



Road King Infrastructure Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 1098)





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Management Discussion and Analysis

BUSINESS REVIEW

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

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

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

TOLL ROAD BUSINESS

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

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

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

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

Management Discussion and Analysis

BUSINESS REVIEW *(continued)*

PROPERTY BUSINESS

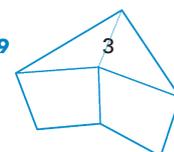
The PRC property market saw a strong rebound in the first half of 2009 as a result of a series of stimulating measures implemented by the government such as cutting mortgage rates for first time buyers and lowering the minimum capital requirement ratio for ordinary residential developments. According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

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

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

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

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



Management Discussion and Analysis

BUSINESS REVIEW *(continued)*

DISPUTES IN CONNECTION WITH SUNCO PROPERTY

Litigations in the PRC

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

Litigations in Hong Kong

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

FINANCIAL REVIEW

REVENUE

Revenue decreased from HK\$3,102 million for the six months ended 30 June 2008 to HK\$2,464 million for the corresponding period in this year. This was due to the substantial drop of contracted sales in 2008 as a result of the market downturn caused by the austerity measures implemented by the PRC government in prior years coupled with the global financial crisis in the later half of 2008.

GROSS PROFIT

The reduction of gross profit in the first half of 2009 as compared with the same period in 2008 was mainly due to the poor contracted sales performance in 2008 and the adoption of price cutting measure to speed up the sale of slow moving stock developed prior to the acquisition of Sunco Property.

OTHER INCOME

Other income mainly comprised the net exchange gain generated during the reporting period.

SHARE OF RESULTS OF JOINT VENTURES

The change of the cash distribution ratio of the two major expressway projects in Hebei in 2009 had exerted substantial downward pressure on the results of total contributions from the toll road joint ventures for the first half of 2009.

PROFIT FOR THE PERIOD

The decrease in profit for the six months ended 30 June 2009 was mainly attributable to the substantial drop in net exchange gain as compared to the corresponding period in 2008 and the change of the cash distribution ratio of the two major expressway projects in Hebei.

FINANCIAL REVIEW *(continued)*

FINANCIAL RESOURCES AND LIQUIDITY

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

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

DEBT AND GEARING

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

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

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

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

FINANCING AND TREASURY POLICIES

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

Management Discussion and Analysis

FINANCIAL REVIEW *(continued)*

CHARGES ON ASSETS

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

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS

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

EXPOSURE ON INTEREST RATE

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

CONTINGENT LIABILITIES

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

EMPLOYEES

Excluding the staff of joint ventures, the Group had 1,107 employees as at 30 June 2009. Expenditure on staff (excluding Directors' emolument) amounted to HK\$91 million. Employees are remunerated according to their performance and contribution. Other employee benefits include provident fund, insurance, medical cover and training programs, as well as a share option scheme. No share option was issued in the first half of 2009.

PROSPECTS

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

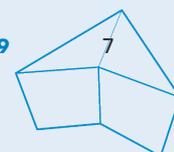
The Group believes that the measures implemented by the PRC government will continue to bring stability to the property market. Nonetheless, the global economy is still under pressure and therefore the Group remains cautious in assessing new investment in property projects. The Group will continue to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

Unaudited Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

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

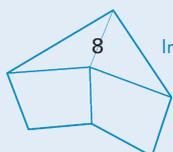


Unaudited Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

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



Unaudited Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

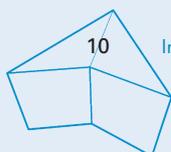
	Notes	30 June 2009 (Unaudited) HK\$'000	31 December 2008 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		22,664	57,346
Prepaid lease payments for land		—	33,293
Investment properties	11	223,537	143,851
Interests in joint ventures	12	5,054,694	5,289,683
Loans to related companies	13	54,700	54,700
Deferred tax assets		42,763	40,700
Long-term receivables	14	34,928	576,359
Available-for-sale financial assets	15	1,084,612	632,787
		<u>6,517,898</u>	<u>6,828,719</u>
Current assets			
Inventory of properties	16	10,808,993	12,029,250
Prepayment for land leases	17	108,844	107,865
Prepaid lease payments for land		—	938
Loan to a joint venture	18	64,286	70,787
Debtors, deposits and prepayments	19	1,155,125	686,063
Prepaid income tax		211,056	225,699
Pledged bank deposits	20	276,038	163,723
Bank balances and cash		2,474,612	796,098
		<u>15,098,954</u>	<u>14,080,423</u>
Total assets		<u><u>21,616,852</u></u>	<u><u>20,909,142</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	21	73,893	73,893
Reserves		9,488,283	9,295,568
		<u>9,562,176</u>	<u>9,369,461</u>
Minority interests		<u>178,958</u>	<u>164,141</u>
Total equity		<u>9,741,134</u>	<u>9,533,602</u>
Non-current liabilities			
Bank and other borrowings - due after one year	22	6,063,026	5,737,728
Deferred tax liabilities		147,602	147,998
		<u>6,210,628</u>	<u>5,885,726</u>
Current liabilities			
Creditors and accrued charges	23	1,648,282	1,756,811
Deposits from pre-sale of properties		2,227,761	2,095,694
Income tax payable		236,131	212,424
Bank and other borrowings - due within one year	22	1,552,916	1,424,885
		<u>5,665,090</u>	<u>5,489,814</u>
Total equity and liabilities		<u><u>21,616,852</u></u>	<u><u>20,909,142</u></u>

Unaudited Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Foreign currency translation reserve HK\$'000	Special reserve HK\$'000	Share option reserve HK\$'000	Statutory reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2008 (audited)	75,265	3,184,312	747,478	1,260,000	95,514	10,867	3,098,980	8,472,416	151,527	8,623,943
Profit for the period	—	—	—	—	—	—	463,767	463,767	41,293	505,060
Exchange differences arising on translation to presentation currency	—	—	464,164	—	—	—	—	464,164	8,277	472,441
Total comprehensive income for the period	—	—	464,164	—	—	—	463,767	927,931	49,570	977,501
Sub-total	75,265	3,184,312	1,211,642	1,260,000	95,514	10,867	3,562,747	9,400,347	201,097	9,601,444
Issue of ordinary shares	4	209	—	—	—	—	—	213	—	213
Transfer upon exercise of share options	—	2	—	—	(2)	—	—	—	—	—
Lapse of share options	—	—	—	—	(2,927)	—	2,927	—	—	—
Acquisition of additional interest of a subsidiary	—	—	—	—	—	—	—	—	(16,979)	(16,979)
Dividend	—	—	—	—	—	—	(210,752)	(210,752)	—	(210,752)
Balance at 30 June 2008 (unaudited)	75,269	3,184,523	1,211,642	1,260,000	92,585	10,867	3,354,922	9,189,808	184,118	9,373,926
Balance at 1 January 2009 (audited)	73,893	3,142,142	1,279,924	1,260,000	85,791	32,945	3,494,766	9,369,461	164,141	9,533,602
Profit for the period	—	—	—	—	—	—	255,091	255,091	13,223	268,314
Exchange differences arising on translation to presentation currency	—	—	85,409	—	—	—	—	85,409	1,594	87,003
Total comprehensive income for the period	—	—	85,409	—	—	—	255,091	340,500	14,817	355,317
Sub-total	73,893	3,142,142	1,365,333	1,260,000	85,791	32,945	3,749,857	9,709,961	178,958	9,888,919
Released upon disposal of an infrastructure joint venture	—	—	(17,972)	—	—	—	17,972	—	—	—
Lapse of share options	—	—	—	—	(2,498)	—	2,498	—	—	—
Dividend	—	—	—	—	—	—	(147,785)	(147,785)	—	(147,785)
Balance at 30 June 2009 (unaudited)	73,893	3,142,142	1,347,361	1,260,000	83,293	32,945	3,622,542	9,562,176	178,958	9,741,134

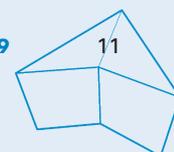


Unaudited Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

	Notes	Six months ended 30 June	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Net cash from (used in) operating activities		1,613,455	(1,601,987)
Net cash (used in) from investing activities:			
Distributions from infrastructure joint ventures		444,228	507,726
Loan advance to a third party		—	(162,588)
Purchases of property, plant and equipment		(719)	(57,848)
Proceeds on disposal of an interest in a joint venture	25	52,053	—
Acquisition of additional interest in a subsidiary		—	(15,000)
Advances to investees	15	(446,086)	—
Increase in pledged bank deposits		(112,315)	(39,309)
Other investing cash flows		26,866	26,444
		(35,973)	259,425
Net cash from financing activities:			
New borrowings raised		1,038,549	1,174,889
Repayment of borrowings		(609,768)	(482,222)
Issue of ordinary shares		—	213
Interest paid		(186,328)	(248,230)
Dividend paid		(147,785)	(210,752)
		94,668	233,898
Net increase (decrease) in cash and cash equivalents		1,672,150	(1,108,664)
Cash and cash equivalents at 1 January		796,098	1,858,941
Effect of foreign exchange rate changes		6,364	103,275
Cash and cash equivalents at 30 June		2,474,612	853,552
Analysis of balances of cash and cash equivalents			
Bank balances and cash		2,474,612	853,552



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2009

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

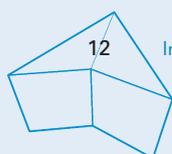
The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

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

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations ("Int") ("new or revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008 except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2009 in relation to the amendment to paragraph 80 to HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods except for the impact as described below.



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

HKFRS 8 "Operating Segments"

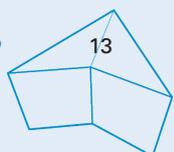
HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 4), but has had no impact on the reported results or financial position of the Group.

HKAS 1 (Revised) "Presentation of Financial Statements"

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

Amendment to HKAS 40 "Investment Property"

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



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

The Group has not early adopted the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adoption ⁴
HKFRS 2 (Amendments)	Amendments to HKFRS 2 Group Cash-settled Share-based Payment Transactions ⁴
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ³

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate

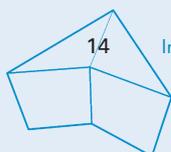
³ Effective for transfers on or after 1 July 2009

⁴ Effective for annual periods beginning on or after 1 January 2010

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

3. REVENUE

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



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

4. SEGMENT INFORMATION

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

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

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

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

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

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

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

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

Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

4. SEGMENT INFORMATION *(continued)*

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

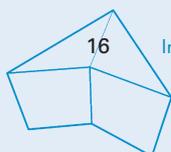
	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Segment profit	295,848	472,046
Unallocated interest income	1,453	3,677
Unallocated corporate income	23,313	97,285
Unallocated corporate expenses	(6,519)	(4,902)
Unallocated finance costs	(45,781)	(63,046)
	<hr/>	<hr/>
Consolidated profit after taxation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

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

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

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

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



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

5. SHARE OF RESULTS OF JOINT VENTURES

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

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

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

Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

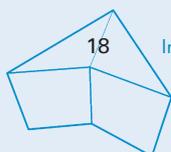
For the six months ended 30 June 2009

6. FINANCE COSTS

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

7. PROFIT BEFORE TAXATION

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



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

8. INCOME TAX EXPENSES

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

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

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

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

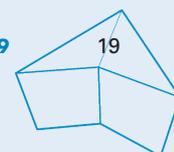
Deferred tax has been provided for (i) fair value adjustment on properties under development for sale; (ii) temporary differences between the carrying amount and the tax base of properties under development for sale, arising from the capitalisation of certain interest expenses in properties under development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

9. DIVIDEND PAID

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

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

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



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

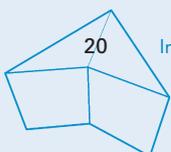
For the six months ended 30 June 2009

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	<u>255,091</u>	<u>463,767</u>
	Six months ended 30 June	
	2009	2008
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>738,927</u>	752,656
Effect of dilutive potential ordinary shares:		
Share options	<u>—</u>	<u>1,386</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>738,927</u>	<u>754,042</u>

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



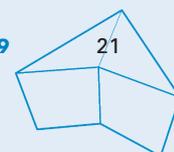
Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

11. INVESTMENT PROPERTIES

	HK\$'000
Completed properties, at fair value	
At 1 January 2009	143,851
Exchange difference arising on translation to presentation currency	1,331
Change in fair value recognised in condensed consolidated income statement	3,375
	<hr/>
At 30 June 2009	148,557
	<hr/>
Properties under construction, at fair value	
Reclassified from properties under development for investment properties previously included in property, plant and equipment at 1 January 2009	17,575
Reclassified from prepaid lease payments for land at 1 January 2009	34,231
Increase in fair value at 1 January 2009	14,623
Exchange difference arising on translation to presentation currency	586
Additions	7,965
	<hr/>
At 30 June 2009	74,980
	<hr/>
Total	<u><u>223,537</u></u>



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

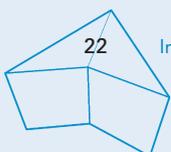
For the six months ended 30 June 2009

11. INVESTMENT PROPERTIES *(continued)*

At 1 January 2009, the properties under development for investment properties amounting to HK\$17,575,000 and prepaid lease payments for land amounting to HK\$34,231,000 were reclassified to investment properties under construction arising from the application of the amendments to HKAS 40 "Investment Property". The fair values of investment properties under construction at the date of transfer and at 30 June 2009 and the fair values of completed investment properties at 30 June 2009 were determined by reference to valuations carried out by an independent firm of professional valuers not connected with the Group. The fair values of the investment properties were determined by the valuers on the following basis:

Vacant portion of investment properties	–	by reference to market evidence of transaction prices for similar properties in the similar location
Occupied properties	–	by reference to capitalised income to be derived from the existing tenancies and the reversionary income potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions
Properties under construction (bare land)	–	by reference to market evidence of transaction prices for similar land in the similar location

The investment properties are situated in the PRC under medium term leases. All of the Group's leasehold interests in land held under operating leases to earn rentals or for capital appreciation purposes are classified as investment properties and are accounted for using the fair value model.



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

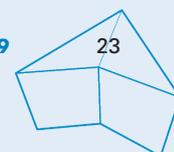
12. INTERESTS IN JOINT VENTURES

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Interests in infrastructure joint ventures		
Cost of investments	5,194,013	5,315,447
Share of post-acquisition undistributed profits and reserves	3,588,094	3,720,225
Reduction of cost of investments (note)	(3,762,470)	(3,775,202)
	5,019,637	5,260,470
Interests in other joint ventures		
Cost of investments	16,123	16,123
Share of post-acquisition profits and reserves	18,934	13,090
	35,057	29,213
	5,054,694	5,289,683

Note: The infrastructure joint ventures distribute the cash surplus to the Group on a regular basis, including a return of total investment costs to the Group. The amount of cash distribution varies from time to time and depends on the toll road performance, the amount of operating expenses and capital expenditure incurred by the joint ventures.

13. LOANS TO RELATED COMPANIES

The loans to related companies of HK\$54,700,000 (31 December 2008: HK\$54,700,000) represented the cash advances to former subsidiaries in which one of its shareholders is Wai Kee Holdings Limited which has significant beneficial interest in the Company. The loans to related companies are unsecured, interest bearing at London Interbank Offered Rate or Hong Kong Interbank Offered Rate plus 1.7% per annum and are wholly repayable in 2010.



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2009

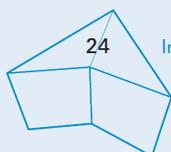
14. LONG-TERM RECEIVABLES

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Minimum income undertakings (note (a))	7,717	10,344
Deferred consideration on disposal of an infrastructure joint venture (note (b))	27,211	14,157
Amount due from Huge Rise Investments Limited ("Huge Rise") (note (c))	—	551,858
	<u>34,928</u>	<u>576,359</u>

Notes:

- (a) Included in long-term receivables and debtors of the Group aged more than 90 days as disclosed in note 19 are the amounts of HK\$7,717,000 (31 December 2008: HK\$10,344,000) and HK\$8,163,000 (31 December 2008: HK\$5,911,000), respectively representing minimum income undertakings due from the PRC joint venture partners. Minimum income undertakings have been recognised in accordance with the terms set out in the relevant joint venture agreements and are settled according to the schedules agreed with the relevant PRC joint venture partners. The revised repayment schedule of minimum income undertakings was agreed with the PRC joint venture partners in 2007 and the amounts will be fully repaid in 2011.
- (b) The balance of HK\$14,157,000 at 31 December 2008, which represented the deferred consideration arisen from disposal of an infrastructure joint venture to the PRC joint venture partner in prior year, was fully repaid by the PRC joint venture partner in 2009. The balance of HK\$27,211,000 at 30 June 2009 represented the deferred consideration which arose from disposal of an infrastructure joint venture to a PRC joint venture partner in the current period (see note 25) which will be fully repaid in 2011. The consideration due within one year of HK\$44,218,000 has been included in other receivables of the Group (see note 19).
- (c) The balance represented the cash advance to Tianjin Sunco Real Estate Company Limited ("Tianjin Sunco WOFE"), a company controlled by Huge Rise, an independent third party of the Group. Huge Rise has agreed that the whole balance will be fully repaid before 31 December 2009 and has been reclassified to other receivables of the Group (see note 19). At 30 June 2009, the Group has provided temporary finance to Tianjin Sunco WOFE amounting to HK\$543,885,000 (31 December 2008: HK\$551,858,000) for the property development in the PRC. The amount is secured by the assets of the Huge Rise and its subsidiaries ("Huge Rise Group") to the extent of the outstanding amount. The Directors considered that the credit risk of the amount due from Huge Rise is limited as the assets consisted of land and other properties owned by the Huge Rise Group with their fair values higher than the outstanding balance. The fair value of such assets were arrived at by reference to market evidence of transaction prices for similar properties.

The amount will be at interest rate which is still subject to negotiation with Huge Rise.



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

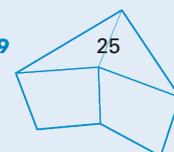
The Group commenced legal proceedings in the Tianjin Nankai District People's Court in October 2007 to enforce its rights and to assume effective control over the Tianjin Companies. However, the legal proceedings against the former management of the Tianjin Companies were temporarily suspended in 2008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

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

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

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

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



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

16. INVENTORY OF PROPERTIES

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Completed properties held for sale	1,728,967	1,511,717
Properties under development for sale (note)	9,080,026	10,517,533
	<u>10,808,993</u>	<u>12,029,250</u>

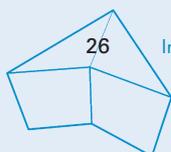
Note: Included in the amount are properties under development for sale of HK\$2,238,259,000 (31 December 2008: HK\$2,657,744,000) which are expected to be completed and delivered to the customers within twelve months from the balance sheet date.

17. PREPAYMENT FOR LAND LEASES

As at 30 June 2009, a total prepayment of HK\$108,844,000 (31 December 2008: HK\$107,865,000) was made for the acquisition of certain pieces of land in the PRC. Upon completion of the acquisition and delivery of relevant land title document to the Group, the prepaid amount will be transferred to the account of "Properties under development for sale".

18. LOAN TO A JOINT VENTURE

At 30 June 2009, the loan to a joint venture of HK\$64,286,000 (31 December 2008: HK\$70,787,000) represented a loan to 上海順馳方城置業有限公司, which was unsecured, carried interest at a fixed rate of 8.4% (31 December 2008: 8.4%) per annum and repayable before September 2009.



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

19. DEBTORS, DEPOSITS AND PREPAYMENTS

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

Notes:

- (a) Other than the minimum income undertakings as mentioned in note 14(a), the debtors are mainly arisen from sales of properties. Consideration in respect of properties sold are paid in accordance with terms of the related sales and purchase agreement, normally within 60 days from the agreement. Consideration under pre-sale contracts will be fully received prior to the delivery of the properties to the purchasers.
- (b) At 30 June 2009, included in other receivables, deposits and prepayments is an amount of HK\$75,964,000 (31 December 2008: HK\$31,461,000) representing the tender deposits paid to the local government or its agents in several provinces for the tender of several pieces of land through public auctions. The tender deposits will be refunded if the Group fails to acquire the pieces of land during the tender. The public auction of these tender deposits paid will be taking place within one year and the amounts are classified as short-term deposits.

In November 2007, the Group entered into a cooperative agreement ("Cooperative Agreement") for carrying out development to render several pieces of land in Jinan province. A prepayment of HK\$385,034,000 (31 December 2008: HK\$381,573,000) has been paid by the Group. During the period ended 30 June 2009, in view of the unfavourable market conditions, the Group determined to terminate the Cooperative Agreement. Pursuant to the settlement agreement dated 28 April 2009 ("Settlement Agreement") entered into by the Group, the Cooperative Agreement has been terminated and the Group will be refunded the full amount of the development costs already paid together with a fixed return of HK\$18,140,000 by installment. HK\$147,392,000 has already been settled up to 30 June 2009 and the remaining balance of HK\$255,782,000 will be settled on a monthly basis and will be fully repaid before 30 June 2010 in accordance with the Settlement Agreement.

Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

20. PLEDGED BANK DEPOSITS

The pledged bank deposits were pledged as security in favour of banks for short-term credit facilities and property buyers' mortgage facilities granted to the Group.

21. SHARE CAPITAL

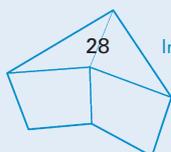
	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each	<u>20,000,000,000</u>	<u>2,000,000</u>
7.5% convertible preference shares of HK\$0.1 each	<u>518,380</u>	<u>52</u>
Issued and fully paid:		
Ordinary shares		
At 1 January 2009 and 30 June 2009	<u>738,926,566</u>	<u>73,893</u>

The Company has a share option scheme for Directors and eligible employees of the Group. At 30 June 2009, the number of outstanding share options are 33,905,000 (31 December 2008: 34,882,000).

During the period, 977,000 share options were lapsed.

22. BANK AND OTHER BORROWINGS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Senior notes (note (a))	<u>2,687,582</u>	2,681,952
Guaranteed notes (note (b))	<u>1,559,625</u>	1,558,978
Bank loans (note (c))	<u>3,368,735</u>	2,921,683
	<u>7,615,942</u>	<u>7,162,613</u>



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

22. BANK AND OTHER BORROWINGS *(continued)*

The maturity of the above loans is as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Unsecured borrowings repayable:		
Within one year	270,068	268,539
More than one year but not exceeding two years	1,559,625	—
More than two years but not exceeding five years	2,687,582	2,709,890
More than five years	—	1,531,040
	4,517,275	4,509,469
Secured borrowings repayable:		
Within one year	1,282,848	1,156,346
More than one year but not exceeding two years	1,384,980	648,356
More than two years but not exceeding five years	430,839	848,442
	3,098,667	2,653,144
Total borrowings	7,615,942	7,162,613
Less: Amount due within one year shown under current liabilities	(1,552,916)	(1,424,885)
Amount due over one year shown under non-current liabilities	6,063,026	5,737,728

Notes:

- (a) The senior notes are listed on the Stock Exchange in Singapore. The notes include carrying amount of HK\$1,533,765,000 (31 December 2008: HK\$1,531,040,000), which bear interest at a fixed rate of 7.625% per annum and will mature in May 2014. The senior notes with carrying amount of HK\$1,153,817,000 (31 December 2008: HK\$1,150,912,000), which bear interest at a floating rate of three month London Interbank Offered Rate plus 2.25% per annum and will mature in May 2012. The fair value of the senior notes based on the quoted asked price at 30 June 2009 was HK\$2,199,600,000 (31 December 2008: HK\$1,493,700,000).
- (b) The guaranteed notes, which are listed on the Stock Exchange in Singapore, bear interest at a fixed rate of 6.25% per annum and will mature in July 2011. The fair value of the guaranteed notes based on the quoted asked price at 30 June 2009 was HK\$1,404,000,000 (31 December 2008: HK\$889,200,000).
- (c) Bank loans with carrying amount of HK\$1,436,961,000 (31 December 2008: HK\$746,283,000) bear interest at a fixed rate of 4.86% to 8.10% (31 December 2008: 5.84% to 9.07%) per annum. Interest rates on the remaining bank loans, which carried at floating interest rates, ranged from 1.35% to 2.10% (31 December 2008: 2.50% to 3.10%) per annum.

Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

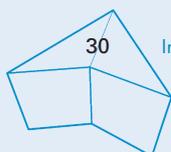
For the six months ended 30 June 2009

23. CREDITORS AND ACCRUED CHARGES

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

24. TOTAL ASSETS LESS CURRENT LIABILITIES / NET CURRENT ASSETS

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



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

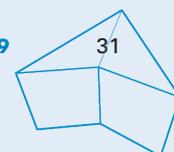
25. DISPOSAL OF INTEREST IN AN INFRASTRUCTURE JOINT VENTURE

On 31 March 2009, the Group entered into a sale and purchase agreement to dispose of its 70% equity interest in Guangxi Hengjing Highway Development Co., Ltd. to the PRC joint venture partner at a cash consideration of HK\$124,270,000. The gain on disposal of the infrastructure joint venture was recognised in profit and loss.

The disposal of the Group's interest in the infrastructure joint venture during the period had the following effects:

	HK\$'000
Cost of investment	118,365
Share of post-acquisition undistributed profits and reserves	81,929
Reduction of cost of investment	(91,995)
	<hr/>
Carrying amount of interest in the infrastructure joint venture disposed of	108,299
Expenses in connection with the disposal	788
Gain on disposal	15,183
	<hr/>
Total consideration	124,270
	<hr/> <hr/>
Satisfied by:	
Cash consideration	52,841
Deferred consideration – current portion	44,218
Deferred consideration – non-current portion	27,211
	<hr/>
	124,270
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration	52,841
Expenses in connection with the disposal	(788)
	<hr/>
	52,053
	<hr/> <hr/>

During the period, other than the consideration received from disposal of the infrastructure joint venture, the disposed infrastructure joint venture had no significant contribution to the Group's profit after taxation, operating, investing and financing cash flows.



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

26. CAPITAL COMMITMENTS

At 30 June 2009, the Group is committed to invest HK\$451,381,000 (31 December 2008: HK\$455,217,000) to develop a shopping mall in Changzhou for investment purpose.

27. CONTINGENT LIABILITIES

- (i) At 30 June 2009, the Group provided guarantees of HK\$3,048,106,000 (31 December 2008: HK\$3,095,774,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's developed properties. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificate of the respective property by the banks from the customers as a pledge for security to the mortgage loan granted. The Directors considered that the fair value of such guarantee on initial recognition was insignificant.
- (ii) At 31 December 2008, the Group had provided guarantees in favour of banks to provide credit facilities of HK\$337,079,000 to the Tianjin Companies, of which the Group is in the process of seeking to obtain effective control as described in note 15. The bank loans have been fully repaid by the Group before 30 June 2009 and the guarantees provided by the Group were released accordingly.

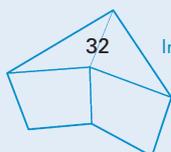
28. LITIGATION

Other than set out in note 15, the Group and Huge Rise filed a writ of summons against Sunco China Holdings Limited, Sunco Management Holdings Limited (both of which are beneficially owned by Mr. Sun Hong Bin ("Mr. Sun")) and Mr. Sun (collectively referred to as the "Defendants") in October 2007 to claim for the loss and damage related to the payment of certain construction costs, tax expenses and penalty in relation to violation of certain development regulations in the PRC, which were undisclosed by Mr. Sun in connection with the acquisition of certain companies, including the Tianjin Companies, from the Defendants. These undisclosed liabilities have been recognised and recorded by the Group after the acquisition date.

The proceedings are now at the stage of discovery and preparation of witness statements. Majority of the documentation and exchange of evidences has been completed. The hearing will be held in the fourth quarter of 2009.

29. PLEDGE OF ASSETS

At 30 June 2009, other than the pledged bank deposits as disclosed in note 20, the Group's inventory of properties of HK\$2,589,585,000 (31 December 2008: HK\$2,074,124,000) and the shares of certain of the Company's subsidiaries were pledged to secure the banking facilities granted to the Group.



Unaudited Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 June 2009

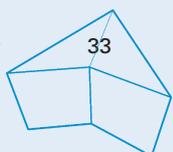
30. RELATED PARTY TRANSACTIONS

Other than set out in notes 13 and 18 to the condensed consolidated financial statements, the Group had significant transactions with the following related parties during the period, details of which are as follows:

Related parties	Nature	Six months ended 30 June	
		2009 HK\$'000	2008 HK\$'000
Property construction joint venture	Construction cost paid	—	62,552
Property development joint venture	Interest income	4,516	—
Related companies (note 13)	Interest income	999	1,399
		<u> </u>	<u> </u>

31. POST BALANCE SHEET EVENT

On 1 June 2009, the Group entered into an agreement with the PRC joint venture partner to dispose of the Group's 45% equity interest in Shenzhen Airport-Heao Expressway (Eastern-Section) Co., Ltd., an infrastructure joint venture of the Group, at a cash consideration of HK\$1,209 million of which HK\$57 million has been received by the Group as at 30 June 2009 and the remaining balance of HK\$1,152 million will be fully settled upon the completion of the disposal transaction. The transaction was approved by the shareholders of the Company in July 2009 and the completion of the transaction is conditional upon the approval of the PRC government and other relevant conditions set out in the agreement. The Directors expect that the disposal transaction will be completed in the second half of 2009.



Report on Review of Interim Financial Information

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF ROAD KING INFRASTRUCTURE LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 7 to 33, which comprises the condensed consolidated statement of financial position of Road King Infrastructure Limited and its subsidiaries as of 30 June 2009 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

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

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

17 August 2009

DIVIDEND

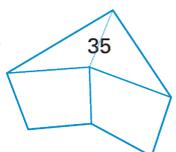
The Board has resolved to declare an interim dividend of HK\$0.20 (2008: HK\$0.05) per share for the six months ended 30 June 2009 to the shareholders of the Company whose names appear in the register of members of the Company on 11 September 2009, Friday.

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

CLOSURE OF REGISTER OF MEMBERS

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

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



Corporate Governance

CORPORATE GOVERNANCE PRACTICES

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as its own code. All Directors have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30 June 2009.

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 June 2009, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(I) SHARES

Name of Director	Capacity/ Nature of interest	Number of shares held		Percentage of holding (%) (note 3)
		Long position	Short position	
Zen Wei Pao, William	Personal	291,000 (note 1)	—	0.04
		6,000,000 (note 2)	—	0.81
Ko Yuk Bing	Personal	410,000 (note 1)	—	0.06
		5,100,000 (note 2)	—	0.69
Chan Kam Hung	Personal	1,000,000 (note 1)	—	0.14
		3,400,000 (note 2)	—	0.46
Fong Shiu Leung, Keter	Personal	380,000 (note 1)	—	0.05
		3,700,000 (note 2)	—	0.50
Zen Wei Peu, Derek	Personal	6,586,000 (note 1)	—	0.89
		2,300,000 (note 2)	—	0.31
Hu Aimin	Personal	500,000 (note 2)	—	0.07
Zhang Yijun	Personal	500,000 (note 2)	—	0.07
Chow Shiu Kee, Stephen	Personal	255,000 (note 1)	—	0.03
		740,000 (note 2)	—	0.10
Lau Sai Yung	Personal	55,000 (note 1)	—	0.01
		600,000 (note 2)	—	0.08

Notes:

1. Long position in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Long position in the underlying shares of the Company pursuant to unlisted equity derivatives (including physically settled, cash settled and other equity derivatives). Share options granted to the Directors are included in this category, the particulars of which are set out in (II) below.
3. The percentage was calculated based on 738,926,566 shares of the Company in issue as at 30 June 2009.

Disclosure of Interests

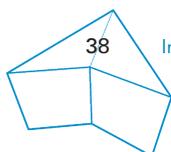
DIRECTORS' INTERESTS AND SHORT POSITIONS *(continued)*

(II) UNDERLYING SHARES – SHARE OPTIONS

The share option scheme was adopted by the Company on 12 May 2003. Particulars of the share option scheme are set out in note 29 to the consolidated financial statements in the Company's annual report for the year ended 31 December 2008.

A summary of movement during the period under the share option scheme was as follows:

Name	Issue	Number of share options					Balance at 30.06.2009
		Balance at 01.01.2009	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
Directors							
Zen Wei Pao, William	Note 2	1,000,000	—	—	—	—	1,000,000
	Note 3	2,500,000	—	—	—	—	2,500,000
	Note 4	2,500,000	—	—	—	—	2,500,000
Ko Yuk Bing	Note 2	500,000	—	—	—	—	500,000
	Note 3	2,300,000	—	—	—	—	2,300,000
	Note 4	2,300,000	—	—	—	—	2,300,000
Chan Kam Hung	Note 3	1,800,000	—	—	—	—	1,800,000
	Note 4	1,600,000	—	—	—	—	1,600,000
Fong Shiu Leung, Keter	Note 2	700,000	—	—	—	—	700,000
	Note 3	1,400,000	—	—	—	—	1,400,000
	Note 4	1,600,000	—	—	—	—	1,600,000
Zen Wei Peu, Derek	Note 3	800,000	—	—	—	—	800,000
	Note 4	1,500,000	—	—	—	—	1,500,000
Hu Aimin	Note 3	250,000	—	—	—	—	250,000
	Note 4	250,000	—	—	—	—	250,000
Zhang Yijun	Note 3	250,000	—	—	—	—	250,000
	Note 4	250,000	—	—	—	—	250,000
Chow Shiu Kee, Stephen	Note 1	140,000	—	—	—	—	140,000
	Note 2	250,000	—	—	—	—	250,000
	Note 3	250,000	—	—	—	—	250,000
	Note 4	100,000	—	—	—	—	100,000
Lau Sai Yung	Note 2	250,000	—	—	—	—	250,000
	Note 3	250,000	—	—	—	—	250,000
	Note 4	100,000	—	—	—	—	100,000
Total		22,840,000	—	—	—	—	22,840,000



DIRECTORS' INTERESTS AND SHORT POSITIONS (continued)**(II) UNDERLYING SHARES – SHARE OPTIONS** (continued)

Name	Issue	Number of share options					Balance at 30.06.2009
		Balance at 01.01.2009	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
Others							
Employees	Note 1	390,000	—	—	—	—	390,000
	Note 2	100,000	—	—	—	—	100,000
	Note 3	4,192,000	—	—	—	517,000	3,675,000
	Note 4	7,360,000	—	—	—	460,000	6,900,000
Total		12,042,000	—	—	—	977,000	11,065,000
Grand Total		34,882,000	—	—	—	977,000	33,905,000

Notes:

- The share options under this issue were granted on 26 August 2004 with an exercisable period from 26 August 2004 to 25 August 2009 and an exercise price of HK\$5.70.
- The share options under this issue were granted on 14 December 2005 with an exercisable period from 14 December 2005 to 13 December 2010 and an exercise price of HK\$5.80.
- The share options under this issue were granted on 20 December 2006 with an exercisable period from 20 December 2006 to 19 December 2011 and an exercise price of HK\$11.66.
- The share options under this issue were granted on 6 November 2007 with an exercisable period from 6 November 2007 to 5 November 2012 and an exercise price of HK\$14.85.

Save as disclosed above, none of the Directors or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

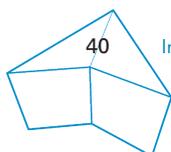
Saved as disclosed herein, none of the Directors or their spouses or children under 18 years of age was granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporation.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2009, the interests or short positions of every persons, other than a Director, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of holding (%) (note 13)
		Long position (note 1)	Short position	
Wai Kee Holdings Limited (note 2)	Corporate	286,317,428	—	38.75
Wai Kee (Zens) Holding Limited (note 3)	Corporate	286,317,428	—	38.75
Groove Trading Limited (note 4)	Personal/Beneficiary	65,918,000	—	8.92
Wai Kee China Investments (BVI) Company Limited (note 4)	Corporate	217,399,428	—	29.42
Wai Kee China Investments Company Limited (note 5)	Corporate	217,399,428	—	29.42
ZWP Investments Limited (note 6)	Personal/Beneficiary	217,399,428	—	29.42
深業集團有限公司 (note 7)	Corporate	202,334,142	—	27.38
Shum Yip Holdings Company Limited (note 8)	Corporate	202,334,142	—	27.38
Shenzhen Investment Limited (note 9)	Corporate	202,334,142	—	27.38
Hover Limited (note 10)	Personal/Beneficiary	202,334,142	—	27.38
Cheah Cheng Hye (note 11)	Founder of discretionary trust	51,477,852	—	6.97
Hang Seng Bank Trustee International Limited (note 11)	Trustee	51,477,852	—	6.97
Cheah Company Limited (note 11)	Corporate	51,477,852	—	6.97
Cheah Capital Management Limited (note 11)	Corporate	51,477,852	—	6.97
Value Partners Group Limited (note 11)	Corporate	51,477,852	—	6.97
Value Partners Limited (note 11)	Investment manager	51,477,852	—	6.97
To Hau Yin (note 12)	Spouse	51,477,852	—	6.97



SUBSTANTIAL SHAREHOLDERS' INTERESTS *(continued)*

Notes:

1. Long position in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
2. Wai Kee Holdings Limited is deemed to be interested in the shares of the Company through its interests in (i) its wholly-owned subsidiaries, namely Wai Kee (Zens) Holding Limited, Groove Trading Limited, Wai Kee China Investments (BVI) Company Limited, Wai Kee China Investments Company Limited, ZWP Investments Limited and Top Horizon Holdings Limited; and (ii) its subsidiaries, namely Build King Holdings Limited, Top Tactic Holdings Limited, Amazing Reward Group Limited, Leader Construction Company Limited and Leader Civil Engineering Corporation Limited, which beneficially held 3,000,000 shares of the Company.
3. Wai Kee (Zens) Holding Limited is a direct wholly-owned subsidiary of Wai Kee Holdings Limited.
4. Groove Trading Limited and Wai Kee China Investments (BVI) Company Limited are direct wholly-owned subsidiaries of Wai Kee (Zens) Holding Limited.
5. Wai Kee China Investments Company Limited is a direct wholly-owned subsidiary of Wai Kee China Investments (BVI) Company Limited.
6. ZWP Investments Limited is a direct wholly-owned subsidiary of Wai Kee China Investments Company Limited.
7. 深業集團有限公司 is deemed to be interested in the shares of the Company through its 100% interest in Shum Yip Holdings Company Limited.
8. Shum Yip Holdings Company Limited is deemed to be interested in the shares of the Company through its 47.31% interest in Shenzhen Investment Limited.
9. Shenzhen Investment Limited is deemed to be interested in the shares of the Company through its interests in its wholly-owned subsidiary, namely Hover Limited.
10. Hover Limited is a direct wholly-owned subsidiary of Shenzhen Investment Limited.
11. Hang Seng Bank Trustee International Limited, the trustee of the C H Cheah Family Trust (the "Trust"), holds 100% interest in Cheah Company Limited which holds 100% interests in Cheah Capital Management Limited, which holds 35.65% interest in Value Partners Group Limited, which in turn holds 100% interest in Value Partners Limited. By virtue of SFO, Cheah Cheng Hye, being the founder of the Trust, is deemed to be interested in the interest held by Value Partners Limited.
12. To Hau Yin is the spouse of Cheah Cheng Hye and is deemed to be interested in the interest held by Cheah Cheng Hye.
13. The percentage was calculated based on 738,926,566 shares of the Company in issue as at 30 June 2009.

Save as disclosed above, no other person (other than a Director) had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO.

Other Information

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

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

CONTINUING DISCLOSURE OF THE LISTING RULES

In compliance with continuing disclosure obligations of the Listing Rules, the following information is disclosed:

1. Pursuant to rule 13.16 of the Listing Rules:

- (a) There are altogether 40 infrastructure joint ventures and one property development joint venture. All these are regarded as joint ventures irrespective of whether the Group's interests exceed 50% or not. The Group's investments are in the form of both registered capital and loans. The size of loans made by the Group and by the other joint venture partner(s) to each joint venture is in proportion to the respective interests in each joint venture.
- (b) During the period, the Group has not provided guarantees in respect of the bank facilities utilised by the joint ventures.
- (c) The total amount of loans to the joint ventures were HK\$3,241 million which exceeds 8% of the Group's adjusted unaudited total assets of HK\$21,469 million (being the Group's unaudited total assets as at 30 June 2009 adjusted for the dividend declared for the six months ended 30 June 2009 by the Company) as at 30 June 2009. The loans are part of the investments and unsecured. Except for the loan to 上海順馳方城置業有限公司, details of which are disclosed in note 18 to the condensed consolidated financial statements, the loans are also interest free and have no definite repayment terms.
- (d) The loans to the joint ventures are reflected in the accounts as part of the cost of investment and were funded by equities raised at the listing of the Company, borrowings or internal resources of the Group.

2. Pursuant to rule 13.18 of the Listing Rules:

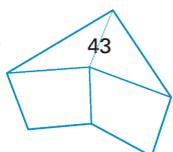
The Company is obliged to make an offer to repurchase all US\$150 million floating rate senior notes due 2012 and US\$200 million fixed rate senior notes due 2014 (the "Notes") then outstanding at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, up to (but not including) the date of repurchase in the occurrence of a change of control triggering event and a decline in the rating of the Notes.

CONTINUING DISCLOSURE OF THE LISTING RULES *(continued)*

3. Pursuant to rule 13.22 of the Listing Rules:

- (a) A summary of aggregate financial information of the joint ventures, based on the adjusted unaudited financial statements prepared under the accounting principles generally accepted in Hong Kong as at 30 June 2009, is as follows:

	At 30 June 2009 (Unaudited) HK\$'000
Statement of Financial Position	
Property, plant and equipment	10,421,589
Current assets	1,883,136
Current liabilities	<u>(1,335,306)</u>
Net current assets	547,830
Amounts due to joint venture partners	<u>(902,215)</u>
Net assets	<u><u>10,067,204</u></u>

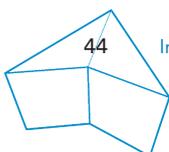


Other Information

CONTINUING DISCLOSURE OF THE LISTING RULES *(continued)*

(b) Details of the joint ventures are as follows:

	% of interest held indirectly by the Company	Loan to joint venture HK\$'000
Infrastructure Joint Ventures		
Anhui Road Universe Hefei Highway Development Co., Ltd.	50%	124,677
Anhui Road Universe Hehuai Highway Dayang Section Development Co., Ltd.	60%	80,118
Anhui Road Universe Hehuai Highway Yangjin Section Development Co., Ltd.	60%	71,707
Anhui Road Universe Liuan Highway Development Co., Ltd.	50%	64,705
Bengbu Road King Chaoyanglu Huaihe Highway Bridge Development Co., Ltd.	35%	36,248
Bengbu Road King Huaihe Bridge Highway Development Co., Ltd.	35%	43,253
Bengbu Road King Huaimeng Highway Development Co., Ltd.	35%	31,686
Guangxi Lutong Highway Development Co., Ltd.	70%	81,800
Handan Rongguang Highway Development Co., Ltd.	70%	79,223
Handan Xinguang Highway Development Co., Ltd.	70%	80,474
Hebei Baofa Expressway Co., Ltd.	40%	54,064
Hebei Baofeng Expressway Co., Ltd.	40%	54,111
Hebei Baohui Expressway Co., Ltd.	40%	53,907
Hebei Baojie Expressway Co., Ltd.	40%	54,994
Hebei Baojin Expressway Co., Ltd.	40%	54,377
Hebei Baoli Expressway Co., Ltd.	40%	55,049
Hebei Baoming Expressway Co., Ltd.	40%	50,550
Hebei Baosheng Expressway Co., Ltd.	40%	54,187
Hebei Baoyi Expressway Co., Ltd.	40%	54,445
Hebei Baoyu Expressway Co., Ltd.	40%	54,703
Hebei Tanghui Expressway Co., Ltd.	45%	182,778
Hebei Tangjin Expressway Co., Ltd.	45%	159,225
Hebei Tangrun Expressway Co., Ltd.	45%	109,749
Hunan Changyi (Baining) Expressway Co., Ltd.	43.17%	58,635
Hunan Changyi (Cangyi) Expressway Co., Ltd.	43.17%	59,832
Hunan Changyi Expressway Co., Ltd.	43.17%	59,567
Hunan Changyi (Hengcang) Expressway Co., Ltd.	43.17%	61,465
Hunan Changyi (Ningheng) Expressway Co., Ltd.	43.17%	59,510
Hunan Changyi (Zijiang No. 2 Bridge) Expressway Co., Ltd.	43.17%	47,346



CONTINUING DISCLOSURE OF THE LISTING RULES (continued)

(b) Details of the joint ventures are as follows: (continued)

	% of interest held indirectly by the Company	Loan to joint venture HK\$'000
Infrastructure Joint Ventures		
Liuan Road Universe Liuye Highway Development Co., Ltd.	50%	68,487
Liuan Road Universe Pihe Bridge Development Co., Ltd.	50%	63,286
Pingdingshan Road King Xuchang-Nanyang Highway (Xiangcheng Section) Development Co., Ltd.	50%	68,352
Pingdingshan Road King Xuchang-Nanyang Highway (Yexian Section) Development Co., Ltd.	50%	59,025
Shanxi Lutong Dongguan Highway Co., Ltd.	65%	99,693
Shanxi Lutong Taiyu Highway Co., Ltd.	65%	75,938
Shanxi Lutong Yuci Highway Co., Ltd.	65%	60,460
Shenzhen Airport-Heao Expressway (Eastern-Section) Co., Ltd.	45%	377,028
Shijiazhuang Luhui Road & Bridge Development Co., Ltd.	60%	96,657
Shijiazhuang Luxin Road & Bridge Development Co., Ltd.	60%	54,040
Suzhou Road King Shanghai-Suzhou Airport Road Development Co., Ltd.	50%	120,874
Property Development Joint Venture		
上海順馳方城置業有限公司*	31.50%	64,286
		<u>3,240,511</u>

* The joint venture is held by 89.46% owned subsidiary of the Company.

As at 30 June 2009, except for an amount of approximately HK\$19.18 million to be injected into Guangxi Lutong Highway Development Co., Ltd., there was no outstanding loan to be injected in any of the abovementioned joint ventures.

4. Save as disclosed above, there is no other continuing disclosure required to be made by the Company pursuant to Chapter 13 of the Listing Rules.

Other Information

REVIEW OF ACCOUNTS

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

ACKNOWLEDGEMENT

On behalf of the Board, we 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

Ko Yuk Bing

*Deputy Chairman, Managing Director &
Chief Executive Officer*

Hong Kong, 17 August 2009

EXECUTIVE DIRECTORS

Zen Wei Pao, William (*Chairman*)
 Ko Yuk Bing (*Deputy Chairman, Managing Director & Chief Executive Officer*)
 Chan Kam Hung (*Chief Operating Officer*)
 Fong Shiu Leung, Keter (*Finance Director*)
 Zen Wei Peu, Derek

NON-EXECUTIVE DIRECTORS

Hu Aimin
 Zhang Yijun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chow Shiu Kee, Stephen
 Lau Sai Yung
 Chow Ming Kuen, Joseph

AUDIT COMMITTEE

Lau Sai Yung (*Chairman*)
 Chow Shiu Kee, Stephen
 Chow Ming Kuen, Joseph

REMUNERATION COMMITTEE

Chow Shiu Kee, Stephen (*Chairman*)
 Zen Wei Pao, William
 Lau Sai Yung
 Chow Ming Kuen, Joseph

MANAGEMENT COMMITTEE

Ko Yuk Bing (*Convenor*)
 Chan Kam Hung
 Fong Shiu Leung, Keter
 Chuk Wing Suet, Josephine
 Yu Kam Fat, James

COMPANY SECRETARY

Fong Shiu Leung, Keter

AUDITOR

Deloitte Touche Tohmatsu

SOLICITORS

Richards Butler in association with Reed Smith LLP
 Conyers, Dill & Pearman

PRINCIPAL BANKERS

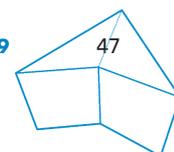
CITIC Ka Wah Bank Limited
 China Construction Bank Corporation
 Agricultural Bank of China Limited
 Industrial and Commercial Bank of China (Asia) Limited
 Bank of China Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
 Rosebank Centre
 11 Bermudiana Road
 Pembroke, HM 08, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
 26th Floor, Tesbury Centre
 28 Queen's Road East, Hong Kong



Corporate Information

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suite 501, 5th Floor
Tower 6, The Gateway
9 Canton Road, Tsimshatsui
Kowloon, Hong Kong

WEBSITE

<http://www.roadking.com.hk>

SHARE LISTING

The Company's shares are listed on the main board of
The Stock Exchange of Hong Kong Limited

STOCK CODES

The Stock Exchange of Hong Kong Limited – 1098
Reuters – 1098.HK
Bloomberg – 1098HK

INVESTOR RELATIONS

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