway projects in Indonesia increased by only 1%. Additionally, due to the depreciation of the Rupiah against the Hong Kong dollar in the first half of this year, toll revenue calculated in Hong Kong dollar decreased by 4%. Excluding the impact of exchange rate fluctuations, toll revenue remained flat as compared to the corresponding period of last year.

Pursuant to the concession right agreements for each project, the projects may apply to the Indonesian government for toll rate adjustments in 2025. The projects are actively preparing the relevant application materials, and the Group expects that the relevant toll rate adjustments may be approved by the end of 2025.



Management Discussion and Analysis (continued)

Financial review

In the first half of 2025, the Group's share of profits of the joint ventures of expressway projects in Indonesia was HK\$131 million, representing a decrease of HK\$93 million compared to the corresponding period of last year. This decrease was primarily due to the recognition of an one-off unused tax losses available to offset against future profits as deferred tax assets ("Income Tax Credit Recognition") of approximately HK\$100 million in the corresponding period of last year.

The profit of the Group's toll road segment (net of head office expenses and taxation) was HK\$96 million, representing a decrease of HK\$1,594 million compared to HK\$1,690 million in the corresponding period of last year. Excluding the one-off net gain after taxation on disposal of the expressway projects in Mainland China of approximately HK\$1,490 million recognised in the corresponding period of last year, the aforementioned one-off Income Tax Credit Recognition for the expressway projects in Indonesia, and other related one-off expenses, the toll road segment's operating profit remained flat compared to the corresponding period of last year.

In the first half of 2025, the expressway projects in Indonesia declared dividends of approximately HK\$86 million to the Group.

In the second half of the year, the Group will continue to seek opportunities to optimize its expressway business in Indonesia and continue to proceed with the proposed sale of its expressways in Indonesia.

Overview of Toll Road Projects

SN Expressway

In the first half of 2025, the average daily traffic volume and toll revenue increased by 1% and decreased by 5% respectively compared to the corresponding period of last year. Excluding the impact of exchange rate fluctuations, toll revenue remained flat compared to the corresponding period of last year. Due to the global economic downturn and the implementation of tariffs by the United States, a large textile factory in the vicinity of this project closed down in the first half of the year, resulting in a decline in truck traffic volume compared to the corresponding period of last year. Benefiting from long holidays, passenger vehicle traffic volume increased compared to the corresponding period of last year, contributing to overall traffic volume growth and offsetting the negative impact of the decline in truck revenue. The Group expects that as the Indonesian economy stabilizes, truck traffic volume will rebound.

NKK Expressway

In the first half of 2025, average daily traffic volume and toll revenue increased by 3% and decreased by 3% respectively compared to the corresponding period last year. Excluding the impact of exchange rate fluctuations, toll revenue increased by 2% compared to the corresponding period of last year. During the first half of the year, some national highway sections around the project were under repair, diverting local and short-distance vehicles to the project. Additionally, benefiting from the long holidays and the relatively stable economy within the project area, both local passenger vehicle and truck traffic volume increased. The Group expects the project to maintain growth in the second half of the year. The construction timeline for the remaining mainline sections of the project from Kertosono to Kediri, which have not yet been constructed, will depend on land acquisition progress, with construction expected to begin as early as the end of 2025.

MKTT Expressway

In the first half of 2025, the average daily traffic volume and toll revenue increased by 1% and decreased by 5% respectively compared to the corresponding period last year. Excluding the impact of exchange rate fluctuations, toll revenue decreased by 1% compared to the corresponding period last year. Due to global economic instability and the implementation of tariffs by the United States, truck traffic volume around the project has decreased. Benefiting from the completion of upstream and downstream highways and long holidays, passenger vehicle traffic volume has increased, contributing to overall traffic volume growth for the project. However, the growth in passenger vehicle revenue cannot fully offset the negative impact of the decline in truck revenue. The Group expects that as the Indonesian economy stabilizes, truck traffic volume will rebound.

SB Expressway

In the first half of 2025, the average daily traffic volume and toll revenue increased by 1% and decreased by 4% respectively compared to the corresponding period of last year. Excluding the impact of exchange rate fluctuations, toll revenue remained flat compared to the corresponding period of last year. More manufacturers have moved into the Batang Industrial Park near the project and commenced production, leading to increase in truck traffic volume. However, due to a significant special toll rate increase of 29% in prior years, some vehicles have diverted to national highways, offsetting part of the traffic volume growth. In the second half of the year, as Indonesia's economy stabilizes, the Group expects more manufacturers to move into the Batang Industrial Park, which will bring more traffic volume and revenue to the project in the future.

(iii) IAM SEGMENT

In the first half of 2025, the property development projects of IAM Segment (including joint venture and associate projects) achieved property sales of approximately RMB200 million, comprising the contracted sales of RMB150 million and outstanding subscribed sales of approximately RMB50 million. The property delivery for the period was approximately RMB93 million, with an area of approximately 20,000 sqm. As of 30 June 2025, the land reserve of IAM Segment was approximately 940,000 sqm, which was mainly located in Henan Province, and the total area of properties pre-sold but yet to be delivered was 20,000 sqm. After restructuring and rectification, the business scale of the remaining original investment and asset management businesses, which mainly comprised property fund investment as well as cultural and tourist businesses, has been significantly reduced, with non-core businesses closed and non-core assets sold. Going forward, the Group will continue to review the operation of its remaining businesses and take appropriate action in due course.

Management Discussion and Analysis (continued)

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 2025 and 2024.

	Six months ended 30 June	
	2025 HK\$'million	2024 HK\$'million
Revenue	1,785	3,468
Gross loss	(696)	(364)
Interest income	9	27
Other losses, net	(526)	(1,019)
Selling and operating expenses	(359)	(485)
Gain on disposal of subsidiaries	–	1,863
Share of results of joint ventures and associates	279	449
Finance costs	(304)	(434)
(Loss) profit before taxation	(1,597)	37
Income tax credit (expenses)	7	(431)
Loss for the period	(1,590)	(394)
(Loss) profit attributable to:		
– Owners of the Company	(2,034)	(1,027)
– Owners of perpetual capital securities	272	267
– Other non-controlling interests of subsidiaries*	172	366
	(1,590)	(394)

* Including the share of net gain after tax from the disposal of equity interests in the expressway business in Mainland China of approximately HK\$373 million in the first half of 2024.

Revenue and Gross Loss

Revenue and gross loss of the Group for the period under review were mainly attributed to the operation of the Property Segment. For details, please refer to the subsection headed “Financial Review” under “Property Segment”.

Other Losses, Net

Other net losses were mainly attributable to the increase in impairment provisions for properties and related assets due to the continuous downturn of the real estate market during the period. In addition to the above impairment provisions, other net losses for the corresponding period last year also included net foreign exchange losses arising from the continued depreciation of Renminbi and gains on the repurchase of the Group’s senior notes.

Selling and Operating Expenses

The decrease in expenses during the period was mainly attributed to the decrease in property sales and the corresponding decrease in sales commission and marketing expenses of the Group. Additionally, the Group continued to proactively optimise its operating costs and implement cost saving measures, resulting in a decrease in overall operating expenses.

Gain on Disposal of Subsidiaries

This represented the gain on disposal before taxation for the disposal of the Group's entire equity interest in the toll road business in Mainland China.

Share of Results of Joint Ventures and Associates

During the period, the Group's share of results was mainly derived from the profits of infrastructure joint ventures of approximately HK\$131 million and the profits of property joint ventures and associates of approximately HK\$148 million. For details, please refer to the analysis of each business segment. The Group's share of profits from infrastructure joint ventures for the current period decreased compared to the corresponding period of last year, primarily due to the fact that the Group still shared the profits of joint ventures from expressway projects in Mainland China prior to the completion of the disposal transaction in the corresponding period of last year and the Indonesian projects recognised an one-off Income Tax Credit Recognition in the corresponding period of last year.

Income Tax Credit (Expenses)

Income tax credit (expenses) mainly includes profits tax, land appreciation tax and deferred tax. The higher income tax expenses in the corresponding period of last year was mainly due to the recognition of an one-off gain on disposal of the expressway business in Mainland China.

Management Discussion and Analysis (continued)

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 2025 together with audited comparative figures as at 31 December 2024.

	30 June 2025 HK\$'million	31 December 2024 HK\$'million
Non-current assets		
– Investments in joint ventures and associates (including shareholders' loans)	15,381	16,215
– Investment properties	5,086	5,324
– Other non-current assets	1,475	1,398
	21,942	22,937
Current assets		
– Inventory of properties	22,814	23,732
– Bank balances and cash (including pledged bank deposits)	3,124	4,695
– Shareholders' loans to joint ventures and associates	849	1,092
– Other current assets	4,600	5,057
	31,387	34,576
Non-current liabilities		
– Bank and other borrowings	(13,026)	(13,315)
– Other non-current liabilities	(1,026)	(1,036)
	(14,052)	(14,351)
Current liabilities		
– Creditors and accrued charges	(4,062)	(4,602)
– Loans from joint ventures and associates	(5,424)	(5,386)
– Deposits from pre-sale of properties	(5,346)	(4,391)
– Bank and other borrowings	(2,184)	(2,912)
– Other current liabilities	(3,092)	(4,971)
	(20,108)	(22,262)
Total equity (including perpetual capital securities)	19,169	20,900

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

It represented the Group's interests in infrastructure joint ventures of HK\$4,440 million (31 December 2024: HK\$4,339 million) and interests in property joint ventures and associates of HK\$11,790 million (31 December 2024: HK\$12,968 million), including shareholders' short term loans to projects (included in current assets).

Investment Properties

It represented the carrying value of investment properties held by the Group. Details set out in note 12 of the condensed consolidated financial statements. The fair value of investment properties decreased during the current period due to a decline in market rental values. As at 30 June 2025, the total floor area of investment properties of the Group (including joint venture projects) was approximately 492,000 sqm.

Inventory of Properties

The decrease in inventory of properties was mainly because the Group suspended participation in land auctions in order to reserve funds for loan repayments and to support its daily operations, and therefore did not acquire new projects or land parcels during the period.

Bank Balances and Cash (including Pledged Bank Deposits)

Bank balances and cash decreased mainly due to the Group's repayment of various bank loans and redemption of HK\$400 million for sale loan during the period.

Deposits from Pre-sale of Properties

The increase in deposits from pre-sale properties was mainly due to the fact that Group's pre-sold properties of wholly-owned projects are concentrated for completion and delivery in the second half of 2025 or later. As at 30 June 2025, the total area of properties (including joint venture and associate projects) pre-sold but yet to be delivered was approximately 380,000 sqm.

Management Discussion and Analysis (continued)

Bank and Other Borrowings

Bank and other borrowings mainly represented offshore guaranteed senior notes, syndicated bank loans and project development loans of the Group. During the period, the Group repaid loans totaling HK\$1,029 million. The decrease in total loans was mainly due to the continuous downturn in the property financing market and the fact that credit refinancing has not yet resumed.

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

	30 June 2025 HK\$'million	31 December 2024 HK\$'million
Repayable:		
Within one year or on demand	2,184	2,912
After one year but within two years	459	641
After two years but within five years	11,344	8,280
More than five years	1,223	4,394
Total loans	15,210	16,227

Source of Loans

	30 June 2025	31 December 2024
Short term loans	14%	18%
Long term loans	86%	82%
Total	100%	100%

Nature of Debts

	30 June 2025	31 December 2024
Unsecured loans	78%	76%
Secured loans	22%	24%
Total	100%	100%

Currency Profile of Loans

	30 June 2025	31 December 2024
HKD	1%	1%
RMB	22%	24%
USD	77%	75%
Total	100%	100%

Type of Loans

	30 June 2025	31 December 2024
Guaranteed senior notes*	72%	68%
Other offshore loans	6%	8%
	78%	76%
Other onshore loans	22%	24%
Total	100%	100%

Interest Rates Basis

	30 June 2025	31 December 2024
Floating rate	24%	28%
Fixed rate	76%	72%
Total	100%	100%

* Excluding perpetual capital securities (Classified as equity)

Certain of the Group's borrowings bore fixed interest rates per annum, including the outstanding principal amount of US\$1,401 million guaranteed senior notes with interest rates ranging from 5.125% to 6.7% per annum.

Apart from the above borrowings, the Group also issued three senior guaranteed perpetual capital securities. The outstanding principal amount as at 30 June 2025 was US\$890.5 million.

As at 30 June 2025, the net gearing ratio and the net capitalisation ratio of the Group were 63% and 39% respectively. Net gearing ratio represents the difference between the Group's total interest-bearing borrowings (excluding amounts due to non-controlling interests of subsidiaries) and the bank balances and cash (including pledged bank deposits) ("Net Debt") to the total equity. The net capitalisation ratio represents the Net Debt to the sum of Net Debt and total equity.

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 2025 and 2024.

	Six months ended 30 June	
	2025 HK\$'million	2024 HK\$'million
Net cash (used in) from operating activities	(368)	320
Net cash from investing activities	1,857	5,092
Net cash used in financing activities	(1,964)	(3,728)
Effect of change in exchange rates	–	(64)
Cash and cash equivalents at 1 January	3,062	4,505
Cash and cash equivalents at 30 June	2,587	6,125

Net Cash (used in) from Operating Activities

The net cash used in operating activities in the current period was mainly due to the decrease in the Group's sales volume compared with the corresponding period of last year, resulting in a decrease in cash generated from the pre-sale and sale of properties.

Net Cash from Investing Activities

The significant decrease in net cash from investing activities as compared with the corresponding period of last year was mainly due to the cash consideration of approximately HK\$4,902 million received from the disposal of the Group's equity interests in the expressway business in Mainland China during the corresponding period of last year.

Net Cash used in Financing Activities

The net cash flow used in financing activities decreased compared to the corresponding period of last year, mainly due to the higher amount of the Group's repayment of loans and payment of dividends to other non-controlling interests of subsidiaries in the corresponding period of last year.



Management Discussion and Analysis (continued)

Liquidity and Financial Resources

As at 30 June 2025, the equity attributable to owners of the Company was HK\$9,183 million (31 December 2024: HK\$10,815 million). Net assets per share attributable to owners of the Company was HK\$12.25 (31 December 2024: HK\$14.43).

As at 30 June 2025, the Group's total assets were HK\$53,329 million (31 December 2024: HK\$57,513 million) and bank balances and cash were HK\$3,084 million (31 December 2024: HK\$4,274 million), of which 81% was denominated in Renminbi and the remaining 19% was mainly denominated in US dollar or HK dollar.

The Group repaid a total of HK\$1,029 million equivalent of borrowings during the first half of 2025. Despite the reduction in debt size, the Group anticipates that it will continue to face debt repayment and liquidity pressures in the future due to the slower-than-expected recovery of the market. Going forward, the Group will continue to adopt prudent financial and treasury policies, closely monitor cash flow and market changes, and appropriately manage liquidity and debt.

Given the further deterioration of market conditions with sluggish sales and further tightening of credit available to the industry, the liquidity crisis faced by real estate enterprises continues to escalate. Road King has also not been spared, with cash flow deterioration exceeding expectations. Additionally, global tariff uncertainties and geopolitical tensions have negatively impacted the sale process of our interests in certain Indonesian expressways. Following the implementation of measures related to the extension of offshore debt in the third quarter of last year, the Group initiated another offshore debt consent solicitations in June this year. However, since not all series of notes met the consent threshold, the proposed amendments and waivers were not implemented. After carefully considering the situation with its advisors, the Group has decided to suspend payments of all principal and interest due on all offshore bank debts, notes, and perpetual securities to ensure fair and equitable treatment of all offshore creditors. The Group will proactively explore solutions and, after consulting with its advisors, promptly initiate communications with creditors to seek their support and cooperation, with the aim of safeguarding the interests of Road King, all creditors, and other stakeholders.

Charges on Assets

As at 30 June 2025, bank balances of HK\$40 million (31 December 2024: HK\$421 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects and banking credit facilities granted to the Group. In addition to these pledged bank deposits, properties with a carrying value of HK\$8,071 million (31 December 2024: HK\$9,493 million) were pledged as security for certain loan facilities.

As at 30 June 2025, the Group's borrowings with outstanding principal amount of HK\$456 million (31 December 2024: HK\$468 million) were secured by the pledges of the equity shares of certain subsidiaries of the Company.

Exposure on Foreign Exchange Fluctuations and Interest Rates

The Group's borrowings are mainly denominated in Renminbi and US dollar, while 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. The Group will pay close attention to the impact of changes in the international environment on exchange rate fluctuations, and will enter into foreign currency forward contracts to balance the foreign exchange risks, when appropriate.

The Group's exposure to interest rate risks is mainly from the fluctuation in interest rates 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 appropriate and cost-effective.

Financial Guarantee Contracts

As at 30 June 2025, the Group had provided guarantees of HK\$3,387 million (31 December 2024: HK\$4,042 million) to banks in respect of the mortgage loans of the purchasers of the Group's properties. The guarantees will be released after the purchasers have pledged their property ownership certificates as securities to the banks for the mortgage loans granted.

As at 30 June 2025, the Group had also provided guarantees of HK\$1,587 million (31 December 2024: HK\$2,061 million) for banking facilities granted to the joint ventures of the Group.

Employees

The Group had 3,458 employees as at 30 June 2025. Expenditure on staff (including expenditure on staff assigned to or participating in joint ventures and associates, but excluding Directors' emoluments) amounted to HK\$355 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.



Corporate Governance

CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2025.

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 C3 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 2025.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITION

As at 30 June 2025, 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, Chapter 571 of the Laws of Hong Kong (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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") 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

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 2025. The Company held no treasury share as at 30 June 2025.

(II) Underlying Shares – Share Options

The share option scheme was adopted by the Company on 24 May 2023. Particulars of the share option scheme are set out in note 28 to the consolidated financial statements in the Company's annual report for the year ended 31 December 2024.

As at 30 June 2025, there were no outstanding share options. During the six months ended 30 June 2025, no share options were granted, exercised, lapsed or cancelled under the share option scheme.

Disclosure of Interests (continued)

(III) Debentures of Associated Corporations

Name of Directors	Name of companies	Nature of interest	Type of debentures	Principal amount held
Zen Wei Peu, Derek	RKI Overseas Finance 2017 (A) Limited	Personal	US\$300 million 7% senior guaranteed perpetual capital securities ("7% Securities")	US\$800,000 ^(Note 1) (long position)
	RKPF Overseas 2019 (E) Limited	Personal	US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities ("7.75% Securities")	US\$46,450,000 ^(Note 2) (long position)
	RKP Overseas Finance 2016 (A) Limited	Personal	US\$300 million 7.95% senior guaranteed perpetual capital securities	US\$4,050,000 (long position)
	RKPF Overseas 2019 (A) Limited	Personal	US\$480 million 6.7% guaranteed senior notes due 2028 (the "March 2028 Notes")	US\$2,495,446 ^(Note 3) (long position)
	RKPF Overseas 2019 (A) Limited	Personal	US\$300 million 5.9% guaranteed senior notes due 2028 (the "September 2028 Notes")	US\$1,767,242 ^(Note 4) (long position)
	RKPF Overseas 2019 (A) Limited	Personal	US\$415.6 million 6% guaranteed senior notes due 2029 (the "March 2029 Notes")	US\$9,094,656 ^(Note 5) (long position)
Wong Wai Ho	RKI Overseas Finance 2017 (A) Limited	Personal	7% Securities	US\$200,000 (long position)

Notes:

1. A principal amount of US\$400,000 of 7% Securities was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
2. A principal amount of US\$1,300,000 of 7.75% Securities was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek. A principal amount of US\$2,150,000 of 7.75% Securities was held by Prepared Club Company Limited, which is wholly-owned by Mr. Zen Wei Peu, Derek.
3. A principal amount of US\$2,495,446 of the March 2028 Notes was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
4. A principal amount of US\$883,621 of the September 2028 Notes was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
5. A principal amount of US\$1,765,953 of the March 2029 Notes 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 had or deemed to have 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 (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2025, 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	336,608,428	–	44.92
Wai Kee (Zens) Holding Limited (Note 3)	Interest in controlled corporation	336,608,428	–	44.92
Groove Trading Limited (Note 4)	Beneficial owner	81,880,000	–	10.93
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
Brightful Investment Holding 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. Mr. Zen Wei Peu, Derek is a director of Wai Kee Holdings Limited.
3. Wai Kee (Zens) Holding Limited is a direct wholly-owned subsidiary of Wai Kee Holdings Limited. Mr. Zen Wei Peu, Derek is a director 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. Mr. Zen Wei Peu, Derek is a director 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. Mr. Zen Wei Peu, Derek is a director of Wai Kee China Investments Company Limited.
6. ZWP Investments Limited is a direct wholly-owned subsidiary of Wai Kee China Investments Company Limited. Mr. Zen Wei Peu, Derek is a director of ZWP Investments Limited.
7. 深業集團有限公司 (Shum Yip Group Limited*) (incorporated in the People's Republic of China) is deemed to be interested in the shares of the Company through its 90% interests in Shum Yip Holdings Company Limited (incorporated in Hong Kong). Ms. Cai Xun is a director of 深業集團有限公司 (Shum Yip Group Limited*).
8. Shum Yip Holdings Company Limited (incorporated in Hong Kong) is deemed to be interested in the shares of the Company through its approximately 63.19% interests in Shenzhen Investment Limited. Ms. Cai Xun 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 Brightful Investment Holding Limited. Ms. Cai Xun is a director of Shenzhen Investment Limited.
10. Brightful Investment Holding 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 2025. The Company held no treasury share as at 30 June 2025.

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

DIVIDEND

The board of Directors (the "Board") has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2025.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Group's listed securities during the six months ended 30 June 2025.

CONTINUING DISCLOSURE OF THE LISTING RULES

In compliance with continuing disclosure obligations of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 2025, is as follows:

At 30 June 2025 HK\$'million	
Statement of Financial Position	
Non-current assets	11
Current assets	14,805
Current liabilities	(10,050)
Net current assets	4,755
Non-current liabilities	(6,818)
Net liabilities	(2,052)

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
常州新隼捷房地產開發有限公司 Changzhou Xinjunjie Properties Developments Co., Ltd.*	40%	—	698
佛山市啟輝房地產有限公司 Foshan Qihui Properties Co., Ltd.*	49%	—	361
杭州鑫堯置業有限公司 Hangzhou Xinyao Real Estate Co., Ltd.*	30%	—	180
南京中勁房地產開發有限公司 Nanjing Zhongjin Properties Developments Co., Ltd.*	40%	129	105
Shum King Company Limited	50%	639	2,361
蘇州勁湖房地產開發有限公司 Suzhou Jinhua Properties Developments Co., Ltd.*	5%	3	11
蘇州瑞茂房地產開發有限公司 Suzhou Ruimao Properties Developments Co., Ltd.*	49%	—	124
蘇州新晨捷置地有限公司 Suzhou Xinchengjie Real Estate Co., Ltd.*	3%	—	20
天津雋達企業管理有限公司 Tianjin Junda Corporate Management Co., Ltd.*	50%	—	621
天津雋泰房地產開發有限公司 Tianjin Juntai Properties Developments Co., Ltd.*	50%	260	—
無錫鑫昇置業有限公司 Wuxi Xinsheng Real Estate Co., Ltd.*	30%	45	163
		1,076	4,644

* for identification purpose only

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\$480 million 6.7% guaranteed senior notes due 2028 (issued in September 2019);
- (b) US\$300 million 5.9% guaranteed senior notes due 2028 (issued in March 2020);
- (c) US\$415.6 million 6% guaranteed senior notes due 2029 (issued in September 2020);
- (d) US\$500 million 5.2% guaranteed senior notes due 2029 (issued in January 2021);
- (e) US\$500 million 5.125% guaranteed senior notes due 2030 (issued in July 2021);
- (f) US\$300 million 7.95% senior guaranteed perpetual capital securities (issued in February 2017);
- (g) US\$300 million 7% senior guaranteed perpetual capital securities (issued in June 2017); and
- (h) US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities (issued in November 2019).

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	Mr. Zen was re-designated from the Vice Chairman to the Chairman of Wai Kee Holdings Limited (HK stock code: 610) with effect from 21 June 2025.
Mr. Ng Fun Hung, Thomas	Mr. Ng was appointed as the Company Secretary of the Company with effect from 1 July 2025.
Mr. Yuan Yang	<p>Mr. Yuan was appointed as a Non-executive Director of the Company with effect from the conclusion of the annual general meeting of the Company held on 21 May 2025 (the "2025 AGM").</p> <p>He entered into a letter of appointment with the Company for a period from 21 May 2025 to the date of the annual general meeting of the Company to be held in 2026.</p>

Other Disclosures (continued)

Mr. Xu Enli	Mr. Xu resigned as a Non-executive Director of the Company with effect from the conclusion of the 2025 AGM.
Mr. Wong Wai Ho	Mr. Wong was appointed as a Director of the Ling College, The Chinese University of Hong Kong (Shenzhen) with effect from 14 January 2025. He resigned as an Independent Non-executive Director of Hang Chi Holdings Limited (HK stock code: 8405, which was delisted on 4 March 2025) with effect from 15 March 2025.
Ms. Hui Grace Suk Han	Ms. Hui retired as an Independent Non-executive Director of the Company and ceased to be a member of the Audit Committee and the Nomination Committee of the Company with effect from the conclusion of the 2025 AGM.
Mr. Cheung Hon Kit, Edwin	Mr. Cheung was appointed as a member of the Audit Committee of the Company with effect from the conclusion of the 2025 AGM.
Mr. Ho Tai Wai, David	Mr. Ho entered into a letter of appointment with the Company for a period from 21 May 2025 to 20 May 2028 or the date of the annual general meeting of the Company to be held in 2028 or the date on which he is required to retire by rotation as set out in the bye-laws of the Company and the Listing Rules, whichever is earlier.
Ms. Lam Man Kuen, Phyllis	<p>Ms. Lam was appointed as an Independent Non-executive Director and a member of the Nomination Committee of the Company with effect from the conclusion of the 2025 AGM.</p> <p>She entered into a letter of appointment with the Company for a period from 21 May 2025 to the date of the annual general meeting of the Company to be held in 2026.</p>

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.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

ACKNOWLEDGEMENT

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

Corporate Information

EXECUTIVE DIRECTORS

Zen Wei Peu, Derek (*Chairman*)
Fong Shiu Leung, Keter (*Chief Executive Officer*)
Ng Fun Hung, Thomas (*Chief Financial Officer*)

NON-EXECUTIVE DIRECTORS

Cai Xun
Yuan Yang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wong Wai Ho
Cheung Hon Kit, Edwin
Ho Tai Wai, David
Lam Man Kuen, Phyllis

PROPERTY BUSINESS MANAGEMENT COMMITTEE

Zen Wei Peu, Derek
Fong Shiu Leung, Keter (*Convenor*)
Ng Fun Hung, Thomas
Li Wanle
Zhang Nan
Diao Lu, Amy
Gao Da Peng
Chen Xue Ming

AUDIT COMMITTEE

Ho Tai Wai, David (*Chairman*)
Wong Wai Ho
Cheung Hon Kit, Edwin

NOMINATION COMMITTEE

Zen Wei Peu, Derek (*Chairman*)
Wong Wai Ho
Lam Man Kuen, Phyllis

REMUNERATION COMMITTEE

Wong Wai Ho (*Chairman*)
Zen Wei Peu, Derek
Cheung Hon Kit, Edwin

COMPANY SECRETARY

Ng Fun Hung, Thomas

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

SOLICITORS

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

PRINCIPAL BANKERS

Mainland China

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

Hong Kong

The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Corporate Information (continued)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suite 502, 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 and securities are listed on the
Singapore Exchange Securities Trading Limited

- US\$480 million 6.7% guaranteed senior notes due 2028
- US\$300 million 5.9% guaranteed senior notes due 2028
- US\$415.6 million 6% guaranteed senior notes due 2029
- US\$500 million 5.2% guaranteed senior notes due 2029
- US\$500 million 5.125% guaranteed senior notes due 2030
- US\$300 million 7.95% senior guaranteed perpetual capital securities
- US\$300 million 7% senior guaranteed perpetual capital securities
- US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities

INVESTOR RELATIONS

Contact Persons:	Ng Fun Hung, Thomas Tsoi Yuk Gee, Melissa
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E-mail address:	ir@roadking.com.hk

WEBSITES

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

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF ROAD KING INFRASTRUCTURE LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We were engaged to review 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-3 to F-36, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and notes to the condensed consolidated financial statements. 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 Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company (the “Directors”) are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to conduct a review of these condensed consolidated financial statements, and to issue a review report 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. However, because of the matter described in the Basis for Disclaimer of Conclusion section of our report, we were not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the condensed consolidated financial statements.

BASIS FOR DISCLAIMER OF CONCLUSION

As detailed in note 31 to the condensed consolidated financial statements, on 8 August 2025, the Group was unable to pass the consent solicitations in respect of its five senior notes due between 2028 and 2030. As a result, the Group has decided to suspend payment of all principal and interest falling due on all of the Group’s offshore bank borrowings, senior notes and perpetual capital securities.

As further described in note 1 to the condensed consolidated financial statements, the Group incurred a loss of HK\$1,590,215,000 and a net operating cash outflow of HK\$367,900,000 for the six months ended 30 June 2025. As of the date of this report, the Group suspended the payment of aggregate interest of US\$23,360,000 (equivalent to HK\$181,742,000) on two senior notes and offshore bank borrowings, which has become due and payable. The suspended payment may lead to certain creditors of the Group demanding acceleration of payment of the Group’s offshore bank borrowings and senior notes and/or taking action pursuant to the respective terms of the relevant financing arrangements. As a result, the aggregate carrying amount of the Group’s offshore bank borrowings and senior notes of US\$1,529,082,000 (equivalent to HK\$11,894,686,000) as at 30 June 2025 may be demanded for immediate payment prior to their maturity dates.

These events or conditions exist that may cast significant doubt on the Group’s ability to continue as a going concern.

Report on Review of Condensed Consolidated Financial Statements (continued)

The Group has formulated various plans and measures with the objective to improve liquidity and cash flows of the Group, including (i) formulating a work plan with its advisors to establish the financial restructuring proposal and (ii) realisation of specific assets, in which the details are set out in note 1 to the condensed consolidated financial statements. The validity of the going concern assumptions on which the condensed consolidated financial statements of the Group have been prepared depends on the success of these plans and measures, including whether: (i) successfully negotiating with offshore creditors to agree on the financial restructuring plan; and (ii) successfully identifying buyers for disposal of specific assets. The Directors have considered the likelihood of success of the plans and measures and considered the underlying bases of management's cash flow projection, the Directors are of the opinion that the Group will have funds available to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2025. Accordingly, the Directors considered it is appropriate to prepare the Group's condensed consolidated financial statements on a going concern basis.

However, given the execution of the plans and measures are in preliminary planning stage as at the date of approval of the condensed consolidated financial statements, we are unable to obtain sufficient appropriate evidence we considered necessary to assess the likelihood of success of the plans and measures formulated by the Group, including but not limited to any documentary supporting evidence with the relevant creditors and probable buyers, which are significant assumptions and estimations underlying management's cash flow projection. There were no other satisfactory procedures that we could adopt to satisfy ourselves that the appropriateness of the Directors' use of the going concern basis of accounting and adequacy of the related disclosures in the condensed consolidated financial statements.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue as a going concern and adjustments might have to be made to write down the carrying value of the Group's assets to their recoverable amount, recognise a liability for any contractual commitments that may have become onerous and to reclassify certain non-current liabilities as current liabilities with consideration of the contractual terms. The effects of these adjustments are not reflected in these condensed consolidated financial statements.

The possible effects on the condensed consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

DISCLAIMER OF CONCLUSION

Due to the significance of the matter described in the Basis for Disclaimer of Conclusion section, we were unable to obtain sufficient appropriate evidence in assessing the appropriateness of the Directors' use of the going concern basis of accounting and adequacy of the related disclosures in the condensed consolidated financial statements in order to form a conclusion on the condensed consolidated financial statements. Accordingly, we do not express a conclusion on these condensed consolidated financial statements.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 August 2025

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	NOTES	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue			
Property sales and service income	3(a)	1,682,334	3,340,666
Other revenue		102,564	127,552
Total revenue	3(c)	1,784,898	3,468,218
Cost of sales		(2,481,116)	(3,831,805)
Gross loss		(696,218)	(363,587)
Interest income		8,879	27,249
Other income		31,820	86,113
Other gains and losses	5	(557,612)	(1,105,037)
Selling expenses		(108,747)	(144,156)
Administrative expenses		(250,652)	(340,998)
Gain on disposal of subsidiaries	24	–	1,862,976
Share of results of associates		(5,943)	(5,463)
Share of results of joint ventures	6	285,165	454,309
Finance costs	7	(304,281)	(434,072)
(Loss) profit before taxation	8	(1,597,589)	37,334
Income tax credit (expenses)	9	7,374	(430,842)
Loss for the period		(1,590,215)	(393,508)
(Loss) profit attributable to:			
Owners of the Company		(2,034,386)	(1,026,865)
Owners of perpetual capital securities		272,119	267,363
Other non-controlling interests of subsidiaries		172,052	365,994
		(1,590,215)	(393,508)
Loss per share	11		
– Basic		(HK\$2.71)	(HK\$1.37)
– Diluted		N/A	N/A

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Loss for the period	(1,590,215)	(393,508)
Other comprehensive income (expense)		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	217	(187,062)
Share of other comprehensive (expense) income of joint ventures	(496)	1,312
<i>Item that will not be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation to presentation currency	4,793	(353,424)
Other comprehensive income (expense) for the period	4,514	(539,174)
Total comprehensive expense for the period	(1,585,701)	(932,682)
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(2,029,802)	(1,462,090)
Owners of perpetual capital securities	272,119	267,363
Other non-controlling interests of subsidiaries	171,982	262,045
	(1,585,701)	(932,682)

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	NOTES	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		202,585	53,986
Right-of-use assets		7,733	13,122
Investment properties	12	5,086,253	5,323,712
Interests in associates		973,718	979,661
Interests in joint ventures	13	12,465,986	12,518,517
Deferred tax assets		286,153	268,821
Amounts due from joint ventures and associates	15	1,941,725	2,716,752
Loan receivables	16	426,039	510,580
Financial assets at fair value through profit or loss ("FVTPL")		551,560	551,560
		21,941,752	22,936,711
Current assets			
Inventory of properties	14	22,814,261	23,732,260
Amounts due from joint ventures and associates	15	848,822	1,092,002
Amounts due from other non-controlling interests of subsidiaries		807,409	1,208,249
Loan receivables	16	67,107	79,110
Debtors, deposits and prepayments	17	2,395,538	2,398,980
Prepaid income tax		1,330,238	1,371,083
Pledged bank deposits	18	40,022	421,169
Bank balances and cash	18	3,083,906	4,273,571
		31,387,303	34,576,424
Total assets		53,329,055	57,513,135
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	19	74,934	74,934
Reserves		9,107,901	10,740,513
		9,182,835	10,815,447
Owners of perpetual capital securities	20	7,395,396	7,123,442
Other non-controlling interests of subsidiaries		2,591,108	2,961,290
Total equity		19,169,339	20,900,179

Condensed Consolidated Statement of Financial Position (continued)

At 30 June 2025

	NOTES	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Non-current liabilities			
Bank and other borrowings	21	13,026,234	13,314,706
Deferred tax liabilities		1,022,970	1,031,449
Lease liabilities		3,098	4,636
		14,052,302	14,350,791
Current liabilities			
Creditors and accrued charges	22	4,062,473	4,602,375
Amounts due to joint ventures and associates		5,424,458	5,386,445
Amounts due to other non-controlling interests of subsidiaries		581,090	861,938
Contract liabilities		5,345,808	4,391,491
Lease liabilities		6,017	10,377
Income tax payable		2,503,648	3,172,632
Bank and other borrowings	21	2,183,920	2,912,542
Financial liabilities at FVTPL		–	924,365
		20,107,414	22,262,165
Total equity and liabilities		53,329,055	57,513,135

Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company									Owners of perpetual capital securities HK\$'000	Other non-controlling interests of subsidiaries HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Foreign currency translation reserve HK\$'000	Special reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Cash flow hedging reserve HK\$'000	Retained profits (accumulated losses) HK\$'000	Sub-total HK\$'000			
Balance at 1 January 2024 (audited)	74,934	3,224,794	2,240	1,260,000	1,002,963	6,237,332	2,273	3,891,120	15,695,656	6,963,623	4,538,385	27,197,664
(Loss) profit for the period	-	-	-	-	-	-	-	(1,026,865)	(1,026,865)	267,363	365,994	(393,508)
Share of other comprehensive income of joint ventures	-	-	-	-	-	-	984	-	984	-	328	1,312
Exchange differences arising on translation of foreign operations	-	-	(140,297)	-	-	-	-	-	(140,297)	-	(46,765)	(187,062)
Exchange differences arising on translation to presentation currency	-	-	(295,912)	-	-	-	-	-	(295,912)	-	(57,512)	(353,424)
Total comprehensive (expense) income for the period	-	-	(436,209)	-	-	-	984	(1,026,865)	(1,462,090)	267,363	262,045	(932,682)
Sub-total	74,934	3,224,794	(433,969)	1,260,000	1,002,963	6,237,332	3,257	2,864,255	14,233,566	7,230,986	4,800,430	26,264,982
Released upon disposal of subsidiaries of the Company	-	-	(392,906)	-	-	-	-	392,906	-	-	-	-
Dividends paid/payable for other non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,090,832)	(1,090,832)
Reduction of capital of other non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(249,436)	(249,436)
Distributions paid for owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	(265,133)	-	(265,133)
Paid for redemption of perpetual capital securities	-	-	-	-	-	-	-	-	-	(8,326)	-	(8,326)
Balance at 30 June 2024 (unaudited)	74,934	3,224,794	(826,875)	1,260,000	1,002,963	6,237,332	3,257	3,257,161	14,233,566	6,957,527	3,460,162	24,651,255
Balance at 1 January 2025 (audited)	74,934	3,224,794	(1,126,876)	1,260,000	1,002,963	6,035,252	(767)	345,147	10,815,447	7,123,442	2,961,290	20,900,179
(Loss) profit for the period	-	-	-	-	-	-	-	(2,034,386)	(2,034,386)	272,119	172,052	(1,590,215)
Share of other comprehensive expenses of joint ventures	-	-	-	-	-	-	(372)	-	(372)	-	(124)	(496)
Exchange differences arising on translation of foreign operations	-	-	163	-	-	-	-	-	163	-	54	217
Exchange differences arising on translation to presentation currency	-	-	4,793	-	-	-	-	-	4,793	-	-	4,793
Total comprehensive income (expense) for the period	-	-	4,956	-	-	-	(372)	(2,034,386)	(2,029,802)	272,119	171,982	(1,585,701)
Sub-total	74,934	3,224,794	(1,121,920)	1,260,000	1,002,963	6,035,252	(1,139)	(1,689,239)	8,785,645	7,395,561	3,133,272	19,314,478
Expense paid for perpetual capital securities	-	-	-	-	-	-	-	-	-	(165)	-	(165)
Uncalled redemption rights transferred to equity	-	-	-	-	400,000	-	-	-	400,000	-	-	400,000
Reduction of capital of other non-controlling interests of subsidiaries	-	-	-	-	-	-	-	(2,810)	(2,810)	-	(419,898)	(422,708)
Dividends paid/payable for other non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(122,266)	(122,266)
Appropriation	-	-	-	-	-	(939,083)	-	939,083	-	-	-	-
Balance at 30 June 2025 (unaudited)	74,934	3,224,794	(1,121,920)	1,260,000	1,402,963	5,096,169	(1,139)	(752,966)	9,182,835	7,395,396	2,591,108	19,169,339

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	NOTES	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Operating activities:			
Operating cash flows before movements in working capital		(1,006,936)	(749,827)
(Increase) decrease in debtors, deposits and prepayments		(32,115)	188,522
Decrease in inventory of properties		903,526	2,978,840
Increase (decrease) in contract liabilities		954,317	(152,343)
Decrease in creditors and accrued charges		(540,081)	(1,228,645)
Cash generated from operations		278,711	1,036,547
Income tax paid		(646,611)	(716,037)
Net cash (used in) from operating activities		(367,900)	320,510
Investing activities:			
Cash distributions/dividends received from joint ventures		130,786	137,764
Net cash inflow from acquisition of subsidiaries	23	–	35,595
Net cash proceeds on disposal of subsidiaries	24	–	4,901,989
Disposal-related income tax expenses	24	–	(372,511)
Proceeds on disposal of investment properties		27,489	156,470
Net cash proceed on disposal of interest in a joint venture		1,941	–
Capital contributions to joint ventures		–	(5,693)
Capital reductions in joint ventures		48,133	114,286
Advances to other non-controlling interests of subsidiaries		(269,263)	(170,101)
Repayment from other non-controlling interests of subsidiaries		150,215	28,735
Advances to joint ventures and associates		(106,368)	(390,966)
Repayment from joint ventures		395,827	152,002
Placement of pledged bank deposits		–	(2,862)
Withdrawal of pledged bank deposits		381,147	18,247
Placement of restricted bank balances		(2,840)	(321,799)
Withdrawal of restricted bank balances		717,722	699,401
Other investing cash flows		382,659	111,562
Net cash from investing activities		1,857,448	5,092,119

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2025

	NOTES	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Financing activities:			
New borrowings raised		–	896,896
Repayment of borrowings		(1,028,621)	(3,067,813)
Repayment of lease liabilities including related interests		(6,142)	(8,121)
Capital reduction in a non-controlling interest of a subsidiary		(1,545)	–
Advances from other non-controlling interests of subsidiaries		–	9,858
Repayment to other non-controlling interests of subsidiaries		(280,848)	(344,359)
Advances from joint ventures		492,305	1,096,758
Repayment to joint ventures		(141,213)	(271,725)
Distributions paid for owners of perpetual capital securities		–	(265,133)
Dividends paid for other non-controlling interests of subsidiaries		(22,500)	(1,019,754)
Interest paid		(449,123)	(733,683)
Net cash paid for participation rights designated as at FVTPL		(102,825)	(12,459)
Cash paid for sale loan with redemption right designated as at FVTPL		(400,000)	–
Cash paid for contingent consideration designated as at FVTPL		(23,654)	–
Cash paid for redemption of perpetual capital securities		–	(8,326)
Expense paid for perpetual capital securities		(165)	–
Net cash used in financing activities		(1,964,331)	(3,727,861)
Net (decrease) increase in cash and cash equivalents		(474,783)	1,684,768
Cash and cash equivalents at 1 January		3,061,579	4,504,651
Effect of foreign exchange rate changes		–	(64,141)
Cash and cash equivalents at 30 June		2,586,796	6,125,278
Add: designated bank balances	18	497,110	590,714
Total bank balances and cash	18	3,083,906	6,715,992

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

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

Going concern

Taking into account the events after the end of the reporting period as disclosed in note 31, in preparing the condensed consolidated financial statements, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity, the financial position, the performance of the Group and its available sources of financing in assessing the Group’s ability to continue as a going concern. The Group incurred a loss of HK\$1,590,215,000 and a net operating cash outflow of HK\$367,900,000 for the six months ended 30 June 2025. As of the date of this report, the Group suspended the payment of aggregate interest of US\$23,360,000 (equivalent to HK\$181,742,000) on two senior notes and offshore bank borrowings, which has become due and payable. The suspended payment may lead to certain creditors of the Group demanding acceleration of payment of the Group’s offshore bank borrowings and senior notes and/or taking action pursuant to the respective terms of the relevant financing arrangements. As a result, the aggregate carrying amount of the Group’s offshore bank borrowings and senior notes of US\$1,529,082,000 (equivalent to HK\$11,894,686,000) as at 30 June 2025, including principal of US\$1,514,889,000 (equivalent to HK\$11,784,277,000) may be demanded for immediate payment prior to their maturity dates. Of this amount, an outstanding principal amount of US\$1,400,678,000 (equivalent to HK\$10,895,821,000), was classified as non-current liabilities as at the end of the reporting date.

The Group has formulated various plans and measures with the objective to improve the liquidity and cash flows of the Group, including but not limited to, the following:

- The Group is formulating a work plan with its advisors to establish the financial restructuring proposal. The Group’s robust asset base, established track records and solid relationship with the offshore creditors facilitate the Group to secure agreement on the financial restructuring plan.
- The Group is confident that sufficient funding can be arranged from the realisation of specific assets.

The Directors performed an assessment of the Group’s future liquidity and cash flows, which included a cash flow projection for a period of not less than twelve months from 30 June 2025 and a review of assumptions about the likelihood of success of the plans and measures being implemented to meet the Group’s financing needs. Taking into account the above plans and measures and considering the underlying assumptions and estimates of management’s cash flow projection, the Directors are of the opinion that the Group will have funds available to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2025. Accordingly, the Directors consider it is appropriate to prepare the Group’s condensed consolidated financial statements on a going concern basis.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

1. BASIS OF PREPARATION (continued)

Going concern (continued)

Notwithstanding the above, the execution of the plans and measures are in preliminary planning stage as at the date of approval of the condensed consolidated financial statements, material uncertainties exist as to whether the Group can achieve the plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon:

- (i) successfully negotiating with offshore creditors to agree on the financial restructuring plan; and
- (ii) successfully identifying buyers for disposal of specific assets.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue as a going concern and adjustments might have to be made to write down the carrying value of the Group's assets to their recoverable amount, recognise a liability for any contractual commitments that may have become onerous and to reclassify certain non-current liabilities as current liabilities with consideration of the contractual terms. The effects of these adjustments are not reflected in these condensed consolidated financial statements.

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 additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

3. REVENUE

(a) Revenue from contracts with customers

By segment	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Types of goods or services						
Property sales	1,236,727	57,196	1,293,923	2,929,707	3,103	2,932,810
Property management and service income	376,934	11,477	388,411	405,076	2,780	407,856
Total	1,613,661	68,673	1,682,334	3,334,783	5,883	3,340,666
Geographical market						
Mainland China	1,558,493	68,673	1,627,166	3,293,329	5,883	3,299,212
Hong Kong	55,168	–	55,168	41,454	–	41,454
Total	1,613,661	68,673	1,682,334	3,334,783	5,883	3,340,666
Timing of revenue recognition						
Goods recognised at a point in time	1,236,727	57,196	1,293,923	2,929,707	3,103	2,932,810
Services recognised over time	376,934	11,477	388,411	405,076	2,780	407,856
Total	1,613,661	68,673	1,682,334	3,334,783	5,883	3,340,666

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

3. REVENUE (continued)

(b) 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 2025			Six months ended 30 June 2024		
	Property development and investment	Investment and asset management	Total	Property development and investment	Investment and asset management	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from contracts with customers (note 3(a))	1,613,661	68,673	1,682,334	3,334,783	5,883	3,340,666
Rental income from commercial properties and other revenue	97,783	4,781	102,564	122,057	5,495	127,552
Total revenue of the Group (note 4)	1,711,444	73,454	1,784,898	3,456,840	11,378	3,468,218

(c) Total revenue of the Group

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Property sales and service income	1,682,334	3,340,666
Rental income from commercial properties and other revenue	102,564	127,552
Total revenue of the Group	1,784,898	3,468,218
Group's share of revenue of property joint ventures and associates	2,559,449	7,001,562
Group's share of toll revenue of infrastructure joint ventures	357,677	671,222
Revenue of the Group and Group's share of revenue of joint ventures and associates	4,702,024	11,141,002

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

4. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision makers (the "CODM"). Information reported to the Group's CODM, who mainly are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the different management teams of the related business operations (including interests in joint ventures and associates) stated as below:

Property development and investment	–	development of properties for sale and for rental income and/or potential capital appreciation
Toll road	–	development, operation and management of toll roads
Investment and asset management	–	property development and investment, integrated with property fund, cultural, tourist and commercial businesses

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

	Six months ended 30 June 2025				Six months ended 30 June 2024			
	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	1,711,444	–	73,454	1,784,898	3,456,840	–	11,378	3,468,218
Segment (loss) profit	(1,067,702)	95,624	(594,329)	(1,566,407)	(936,873)	1,689,555	(1,104,818)	(352,136)

	At 30 June 2025				At 31 December 2024			
	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)	43,127,962	4,455,913	5,501,802	53,085,677	46,656,622	4,468,757	6,023,059	57,148,438
Segment liabilities	(32,845,018)	(43,461)	(678,539)	(33,567,018)	(35,217,989)	(64,639)	(714,748)	(35,997,376)

(a) Measurement

Segment (loss) profit represents profit or loss generated from each segment, which includes share of results of associates, share of results of joint ventures, other gains and losses, gain on disposal of subsidiaries, depreciation of property, plant and equipment, depreciation of right-of-use assets, relevant interest income, finance costs and income tax credit (expenses) attributable to the relevant segment but without allocation of corporate income and expenses. This is the measurement basis reported to the CODM for the purposes of resource allocation and performance assessment.

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

Segment assets represent assets held by each segment without allocation of corporate assets which are mainly right-of-use assets, deposits and prepayments, and bank balances and cash.

Segment liabilities represent liabilities held by each segment without allocation of corporate liabilities which are mainly accrued charges, bank and other borrowings and lease liabilities.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (continued)

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

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Total segment loss	(1,566,407)	(352,136)
Unallocated items:		
Interest income	460	3,017
Corporate income	145	–
Corporate expenses	(6,856)	(18,453)
Finance costs	(17,557)	(25,936)
Consolidated loss for the period	(1,590,215)	(393,508)
	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Total segment assets	53,085,677	57,148,438
Unallocated assets:		
Right-of-use assets	1,675	4,186
Deposits and prepayments	5,076	82,558
Bank balances and cash	236,627	277,953
Consolidated total assets	53,329,055	57,513,135
Total segment liabilities	(33,567,018)	(35,997,376)
Unallocated liabilities:		
Accrued charges	(7,712)	(9,923)
Bank and other borrowings	(583,063)	(600,907)
Lease liabilities	(1,923)	(4,750)
Consolidated total liabilities	(34,159,716)	(36,612,956)

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Net exchange gains (losses)	1,227	(299,338)
Change in fair value of financial asset at FVTPL		
– relating to the investment in an unlisted entity	–	(8,518)
Change in fair value of financial liabilities at FVTPL		
– relating to participation rights	–	4,182
– relating to sale loan with redemption right	(2,114)	(36,333)
Gains on buyback of senior notes	–	344,175
Net gains (losses) on disposals/written off of property, plant and equipment	736	(2,219)
Gains on disposal of interests in joint ventures	17,316	–
Impairment loss on loan receivables	(96,567)	(639,984)
Impairment loss on amounts due from joint ventures	(268,240)	(176,489)
Fair value losses on transfer of completed properties held for sale to investment properties	–	(5,665)
Change in fair value of investment properties	(209,970)	(284,848)
	(557,612)	(1,105,037)

6. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Share of profits of infrastructure joint ventures before amortisation and taxation	191,365	420,165
Less share of:		
Amortisation of toll road operation rights	(29,753)	(75,560)
Income tax (expenses) credit	(30,846)	13,097
	130,766	357,702
Share of profits of property and other joint ventures	154,399	96,607
	285,165	454,309

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

7. FINANCE COSTS

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Interest on borrowings	440,434	657,473
Interest on lease liabilities	310	617
Other interest and finance costs	23,052	66,237
	463,796	724,327
Less: Capitalised in properties under development for sale	(159,515)	(290,255)
	304,281	434,072

8. (LOSS) PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
(Loss) profit before taxation has been arrived at after charging:		
Depreciation of right-of-use assets	5,323	7,101
Depreciation of property, plant and equipment	11,930	5,836
	17,253	12,937
Less: Capitalised in properties under development for sale	(392)	(136)
	16,861	12,801
Cost of inventories recognised as an expense (including write-down of inventories amounting to HK\$472,103,000 (six months ended 30 June 2024: HK\$110,865,000))	2,047,080	3,390,921
and after crediting:		
Bank interest income	7,654	19,969

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

9. INCOME TAX (CREDIT) EXPENSES

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Current tax:		
Hong Kong profits tax	253	1,468
PRC enterprise income tax ("EIT")	120,540	409,665
PRC land appreciation tax ("LAT")	(123,523)	49,240
Withholding tax	21,202	64,685
Deferred tax	18,472 (25,846)	525,058 (94,216)
	(7,374)	430,842

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits derived from Hong Kong.

EIT has been provided at the appropriate tax rates of 25% (six months ended 30 June 2024: range from 10% to 25%) prevailing in the countries in which the Group operates on the estimated assessable profits for the period. EIT for the six months ended 30 June 2024 included the income tax expenses of HK\$372,511,000 on the disposal of four expressway projects in Mainland China. Further details could be referred to note 24.

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

10. DIVIDEND PAID

The Group has not paid any final dividends in both interim periods.

The board of the Directors has resolved not to declare the payment of any interim dividends for the six months ended 30 June 2025 and 2024.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

11. LOSS PER SHARE

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

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Loss for the purposes of basic loss per share attributable to owners of the Company	(2,034,386)	(1,026,865)
	Six months ended 30 June	
	2025 Number of shares '000	2024 Number of shares '000
Weighted average number of ordinary shares for the purpose of basic loss per share	749,337	749,337

No diluted loss per share for the six months ended 30 June 2025 and 2024 were presented as there were no dilutive potential ordinary shares in issue for both interim periods.

12. INVESTMENT PROPERTIES

	HK\$'000
Completed properties, at fair value	
At 1 January 2025	5,323,712
Change in fair value recognised in profit or loss	(209,970)
Disposed during the period	(27,489)
At 30 June 2025	5,086,253

The fair values of completed investment properties were determined by reference to valuations carried out by an independent firm of professional valuers not connected with the Group, who had recognised qualifications and relevant experience. 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 Mainland China. 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.

During the six months ended 30 June 2025, the Group has disposed of investment properties at a cash consideration of HK\$27,489,000.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

13. INTERESTS IN JOINT VENTURES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Interests in infrastructure joint ventures		
Cost of investments	4,763,382	4,763,382
Return of cost of investments (note (a))	(849,127)	(832,115)
Share of post-acquisition profits, net of dividends received	628,811	596,734
Exchange adjustments	(189,372)	(189,371)
	4,353,694	4,338,630
Interests in property and other joint ventures		
Cost of investments	9,733,743	9,908,838
Share of post-acquisition profits, net of dividends received	(505,411)	(592,365)
Unrealised profits (note (b))	(11,465)	(26,883)
Exchange adjustments	(1,104,575)	(1,109,703)
	8,112,292	8,179,887
	12,465,986	12,518,517

Notes:

- (a) Infrastructure joint ventures distribute dividend to the Group based on the proportion of registered capital held by the Group or distribute the cash surplus to the Group based on the agreed profit/cash sharing ratio for cash distribution, pursuant to the joint venture agreements. 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) The unrealised profit related to the Group's attributable interest income from amounts due from certain joint ventures. The related interest expenses were capitalised in inventory of properties of the joint ventures and have not been realised at 30 June 2025 and 2024.
- (c) In September 2019, the Group entered into conditional sale and purchase agreements with certain independent third parties to acquire 40% equity interest in PT Jasamarga Solo Ngawi ("SN JV") and PT Jasamarga Ngawi Kertosono Kediri ("NKK JV"), both are limited liability companies established in Indonesia. SN JV and NKK JV own concession right of toll roads in Indonesia. The acquisition of SN JV includes contingent consideration arrangement, which is measured at FVTPL and the payment of such contingent consideration depends on the achievement of toll road tariff adjustment and receipt of cash compensation from the local government.

At 31 December 2024, the cash compensation from the local government was fully received by the Group and the fair value of consideration payable of HK\$23,654,000 was determined by the final amount settled by the Group in January 2025. No fair value gain or loss was recognised to profit or loss during both interim periods. Details of the fair value measurement of the contingent consideration are set out in note 30.

- (d) In April 2023, the concession period of Hebei Tangjin Expressway Company Limited ("Tangjin Expressway"), which was 45% held by the Group, was expired and terminated. The Group and joint venture partner of Tangjin Expressway have formed a settlement committee whereas the final distribution will be settled after an independent auditor's report is issued and approved.
- (e) Included in carrying amounts of interests in joint ventures are impairment losses of HK\$836,318,000 (31 December 2024: HK\$835,175,000) of which HK\$1,143,000 was recognised in profit or loss during the period.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

14. INVENTORY OF PROPERTIES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Completed properties held for sale	8,075,610	9,282,207
Properties under development for sale (note)	14,738,651	14,450,053
	22,814,261	23,732,260

Due to continuous deterioration of property market in Mainland China and Hong Kong, net realisable value of certain inventory of properties of the Group falls below their cost. As at 30 June 2025, allowance for inventory of properties amounted to HK\$2,188,841,000 (31 December 2024: HK\$1,716,738,000).

Note: Included in the amounts are properties under development for sale of HK\$8,828,282,000 (31 December 2024: HK\$10,376,769,000) 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 AND ASSOCIATES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Total gross carrying amount of amounts due from joint ventures and associates	4,418,659	5,061,329
Less: Impairment loss on amounts due from joint ventures	(1,628,112)	(1,252,575)
Amounts due from joint ventures and associates (note)	2,790,547	3,808,754
Current portion	848,822	1,092,002
Non-current portion	1,941,725	2,716,752
	2,790,547	3,808,754

Note: The amounts due from joint ventures and associates 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 associates.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

16. LOAN RECEIVABLES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Total gross carrying amount of loan receivables	1,773,049	1,773,026
Less: Impairment loss on loan receivables	(1,279,903)	(1,183,336)
	493,146	589,690
Current portion	67,107	79,110
Non-current portion	426,039	510,580
	493,146	589,690

During the six months ended 30 June 2024, the Group entered into a debt restructuring agreement with the sole shareholder of 廣州康誠鴻樂企業管理諮詢有限公司 (“康誠鴻樂”) to settle loan from 康誠鴻樂 via the transfer of its entire equity interest in 康誠鴻樂 to the Group with nil consideration. At the completion date, excluding the loan due to the Group, 康誠鴻樂 had a net assets value of RMB366,316,000 (equivalent to HK\$401,222,000) which approximates the carrying amount of the loan receivable (net of impairment loss) being derecognised. 康誠鴻樂 holds an investment property project in Guangzhou, the PRC. Upon completion, 康誠鴻樂 became a wholly-owned subsidiary of the Company.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

17. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Aged analysis of trade debtors, presented based on invoice dates (note (a)):		
Within 60 days	117,046	81,882
61 to 90 days	10,729	10,991
More than 90 days	48,188	46,020
Trade debtors from contracts with customers derived from goods and services	175,963	138,893
Prepayment for land development cost (note (b))	536,481	536,481
Deposits paid for acquisition of inventory of properties (note (c))	377,449	385,036
Prepayment of value added tax and other taxes	495,966	539,600
Consideration receivable	24,142	24,142
Deferred selling commission	80,778	66,869
Other receivables, deposits and prepayments	704,759	707,959
	2,395,538	2,398,980

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 to 90 days from the agreements. For most of the Group's property development projects, consideration will be fully received prior to the delivery of the properties to the property purchasers.
- (b) At 30 June 2025, prepayment of land development cost of HK\$536,481,000 (31 December 2024: HK\$536,481,000) has been fully paid in prior years, pursuant to an agreement entered into with certain independent third parties who own certain pieces of industrial land in Jinan, the PRC. According to the agreement, if the Group cannot obtain the land through the public auction, the entire amount will be refunded in full along with a daily interest of 0.03% to be received as necessary. During the period ended 30 June 2025, the Group has been actively negotiating with the local government which supports to expedite the whole land development progress with the approval from relevant local authorities and put the land into public auction.
- (c) The amounts at 30 June 2025 represent deposits for acquisition of property development projects in Mainland China, which will be fully refunded if the Group cannot acquire the land/property projects successfully.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

18. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments.

Pledged bank deposits of HK\$40,022,000 (31 December 2024: HK\$421,169,000) in total are pledged as securities in favour of banks for mortgage facilities granted to the buyers of properties developed by the Group and bank borrowings granted to the Group.

Included in bank balances and cash, restricted bank balances amounting to HK\$497,110,000 (31 December 2024: HK\$1,211,992,000) that are placed in designated bank accounts mainly for certain property development projects in accordance with the applicable regulatory and contractual requirements. These bank balances are not held for meeting short-term cash commitments and are, thus, excluded in cash and cash equivalents.

Bank balances carry interest at market rates which range from 0.01% to 4.7% (31 December 2024: 0.13% to 5.24%) per annum.

19. 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 2024, 31 December 2024 and 30 June 2025	749,336,566	74,934

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

20. OWNERS OF PERPETUAL CAPITAL SECURITIES

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
2017 February perpetual capital securities	(a)	2,441,285	2,347,247
2017 June perpetual capital securities	(a)	2,448,873	2,365,677
2019 November perpetual capital securities	(b)	2,505,238	2,410,518
		7,395,396	7,123,442

Notes:

- (a) 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. The 2017 February perpetual capital securities with an outstanding principal amount of US\$295,500,000 (31 December 2024: US\$295,500,000) and the 2017 June perpetual capital securities with an outstanding principal amount of US\$295,000,000 (31 December 2024: US\$295,000,000) were listed on the Singapore Exchange Securities Trading Limited ("Singapore Exchange") and guaranteed by the Company for the due payment. Distributions are paid semi-annually in arrears and can be deferred at the discretion of the issuers. The perpetual capital securities have no fixed maturity and are redeemable at the issuers' option at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company cannot declare or, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank, which includes the ordinary shares of the Company.
- (b) In November 2019, a wholly-owned subsidiary of the Company issued US\$300 million 7.75% senior guaranteed fixed spread perpetual capital securities ("2019 November perpetual capital securities") at issue price of 100% of the principal amounts. The distribution rate is subject to reset at the first call date and each day falling every five calendar years after the first call date. The reset distribution rate is equal to the sum of 6.003% and the Treasury Rate as defined in the terms and conditions of the perpetual securities. The capital securities were listed on 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.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

21. BANK AND OTHER BORROWINGS

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
2019 September guaranteed senior notes	(a)	1,626,315	1,624,062
2020 March guaranteed senior notes	(b)	1,271,433	1,270,263
2020 September guaranteed senior notes	(c)	1,210,802	1,208,816
2021 January guaranteed senior notes	(d)	3,431,083	3,428,064
2021 July guaranteed senior notes	(e)	3,471,168	3,467,765
Bank loans	(f)	4,199,353	5,228,278
		15,210,154	16,227,248
Secured		3,315,469	3,972,816
Unsecured		11,894,685	12,254,432
		15,210,154	16,227,248
The maturity of the above loans is as follows:			
Senior notes repayable:			
Within one year		232,169	232,098
More than two years but not exceeding five years		10,778,632	7,684,949
More than five years		–	3,081,923
		11,010,801	10,998,970
Bank borrowings repayable:			
Within one year or repayable on demand		1,951,751	2,680,444
More than one year but not exceeding two years		458,765	640,778
More than two years but not exceeding five years		565,775	595,383
More than five years		1,223,062	1,311,673
		4,199,353	5,228,278
Total borrowings		15,210,154	16,227,248
Less: Amounts classified as current liabilities		(2,183,920)	(2,912,542)
Amounts due over one year shown and classified as non-current liabilities		13,026,234	13,314,706

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

21. BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) The 2019 September guaranteed senior notes with an outstanding principal amount of US\$206,945,000 (31 December 2024: US\$206,945,000) are listed on the Singapore Exchange and were issued in September 2019. The notes, bearing interest at a fixed rate of 6.7% per annum, maturity date extended from September 2024 to March 2028. The principal amount upon early redemptions of US\$21,500,000 resulted in a gain of HK\$82,996,000 was recognised in profit or loss for the six months ended 30 June 2024.
- (b) The 2020 March guaranteed senior notes with an outstanding principal amount of US\$161,845,000 (31 December 2024: US\$161,845,000) are listed on the Singapore Exchange and were issued in March 2020. The notes, bearing interest at a fixed rate of 5.9% per annum, maturity date extended from March 2025 to September 2028. The principal amount upon early redemption of US\$2,345,000 resulted in a gain of HK\$12,557,000 was recognised in profit or loss for the six months ended 30 June 2024.
- (c) The 2020 September guaranteed senior notes with an outstanding principal amount of US\$155,603,000 (31 December 2024: US\$155,603,000) are listed on the Singapore Exchange and were issued in September 2020. The notes, bearing interest at a fixed rate of 6% per annum, maturity date extended from September 2025 to March 2029. The principal amount upon early redemption of US\$19,954,000 resulted in a gain of HK\$98,492,000 was recognised in profit or loss for the six months ended 30 June 2024.
- (d) The 2021 January guaranteed senior notes with an outstanding principal amount of US\$434,690,000 (31 December 2024: US\$434,690,000) are listed on the Singapore Exchange and were issued in January 2021. The notes, bearing interest at a fixed rate of 5.2% per annum, maturity date extended from January 2026 to July 2029. The principal amount upon early redemption of US\$12,000,000 resulted in a gain of HK\$74,836,000 was recognised in profit or loss for the six months ended 30 June 2024.
- (e) The 2021 July guaranteed senior notes with an outstanding principal amount of US\$441,595,000 (31 December 2024: US\$441,595,000) are listed on the Singapore Exchange and were issued in July 2021. The notes, bearing interest at a fixed rate of 5.125% per annum, maturity date extended from July 2026 to January 2030. The principal amount upon early redemption of US\$12,000,000 resulted in a gain of HK\$75,294,000 was recognised in profit or loss for the six months ended 30 June 2024.
- (f) At 30 June 2025, bank loans with carrying amount of HK\$2,822,980,000 (31 December 2024: HK\$3,346,592,000) bear a floating interest rate based on either lending rate set by the People's Bank of China or Loan Prime Rate plus a specified margin, ranging from 3.4% to 6.5% (31 December 2024: 2.3% to 6.5%) per annum. At 30 June 2025, bank loan with carrying amount of HK\$492,489,000 (31 December 2024: HK\$626,225,000) bear interest at fixed rates of 6.5% (31 December 2024: 3.8% to 6.5%) 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 Secured Overnight Financing Rate ("SOFR") (31 December 2024: HIBOR or SOFR) plus a specified margin, ranging from 3.54% to 7.52% (31 December 2024: 6.61% to 8.47%) per annum.

At 30 June 2025, in respect of bank loans with the aggregate carrying amount of HK\$4,199,353,000 (31 December 2024: HK\$5,228,278,000), the Group is required to comply with the financial covenants throughout the continuance of the relevant loans and/or as long as the loans are outstanding. The Group regularly monitored and communicated with the banks about its compliance with these covenants throughout the reporting period. At 30 June 2025, the Group breached the fixed charge coverage ratio on bank borrowings with an aggregate carrying amount of HK\$883,885,000 (31 December 2024: HK\$1,255,461,000). Since the lenders have not provided any waiver on its right to demand immediate payment as at the end of the reporting period, these loans have been classified as current liabilities accordingly.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

22. CREDITORS AND ACCRUED CHARGES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Aged analysis of creditors presented based on invoice date:		
Trade payables		
Within 60 days	293,193	315,469
61 to 90 days	49,244	40,777
More than 90 days	589,457	780,723
	931,894	1,136,969
Accrued construction costs	1,774,397	1,885,507
	2,706,291	3,022,476
Accrued taxes (other than EIT and LAT)	230,639	227,583
Consideration payable for the acquisition of joint ventures	213,687	213,687
Construction related deposits	221,400	230,283
Earnest deposit for purchase of properties	124,275	265,201
Other payables	566,181	643,145
	4,062,473	4,602,375

23. ACQUISITION OF SUBSIDIARIES

Saved as disclosed in elsewhere in these condensed consolidated financial statements, the Group has the following transaction about acquisition of subsidiaries.

In October 2023, the Group entered into an equity transfer agreement with a joint venture partner of 廣州雋宏房地產開發有限公司("廣州雋宏"), to acquire 49% equity interest in 廣州雋宏 from the joint venture partner at a total consideration of RMB222,637,000 (equivalent to HK\$243,852,000). The consideration would be settled by a debt assignment arrangement where the Group would assume the debt of RMB245,835,000 (equivalent to HK\$269,261,000) the other joint venture partner owed to 廣州雋宏 and this amount would then be designated to offset the aforementioned consideration. The excess amount of RMB23,198,000 (equivalent to HK\$25,409,000), would be required to settle to the Group before the completion of this acquisition. 廣州雋宏 is engaged in the property development in Guangzhou, the PRC. Upon completion of this acquisition in February 2024, 廣州雋宏 became a wholly-owned subsidiary of the Company.

The acquired subsidiary is engaged in property development but without substantive process at the date of acquisition. In the opinion of Directors, the acquisition of the company does not constitute business. Accordingly, the above transaction is accounted for as acquisition of assets and assumption of liabilities through acquisition of the subsidiary.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

23. ACQUISITION OF SUBSIDIARIES (continued)

The aggregate net assets of the subsidiary at the date of acquisition was as follow:

	2024 HK\$'000
Property, plant and equipment	3
Inventory of properties	54,071
Debtors, deposits and prepayments	7,118
Amounts due from group companies	549,342
Prepaid income tax	4,623
Bank balances and cash	10,186
Creditors and accrued charges	(28,185)
Contract liabilities	(17,249)
Income tax payable	(24,681)
	<u>555,228</u>
Satisfied by:	
Consideration with a debt assignment arrangement	243,852
Interests in joint ventures disposed of	311,376
	<u>555,228</u>
Net cash inflow arising on acquisition:	
Cash received	25,409
Bank balances and cash acquired	10,186
	<u>35,595</u>

24. DISPOSAL OF SUBSIDIARIES

On 17 November 2023, Road King Expressway International Holdings Limited ("RKE") (the "Seller"), an indirect subsidiary owned as to 75% by the Company, entered into a sale and purchase agreement with a subsidiary of China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司) (the "Purchaser"), pursuant to which the Seller agreed to sell and the Purchaser agreed to buy the entire issued share capital of Road King (China) Infrastructure Limited ("RKC") (the "Disposal") at a consideration of RMB4,411.8 million (equivalent to HK\$4,902 million). RKC is a wholly owned subsidiary of the Seller incorporated under the laws of the British Virgin Islands with limited liability. RKC is an investment holding company and its subsidiaries (RKC and its subsidiaries collectively known as the "Disposal Group") are engaged in investment in, and development, operation and management of four expressway projects in Mainland China through holding interests in joint ventures with respective joint venture partners. Each joint venture has the right to operate the section of the expressway held by it during the concession period in accordance with the relevant joint venture contracts. The Disposal was completed and the consideration was received in full in April 2024.

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

24. DISPOSAL OF SUBSIDIARIES (continued)

The aggregate net assets of the Disposal Group at the date of completion of the Disposal were as follow:

	2024 HK\$'000
Cash consideration	4,902,000
Analysis of assets and liabilities over which control was lost:	
Interests in joint ventures	2,983,989
Amount due from a joint venture	79,991
Bank balances and cash	11
Amounts due to group companies	(40,821)
Deferred tax liabilities	(24,966)
Net assets disposed of	2,998,204
Gain on disposal of:	
Cash consideration	4,902,000
Direct transaction costs and expenses	(40,820)
Net assets disposal of	(2,998,204)
Gain on disposal of before taxation	1,862,976
Income tax expenses	(372,511)
Gain on disposal of, net of related income tax	1,490,465
– attributable to owners of the Company	1,117,849
– attributable to a non-controlling shareholding of RKE	372,616
Net cash inflow arising on the Disposal:	
Cash received	4,902,000
Less: Bank balances and cash disposed of	(11)
Net cash proceeds on disposal of subsidiaries	4,901,989
Less: Income tax expenses	(372,511)
	4,529,478

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

25. FINANCIAL GUARANTEE CONTRACTS

At 30 June 2025, the Group provided guarantees of HK\$3,386,697,000 (31 December 2024: HK\$4,041,598,000) 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 2025, the Group provided guarantees of HK\$1,586,811,000 (31 December 2024: HK\$2,060,820,000) to banks in connection with the banking facilities granted to joint ventures. The Directors consider that the fair value of such guarantees on initial recognition is insignificant as the joint ventures have strong net asset position and the default risk is low.

26. PLEDGE OF ASSETS

At the end of the reporting period, other than the pledged bank deposits as disclosed in note 18, the Group's inventory of properties of HK\$4,128,553,000 (31 December 2024: HK\$5,427,155,000) and investment properties of HK\$3,942,142,000 (31 December 2024: HK\$4,065,437,000) were pledged to banks to secure the banking and other facilities granted to the Group.

As at 30 June 2025, the Group's borrowings with outstanding principal amount of HK\$456,441,000 (31 December 2024: HK\$468,193,000) was secured by the pledge of the equity shares of a subsidiary of the Company.

27. CAPITAL COMMITMENTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Capital injection into property joint ventures contracted for but not provided in the condensed consolidated financial statements	24,699	24,699

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

28. RELATED PARTY TRANSACTIONS

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

Related parties	Nature	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Property and other joint ventures	Interest income	570	592
Other non-controlling interests of subsidiaries	Interest income	–	4,762
Property joint ventures	Interest expense	2,836	10,603

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	
	2025 HK\$'000	2024 HK\$'000
Short-term employment benefits	32,698	57,119
Post-employment benefits	2,236	2,562
	34,934	59,681

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

29. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2025 amounted to HK\$33,221,641,000 (31 December 2024: HK\$35,250,970,000). The Group's net current assets at 30 June 2025 amounted to HK\$11,279,889,000 (31 December 2024: HK\$12,314,259,000).

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, mark-to-market report from the custodian is used where available. Otherwise, the Group engages third party qualified valuers to perform the valuation. The Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Some of the Group's financial assets and financial liabilities 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 and financial liabilities 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 based on 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 (continued)

For the six months ended 30 June 2025

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets (liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	
	30 June 2025 HK\$'000	31 December 2024 HK\$'000			
Investment in an unlisted entity (included in financial assets at FVTPL)	551,024	551,024	Level 3	–	Market comparison approach. – The fair value is determined based on valuation provided by an independent professional valuer which is measured using market comparison approach based on making reference to fair market prices of the land value.
Investment in a listed entity (included in financial assets at FVTPL)	536	536	Level 1	–	Published price quotation available on the Nasdaq Capital Market.
Contingent consideration (included in financial liabilities at FVTPL)	–	(23,654)	Level 3	–	Probability of the adjustment to the toll road tariff chargeable under the concession agreement.
Participation rights designated as at FVTPL (included in financial liabilities at FVTPL)	–	(102,825)	Level 3	–	Discounted cash flows. – The fair value is determined based on valuation provided by an independent professional valuer which is measured using discount cash flow analysis based on surrender price, distribution, discount rate. A significant increase in surrender value would result in a significant increase in fair value of the participation rights, and vice versa.
Sale loan with redemption right designated as at FVTPL (included in financial liabilities at FVTPL)	–	(797,886)	Level 3	–	Monte Carlo methods. – The fair value is determined based on valuation provided by an independent professional valuer which is measured using Monte Carlo simulation based on the current property prices, China risk-free rate, the expected volatility of the property prices and expected return.
	551,560	(372,805)			

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

During the six months ended 30 June 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Reconciliation of Level 3 fair value measurements

	Investment in an unlisted entity HK\$'000
Financial asset at FVTPL	
At 1 January 2024	579,152
Change in fair value recognised in profit or loss	(8,452)
Exchange difference arising on translation to presentation currency	(19,676)
At 31 December 2024 and 30 June 2025	551,024

	Sale loan with redemption right HK\$'000	Contingent consideration HK\$'000	Participation rights HK\$'000	Total HK\$'000
Financial liabilities at FVTPL				
At 1 January 2024	734,734	60,155	139,564	934,453
Change in fair value recognised in profit or loss	62,452	(34,281)	(28,990)	(819)
Settlement	–	–	(12,205)	(12,205)
Exchange difference arising on translation to presentation currency	700	(2,220)	4,456	2,936
At 31 December 2024	797,886	23,654	102,825	924,365
Change in fair value recognised in profit or loss	2,114	–	–	2,114
Settlement	(400,000)	(23,654)	(102,825)	(526,479)
Transfer to equity	(400,000)	–	–	(400,000)
At 30 June 2025	–	–	–	–

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 30 June 2025

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Financial assets and 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 2025 and 31 December 2024 except for the following financial liabilities, for which their carrying amounts and fair values (based on the quoted ask price available in an over-the-counter market) are disclosed below:

	30 June 2025		31 December 2024	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
2019 September guaranteed senior notes	1,626,315	423,502	1,624,062	869,415
2020 March guaranteed senior notes	1,271,433	327,267	1,270,263	622,651
2020 September guaranteed senior notes	1,210,802	313,433	1,208,816	526,000
2021 January guaranteed senior notes	3,431,083	856,226	3,428,064	1,435,612
2021 July guaranteed senior notes	3,471,168	862,578	3,467,765	1,424,059

31. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 8 August 2025, the Group was unable to pass the consent solicitations in respect of its five senior notes due between 2028 and 2030. As a result, the Group has decided to suspend payment of all principal and interest falling due on all of the Group's offshore bank borrowings, senior notes and perpetual capital securities. As of the date of this report, the Group suspended the payment of aggregate interest of US\$23,360,000 (equivalent to HK\$181,742,000) on two senior notes and offshore bank borrowings, which has become due and payable.

As at 30 June 2025, the aggregate carrying amount of the Group's offshore bank borrowings and senior notes amounted to US\$1,529,082,000 (equivalent to HK\$11,894,686,000), including principal of US\$1,514,889,000 (equivalent to HK\$11,784,277,000). The payment suspension may lead to certain creditors of the Group demanding acceleration of payment of their indebtedness and/or taking action pursuant to the respective terms of the relevant financing arrangements. As of the date of this report, the Company has not received any notice of acceleration or demand from any offshore creditors.

Details are set out in the announcements issued by the Company dated 20 June 2025, 14 July 2025, 17 July 2025, 8 August 2025 and 14 August 2025.



Road King Infrastructure Limited

