ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

HIGHLIGHTS

	Six months ended 30 June	
	2014	2013
	HK$	*HK$*
Revenue	**3,722 million**	2,654 million
Profit before exchange differences (included the related fair value adjustment)	**317 million**	151 million
Profit attributable to owners of the Company	**198 million**	255 million
Basic earnings per share	**0.27**	0.34
Interim dividend per share	**0.13**	0.18

	30 June 2014	31 December 2013
	HK$	*HK$*
Net assets per share attributable to owners of the Company	**17.29**	17.24

RESULTS

The Board of Directors (the "Board") of Road King Infrastructure Limited (the "Company") announces 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 2014, together with the comparative figures for the corresponding period in 2013, and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2014 together with audited comparative figures as at 31 December 2013, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	NOTES	***HK$'000***	*HK$'000*
Revenue	*4*	**3,721,848**	2,654,410
Cost of sales		**(2,732,924)**	(1,725,547)
Gross profit		**988,924**	928,863
Interest income		**24,565**	33,099
Other income		**46,201**	13,111
Other gains and losses	*6*	**(42,725)**	205,391
Selling expenses		**(126,467)**	(167,795)
Operating expenses		**(226,252)**	(255,888)
Share of results of joint ventures	*7*	**121,768**	108,908
Finance costs	*8*	**(93,852)**	(101,906)
Profit before taxation	*9*	**692,162**	763,783
Income tax expenses	*10*	**(484,661)**	(502,151)
Profit for the period		**207,501**	261,632
Profit attributable to:			
Owners of the Company		**198,058**	255,259
Non-controlling interests		**9,443**	6,373
		207,501	261,632
Earnings per share	*12*		
— Basic		**HK$0.27**	HK$0.34
— Diluted		**HK$0.27**	HK$0.34

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2014

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**207,501**	261,632
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Exchange difference arising on translation to presentation currency	**115,655**	130,594
Total comprehensive income for the period	**323,156**	392,226
Total comprehensive income attributable to:		
Owners of the Company	**320,728**	382,598
Non-controlling interests	**2,428**	9,628
	323,156	392,226

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2014

	NOTES	**30 June 2014 (Unaudited) HK$'000**	31 December 2013 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**40,413**	43,993
Investment properties		**2,154,795**	2,173,729
Interests in joint ventures		**3,853,862**	3,567,466
Deferred tax assets		**63,442**	31,474
Loans to joint ventures		**231,867**	308,924
		6,344,379	6,125,586
Current assets			
Inventory of properties		**29,544,301**	26,382,519
Prepayment for land leases		**1,962,010**	1,925,815
Loans to joint ventures		**138,697**	88,608
Debtors, deposits and prepayments	*13*	**1,331,319**	1,609,859
Other receivables		**33,925**	34,221
Prepaid income tax		**531,892**	387,764
Other financial assets		**–**	46,785
Pledged bank deposits		**189,675**	151,091
Bank balances and cash		**4,217,347**	6,677,215
		37,949,166	37,303,877
Total assets		**44,293,545**	43,429,463

	NOTES	30 June 2014 (Unaudited) HK$'000	31 December 2013 (Audited) HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**73,398**	73,518
Reserves		**12,617,351**	12,598,251
		12,690,749	12,671,769
Non-controlling interests		**819,224**	691,483
Total equity		**13,509,973**	13,363,252
Non-current liabilities			
Bank and other borrowings — due after one year		**9,224,115**	7,516,859
Loans from non-controlling interests of subsidiaries		**244,267**	410,791
Deferred tax liabilities		**594,209**	583,292
		10,062,591	8,510,942
Current liabilities			
Creditors and accrued charges	*14*	**5,086,473**	5,551,299
Deposits from pre-sale of properties		**9,452,282**	8,208,965
Income tax payable		**595,012**	1,630,564
Bank and other borrowings — due within one year		**5,069,126**	5,896,689
Loans from non-controlling interests of subsidiaries		**454,997**	267,752
Other financial liabilities		**63,091**	–
		20,720,981	21,555,269
Total equity and liabilities		**44,293,545**	43,429,463

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 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 certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

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 HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Contribution of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The application of these 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 2013 were authorised for issuance and are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]

[1] Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

[3] Effective for annual periods beginning on or after 1 January 2017

[4] Effective for annual periods beginning on or after 1 July 2014

[5] Effective for annual periods beginning on or after 1 January 2016

[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The Directors are in the process of assessing the impact of the amendments to HKAS 38 on the amortisation of toll roads operating rights held by the infrastructure joint ventures of the Group. Other than the above, the Directors anticipate that the application of the other amendments and interpretation will have no material impact on the results and financial position of the Group.

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial liabilities/assets measured at fair value

The other financial liabilities comprising cross-currency interest rate swap contracts of HK$63,091,000 (31 December 2013: other financial assets of HK$46,785,000) 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 2014 and 2013, 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 2013 and 30 June 2014 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 2014		31 December 2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
2010 Guaranteed senior notes	**1,261,375**	**1,330,151**	1,255,896	1,344,505
2011 Guaranteed senior notes	**–**	**–**	1,608,834	1,619,787
2012 Guaranteed senior notes	**2,684,453**	**2,962,050**	2,674,364	3,047,363
2013 Guaranteed senior notes	**2,734,295**	**2,760,476**	2,757,676	2,798,734

4. REVENUE

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Revenue of the Group		
Sale of completed properties held for sale	**3,619,088**	2,566,210
Gross rental income from properties	**29,376**	27,796
Others	**73,384**	60,404
	3,721,848	2,654,410
Group's share of toll revenue of infrastructure joint ventures	**461,611**	421,268
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	**4,183,459**	3,075,678

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 2014			Six months ended 30 June 2013		
	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	**–**	**3,721,848**	**3,721,848**	–	2,654,410	2,654,410
Segment profit	**84,724**	**207,357**	**292,081**	23,986	206,435	230,421

	At 30 June 2014			At 31 December 2013		
	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)	**4,270,531**	**36,989,956**	**41,260,487**	4,363,342	34,043,399	38,406,741
Segment liabilities	**(27,343)**	**(29,059,598)**	**(29,086,941)**	(36,584)	(26,847,917)	(26,884,501)

(a) Measurement

Segment profit represents profit earned by each segment, which includes share of results of joint ventures, losses 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's 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, inventory of properties, prepayment for land leases, loans to joint ventures, debtors, deposits and prepayments, other receivables, prepaid income tax, pledged bank deposits, bank balances and cash and deferred tax assets which are directly attributable to the relevant reportable segment.

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

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

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Total segment profit	**292,081**	230,421
Unallocated items:		
Interest income	**414**	155
Corporate income	**–**	67,287
Corporate expenses	**(66,568)**	(6,818)
Finance costs	**(18,426)**	(29,413)
Consolidated profit for the period	**207,501**	261,632

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
Total segment assets	**41,260,487**	38,406,741
Unallocated assets:		
Property, plant and equipment	**1,220**	1,540
Deposits and prepayments	**3,951**	42,091
Other financial assets	**–**	46,785
Bank balances and cash	**3,027,887**	4,932,306
Consolidated total assets	**44,293,545**	43,429,463
Total segment liabilities	**(29,086,941)**	(26,884,501)
Unallocated liabilities:		
Accrued charges	**(135,862)**	(179,684)
Bank and other borrowings	**(1,497,678)**	(3,002,026)
Other financial liabilities	**(63,091)**	–
Consolidated total liabilities	**(30,783,572)**	(30,066,211)

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Gains on disposal of property, plant and equipment	**216**	443
Losses 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
Change in fair value of investment properties	**76,543**	10,170
Change in fair value of other financial liabilities/assets	**(50,000)**	52,000
Net exchange (losses) gains	**(69,484)**	52,414
	(42,725)	205,391

7. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	**256,965**	239,689
Less share of: Amortisation of toll road operation rights	**(86,125)**	(88,374)
Income tax expenses	**(63,337)**	(47,966)
	107,503	103,349
Share of profits of other joint ventures	**14,265**	5,559
	121,768	108,908

8. FINANCE COSTS

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Interest on borrowings		
— wholly repayable within five years	**507,323**	450,393
— not wholly repayable within five years	**13,834**	6,793
Other finance costs	**58,569**	38,327
	579,726	495,513
Less: Capitalised in properties under development for sale	**(485,874)**	(393,607)
	93,852	101,906

9. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**7,216**	5,932
Less: Capitalised in properties under development for sale	**(791)**	(711)
	6,425	5,221
and after crediting:		
Bank interest income	**13,626**	21,675

10. INCOME TAX EXPENSES

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Current tax:		
PRC enterprise income tax ("EIT")	**294,797**	200,797
PRC land appreciation tax ("LAT")	**170,468**	172,549
PRC withholding tax	**35,052**	20,342
	500,317	393,688
Deferred tax:		
Current period	**(15,656)**	108,463
	484,661	502,151

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	
	2014	2013
	HK$'000	*HK$'000*
2013 final dividend paid of HK$0.40 (six months ended 30 June 2013: 2012 final dividend paid of HK$0.30) per share	**293,590**	222,614

An interim dividend in respect of 2014 of HK$0.13 (six months ended 30 June 2013: HK$0.18) per share amounting to a total of approximately HK$95 million (six months ended 30 June 2013: HK$133 million) was declared by the Board on 15 August 2014. This interim dividend has not been included as a liability in these condensed consolidated financial statements as it was declared after the end of the reporting period.

The amount of the interim dividend was calculated on the basis of 732,476,566 shares in issue as at 15 August 2014.

12. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	**198,058**	255,259
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**733,862**	741,891
Effect of dilutive potential ordinary shares: Share options	**450**	637
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**734,312**	742,528

13. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2014 *HK$'000*	31 December 2013 *HK$'000*
Aged analysis of trade debtors, presented based on invoice dates *(note)*:		
Within 60 days	**5,267**	3,982
60 to 90 days	**159**	49
More than 90 days	**12,787**	3,368
	18,213	7,399
Deferred consideration on disposal of interests in joint ventures	**180,052**	181,875
Refundable tender deposits for acquisition of land and toll road project	**275,689**	540,798
Prepayment of business tax and other taxes	**477,198**	371,421
Other receivables, deposits and prepayments	**380,167**	508,366
	1,331,319	1,609,859

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

14. CREDITORS AND ACCRUED CHARGES

	30 June 2014 *HK$'000*	31 December 2013 *HK$'000*
Aged analysis of creditors presented based on invoice dates:		
Trade payables		
Within 60 days	**126,565**	186,187
60 to 90 days	**49,445**	17,755
More than 90 days	**371,516**	269,908
	547,526	473,850
Bills payables		
Within 60 days	**11,905**	8,861
More than 90 days	**67,669**	11,392
	79,574	20,253
Accrued construction costs	**3,519,066**	4,082,009
	4,146,166	4,576,112
Interest payable	**133,461**	161,974
Accrued taxes (other than EIT and LAT)	**34,191**	47,021
Other payables and accrued charges	**772,655**	766,192
	5,086,473	5,551,299

15. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2014 amounted to HK$23,572,564,000 (31 December 2013: HK$21,874,194,000). The Group's net current assets at 30 June 2014 amounted to HK$17,228,185,000 (31 December 2013: HK$15,748,608,000).

DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.13 (2013: HK$0.18) per share for the six months ended 30 June 2014 to the shareholders of the Company whose names appear in the register of members of the Company on Wednesday, 3 September 2014.

It is expected that the payment of the interim dividend will be made on or before Tuesday, 30 September 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 September 2014 to Wednesday, 3 September 2014, both dates inclusive, during which period no transfer of shares will be registered for the purpose of determining the entitlement to the interim dividend.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 1 September 2014 for registration.

BUSINESS REVIEW

The profit attributable to the owners of the Company for the six months ended 30 June 2014 was HK$198 million (2013: HK$255 million), and earnings per share was HK$0.27 (2013: HK$0.34). The profit recorded lower than that in the interim period of 2013 was mainly attributable to the incurrence of exchange loss (included the related fair value adjustment on certain financial instruments) of HK$119 million reflecting the depreciation of Renminbi during the period. Without taking into account the impact on the valuation of Renminbi, the operating profit of the Company before exchange and related differences for the first half of the year has been risen from HK$151 million of the corresponding period of 2013 to HK$317 million.

Affected by the tightened monetary policies and continued austerity measures in the first half of 2014, customers took a "wait-and-see" attitude towards property purchases. The transactions of the market recorded a decrease as compared to the corresponding period in 2013. During the period, via following the predetermined plans, as well as the collective efforts of the team, the Group achieved contracted sales of RMB4,133 million and subscribed sales of RMB666 million, while the selling price per sqm remained stable as compared with last year. During the same period, the Group recorded a revenue of HK$3,722 million by delivering 306,000 sqm of properties, which represented a 40% increase over the corresponding period of last year.

In the first half of 2014, the Group acquired three pieces of land in Jiangsu Province for residential developments with a total gross development area of 452,000 sqm. As at 30 June 2014, the Group's land reserve was over 5,700,000 sqm. These comprised the area of residential properties sold but yet to be delivered amounting to 878,000 sqm.

The average daily traffic volume and toll revenue of the Group's existing toll road portfolio reached 198,000 vehicles and RMB923 million respectively in the first half of 2014. An increase of 13% for average daily traffic volume has been recorded while the toll revenue has remained stable as compared with the corresponding period of last year. During the period, Tangjin and Changyi Expressway have a moderate increase in toll revenue and the Group's profit sharing ratio in Baojin Expressway increased from 30% to 40%. Overall speaking, there was an increase of the entire toll road in share of results of infrastructure joint ventures in the first half compared with the corresponding period of last year.

The relevant documentations and approvals for the acquisition of 49% equity interests in Machao Expressway in Anhui Province were completed in the first half of the year. Machao Expressway has started its contribution to the Group's revenue since June 2014.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2014, the equity attributable to the owners of the Company was HK$12,691 million (31 December 2013: HK$12,672 million). Net assets per share attributable to the owners of the Company was HK$17.29 (31 December 2013: HK$17.24).

As at 30 June 2014, the Group's total assets were HK$44,293 million (31 December 2013: HK$43,429 million) and bank balances and cash were HK$4,217 million (31 December 2013: HK$6,677 million), of which 84% was denominated in Renminbi and the remaining 16% 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 obtained several offshore bank loans in Hong Kong as well as property development loans in the PRC amounting to HK$3,956 million equivalent in aggregate. These new borrowings were partly offset by the repayment of certain bank loans and the redemption of RMB1,300 million 6% guaranteed senior notes.

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

(a) US$350 million (outstanding principal amount of US$163.58 million as at 30 June 2014) 9.5% guaranteed senior notes due in 2015;

(b) RMB2,200 million 6% guaranteed senior notes due in 2016; and

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

At 30 June 2014, gross gearing ratio was 113%. Gross gearing ratio represents interest bearing borrowings (but excluding loans from non-controlling interests of subsidiaries) to the equity attributable to the owners of the Company.

Interest coverage for the period under review was 10.04 times (2013: 9.88 times).

Charges on Assets

As at 30 June 2014, bank balances of HK$190 million (31 December 2013: HK$151 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects in the mainland China and short-term credit facilities granted to the Group. In addition to these charged bank deposits, properties with carrying value of HK$3,631 million (31 December 2013: HK$3,400 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. Although the monetary policies implemented by the PRC and the US governments continue to have a major impact on the Group's results and operations, 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 as and when necessary and appropriate.

Contingent Liabilities

As at 30 June 2014, the Group had provided guarantees of HK$4,607 million (31 December 2013: HK$5,328 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 2,256 employees as at 30 June 2014. Expenditure on staff (excluding Directors' emoluments and share-based payment) for the period under review amounted to HK$247 million (2013: HK$223 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 schemes. During the period under review, no share option was granted.

PROSPECTS

The property industry in the mainland China is a livelihood business as well as a long-lived industry. Short-term adjustments in the market are beneficial to the long-term development of the sector. Although the property market is now in a relatively uncertain environment, the Group remains to have strong confident about its prospects. With the gradual relaxation in policies and release of purchasing power, the sales environment of the mainland property market is expected to improve in the second half of the year. The Group's property business will make timely adjustments to its plans in the second half of the year according to the changes in the market environment for its continuously healthy development.

In response to the demand of economic development in the mainland China, some of the local governments are now reconsidering to bid for foreign investments proactively in toll roads industry. In the second half of the year, in addition to our continued efforts in the disposal of highways and the optimisation of expressway management, the Group will also keep exploring the opportunities to acquire expressways, with a view to further expanding its expressway portfolio.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

(I) Repurchase of Shares

During the period, the Company repurchased a total of 1,292,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK$9,007,010. Details of the repurchases are as follows:

Month of repurchases	Total number of shares repurchased	Price per share Highest	Price per share Lowest	Aggregate consideration
		HK$	*HK$*	*HK$*
March	17,000	7.11	7.11	120,870
June	1,275,000*(note)*	7.05	6.86	8,886,140
	1,292,000			9,007,010

Up to the date of the Interim Report of the Company, all of the abovementioned shares repurchased were cancelled.

Note: cancelled in August 2014.

(II) Redemption of Notes

During the period, RKI Finance (2011) Limited, a wholly-owned subsidiary of the Company, redeemed all the outstanding principal amount of RMB1,272 million of RMB1,300 million 6% guaranteed senior notes due 2014 in February 2014 at the redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest.

Subsequent to the completion of the redemption, the notes were cancelled and delisted from the official list of the Singapore Exchange Securities Trading Limited.

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 2014.

Subsequent to the reporting period and up to the date of the Interim Report of the Company, the Company also repurchased a total of 224,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK$1,590,250. Details of the repurchases are as follows:

Period of repurchases	Total number of shares repurchased	Price per share Highest	Price per share Lowest	Aggregate consideration
		HK$	*HK$*	*HK$*
From 2 July to 7 July	224,000*(note)*	7.23	7.00	1,590,250

Note: cancelled in August 2014.

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2014, 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 contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2014.

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 staff 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 2014

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, Lam Wai Hon, Patrick and Gao Shengyuan as Non-executive Directors and Mr. Lau Sai Yung, Dr. Chow Ming Kuen, Joseph, Ms. Nie Meisheng, Mr. Tse Chee On, Raymond and Mr. Wong Wai Ho as Independent Non-executive Directors.