ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

	Six months ended 30 June	
	2015	2014
	HK$	*HK$*
Property sales (including joint venture projects)	**7,088 million**	6,014 million
Revenue	**4,390 million**	3,722 million
Profit for the period	**248 million**	208 million
Earnings per share	**0.31**	0.27
Interim dividend per share	**0.13**	0.13

	30 June 2015	31 December 2014
	HK$	*HK$*
Total assets	**43,593 million**	42,484 million
Bank balances and cash (excluded pledged bank deposits)	**4,231 million**	3,724 million
Net assets per share attributable to owners of the Company	**17.76**	18.10

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 2015, together with the comparative figures for the corresponding period in 2014, and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2015 together with audited comparative figures as at 31 December 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	NOTES	***HK$'000***	*HK$'000*
Revenue	*3*	**4,389,664**	3,721,848
Cost of sales		**(3,396,796)**	(2,732,924)
Gross profit		**992,868**	988,924
Interest income		**44,037**	24,565
Other income		**8,723**	46,201
Other gains and losses	*5*	**42,101**	(42,725)
Selling expenses		**(189,152)**	(126,467)
Operating expenses		**(243,596)**	(226,252)
Share of results of joint ventures	*6*	**114,372**	121,768
Finance costs	*7*	**(95,965)**	(93,852)
Profit before taxation	*8*	**673,388**	692,162
Income tax expenses	*9*	**(425,872)**	(484,661)
Profit for the period		**247,516**	207,501
Profit attributable to:			
Owners of the Company		**228,058**	198,058
Non-controlling interests		**19,458**	9,443
		247,516	207,501
Earnings per share	*11*		
– Basic		**HK$0.31**	HK$0.27
– Diluted		**HK$0.31**	HK$0.27

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**247,516**	207,501
Other comprehensive (expense) income		
Item that will not be reclassified to profit or loss:		
Exchange difference arising on translation to presentation currency	**(40,427)**	115,655
Total comprehensive income for the period	**207,089**	323,156
Total comprehensive income attributable to:		
Owners of the Company	**193,341**	320,728
Non-controlling interests	**13,748**	2,428
	207,089	323,156

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	NOTES	30 June 2015 (Unaudited) HK$'000	31 December 2014 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**39,523**	41,214
Investment properties		**2,190,585**	2,243,909
Interests in joint ventures		**4,749,029**	4,372,557
Deferred tax assets		**68,176**	49,193
Loans to joint ventures		**506,643**	470,525
		7,553,956	7,177,398
Current assets			
Inventory of properties		**28,372,858**	28,446,105
Prepayment for land leases		**704,463**	886,299
Loans to joint ventures		**174,660**	167,614
Debtors, deposits and prepayments	*12*	**1,854,376**	1,395,396
Prepaid income tax		**509,856**	364,450
Pledged bank deposits		**191,390**	322,335
Bank balances and cash		**4,231,278**	3,724,192
		36,038,881	35,306,391
Total assets		**43,592,837**	42,483,789

	NOTES	30 June 2015 (Unaudited) HK$'000	31 December 2014 (Audited) HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**73,994**	72,970
Reserves		**13,065,531**	13,134,921
		13,139,525	13,207,891
Non-controlling interests		**858,409**	844,661
Total equity		**13,997,934**	14,052,552
Non-current liabilities			
Bank and other borrowings – due after one year		**9,206,537**	9,600,290
Loans from non-controlling interests of subsidiaries		**329,416**	167,457
Deferred tax liabilities		**617,211**	634,853
		10,153,164	10,402,600
Current liabilities			
Creditors and accrued charges	*13*	**5,291,088**	6,104,137
Deposits from pre-sale of properties		**7,031,974**	5,606,260
Income tax payable		**655,359**	872,346
Bank and other borrowings – due within one year		**5,959,056**	4,788,420
Loans from non-controlling interests of subsidiaries		**373,371**	540,681
Other financial liabilities		**130,891**	116,793
		19,441,739	18,028,637
Total equity and liabilities		**43,592,837**	42,483,789

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 2014, except for the adoption of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of these amendments to 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 those new and revised HKFRSs (including the below) that have been issued but are not yet effective.

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The directors of the Company (the "Directors") anticipate that the application of HKFRS 15 in the future may affect the related disclosures.

Amendments to HKAS 16 and HKAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or

b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. The Directors are in the process of assessing the impact of the amendments to HKAS 38 on the amortisation of toll road operating rights held by the infrastructure joint ventures of the Group.

Other than the above, the Directors anticipate that the application of the new and revised standards and amendments will have no material impact on the results and the financial position of the Group.

3. REVENUE

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Revenue of the Group		
Sale of completed properties held for sale	**4,252,573**	3,619,088
Gross rental income from properties	**33,664**	29,376
Property management income	**103,427**	73,384
	4,389,664	3,721,848
Group's share of toll revenue of infrastructure joint ventures	**519,167**	461,611
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	**4,908,831**	4,183,459

4. SEGMENT INFORMATION

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

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, assets and liabilities by operating segments for the periods under review:

	Six months ended 30 June 2015			Six months ended 30 June 2014		
	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	**–**	**4,389,664**	**4,389,664**	–	3,721,848	3,721,848
Segment profit	**85,880**	**188,090**	**273,970**	84,724	207,357	292,081

	At 30 June 2015			At 31 December 2014		
	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)	**4,417,894**	**36,020,421**	**40,438,315**	4,545,707	35,310,519	39,856,226
Segment liabilities	**(47,094)**	**(28,051,831)**	**(28,098,925)**	(93,397)	(26,846,478)	(26,939,875)

(a) Measurement

Segment profit represents profit earned by each segment, which includes share of results of joint ventures, fair value gains on transfer of completed properties held for sale to investment properties, change in fair value of investment properties, 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 headquarters' 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, 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	
	2015	2014
	HK$'000	*HK$'000*
Total segment profit	**273,970**	292,081
Unallocated items:		
Interest income	**261**	414
Corporate expenses	**(13,077)**	(66,568)
Finance costs	**(12,265)**	(18,426)
Share of losses of joint ventures	**(1,373)**	–
Consolidated profit for the period	**247,516**	207,501

	30 June	31 December
	2015	2014
	HK$'000	*HK$'000*
Total segment assets	**40,438,315**	39,856,226
Unallocated assets:		
Property, plant and equipment	**608**	965
Interest in joint ventures	**8,736**	10,183
Deposits and prepayments	**42,819**	5,023
Bank balances and cash	**3,102,359**	2,611,392
Consolidated total assets	**43,592,837**	42,483,789
Total segment liabilities	**(28,098,925)**	(26,939,875)
Unallocated liabilities:		
Accrued charges	**(100,946)**	(102,338)
Bank and other borrowings	**(1,264,141)**	(1,272,231)
Other financial liabilities	**(130,891)**	(116,793)
Consolidated total liabilities	**(29,594,903)**	(28,431,237)

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Gains on disposal of property, plant and equipment	**115**	216
Fair value gains on transfer of completed properties held for sale to investment properties	**44,192**	–
Change in fair value of investment properties	**24,624**	76,543
Change in fair value of other financial liabilities	**–**	(50,000)
Net exchange losses	**(26,830)**	(69,484)
	42,101	(42,725)

6. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	**274,100**	256,965
Less share of: Amortisation of toll road operation rights	**(88,169)**	(86,125)
Income tax expenses	**(68,414)**	(63,337)
	117,517	107,503
Share of (losses) profits of other joint ventures	**(3,145)**	14,265
	114,372	121,768

7. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Interest on borrowings		
– wholly repayable within five years	**568,553**	507,323
– not wholly repayable within five years	**12,142**	13,834
Other finance costs	**43,395**	58,569
	624,090	579,726
Less: Capitalised in properties under development for sale	**(528,125)**	(485,874)
	95,965	93,852

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**7,351**	7,216
Less: Capitalised in properties under development for sale	**(743)**	(791)
	6,608	6,425
and after crediting:		
Bank interest income	**15,613**	13,626

9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Current tax:		
PRC enterprise income tax ("EIT")	**273,374**	294,797
PRC land appreciation tax ("LAT")	**105,867**	170,468
PRC withholding tax	**78,955**	35,052
	458,196	500,317
Deferred tax:		
Current period	**(32,324)**	(15,656)
	425,872	484,661

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.

10. DIVIDEND PAID

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
2014 final dividend paid of HK$0.45 (six months ended 30 June 2014: 2013 final dividend paid of HK$0.40) per share	**332,971**	293,590

An interim dividend in respect of 2015 of HK$0.13 (six months ended 30 June 2014: HK$0.13) per share amounting to a total of approximately HK$96 million (six months ended 30 June 2014: HK$95 million) was declared by the Board on 20 August 2015. 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 739,936,566 shares in issue as at 20 August 2015.

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	**228,058**	198,058
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**733,422**	733,862
Effect of dilutive potential ordinary shares: Share options	**317**	450
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**733,739**	734,312

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2015 *HK$'000*	31 December 2014 *HK$'000*
Aging analysis of trade debtors, presented based on invoice dates *(note)*:		
Within 60 days	**13,429**	6,083
60 to 90 days	**462**	783
More than 90 days	**19,781**	8,944
	33,672	15,810
Deferred consideration on disposal of interests in joint ventures	**180,959**	180,959
Refundable deposits/prepayment for acquisition of property projects	**854,232**	467,335
Prepayment of business tax and other taxes	**305,189**	304,450
Other receivables, deposits and prepayments	**480,324**	426,842
	1,854,376	1,395,396

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.

13. CREDITORS AND ACCRUED CHARGES

	30 June 2015 *HK$'000*	31 December 2014 *HK$'000*
Aging analysis of creditors presented based on invoice dates:		
Trade payables		
Within 60 days	**231,328**	138,268
60 to 90 days	**77,061**	14,155
More than 90 days	**388,718**	359,371
	697,107	511,794
Bills payables		
Within 60 days	**15,113**	67,099
60 to 90 days	**19,018**	29,442
More than 90 days	**143,207**	98,440
	177,338	194,981
Accrued construction costs	**3,470,406**	4,254,405
	4,344,851	4,961,180
Interest payable	**94,330**	99,034
Accrued taxes (other than EIT and LAT)	**21,412**	72,209
Other payables and accrued charges	**830,495**	971,714
	5,291,088	6,104,137

14. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2015 amounted to HK$24,151,098,000 (31 December 2014: HK$24,455,152,000). The Group's net current assets at 30 June 2015 amounted to HK$16,597,142,000 (31 December 2014: HK$17,277,754,000).

DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.13 (2014: HK$0.13) per share for the six months ended 30 June 2015 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 9 September 2015.

It is expected that the payment of the interim dividend will be made on or before Wednesday, 30 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 8 September 2015 to Wednesday, 9 September 2015, 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, 7 September 2015 for registration.

BUSINESS REVIEW

The profit attributable to the owners of the Company for the six months ended 30 June 2015 was HK$228 million (2014: HK$198 million), and earnings per share was HK$0.31 (2014: HK$0.27), which represented a 15% increase over the corresponding period of last year.

Property sales (including joint venture projects) amounted to RMB5,628 million, representing a 17% increase over the corresponding period of last year, of which, the contracted sales and outstanding subscribed sales were approximately RMB5,108 million and RMB520 million, respectively.

In the first half of 2015, the Group acquired two pieces of land in Luoyang and Langfang through listing-for-sale and subscription for trust units of an investment fund respectively for residential developments with an aggregate floor area of 777,000 sqm. As at 30 June 2015, the Group's land reserve was over 5,800,000 sqm, which comprised the area of properties sold but yet to be delivered amounting to 820,000 sqm.

Toll revenue of the existing toll road portfolio reached RMB1,035 million in the first half of the year, represented an increase of 13% as compared with the corresponding period of last year. The average daily traffic volume reached 205,000 vehicles. The increment was partly contributed by the substantial performance improvement of Machao Expressway since the commencement of its operations in late 2013.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2015, the equity attributable to the owners of the Company was HK$13,140 million (31 December 2014: HK$13,208 million). Net assets per share attributable to the owners of the Company was HK$17.76 (31 December 2014: HK$18.10).

As at 30 June 2015, the Group's total assets were HK$43,593 million (31 December 2014: HK$42,484 million) and bank balances and cash were HK$4,231 million (31 December 2014: HK$3,724 million), of which 94% was denominated in Renminbi and the remaining 6% 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, the Group obtained several property development loans in the PRC amounting to HK$1,927 million equivalent in aggregate. Those new borrowings were partly offset by the repayment of certain bank loans.

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

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

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

At 30 June 2015, the gross gearing ratio and the net gearing ratio of the Group were 108% and 77% respectively. Gross gearing ratio represents total interest bearing borrowings (but excluding loans from non-controlling interests of subsidiaries) to the total equity, whereas net gearing ratio represents the difference of the Group's total interest bearing borrowings (but excluding loans from non-controlling interests of subsidiaries) and the bank balances and cash (including pledged bank deposits) to the total equity.

Interest coverage for the period under review was 9.72 times (2014: 10.04 times).

Charges on Assets

As at 30 June 2015, bank balances of HK$191 million (31 December 2014: HK$322 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$5,135 million (31 December 2014: HK$4,021 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 are denominated principally in Renminbi. As a result, the Group is exposed to foreign currency risk on the fluctuation of Renminbi and US dollars. On 11 August 2015, the People's Bank of China announced a one-off depreciation of Renminbi of nearly 2% against the US dollars as part of the foreign exchange fixing reform. This Renminbi devaluation will have impacts to the 2015 results of the Group, and the volatility of the value of Renminbi will be higher as compared to previous periods.

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 2015, the Group had provided guarantees of HK$4,886 million (31 December 2014: HK$5,476 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 2,649 employees as at 30 June 2015. Expenditure on staff (excluding Directors' emoluments and share-based payment) for the period under review amounted to HK$263 million (2014: HK$247 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 Group believes that the property industry in the mainland China is a commodity business as well as a long-lived industry. After experiencing the market adjustment for a period of time, the property industry has become more regulated, developed and rational, and thus benefiting its long-term development. With the continuous economic development of China, rising income per capita and increasing demand from customers in improving their living environment, the prospects of the property industry in the mainland China remain positive in the long run. The Group expects that the real estate market environment shall remain prudently optimistic in the second half of 2015.

With years of implementation and efforts, the Group will continue to adopt the strategy that maintains deeper exploitation, balances between profitability and sales volume, continuously optimises its product quality, and reinforces its position in the property industry in mainland China. At the same time, the Group will also actively seek suitable cooperation opportunity, effectively control the costs to increase its operating profit.

The toll road business keeps on providing steady cash flows. The Group will continue to solicit appropriate expressway projects, with a view to expanding its expressway portfolio further.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Group's listed securities during the six months ended 30 June 2015.

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 2015, 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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2015 except for Rule 3.10A of the Listing Rules.

Pursuant to Rule 3.10A, the independent non-executive directors of a listed issuer must represent at least one-third of the board of directors. Following the resignation of Ms. Nie Meisheng as an Independent Non-executive Director of the Company with effect from 3 November 2014, the number of Independent Non-executive Directors of the Company has fallen below the minimum number as required under Rule 3.10A. During the transitional period, the Board believes that there is still a sufficient independent element on the Board, which can effectively exercise independent judgment.

On 16 February 2015, Mr. Zhang Yongliang was appointed as an Independent Non-executive Director of the Company. Following the appointment of Mr. Zhang as an Independent Non-executive Director of the Company, the number of Independent Non-executive Directors of the Company has fulfilled the minimum number as required under Rule 3.10A of the Listing Rules.

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 the 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, 20 August 2015

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, Mr. Tse Chee On, Raymond, Mr. Wong Wai Ho and Mr. Zhang Yongliang as Independent Non-executive Directors.