ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

HIGHLIGHTS

	Six months ended 30 June	
	2013	2012
	HK$	*HK$*
Receipts from property sales	**7,531 million**	5,549 million
Cash receipts from toll road projects	**247 million**	256 million
Revenue	**2,654 million**	2,321 million
Profit attributable to owners of the Company	**255 million**	228 million
Consolidated earnings before interest, tax, depreciation and amortisation	**1,007 million**	815 million
Earnings per share	**0.34**	0.31
Interim dividend per share	**0.18**	0.16

	30 June 2013	31 December 2012
	HK$	*HK$*
Bank balances and cash (included pledged bank deposits)	**6,407 million**	5,337 million
Total assets	**42,468 million**	37,275 million
Equity attributable to owners of the Company	**11,947 million**	11,793 million
Net assets per share attributable to owners of the Company	**16.1**	15.9
Net gearing ratio (percent)	**44%**	51%

RESULTS

The Board of Directors (the "Board") of Road King Infrastructure Limited (the "Company") is pleased to announce the unaudited condensed consolidated statement of profit or loss and unaudited condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013, together with the comparative figures for the corresponding period in 2012, and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2013 together with audited comparative figures as at 31 December 2012, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	NOTES	***HK$'000***	*HK$'000*
Revenue	*4*	**2,654,410**	2,320,901
Cost of sales		**(1,725,547)**	(1,621,436)
Gross profit		**928,863**	699,465
Interest income		**33,099**	18,064
Other income		**13,111**	5,010
Other gains and losses	*6*	**205,391**	119,415
Selling expenses		**(167,795)**	(120,105)
Operating expenses		**(255,888)**	(216,068)
Share of results of joint ventures	*7*	**108,908**	148,883
Finance costs	*8*	**(101,906)**	(82,250)
Profit before taxation	*9*	**763,783**	572,414
Income tax expenses	*10*	**(502,151)**	(346,030)
Profit for the period		**261,632**	226,384
Profit (loss) attributable to:			
Owners of the Company		**255,259**	228,122
Non-controlling interests		**6,373**	(1,738)
		261,632	226,384
Earnings per share	*12*		
– Basic		**HK$0.34**	HK$0.31
– Diluted		**HK$0.34**	HK$0.31

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**261,632**	226,384
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Exchange difference arising on translation to presentation currency	**130,594**	(20,552)
Total comprehensive income for the period	**392,226**	205,832
Total comprehensive income attributable to:		
Owners of the Company	**382,598**	203,495
Non-controlling interests	**9,628**	2,337
	392,226	205,832

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	NOTES	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**29,883**	56,983
Investment properties		**2,018,279**	2,210,338
Interests in joint ventures		**3,744,417**	4,021,241
Deferred tax assets		**33,565**	36,575
Loans to a joint venture		**305,063**	302,792
Long-term receivables		**47,442**	72,517
		6,178,649	6,700,446
Current assets			
Inventory of properties		**25,709,873**	23,175,850
Prepayment for land leases		**1,699,216**	902,580
Loan to a joint venture		**87,500**	86,849
Debtors, deposits and prepayments	*13*	**1,424,318**	806,961
Prepaid income tax		**448,508**	265,392
Other financial assets		**12,255**	–
Pledged bank deposits		**139,908**	168,828
Bank balances and cash		**6,267,512**	5,168,435
		35,789,090	30,574,895
Assets classified as held for sale		**500,000**	–
		36,289,090	30,574,895
Total assets		**42,467,739**	37,275,341

	NOTES	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**74,205**	74,193
Reserves		**11,872,326**	11,718,938
		11,946,531	11,793,131
Non-controlling interests		**582,911**	429,742
Total equity		**12,529,442**	12,222,873
Non-current liabilities			
Bank and other borrowings – due after one year		**6,356,065**	7,990,404
Loans from non-controlling interests of a subsidiary		**260,616**	97,882
Deferred tax liabilities		**761,645**	641,634
		7,378,326	8,729,920
Current liabilities			
Creditors and accrued charges	*14*	**4,582,586**	4,762,500
Deposits from disposal of assets classified as held for sale		**500,000**	–
Deposits from pre-sale of properties		**10,842,440**	6,543,789
Income tax payable		**1,084,624**	1,323,643
Bank and other borrowings – due within one year		**5,336,077**	3,369,967
Loans from non-controlling interests of a subsidiary		**214,244**	274,690
Other financial liabilities		**–**	47,959
		22,559,971	16,322,548
Total equity and liabilities		**42,467,739**	37,275,341

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 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 and other financial assets (liabilities), which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012 except as described below.

During the current interim period, an investment property of the Group was transferred to assets classified as held for sale. The Group has adopted the following accounting policy for such assets classified as held for sale:

Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for investment properties that are classified as held for sale and are measured at fair value at the end of the reporting period.

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle except for the amendments to HKAS 1
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below:

Impact of the application of HKFRS 10 "Consolidated Financial Statements"

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) – Int 12 "Consolidation – Special Purpose Entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee.

The adoption of HKFRS 10 does not change any of the control conclusions reached by the Group in respect of its involvement with the investees as at 1 January 2013.

Impact of the application of HKFRS 11 "Joint Arrangements"

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, HK(SIC) – Int 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

As a result of the adoption of HKFRS 11, the directors of the Company (the "Directors") reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11. The Directors concluded that the Group's investments in joint arrangements should be classified as joint ventures under HKFRS 11 and continue to be accounted for using the equity method and therefore the adoption of HKFRS 11 does not have any material impact on the financial position and the financial results of the Group.

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in these condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are specifically required for financial instruments in these condensed consolidated financial statements and are set out in note 3.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKAS 34 "Interim Financial Reporting" (as part of the "Annual Improvements to HKFRSs 2009 – 2011 Cycle")

The Group has applied the amendments to HKAS 34 "Interim Financial Reporting" as part of the "Annual Improvements to HKFRSs 2009 – 2011 Cycle" for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in these condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The amendments have been applied retrospectively, and since the chief operating decision maker reviews both assets and liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, the Group has included total assets and liabilities information of segment information.

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

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The following amendments and interpretation have been issued after the date the consolidated financial statements for the year ended 31 December 2012 were authorised for issuance and are not yet effective:

Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1] *Effective for annual periods beginning on or after 1 January 2014*

The Directors anticipate that the application of the above amendments and interpretation will have no material impact on the results and the financial position of the Group.

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets (liabilities) measured at fair value

The other financial assets comprising cross-currency interest rate swap contracts of HK$12,255,000 (31 December 2012: other financial liabilities of HK$47,959,000) are measured subsequent to initial recognition at fair value at the end of each reporting period, which are grouped into Level 2 fair value measurements. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The swap contracts require gross settlement.

During the six months ended 30 June 2013 and 2012, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Financial liabilities carried at other than fair value

The Directors consider that the carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost in the condensed consolidated financial statements approximate their fair values as at 31 December 2012 and 30 June 2013 except for the following financial liabilities, for which their carrying amounts and fair values (based on the quoted ask price) are disclosed below:

	30 June 2013 Carrying amount *HK$'000*	**30 June 2013 Fair value** *HK$'000*	31 December 2012 Carrying amount *HK$'000*	31 December 2012 Fair value *HK$'000*
2010 Guaranteed senior notes	**2,576,629**	**2,732,020**	2,571,714	2,790,563
2011 Guaranteed senior notes	**1,586,183**	**1,599,206**	1,604,230	1,625,000
2012 Guaranteed senior notes	**2,693,542**	**2,893,800**	2,690,101	2,968,875

4. REVENUE

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Revenue of the Group		
Sale of completed properties held for sale	**2,566,210**	2,263,725
Gross rental income from properties	**27,796**	16,251
Others	**60,404**	40,925
	2,654,410	2,320,901
Group's share of toll revenue of infrastructure joint ventures	**421,268**	407,433
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	**3,075,678**	2,728,334

5. SEGMENT INFORMATION

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

Toll road – development, operation and management of toll roads through the infrastructure joint ventures

Property development and investment – development of properties for sale and for rental income potential and/or capital appreciation

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

	Six months ended 30 June 2013			Six months ended 30 June 2012		
	Toll road	**Property development and investment**	**Total**	Toll road	Property development and investment	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	**–**	**2,654,410**	**2,654,410**	–	2,320,901	2,320,901
Segment profit	**23,986**	**206,435**	**230,421**	97,002	150,076	247,078

	At 30 June 2013			At 31 December 2012		
	Toll road	**Property development and investment**	**Total**	Toll road	Property development and investment	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets (including interests in joint ventures)	**4,243,070**	**33,701,511**	**37,944,581**	4,344,976	29,267,108	33,612,084
Segment liabilities	**(29,654)**	**(26,991,569)**	**(27,021,223)**	(31,248)	(22,167,646)	(22,198,894)

(a) Measurement

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

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

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

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

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

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Total segment profit	**230,421**	247,078
Unallocated items:		
Interest income	**155**	1,595
Corporate income	**67,287**	9,742
Corporate expenses	**(6,818)**	(5,880)
Finance costs	**(29,413)**	(26,151)
Consolidated profit for the period	**261,632**	226,384

	30 June	31 December
	2013	2012
	HK$'000	*HK$'000*
Total segment assets	**37,944,581**	33,612,084
Unallocated assets:		
Property, plant and equipment	**1,945**	2,364
Deposits and prepayments	**49,611**	41,631
Other financial assets	**12,255**	–
Bank balances and cash	**4,459,347**	3,619,262
Consolidated total assets	**42,467,739**	37,275,341
Total segment liabilities	**(27,021,223)**	(22,198,894)
Unallocated liabilities:		
Accrued charges	**(224,887)**	(190,938)
Bank and other borrowings	**(2,692,187)**	(2,614,677)
Other financial liabilities	**–**	(47,959)
Consolidated total liabilities	**(29,938,297)**	(25,052,468)

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Gains on disposal of property, plant and equipment	**443**	210
Loss on disposal of interests in joint ventures	**(54,599)**	–
Reversal of impairment losses on other receivables	**24,876**	–
Fair value gains on transfer of completed properties held for sale to investment properties	**120,087**	35,366
Change in fair value of investment properties	**10,170**	50,000
Change in fair value of other financial assets (liabilities)	**52,000**	(2,987)
Net exchange gains	**52,414**	36,826
	205,391	119,415

7. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	**239,689**	297,801
Less share of: Amortisation of toll road operation rights	**(88,374)**	(95,072)
Income tax expenses	**(47,966)**	(60,047)
	103,349	142,682
Share of profit of other joint venture	**5,559**	6,201
	108,908	148,883

8. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Interest on borrowings		
– wholly repayable within five years	**450,393**	361,971
– not wholly repayable within five years	**6,793**	–
Other finance costs	**29,933**	33,193
	487,119	395,164
Less: Capitalised in properties under development for sale	**(385,213)**	(312,914)
	101,906	82,250

9. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**5,932**	5,748
Less: Capitalised in properties under development for sale	**(711)**	(699)
	5,221	5,049
and after crediting:		
Bank interest income	**21,675**	14,520

10. INCOME TAX EXPENSES

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Current tax:		
PRC enterprise income tax ("EIT")	**200,797**	193,477
PRC land appreciation tax ("LAT")	**172,549**	89,669
PRC withholding tax	**20,342**	15,756
	393,688	298,902
Deferred tax:		
Current period	**108,463**	47,128
	502,151	346,030

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

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

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

11. DIVIDEND PAID

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
2012 final dividend paid of HK$0.30 (six months ended 30 June 2012: 2011 final dividend paid of HK$0.24) per share	**222,614**	178,064

An interim dividend in respect of 2013 of HK$0.18 (six months ended 30 June 2012: HK$0.16) per share amounting to a total of approximately HK$133 million (six months ended 30 June 2012: HK$119 million) has been declared by the Board on 15 August 2013. This interim dividend has not been included as a liability in these condensed consolidated financial statements as it was declared after the end of the reporting period.

The amount of the interim dividend has been calculated on the basis of 737,995,566 shares in issue as at 15 August 2013.

12. 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	
	2013	2012
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	**255,259**	228,122
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**741,891**	741,935
Effect of dilutive potential ordinary shares:		
Share options	**637**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**742,528**	741,935

The computation of diluted earnings per share for the six months ended 30 June 2012 did not assume the exercise of the Company's share options because the exercise prices of the share options were higher than the average market prices of the shares.

13. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
Aged analysis of trade debtors, presented based on invoice dates, which approximated the revenue recognition dates *(note)*:		
Within 60 days	**2,290**	3,362
60 to 90 days	**655**	15
More than 90 days	**8,889**	7,638
	11,834	11,015
Deferred consideration on disposal of interests in joint ventures	**181,875**	–
Refundable tender deposits for acquisition of land	**237,500**	24,814
Prepayment of business tax and other taxes	**543,326**	336,309
Other receivables, deposits and prepayments	**449,783**	434,823
	1,424,318	806,961

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

14. CREDITORS AND ACCRUED CHARGES

	30 June 2013 HK$'000	31 December 2012 HK$'000
Aged analysis of creditors, presented based on invoice dates:		
Trade payables		
Within 60 days	**106,777**	56,357
60 to 90 days	**16,894**	17,813
More than 90 days	**187,182**	189,250
	310,853	263,420
Bills payables		
Within 60 days	**2,500**	14,268
60 to 90 days	**–**	13,275
More than 90 days	**25,818**	27,357
	28,318	54,900
Accrued construction costs	**3,366,227**	3,565,433
	3,705,398	3,883,753
Interest payable	**185,051**	183,420
Accrued taxes (other than EIT and LAT)	**33,804**	87,851
Other payables and accrued charges	**658,333**	607,476
	4,582,586	4,762,500

15. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2013 amounted to HK$19,907,768,000 (31 December 2012: HK$20,952,793,000). The Group's net current assets at 30 June 2013 amounted to HK$13,729,119,000 (31 December 2012: HK$14,252,347,000).

DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.18 (2012: HK$0.16) per share for the six months ended 30 June 2013 to the shareholders of the Company whose names appear in the register of members of the Company on 3 September 2013, Tuesday.

It is expected that the payment of interim dividend will be made on or before 27 September 2013, Friday.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 2 September 2013, Monday to 3 September 2013, Tuesday, both dates inclusive, during which period no transfer of shares will be registered for the purpose of determining entitlement to the interim dividend.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 30 August 2013, Friday.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The profit attributable to the owners of the Company for the six months ended 30 June 2013 was HK$255 million (2012: HK$228 million), and earnings per share was HK$0.34 (2012: HK$0.31), representing an increase of approximately 10% as compared with the corresponding period of last year.

In the first half of 2013, there was a strong rigid demand for housing and the property market was still active as a whole despite the ongoing austerity measures. By continuing to adopt the strategy that balances high turnover rate and profitability, the Group achieved record sales, with contracted sales increased by 42% as compared with the corresponding period of last year.

The Group's toll road business continued to implement its strategy to optimise its investment portfolio and maintained a stable performance in the first half of the year.

Property Business

The Group's strategy that balances high turnover rate and profitability has delivered encouraging results. In the first half of 2013, property sales of the Group (including those of a joint venture project) were RMB7,435 million. These comprised contracted sales of RMB6,930 million, representing an increase of 42% as compared with the same period of last year, and subscribed sales of RMB505 million. As at 30 June 2013, the area of residential properties sold but yet to be delivered was 1,060,000 sqm. The contracted sales for the year are expected to be higher than last year.

In the first half of 2013, the revenue recognised by the Group of HK$2,654 million, which was mainly attributable to the delivery of properties, represented an increase of 14% as compared with HK$2,321 million for the corresponding period of last year. Segment profit of the property business increased by 37% over last corresponding period to HK$206 million.

Land Reserve

In the first half of 2013, the Group acquired five pieces of land for residential developments with a total saleable area of 884,000 sqm. The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 30 June, the total saleable area of the Group was more than 5,300,000 sqm.

At the end of July 2013, the Group acquired two pieces of adjoining land for residential developments in Dagang, Zhenjiang, Jiangsu Province with a total saleable area of 522,000 sqm for a consideration of RMB425 million.

Toll Road Business

Benefiting from the contribution from Longcheng Expressway following its opening, the average daily traffic volume and toll revenue of the Group's existing toll road portfolio reached 177,000 vehicles and RMB925 million respectively in the first half of 2013, representing an increase of 9% and 6% respectively as compared with the corresponding period of last year. However, the toll-free policy for major holidays and the traffic diversion measures implemented during the expansion works of Tangjin Expressway (Tianjin section), which is not part of the Group's project, together with the fact that Longcheng Expressway is still in the initial development stage, caused the share of results of the joint ventures to decline in the first half.

During the period, the Ministry of Transport, the National Development and Reform Commission and the Ministry of Finance continued the rectification campaign on toll roads across the nation. As the Group has obtained applicable approvals from competent authorities for all projects invested by the Group, it is expected that the rectification campaign will not have any material impact on the Group's investment projects.

In the first half of 2013, the Ministry of Transport issued the Administrative Regulations on Toll Roads (Amendment Draft for Comments), which contains a compensation policy in relation to the toll-free policy for major holidays. The compensation policy is favourable for the Group's toll road business.

Financial Review

Liquidity and Financial Resources

As at 30 June 2013, the equity attributable to the owners of the Company increased to HK$11,947 million (31 December 2012: HK$11,793 million). The increase was mainly attributable to the profit generated during the period. Net assets per share attributable to the owners of the Company increased to HK$16.1 (31 December 2012: HK$15.9).

As at 30 June 2013, the Group's total assets were HK$42,468 million (31 December 2012: HK$37,275 million) and bank balances and cash were HK$6,268 million (31 December 2012: HK$5,168 million), of which 98% was denominated in Renminbi and the remaining 2% was mainly denominated in US dollars or HK dollars.

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

During the period under review, the Group had drawn down several offshore bank loans in Hong Kong as well as project loans in the PRC amounting to HK$2,306 million equivalent in aggregate. These new borrowings were offset by the repayment of certain bank loans.

The gearing ratios of the Group are analysed as follows:

	30 June 2013	31 December 2012
Gross gearing ratio*	**98%**	96%
Net gearing ratio*	**44%**	51%

* *The gross gearing ratio represents interest bearing borrowings to the equity attributable to the owners of the Company, whereas the net gearing ratio represents the difference of Group's total interest bearing borrowings and the bank balances and cash (including pledged bank deposits) to the owners' equity of the Company.*

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

(a) RMB1,300 million 6.0% guaranteed senior notes due in 2014 (out of which, principal amount of RMB28 million of repurchased notes were cancelled in July 2013);

(b) US$350 million 9.5% guaranteed senior notes due in 2015 (outstanding principal amount was US$333.58 million as at 30 June 2013); and

(c) US$350 million 9.875% guaranteed senior notes due in 2017.

Interest coverage for the period under review was 9.9 times (2012: 9.9 times).

Charges on Assets

As at 30 June 2013, bank balances of HK$140 million (31 December 2012: HK$169 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects and short-term credit facilities granted to the Group. In addition, properties with carrying value of HK$2,718 million (31 December 2012: HK$2,639 million) were pledged as securities for certain loan facilities.

Exposure on Foreign Exchange Fluctuations and Interest Rates

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

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

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

Contingent Liabilities

As at 30 June 2013, the Group had provided guarantees of HK$4,367 million (31 December 2012: HK$4,214 million) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's properties. The guarantees would be released after the customers have pledged their property certificates as securities to the banks for the mortgage loans granted.

Employees

Excluding the staff of joint ventures, the Group had 1,965 employees as at 30 June 2013. Expenditure on staff (excluding Directors' emoluments and share based payments) for the period under review amounted to HK$223 million (2012: HK$202 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. During the reporting period, 17,400,000 share options were granted to and accepted by the Directors and employees under the Company's share option scheme adopted in May 2013.

Prospects

Looking forward into the second half of the year, the Group will continue to adopt the strategy of deeper exploitation of the existing markets and improve product quality by further enhancing product alignment and standardisation with a view to providing customers with the best quality products and increasing brand recognition. In the meantime, the Group would keep going with the strategy that balances high turnover rate and profitability and acquire land that is in line with its future development in the second half of the year.

The Group's entitlement in the cash distribution of the Baojin Expressway will increase from 30% to 40% in the third quarter as the joint venture partner is close to fully recoup its investments. Therefore the cash receipt from toll road business will improve in the second half. The Group is currently in discussion with respect to the acquisition of several expressway projects and is confident to conclude one of these acquisitions in the second half of 2013. The toll road business will continue to generate stable cash flow for the Group.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

(I) Repurchase of Shares

During the period, the Company repurchased a total of 2,588,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK$17,945,500. Details of the repurchases are as follows:

Month of repurchases	Total number of shares repurchased	Price per share Highest	Lowest	Aggregate consideration
		HK$	*HK$*	*HK$*
June 2013	2,588,000	7.25	6.77	17,945,500

All the above mentioned shares repurchased were cancelled in July 2013.

(II) Repurchase of Notes

In addition, the Group repurchased certain amount of RMB1,300 million 6% guaranteed senior notes due 2014 during the period. Details of the repurchases are as follows:

Month of repurchases	Total principal amount of notes repurchased *RMB*	Method of repurchases
June 2013	27,000,000	Over the counter

All the above mentioned notes repurchased were cancelled in July 2013.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Group's listed securities during the six months ended 30 June 2013.

Subsequent to the reporting period and up to the date of this report, the Company also repurchased a total of 1,463,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK$10,726,480. The Group also repurchased certain amount of RMB1,300 million 6% guaranteed senior notes due 2014. Details of the repurchases are as follows:

(I) Repurchase of Shares

Period of repurchases	Total number of shares repurchased	Price per share Highest *HK$*	Lowest *HK$*	Aggregate consideration *HK$*
From 2 July 2013 to 12 July 2013	1,463,000	7.56	7.08	10,726,480

All the above mentioned shares repurchased were cancelled in July 2013.

(II) Repurchase of Notes

Month of repurchases	Total principal amount of notes repurchased *RMB*	Method of repurchases
July 2013	1,000,000	Over the counter

All the above mentioned notes repurchased were cancelled in July 2013.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2013, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code as stated in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2013.

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 (www.hkexnews.hk). The interim report containing all 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.

ACKNOWLEDGEMENT

On behalf of the Board, we would like to express our sincere gratitude to our business partners, customers and shareholders for their enduring support, and thank all employees for their dedication and hard work.

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

Hong Kong, 15 August 2013

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, Zen Wei Peu, Derek and Xu Ruxin as Executive Directors, Messrs. Lu Hua and Lam Wai Hon, Patrick as Non-executive Directors and Mr. Lau Sai Yung, Dr. Chow Ming Kuen, Joseph, Ms. Nie Meisheng and Mr. Tse Chee On, Raymond as Independent Non-executive Directors.