ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2009	**2008**
Revenue: The Group and share of infrastructure joint ventures	**HK$3,043 million**	HK$3,952 million
Profit attributable to owners of the Company, net of exchange gain	**HK$194 million**	HK$202 million
Net cash inflow/(outflow) from operating activities	**HK$1,613 million**	(HK$1,602 million)
Interim dividend per share	**HK$0.20**	HK$0.05

	30 June 2009	**31 December 2008**
Bank balances and cash, including pledged bank deposits	**HK$2,751 million**	HK$960 million
Net asset per share	**HK$13.2**	HK$12.9

RESULTS

The Board of Directors (the "Board") of Road King Infrastructure Limited (the "Company") announces the unaudited condensed consolidated income statement and unaudited condensed consolidated statement of comprehensive income of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009, together with the unaudited comparative figures for the corresponding period in 2008, and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2009 together with audited comparative figures as at 31 December 2008, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

		Six months ended 30 June	
		2009	**2008**
		(Unaudited)	**(Unaudited)**
	Notes	*HK$'000*	*HK$'000*
Revenue	3	2,464,196	3,102,273
Cost of sales		(2,217,081)	(2,711,413)
Gross profit		247,115	390,860
Interest income		9,928	11,453
Other income		124,749	296,468
Selling expenses		(46,302)	(52,483)
Operating expenses		(170,288)	(273,505)
Share of results of joint ventures	5	270,088	436,984
Finance costs	6	(53,336)	(81,068)
Profit before taxation	7	381,954	728,709
Income tax expenses	8	(113,640)	(223,649)
Profit for the period		268,314	505,060
Attributable to:			
Owners of the Company		255,091	463,767
Minority interests		13,223	41,293
		268,314	505,060
Earnings per share	10		
– Basic		HK$0.35	HK$0.62
– Diluted		HK$0.35	HK$0.62

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Six months ended 30 June 2009 (Unaudited) *HK$'000*	Six months ended 30 June 2008 (Unaudited) *HK$'000*
Profit for the period	268,314	505,060
Other comprehensive income		
Exchange difference arising on translation to presentation currency	87,003	472,441
Total comprehensive income for the period	355,317	977,501
Total comprehensive income attributable to:		
Owners of the Company	340,500	927,931
Minority interests	14,817	49,570
	355,317	977,501

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

	Notes	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		22,664	57,346
Prepaid lease payments for land		—	33,293
Investment properties		223,537	143,851
Interests in joint ventures		5,054,694	5,289,683
Loans to related companies		54,700	54,700
Deferred tax assets		42,763	40,700
Long-term receivables		34,928	576,359
Available-for-sale financial assets	11	1,084,612	632,787
		6,517,898	6,828,719
Current assets			
Inventory of properties		10,808,993	12,029,250
Prepayment for land leases		108,844	107,865
Prepaid lease payments for land		—	938
Loan to a joint venture		64,286	70,787
Debtors, deposits and prepayments	12	1,155,125	686,063
Prepaid income tax		211,056	225,699
Pledged bank deposits		276,038	163,723
Bank balances and cash		2,474,612	796,098
		15,098,954	14,080,423
Total assets		21,616,852	20,909,142

	Notes	30 June 2009 (Unaudited) *HK$'000*	31 December 2008 (Audited) *HK$'000*
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		73,893	73,893
Reserves		9,488,283	9,295,568
		9,562,176	9,369,461
Minority interests		178,958	164,141
Total equity		9,741,134	9,533,602
Non-current liabilities			
Bank and other borrowings - due after one year		6,063,026	5,737,728
Deferred tax liabilities		147,602	147,998
		6,210,628	5,885,726
Current liabilities			
Creditors and accrued charges	13	1,648,282	1,756,811
Deposits from pre-sale of properties		2,227,761	2,095,694
Income tax payable		236,131	212,424
Bank and other borrowings - due within one year		1,552,916	1,424,885
		5,665,090	5,489,814
Total equity and liabilities		21,616,852	20,909,142

Notes:

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

In the current interim period, the Group has applied, for the first time, all the new and revised standards, amendments and interpretations (hereinafter collectively referred to as "new or revised HKFRSs") issued by the HKICPA that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2009. HKFRSs comprise Hong Kong Financial Reporting Standards, HKASs and Interpretations. The adoption of these new or revised HKFRSs had no material effects on the results or financial position of the Group for the current or prior accounting periods, except for the impact as described below.

HKFRS 8 "Operating Segments"

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 4), but has had no impact on the reported results or financial position of the Group.

HKAS 1 (Revised) "Presentation of Financial Statements"

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

Amendment to HKAS 40 "Investment Property"

The application of the amendment of HKAS 40 "Investment Property" arising from improvements to HKFRSs affect the accounting for property under construction or development for future use as an investment property of the Group. The amendment to HKAS 40 brings such property within the scope of HKAS 40 which, therefore, shall be accounted for under the fair value model in accordance with the Group's accounting policy. Prior to the application of this amendment, such property was accounted for at cost less impairment in accordance with HKAS 16 "Property, plant and equipment". The amendment is to be applied prospectively from 1 January 2009 in accordance with the relevant transitional provision. As a result, the properties under development for investment properties amounting to HK$17,575,000 and prepaid lease payments for land amounting to HK$34,231,000 were reclassified to investment properties under construction at 1 January 2009 and the profit for the period and total comprehensive income for the period and the investment properties of the Group at 30 June 2009 have been increased by HK$14,623,000 arising from the change in fair value of the property under construction for future use as investment properties at 1 January 2009. There was no significant change in fair value of investment properties under construction since 1 January 2009.

The Group has not early applied the new or revised HKFRSs, including but not limited to HKFRS 3 (Revised) and HKAS 27 (Revised), that have been issued but are not yet effective. The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company (the "Directors") anticipate that the application of the other new or revised standards, amendments or interpretations will not have material impact on the results and the financial position of the Group.

3. REVENUE

	Six months ended 30 June	
	2009	**2008**
	HK$'000	*HK$'000*
Revenue of the Group		
Sales of completed properties held for sale	2,464,196	3,102,273
Share of toll revenue of infrastructure joint ventures	578,537	850,214
Revenue of the Group and share of revenue of infrastructure joint ventures	3,042,733	3,952,487

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

The identification of the Group's reportable segments under HKFRS 8 is consistent with the prior years' presentation of business segments under HKFRS 14. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on two main operations; toll road and property development. The Group's reportable segments under HKFRS 8 are as follows:

Toll road	-	development, operation and management of toll roads through the infrastructure joint ventures
Property development	-	development and sales of properties

The segment financial information of investment properties, which is not considered as a separate operating segment, has been included in the operating segment of property development.

The segment financial information for the six months ended 30 June 2008 and as at 31 December 2008 has been restated to conform with HKFRS 8.

Over 90% of the Group's turnover and contribution to segment profit is attributable to customers in the People's Republic of China ("PRC").

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

	Segment revenue Six months ended 30 June		**Segment profit Six months ended 30 June**	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Toll road	—	—	235,177	355,743
Property development	2,464,196	3,102,273	60,671	116,303
	2,464,196	3,102,273	295,848	472,046

A reconciliation of total segment profit to consolidated profit after taxation is as follows:

	Six months ended 30 June 2009 *HK$'000*	2008 *HK$'000*
Segment profit	295,848	472,046
Unallocated interest income	1,453	3,677
Unallocated corporate income	23,313	97,285
Unallocated corporate expenses	(6,519)	(4,902)
Unallocated finance costs	(45,781)	(63,046)
Consolidated profit after taxation	268,314	505,060

All of the segment revenue reported above is generated from external customers.

Segment profit included profit earned by each segment, the share of results of joint ventures, gain on disposal of interest in an infrastructure joint venture, interest income, finance costs, taxation attributable to the relevant segment but without allocation of headquarter income and expenses.

The following is an analysis of the Group's assets by operating segment:

	30 June 2009 *HK$'000*	31 December 2008 *HK$'000*
Segment assets		
– Toll road	5,123,466	5,306,296
– Property development	14,679,352	14,740,725
	19,802,818	20,047,021
Unallocated corporate assets	1,814,034	862,121
	21,616,852	20,909,142

5. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June 2009 *HK$'000*	2008 *HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	411,539	590,055
Less share of: Amortisation of toll road operation rights	(90,907)	(106,363)
Current tax	(47,179)	(50,381)
Deferred taxation	(8,900)	(4,750)
	264,553	428,561
Share of post-acquisition profits of other joint ventures	5,535	8,423
	270,088	436,984

The current tax amount represents the Group's share of PRC enterprise income tax attributable to the PRC infrastructure joint ventures.

Deferred tax has been provided for temporary differences between the carrying amount of toll road operation rights and the corresponding tax base used in the computation of taxable profits for the PRC infrastructure joint ventures. For the infrastructure joint ventures that enjoyed preferential rate of 15% or lower up to 31 December 2007, based on a grandfathering provision, the tax rate increases progressively to 25% over five years from 1 January 2008 onwards.

6. FINANCE COSTS

	Six months ended 30 June 2009 *HK$'000*	2008 *HK$'000*
Interest on:		
Borrowings wholly repayable within five years	181,774	174,111
Borrowings not wholly repayable within five years	—	60,356
Total borrowing costs	181,774	234,467
Other finance costs	20,307	12,493
	202,081	246,960
Less: Capitalised in properties under development for sale	(148,745)	(165,892)
	53,336	81,068

7. PROFIT BEFORE TAXATION

	Six months ended 30 June 2009 HK$'000	2008 HK$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	16,249	4,753
Less: Capitalised in properties under development for sale	(773)	(711)
	15,476	4,042
Amortisation of prepaid lease payments for land	—	707
Loss on disposal of property, plant and equipment	298	267
and after crediting:		
Bank interest income	4,413	10,054
Gain on disposal of interest in an infrastructure joint venture	15,183	—
Increase in fair value of completed and under development investment properties	17,998	—
Net exchange gain included in other income	60,709	262,042

8. INCOME TAX EXPENSES

	Six months ended 30 June 2009 HK$'000	2008 HK$'000
Current tax:		
PRC enterprise income tax ("EIT")	74,409	82,068
PRC Land Appreciation Tax ("LAT")	41,533	42,996
	115,942	125,064
Deferred taxation:		
Current period	(2,302)	98,585
	113,640	223,649

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

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

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations.

Deferred tax has been provided for (i) fair value adjustment on properties under development for sale; (ii) temporary differences between the carrying amount and the tax base of properties under development for sale, arising from the capitalisation of certain interest expenses in properties under development for sale in consolidation level; (iii) undistributed earnings of subsidiaries and joint ventures in the PRC; and (iv) the tax losses.

9. DIVIDEND PAID

	Six months ended 30 June	
	2009	**2008**
	HK$'000	*HK$'000*
2008 final dividend paid of HK$0.20 (six months ended 30 June 2008: 2007 final dividend paid of HK$0.28) per share	147,785	210,752

An interim dividend in respect of 2009 of HK$0.20 (six months ended 30 June 2008: HK$0.05) per share amounting to a total of HK$148,000,000 (six months ended 30 June 2008: HK$38,000,000) has been declared by the Board on 17 August 2009. This interim dividend has not been included as a liability in the condensed consolidated financial statements as it was declared after the balance sheet date.

The amount of the interim dividend has been calculated on the basis of 738,926,566 shares in issue as at 17 August 2009.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2009	**2008**
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	255,091	463,767

	Six months ended 30 June	
	2009	**2008**
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	738,927	752,656
Effect of dilutive potential ordinary shares: Share options	—	1,386
Weighted average number of ordinary shares for the purpose of diluted earnings per share	738,927	754,042

The share options outstanding during the six months ended 30 June 2009 had an anti-dilutive effect on the basic earnings per share because the exercise prices of the share options are higher than the average market prices of the shares of the Company during the period.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As detailed in note 23 of the Group's annual financial statements for the year ended 31 December 2008, 天津順馳新地置業有限公司 and 天津順馳融信置地有限公司 (collectively referred to as the "Tianjin Companies") would have become indirect subsidiaries of the Company since July 2007.

The Group commenced legal proceedings in the Tianjin Nankai District People's Court in October 2007 to enforce its rights and to assume effective control over the Tianjin Companies. However, the legal proceedings against the former management of the Tianjin Companies were temporarily suspended in 2008 on the basis that unspecified facts which related to those proceedings may overlap with unspecified matters under investigation by Tianjin authorities.

In January 2009, the Company received a notice advising that an investigation on a criminal accusation by Tianjin authorities was officially dismissed. In addition to the legal proceedings as mentioned above, with the assistance provided by the Tianjin municipal government, the Group is now gradually resolving the legacy problems of the Tianjin Companies in Tianjin with a view to eventually obtain effective control over the Tianjin Companies. However, at the date of this announcement, the former management of the Tianjin Companies has not yet handed over the official seals and books and records to the Group and in the opinion of the Directors, the Group has not obtained control over the Tianjin Companies. The Group will continue its best endeavours to obtain effective control over the Tianjin Companies.

As the Group does not have control, and is not in a position to exercise significant influence, over the operating and financing policies of the Tianjin Companies, the Tianjin Companies are not currently considered to be subsidiaries or associates of the Company and therefore they are accounted for as available-for-sale financial assets. Accordingly, the financial statements of the Tianjin Companies have not been consolidated into the Group's condensed consolidated financial statements. The investments in the Tianjin Companies, amounting to HK$638,526,000 as at 30 June 2009 (31 December 2008: HK$632,787,000), have been recorded at cost less impairment because the investments are unquoted equity shares whose range of reasonable fair value estimates is so significant that the Directors are of the opinion that the fair values cannot be measured reliably.

During the period ended 30 June 2009, the Group has made various payments on behalf of the Tianjin Companies, including the settlement of their bank loans of RMB300 million, accrued interest on the bank loans, construction costs and other expenses, totaling HK$446,086,000. These payments are considered as loans and advances to the Tianjin Companies and based on the advice from the PRC legal counsel, the Group has the right to recover these amounts due from the Tianjin Companies.

Based on the impairment review on the investments in, and loans and advances to, the Tianjin Companies, in the opinion of the Directors, no impairment on the carrying amounts in relation to the Tianjin Companies is considered necessary. However, as the timing and the eventual outcome of the court proceedings or the satisfactory resolutions of the legacy problems of the Tianjin Companies cannot presently be determined with certainty, there exists uncertainties that the Group may be unable to obtain effective control over the Tianjin Companies or otherwise realise the underlying properties of the Tianjin Companies, thereby impacting the recoverability of the Group's available-for-sale financial assets amounting to HK$1,084,612,000 as at 30 June 2009.

REVIEW CONCLUSION

The review conclusion for the condensed consolidated financial statements of the Group for the six months ended 30 June 2009 has been modified in connection with the matters described in note 11 above and is extracted as follows:

"CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to note 15 to the interim financial information, which describes the significant uncertainties which may affect the recoverability of the carrying amounts of the Group's available-for-sale financial assets. No impairment has been recognised in respect of the available-for-sale financial assets in the interim financial information."

The details of note 15 to the interim financial information as stated in the extract of the Conclusion are summaried in the paragraph headed "11. AVAILABLE-FOR-SALE FINANCIAL ASSETS" of this announcement.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2009 *HK$'000*	**31 December 2008** *HK$'000*
Aging analysis of debtors:		
Within 60 days	10,616	12,279
60 to 90 days	1,571	340
More than 90 days	12,750	11,139
	24,937	23,758
Deferred consideration on disposal of an infrastructure joint venture	44,218	14,719
Amount due from Huge Rise Investments Limited	543,885	—
Interest receivable	764	253
Prepayments on business tax and other taxes	106,800	101,573
Other receivables, deposits and prepayments	434,521	545,760
	1,155,125	686,063

Debtors of the Group 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 agreement, normally within 60 days from the agreement. Consideration under pre-sale contracts will be fully received prior to the delivery of the properties to the purchasers.

13. CREDITORS AND ACCRUED CHARGES

	30 June 2009	31 December 2008
	HK$'000	*HK$'000*
Aging analysis of creditors:		
Within 60 days	31,817	33,332
60 to 90 days	6,368	2,770
More than 90 days	95,528	105,386
	133,713	141,488
Accrued construction costs	1,165,158	1,157,891
	1,298,871	1,299,379
Interest payable	68,511	70,384
Accrued taxes (other than EIT and LAT)	15,185	13,750
Other accrued charges	265,715	373,298
	1,648,282	1,756,811

14. TOTAL ASSETS LESS CURRENT LIABILITIES / NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2009 amounted to HK$15,951,762,000 (31 December 2008: HK$15,419,328,000). The Group's net current assets at 30 June 2009 amounted to HK$9,433,864,000 (31 December 2008: HK$8,590,609,000).

DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.20 (2008: HK$0.05) per share for the six months ended 30 June 2009 to the shareholders of the Company whose names appear in the Register of Members of the Company on 11 September 2009, Friday.

It is expected that the payment of interim dividend will be made on or before 30 September 2009, Wednesday.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 9 September 2009, Wednesday to 11 September 2009, Friday, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 8 September 2009, Tuesday.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As a result of the Group's disciplined operating and financial management and the improvement in the property market in the PRC, the Group's financial position improved significantly in the first half of 2009. The Group achieved a net operating cash inflow of HK$1,613 million for the six months ended 30 June 2009, which was substantially better than the net operating cash outflow of HK$1,602 million for the same period last year.

The unaudited profit attributable to owners of the Company for the six months ended 30 June 2009 was HK$255 million (2008: HK$464 million). The fluctuation was mainly due to the substantial drop in net exchange gain from HK$262 million for the first half of 2008 to HK$61 million for the corresponding period this year and the change of the cash distribution ratio of the two major expressway projects in Hebei in 2009 in accordance with the joint venture agreements. The unaudited earnings per share for the six months ended 30 June 2009 was HK$0.35 (2008: HK$0.62).

In view of the strong cashflow, the Board has resolved to declare an interim dividend of HK$0.20 per share, representing an increment of 300% to the interim dividend of HK$0.05 per share of last year.

Toll road business

The slow down in the economic growth and the internal competition of the industry caused the total traffic volume of the Group's toll road projects to fall slightly in the first half of 2009. For the six months ended 30 June 2009, total traffic volume and toll revenue of toll road projects were 54 million vehicles and RMB1,167 million (equivalent to approximately HK$1,313 million) respectively, whereas the total traffic volume and toll revenue of the Group's toll road projects during the corresponding period in 2008 were 57 million vehicles and RMB1,254 million (equivalent to approximately HK$1,366 million) respectively, after excluding the results of Luochong Highway, and Yugong Highway and part of the Yulin City Ring Road, which were disposed of in 2008 and 2009 respectively.

Compared with the same period in 2008, both of the total traffic volume and toll revenue of the Group's expressway projects dropped by 2% in the first half of this year. Cash contribution from the Group's toll road business fell by 13% to HK$444 million (2008: HK$508 million), mainly caused by the change of the cash distribution ratio of the two major expressway projects in Hebei.

As part of the Group's strategy to lower its gearing and increase its cash reserve, the Group entered into an agreement with Shenzhen Expressway Company Limited on 1 June 2009 in relation to the disposal of the Group's entire interest in Jihe Expressway (Eastern-Section). The transaction was approved by shareholders at the special general meeting held on 9 July 2009. The Directors consider that it is in the Group's interest to realise the investment, which will contribute approximately HK$545 million to the Group's consolidated earnings assuming the transaction is completed this year.

The Group continued to increase the effectiveness of its toll road portfolio as a whole. In May 2009, the Group completed the procedures of disposing the Yugong Highway and part of the Yulin City Ring Road to the PRC joint venture partner and recognised a slight profit therefrom.

Property business

The PRC property market saw a strong rebound in the first half of 2009 as a result of a series of stimulating measures implemented by the government such as cutting mortgage rates for first time buyers and lowering the minimum capital requirement ratio for ordinary residential developments. According to the statistics of the PRC government, total sales of commercial and residential properties amounted to RMB1,580 billion or 341 million sqm in the first half of 2009, representing a year-on-year growth of 53% and 32% respectively. The Group expects that the market will continue to be benefited by the government's policies.

For the six months ended 30 June 2009, the Group's over 20 property projects in the PRC had secured contracted sales of RMB2,664 million (equivalent to approximately HK$3,020 million) or 393,000 sqm in gross floor area ("GFA") (excluding car parking spaces and before business tax), representing a growth of 155% and 121% respectively as compared to those of RMB1,044 million (equivalent to approximately HK$1,160 million) or 178,000 sqm recorded in the same period last year. Set out below is an analysis of the Group's contracted sales by region in the first half of this year:

Region	**Contracted Sales**	**Total GFA contracted**
	RMB' million	*sqm*
Northern China	346	62,000
Eastern China	813	162,000
Central China	284	68,000
Beijing	361	38,000
Shanghai	260	19,000
Guangzhou	600	44,000

For the six months ended 30 June 2009, revenue and total GFA delivered were RMB2,251 million (equivalent to approximately HK$2,532 million) and 405,000 sqm (excluding car parking spaces and before business tax), respectively. As the delivered properties were mainly related to the low margin properties presold last year and because of the adoption of the decision to cut prices early this year in order to speed up the sale of slow moving stock developed prior to the acquisition of Sunco Property Holdings Company Limited ("Sunco Property"), only a thin margin was recorded for the Group's property business. Set out below is an analysis of the delivered properties by region:

Region	**Sales recognised**	**GFA delivered**
	RMB' million	*sqm*
Northern China	114	24,000
Eastern China	1,104	218,000
Central China	442	106,000
Beijing	443	46,000
Guangzhou	148	11,000

Disputes in connection with Sunco Property

Litigations in the PRC

In January 2009, the Company received a notice advising that an investigation on an employee by Tianjin authorities was officially dismissed. The Group is now working with the Tianjin municipal government to gradually resolve the legacy problems of Sunco Property's projects in Tianjin. The Group is confident that the Group will be able to resume the control of the Tianjin Companies.

Litigations in Hong Kong

The Group's proceedings against the former major shareholders of Sunco Property are now at the stage of discovery and preparation of witness statements. Majority of the documentation and exchange of evidences have been completed. The hearing will be held in the fourth quarter of 2009.

FINANCIAL REVIEW

Financial resources and liquidity

The Group's total assets and shareholders' funds were HK$21,617 million and HK$9,562 million, respectively, as at 30 June 2009. Net asset value per share was HK$13.2 (31 December 2008: HK$12.9). During the reporting period, the Group's net cash receipt from operation activities was HK$1,613 million (2008: net cash outflow of HK$1,602 million).

As at 30 June 2009, the Group's bank balances and cash (including pledged bank deposits) totaled HK$2,751 million (31 December 2008: HK$960 million), of which 89% were denominated in Renminbi and the remaining 11% were denominated in US dollars or Hong Kong dollars.

Debt and gearing

The gearing ratio of the Group increased slightly from 76% as at 31 December 2008 to 80% as at 30 June 2009 as a result of the drawdown of several property project loans in the first half of 2009. However, after taking into account the bank balances and cash on hand, the Group's net gearing ratio for the aforesaid period was reduced from 66% to 51%. Upon completion of the disposal of Jihe Expressway (Eastern-Section) as detailed in the paragraph headed "Toll road business" above and prepayment of certain borrowings, the gearing position of the Group will further be improved. Interest coverage was 11.2 times as at 30 June 2009.

As at 30 June 2009, the Group's total borrowings were HK$7,616 million (31 December 2008: HK$7,163 million). The maturity profile of the Group's total borrowings is set out as follows:

	30 June 2009	31 December 2008
	HK$ 'million	*HK$ 'million*
Repayable:		
Within one year	1,553	1,425
After one year but within two years	2,945	648
After two years but within five years	3,118	3,559
After five years	—	1,531
Total Borrowings	7,616	7,163

Other than the US$200 million 6.25% fixed rate guaranteed notes due 2011 and the US$200 million 7.625% fixed rate senior notes due 2014, the Group's borrowings were mainly on a floating rate basis.

Financing and treasury policies

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

Charges on assets

As at 30 June 2009, bank balances of HK$276 million (31 December 2008: HK$164 million) were pledged as securities in favour of banks for mortgage facilities granted to buyers of the Group's property projects and short-term credit facilities granted to the Group. In addition to these charged deposits, properties valued at HK$2,590 million (31 December 2008: HK$2,074 million) and the shares of certain subsidiaries were pledged as securities for certain loan facilities.

Exposure on foreign exchange fluctuations

The Group's borrowings were mainly denominated in US dollars but its cashflow was generated from projects with earnings denominated principally in Renminbi. As a result, the appreciation of Renminbi had contributed to a net exchange gain of HK$61 million to the Group's results for the first half of the year. Save for the aforesaid, the Group has no significant exposure to foreign exchange fluctuation.

Exposure on interest rate

Save for the total of US$400 million notes mentioned above, the Group's interest payments have been affected by the fluctuation of interest rates relating to Renminbi and US dollars although the effect of higher interest payments from Renminbi borrowings is offset to a certain extent by lower interest payments from US dollars borrowings.

Contingent liabilities

As at 30 June 2009, the Group provided guarantees of HK$3,048 million to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's developed properties. The guarantees would be released when the customers pledge their property certificates as securities to the banks for the mortgage loans granted.

Employees

Excluding the staff of joint ventures, the Group had 1,107 employees as at 30 June 2009. Expenditure on staff (excluding Directors' emolument) amounted to HK$91 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 a share option scheme. No share option was issued in the first half of 2009.

PROSPECTS

The long-term prospect of the toll road industry continues to be encouraging in light of the macroeconomic development in the PRC such as continual urbanisation, growing population, as well as increasing private car sales. The Group is currently in discussion for investment in certain expressway projects to strengthen the Group's stable income stream.

The Group believes that the measures implemented by the PRC government will continue to bring stability to the property market. Nonetheless, the global economy is still under pressure and therefore the Group remains cautious in assessing new investment in property projects. The Group will continue to maximise the value of its existing property portfolio and consolidate its market position in major cities in the PRC.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2009.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the financial statements for the six months ended 30 June 2009, including the accounting principles and practice adopted by the Group, in conjunction with the Company's external auditor.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2009, except for the deviations from code provision A.4.1 of the Code in respect of the service term of Non-executive Directors.

Code provision A.4.1 stipulates that Non-executive Directors should be appointed for a specific term, subject to re-election. None of the Non-executive Directors and Independent Non-executive Directors is appointed for a specific term. However, in accordance with Bye-law 87 of the Company's Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The Company considers that this is no less exacting than those provided in the Code.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Company (www.roadking.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The Interim Report containing the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

APPRECIATION

The Board would like to thank all the staff for their loyalty and diligence.

By order of the Board
Road King Infrastructure Limited
Ko Yuk Bing
Deputy Chairman, Managing Director
and Chief Executive Officer

Hong Kong, 17 August 2009

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Ko Yuk Bing, Chan Kam Hung, Fong Shiu Leung, Keter and Zen Wei Peu, Derek as Executive Directors, Messrs. Hu Aimin and Zhang Yijun as Non-executive Directors and Messrs. Chow Shiu Kee, Stephen, Lau Sai Yung and Dr. Chow Ming Kuen, Joseph as Independent Non-executive Directors.