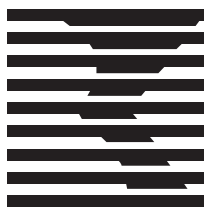


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ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

	Six months ended 30 June	
	2025	2024
Property sales		
(including joint venture and associate projects)	RMB5,232 million	RMB7,304 million
Property delivery		
(including joint venture and associate projects)	RMB6,367 million	RMB22,135 million
Toll revenue from expressway projects in Indonesia	HK\$878 million	HK\$919 million
Loss attributable to owners of the Company	HK\$2,034 million	HK\$1,027 million
	30 June 2025	31 December 2024
Total assets	HK\$53,329 million	HK\$57,513 million
Equity attributable to owners of the Company	HK\$9,183 million	HK\$10,815 million
Net assets per share attributable to owners of the Company	HK\$12.25	HK\$14.43
Net gearing ratio	63%	55%

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 2025, together with the comparative figures for the corresponding period in 2024 and the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 together with audited comparative figures as at 31 December 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>NOTES</i>	HK\$'000	HK\$'000
Revenue	3	1,784,898	3,468,218
Cost of sales		(2,481,116)	(3,831,805)
Gross loss		(696,218)	(363,587)
Interest income		8,879	27,249
Other income		31,820	86,113
Other gains and losses	5	(557,612)	(1,105,037)
Selling expenses		(108,747)	(144,156)
Administrative expenses		(250,652)	(340,998)
Gain on disposal of subsidiaries	6	–	1,862,976
Share of results of associates		(5,943)	(5,463)
Share of results of joint ventures	7	285,165	454,309
Finance costs	8	(304,281)	(434,072)
(Loss) profit before taxation	9	(1,597,589)	37,334
Income tax credit (expenses)	10	7,374	(430,842)
Loss for the period		(1,590,215)	(393,508)
(Loss) profit attributable to:			
Owners of the Company		(2,034,386)	(1,026,865)
Owners of perpetual capital securities		272,119	267,363
Other non-controlling interests of subsidiaries		172,052	365,994
		(1,590,215)	(393,508)
Loss per share	12		
– Basic		(HK\$2.71)	(HK\$1.37)
– Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	NOTE		
ASSETS			
Non-current assets			
Property, plant and equipment		202,585	53,986
Right-of-use assets		7,733	13,122
Investment properties		5,086,253	5,323,712
Interests in associates		973,718	979,661
Interests in joint ventures		12,465,986	12,518,517
Deferred tax assets		286,153	268,821
Amounts due from joint ventures and associates		1,941,725	2,716,752
Loan receivables		426,039	510,580
Financial assets at fair value through profit or loss ("FVTPL")		551,560	551,560
		<u>21,941,752</u>	<u>22,936,711</u>
Current assets			
Inventory of properties		22,814,261	23,732,260
Amounts due from joint ventures and associates		848,822	1,092,002
Amounts due from other non-controlling interests of subsidiaries		807,409	1,208,249
Loan receivables		67,107	79,110
Debtors, deposits and prepayments	13	2,395,538	2,398,980
Prepaid income tax		1,330,238	1,371,083
Pledged bank deposits		40,022	421,169
Bank balances and cash		3,083,906	4,273,571
		<u>31,387,303</u>	<u>34,576,424</u>
Total assets		<u><u>53,329,055</u></u>	<u><u>57,513,135</u></u>

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	<i>NOTE</i>		
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		74,934	74,934
Reserves		9,107,901	10,740,513
		9,182,835	10,815,447
Owners of perpetual capital securities		7,395,396	7,123,442
Other non-controlling interests of subsidiaries		2,591,108	2,961,290
Total equity		19,169,339	20,900,179
Non-current liabilities			
Bank and other borrowings		13,026,234	13,314,706
Deferred tax liabilities		1,022,970	1,031,449
Lease liabilities		3,098	4,636
		14,052,302	14,350,791
Current liabilities			
Creditors and accrued charges	14	4,062,473	4,602,375
Amounts due to joint ventures and associates		5,424,458	5,386,445
Amounts due to other non-controlling interests of subsidiaries		581,090	861,938
Contract liabilities		5,345,808	4,391,491
Lease liabilities		6,017	10,377
Income tax payable		2,503,648	3,172,632
Bank and other borrowings		2,183,920	2,912,542
Financial liabilities at FVTPL		–	924,365
		20,107,414	22,262,165
Total equity and liabilities		53,329,055	57,513,135

Notes:

1. BASIS OF PREPARATION

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

Going concern

Taking into account the events after the end of the reporting period as disclosed in note 16, in preparing the condensed consolidated financial statements, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity, the financial position, the performance of the Group and its available sources of financing in assessing the Group’s ability to continue as a going concern. The Group incurred a loss of HK\$1,590,215,000 and a net operating cash outflow of HK\$367,900,000 for the six months ended 30 June 2025. As of the date of this report, the Group suspended the payment of aggregate interest of US\$23,360,000 (equivalent to HK\$181,742,000) on two senior notes and offshore bank borrowings, which has become due and payable. The suspended payment may lead to certain creditors of the Group demanding acceleration of payment of the Group’s offshore bank borrowings and senior notes and/or taking action pursuant to the respective terms of the relevant financing arrangements. As a result, the aggregate carrying amount of the Group’s offshore bank borrowings and senior notes of US\$1,529,082,000 (equivalent to HK\$11,894,686,000) as at 30 June 2025 including principal of US\$1,514,889,000 (equivalent to HK\$11,784,277,000) may be demanded for immediate payment prior to their maturity dates. Of this amount, an outstanding principal amount of US\$1,400,678,000 (equivalent to HK\$10,895,821,000), was classified as non-current liabilities as at the end of the reporting date.

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

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

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

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

Application of amendments to HKFRS Accounting Standards

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

Amendments to HKAS 21

Lack of Exchangeability

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

3. REVENUE

(a) Revenue from contracts with customers

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

(b) Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

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

(c) **Total revenue of the Group**

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

4. SEGMENT INFORMATION

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

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

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

By segment	Six months ended 30 June 2025				Six months ended 30 June 2024			
	Property development and investment	Toll road	Investment and asset management	Total	Property development and investment	Toll road	Investment and asset management	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	1,711,444	–	73,454	1,784,898	3,456,840	–	11,378	3,468,218
Segment (loss) profit	(1,067,702)	95,624	(594,329)	(1,566,407)	(936,873)	1,689,555	(1,104,818)	(352,136)

By segment	At 30 June 2025				At 31 December 2024			
	Property development and investment	Toll road	Investment and asset management	Total	Property development and investment	Toll road	Investment and asset management	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets (including interests in joint ventures and associates)	43,127,962	4,455,913	5,501,802	53,085,677	46,656,622	4,468,757	6,023,059	57,148,438
Segment liabilities	(32,845,018)	(43,461)	(678,539)	(33,567,018)	(35,217,989)	(64,639)	(714,748)	(35,997,376)

(a) Measurement

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

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

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

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

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

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

5. OTHER GAINS AND LOSSES

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

6. GAIN ON DISPOSAL OF SUBSIDIARIES

On 17 November 2023, the Group entered into a sale and purchase agreement to dispose of its interest in Road King (China) Infrastructure Limited (the “Disposal”) (Road King (China) Infrastructure Limited together with its subsidiaries collectively referred to the “Disposal Group”) to an independent third party at the consideration of RMB4,411.8 million (equivalent to HK\$4,902 million). The Disposal was completed and the consideration was received in full in April 2024.

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

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

7. SHARE OF RESULTS OF JOINT VENTURES

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

8. FINANCE COSTS

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

9. (LOSS) PROFIT BEFORE TAXATION

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

10. INCOME TAX (CREDIT) EXPENSES

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

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

EIT has been provided at the appropriate tax rates of 25% (six months ended 30 June 2024: range from 10% to 25%) prevailing in the countries in which the Group operates on the estimated assessable profits for the period. EIT for the six months ended 30 June 2024 included the income tax expenses of HK\$372,511,000 on the disposal of four expressway projects in Mainland China. Further details could be referred to note 6.

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

11. DIVIDEND PAID

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

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

12. LOSS PER SHARE

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

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

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

13. DEBTORS, DEPOSITS AND PREPAYMENTS

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

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 to 90 days from the agreements. For most of the Group's property projects, consideration will be fully received prior to the delivery of the properties to the property purchasers.

14. CREDITORS AND ACCRUED CHARGES

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

15. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

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

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

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

DIVIDEND

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

BUSINESS REVIEW

Results for the first half of 2025

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

Business Overview

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

Due to the impact of the ongoing downturn in the real estate market with sluggish sales, the Group achieved total property sales (including joint venture and associate projects) of RMB5,232 million in the first half of 2025. The property sales comprised contracted sales of RMB4,769 million and outstanding subscribed sales of RMB463 million. The Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta region were the major sales regions. The average selling price was RMB21,000 per sqm, of which the average selling price of Hong Kong projects was HK\$118,000 per sqm, and the average selling price of Mainland China projects was RMB16,000 per sqm.

The Hong Kong projects were affected by the sluggish property market and throat-cutting promotion of competitive projects, resulting in a slowdown in transaction volumes during the first quarter. Mori launched additional residential units with the latest promotional offers during the Easter holidays in April, which received a positive market response, leading to an increase in sales. The three Hong Kong projects (including Southland and Crescent Green) collectively achieved property sales of HK\$1,567 million and property delivery of HK\$1,635 million in the first half of the year.

In the first half of 2025, the Group's total property delivery in Mainland China and Hong Kong (including joint venture and associate projects) amounted to approximately RMB6,367 million, with approximately 3,400 units and an area of approximately 270,000 sqm. Due to the continuous downturn in the real estate market and throat-cutting promotion of competitive projects, the Group's property sales volume and prices both declined, resulting in a loss of HK\$1,068 million for the property segment during the period.

In the first half of 2025, due to factors such as the continuous downturn in the real estate market and tight liquidity of enterprises, real estate enterprises remained cautious in land acquisitions, and the land transaction volume shrank significantly. State-owned enterprises remained the major participants in land acquisitions. The Group suspended participation in land auctions to reserve funds for loan repayment and support the Group's daily operation, and therefore did not acquire new project or land parcel during the period. As of 30 June 2025, the Group had a total land reserve of approximately 2,360,000 sqm, of which 380,000 sqm was pre-sold but yet to be delivered.

In the first half of 2025, the Group's expressway projects in Indonesia recorded an average daily traffic volume of 91,100 vehicles and toll revenue of HK\$878 million (first half of 2024: 89,900 vehicles and HK\$919 million), representing an increase of 1% and a decrease of 4% respectively compared to the corresponding period of last year. Despite approximately 5% increase in Indonesia's Gross Domestic Product for the first half of 2025, geopolitical tensions and U.S. tariff policies have constrained the growth of commerce and logistics around certain projects, leading to a more cautious attitude toward travel and consumption among the local residents. Some Indonesian manufacturing sectors are highly dependent on the U.S. market. The rise in tariffs has

forced companies to seek new markets or adjust their production structures, potentially leading to overcapacity and rising unemployment in the short term. In this context, the average daily traffic volume on the expressway projects in Indonesia increased by only 1%. Additionally, due to the depreciation of the Rupiah against the Hong Kong dollar in the first half of this year, toll revenue calculated in Hong Kong dollar decreased by 4%. Excluding the impact of exchange rate fluctuations, toll revenue remained flat as compared to the corresponding period of last year.

In the first half of 2025, the Group's share of profits of the joint ventures of expressway projects in Indonesia was HK\$131 million, representing a decrease of HK\$93 million compared to the corresponding period of last year. This decrease was primarily due to the recognition of an one-off unused tax losses available to offset against future profits as deferred tax assets ("Income Tax Credit Recognition") of approximately HK\$100 million in the corresponding period of last year. The profit of the Group's toll road segment (net of head office expenses and taxation) was HK\$96 million, representing a decrease of HK\$1,594 million compared to HK\$1,690 million in the corresponding period of last year. Excluding the one-off net gain after taxation on disposal of the expressway projects in Mainland China of approximately HK\$1,490 million recognised in the corresponding period of last year, the aforementioned one-off Income Tax Credit Recognition for the expressway projects in Indonesia, and other related one-off expenses, the toll road segment's operating profit remained flat compared to the corresponding period of last year.

After restructuring and rectification, the business scale of the remaining original investment and asset management businesses, which mainly comprised property fund investment as well as cultural and tourist businesses, has been significantly reduced, with non-core businesses closed and non-core assets sold. Going forward, the Group will continue to review the operation of its remaining businesses and take appropriate action in due course.

FINANCIAL REVIEW

Liquidity and Financial Resources

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

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

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

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

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

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

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

Charges on Assets

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

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

Exposure on Foreign Exchange Fluctuations and Interest Rates

The Group's borrowings are mainly denominated in Renminbi and US dollar, while the cash flow is mainly generated from projects whose earnings are denominated in Renminbi. As a result, the Group is exposed to the foreign exchange risk on the fluctuation of Renminbi and US dollar. The Group will pay close attention to the impact of changes in the international environment on exchange rate fluctuations, and will enter into foreign currency forward contracts to balance the foreign exchange risks, when appropriate.

The Group's exposure to interest rate risks is mainly from the fluctuation in interest rates relating to its borrowings denominated in Renminbi and US dollar. Although the monetary policies implemented by Mainland China and the US governments continue to have a major impact on the Group's results and operation, the Directors consider that the interest rate fluctuation caused by the fluidity and instability of the global economy and financial systems also has an impact on the operation of the Group.

Save for the aforesaid, the Group has no significant exposure to foreign exchange risk and interest rate risk. The Group will continue to closely monitor the above risks and may arrange hedging against the risks exposed as and when appropriate and cost-effective.

Financial Guarantee Contracts

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

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

Employees

The Group had 3,458 employees as at 30 June 2025. Expenditure on staff (including expenditure on staff assigned to or participating in joint ventures and associates, but excluding Directors' emoluments) amounted to HK\$355 million. Employees are remunerated according to their performance and contribution. Other employee benefits include provident fund, insurance, medical cover and training programs, as well as share option scheme. During the period under review, no share option was granted.

WORK PLAN

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

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

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

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

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

REVIEW OF INTERIM RESULTS

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

Extract of Report on Review of Condensed Consolidated Financial Statements

The following is an extract from the independent auditor's report on review of condensed consolidated financial statements for the six months ended 30 June 2025:

Basis for Disclaimer of Conclusion

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

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

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

The Group has formulated various plans and measures with the objective to improve liquidity and cash flows of the Group, including (i) formulating a work plan with its advisors to establish the financial restructuring proposal and (ii) realisation of specific assets, in which the details are set out in note 1 to the condensed consolidated financial statements. The validity of the going concern assumptions on which the condensed consolidated financial statements of the Group have been prepared depends on the success of these plans and measures, including whether: (i) successfully negotiating with offshore creditors to agree on the financial restructuring plan; and (ii) successfully identifying buyers for disposal of specific assets.

The Directors have considered the likelihood of success of the plans and measures and considered the underlying bases of management's cash flow projection, the Directors are of the opinion that the Group will have funds available to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2025. Accordingly, the Directors considered it is appropriate to prepare the Group's condensed consolidated financial statements on a going concern basis.

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

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

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

Disclaimer of Conclusion

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

The aforesaid "notes 1 and 31 to the condensed consolidated financial statements" are disclosed as notes 1 and 16 respectively, in this announcement.

CORPORATE GOVERNANCE CODE

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

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company’s website (www.roadking.com.hk) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The Interim Report containing all the information required by the Listing Rules will be published on the aforesaid websites and despatched to the shareholders of the Company (if requested) 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
Zen Wei Peu, Derek
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, the Board comprises Messrs. Zen Wei Peu, Derek, Fong Shiu Leung, Keter and Ng Fun Hung, Thomas as Executive Directors, Ms. Cai Xun and Mr. Yuan Yang as Non-executive Directors and Mr. Wong Wai Ho, Mr. Cheung Hon Kit, Edwin, Mr. Ho Tai Wai, David and Ms. Lam Man Kuen, Phyllis as Independent Non-executive Directors.