



Road King Infrastructure Limited

(Incorporated in Bermuda with limited liability)
(Stock Code : 1098)



Interim Report
2022



Corporate Profile

ROAD KING INFRASTRUCTURE LIMITED

Road King Infrastructure Limited is a prominent property developer in Mainland China and Hong Kong focusing on developing quality residential apartments and also a leading toll road investor and operator with over 25 years of experience in the industry. The Company successfully entered into the Southeast Asian market in 2019 and became the first company to invest and participate in the operation of Indonesian expressways among other Mainland China and Hong Kong toll road companies. The existing real estate portfolio is mainly located in the Yangtze River Delta, Bohai Rim regions and Greater Bay Area, comprising a land reserve over 5.7 million square meters. The current toll road portfolio consists of five expressways in Mainland China and three expressways in Indonesia, all located in major economic corridors and spanning over 600km in total.

24 August 2022



Contents

2	FINANCIAL HIGHLIGHTS
4	MANAGEMENT DISCUSSION AND ANALYSIS
39	CORPORATE GOVERNANCE
40	DISCLOSURE OF INTERESTS
43	OTHER DISCLOSURES
47	CORPORATE INFORMATION

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

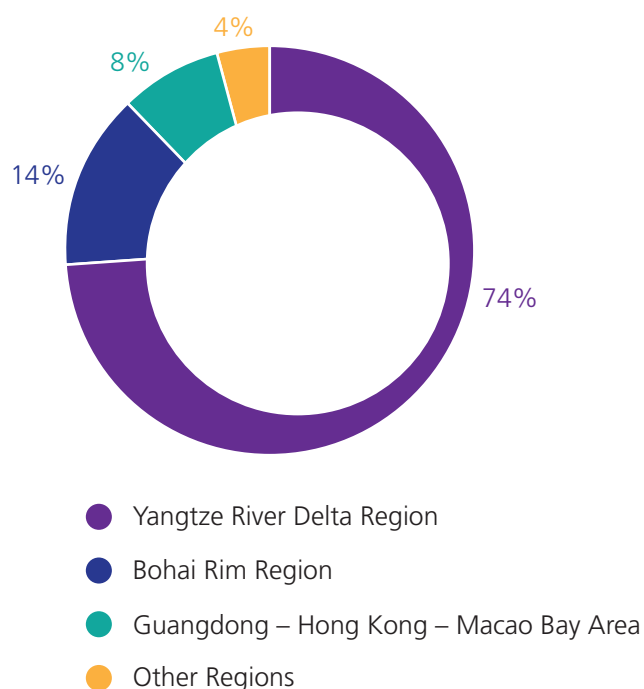
F-1	REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
F-2	CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
F-3	CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
F-4	CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
F-6	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
F-7	CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
F-9	NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



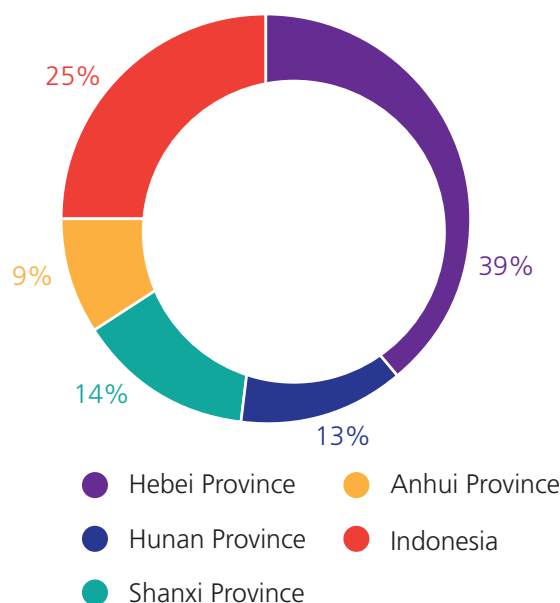
Financial Highlights

	For the six months ended 30 June			For the year ended 31 December	
	2022	2021	2020	2021	2020
(RMB'million)					
Property sales (including joint venture and associate projects)					
– Mainland China projects	14,674	26,000	19,571	39,562	42,193
– Hong Kong projects	113	12,102	877	12,922	1,854
(HK\$million)					
Revenue of the Group	4,973	4,949	8,184	24,678	24,196
Group's share of revenue of joint ventures and associates	3,617	5,031	3,109	14,153	7,587
Revenue of the Group and Group's share of revenue of joint ventures and associates	8,590	9,980	11,293	38,831	31,783
Cash received from toll road projects (including the repayment of shareholders' loans from toll road projects in Mainland China)	488	377	19	604	465
Profit for the period/year	469	647	792	1,984	2,784
Equity attributable to owners of the Company	21,758	21,555	18,325	22,337	20,928
Total assets	102,255	118,109	94,805	108,236	103,281
Bank balances and cash	10,370	22,337	14,893	12,600	14,056
Net assets per share attributable to owners of the Company (HK\$)	29.04	28.77	24.45	29.81	27.93

REVENUE CONTRIBUTION OF PROPERTY PROJECTS IN FIRST HALF OF 2022 BY LOCATION (INCLUDING JOINT VENTURE AND ASSOCIATE PROJECTS)

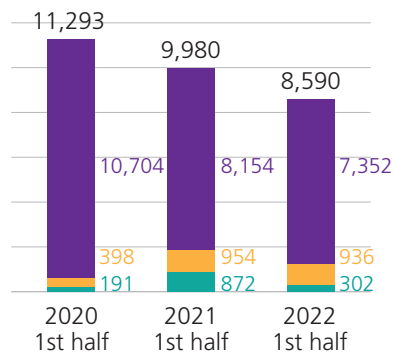


TOLL REVENUE CONTRIBUTION OF EXPRESSWAY PROJECTS IN FIRST HALF OF 2022 BY LOCATION



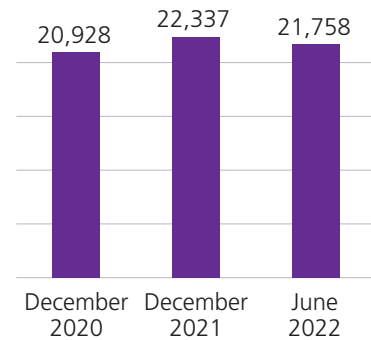
Financial Highlights (continued)

REVENUE (INCLUDING SHARE OF REVENUE OF JOINT VENTURES AND ASSOCIATES) (HK\$'million)

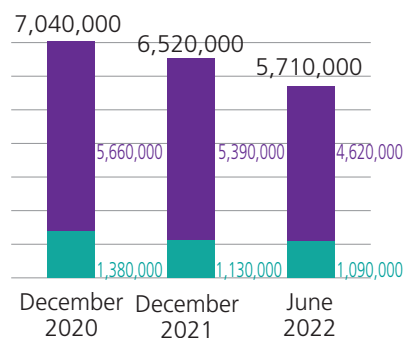


- Property Segment
- Toll Road Segment
- Investment and Asset Management Segment ("IAM Segment")

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (HK\$'million)

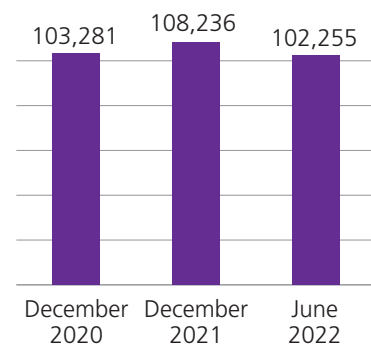


LAND RESERVE (INCLUDING JOINT VENTURE AND ASSOCIATE PROJECTS) (sqm)

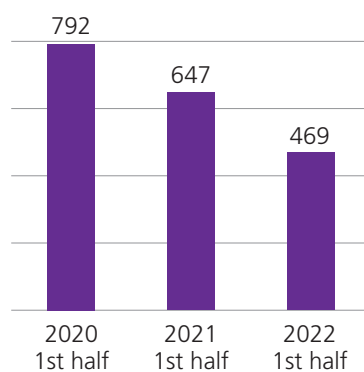


- Property Segment
- IAM Segment

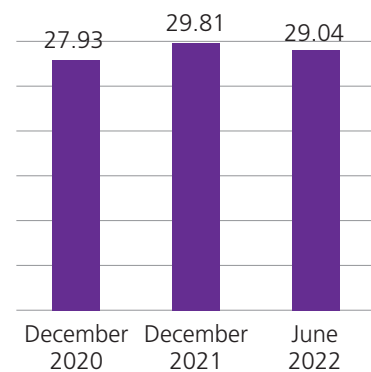
TOTAL ASSETS (HK\$'million)



PROFIT FOR THE PERIOD (HK\$'million)



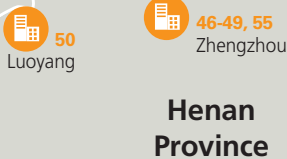
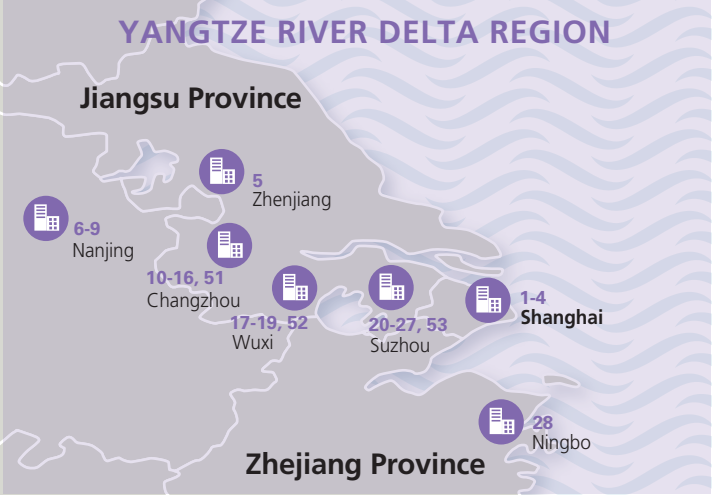
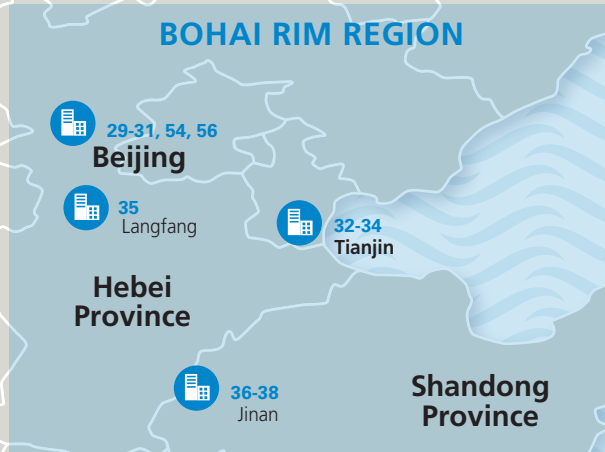
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (HK\$)



Management Discussion and Analysis

PROPERTY PROJECTS

-  Yangtze River Delta Region
-  Bohai Rim Region
-  Guangdong – Hong Kong – Macao Bay Area
-  Other Regions



LAND RESERVE

As at 30 June 2022

Region	Floor Area*	
	sqm	Proportion
Shanghai	375,000	6%
Jiangsu Province	2,461,000	43%
Zhejiang Province	69,000	1%
Yangtze River Delta Region	2,905,000	50%
Beijing	382,000	7%
Tianjin	373,000	7%
Hebei Province	222,000	4%
Shandong Province	282,000	5%
Bohai Rim Region	1,259,000	23%
Guangdong Province	314,000	5%
Hong Kong Special Administrative Region	94,000	2%
Guangdong – Hong Kong – Macao Bay Area	408,000	7%
Henan Province	1,138,000	20%
Other Regions	1,138,000	20%
Total	5,710,000	100%
Of which:		
Properties for sale	5,342,000	94%
Investment properties	368,000	6%

* Including joint venture and associate projects


Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Yangtze River Delta Region

	1 RK Sheshan Villa • Dongyuan							
	Floor Area (sqm)	104,000	Nature	Residential and commercial	Stage of Completion (note)	S/C	Land area (sqm)	122,000
	Approximate attributable interest	100%	Target completion	2024	Location	East to Kungang Highway, West to Hexi Street, South to Mianzhanggang River and North to Wennan Road, Xiaokunshan Town, Songjiang District, Shanghai, the People's Republic of China (the "PRC")		
	2 RK Yuemao Mansion							
	Floor Area (sqm)	30,000	Nature	Residential and Commercial	Stage of Completion (note)	C	Land Area (sqm)	61,000
	Approximate attributable interest	93.75%	Target completion	Completed	Location	East to Hongshi Road, South to Beiqing Road, West to Baiqiang Port, North to Chenjiashan Road, Jiading District, Shanghai, the PRC		
	3 Simple Life							
	Floor Area (sqm)	74,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	78,000
	Approximate attributable interest	49%	Target completion	2022	Location	East to Yuyan Road, South to Jinjuan Road, West to Shizhu Road, North to Xueyan Road, Chongming District, Shanghai, the PRC		
	4 Bright Mansion (formerly known as Qingpu District Project)							
	Floor Area (sqm)	167,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	77,000
	Approximate attributable interest	33%	Target completion	2023	Location	East to Jingnanhe Road, South to Huqingping Road, West to Block 48-03, North to Huixu Road, Qingpu District, Shanghai, the PRC		
	5 RK City (Zhenjiang)							
	Floor Area (sqm)	81,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	257,000
	Approximate attributable interest	100%	Target completion	2023	Location	South of Yihou Road and West of Yandun Shan Road, Dagang Town, Zhenjiang, Jiangsu Province, the PRC		

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Yangtze River Delta Region

6	Breeze Mansion							
	Floor Area (sqm)	177,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	83,000
	Approximate attributable interest	40%	Target completion	2023	Location	East to Keji Avenue, South to Yanfa Two Road, West to Development Road, North to Dongji Avenue, Jiangning District, Nanjing, Jiangsu Province, the PRC		
7	Hill Mansion II							
	Floor Area (sqm)	46,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	26,000
	Approximate attributable interest	36%	Target completion	2022	Location	East to Happy Avenue, South to Guihua Cement Factory Road, West to Guihua Guanjiang Road, North to Guihua Jiangnan Road, Qixia District, Nanjing, Jiangsu Province, the PRC		
8	Dazzling Jiangnan							
	Floor Area (sqm)	76,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	29,000
	Approximate attributable interest	49%	Target completion	2023	Location	North of Xikou South Road, South of Jixiang Road, Yuhuatai Economic Development Zone, Nanjing, Jiangsu Province, the PRC		
9	Cloud-Clad Mount							
	Floor Area (sqm)	146,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	67,000
	Approximate attributable interest	25%	Target completion	2023	Location	East of Yuanhua Road, South of Weidi Road, Xianlin Street, Qixia District, Nanjing, Jiangsu Province, the PRC		
10	Tang Song							
	Floor Area (sqm)	101,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	129,000
	Approximate attributable interest	49%	Target completion	2022	Location	Southeast of Dingxiang Road and Zhongwu Avenue, Zhonglou District, Changzhou, Jiangsu Province, the PRC		

Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Yangtze River Delta Region

11 Jinmao Palace (Changzhou)								
	Floor Area (sqm)	110,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	108,000
	Approximate attributable interest	51%	Target completion	2023	Location	South of Yanzheng Middle Avenue, West of Fenglin North Road, Hutang Town, Wujin District, Changzhou, Jiangsu Province, the PRC		
12 RK Royal Bay								
	Floor Area (sqm)	25,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	34,000
	Approximate attributable interest	100%	Target completion	Completed	Location	East to Xigangtou, South to Chaze Street, West to Miaoqiao River, North to Xiaxi River Tributary, Wujin District, Changzhou, Jiangsu Province, the PRC		
13 Bamboo Grove One								
	Floor Area (sqm)	116,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	52,000
	Approximate attributable interest	51%	Target completion	2023	Location	East to 26 Qinglong Road, South to Zhulin North Road, West to Miaowan Village West Road, North to Hengtangbang, Tianning District, Changzhou, Jiangsu Province, the PRC		
14 West Side Time								
	Floor Area (sqm)	88,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	50,000
	Approximate attributable interest	51%	Target completion	2022	Location	South of Juxiang Road, West of Luyang Road, Wujin District, Changzhou, Jiangsu Province, the PRC		
15 Jade Residence								
	Floor Area (sqm)	112,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	60,000
	Approximate attributable interest	95%	Target completion	2023	Location	South of Yanzheng West Avenue, East of Caoxi Road, Niutang Town, Wujin District, Changzhou, Jiangsu Province, the PRC		

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Yangtze River Delta Region

16	Boyue Cloudy Yard							
	Floor Area (sqm)	172,000	Nature	Residential	Stage of Completion (note)	F/S	Land Area (sqm)	87,000
	Approximate attributable interest	40%	Target completion	2024	Location	East to Nanfeng River, South to Yunhe Road, West to Xinqing Road, North to Wutang Road, Zhonglou District, Changzhou, Jiangsu Province, the PRC		
17	Cloud Top Life							
	Floor Area (sqm)	94,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	53,000
	Approximate attributable interest	20%	Target completion	2022	Location	Southwest of the intersection of Shangwei Road and Jingying Road, Qianqiao Street, Huishan District, Wuxi, Jiangsu Province, the PRC		
18	Yunjin Oriental							
	Floor Area (sqm)	117,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	54,000
	Approximate attributable interest	30%	Target completion	2024	Location	Southwest of the intersection of 312 National Highway and Yonghui Road, Luoshe Town, Huishan District, Wuxi, Jiangsu Province, the PRC		
19	Poetic Villa							
	Floor Area (sqm)	105,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	76,000
	Approximate attributable interest	24.75%	Target completion	2023	Location	Northwest of the intersection of Guqu Road and Gonghu Avenue, Economic Development Zone, Wuxi, Jiangsu Province, the PRC		
20	RK Phoenix City							
	Floor Area (sqm)	80,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	843,000
	Approximate attributable interest	100%	Target completion	2022	Location	Junction of Zhongxin Da Road East and Xieyu Road South, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		





Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Yangtze River Delta Region


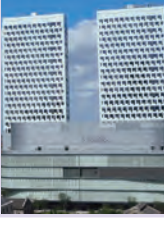
21	The Legendary One							
	Floor Area (sqm)	34,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	95,000
	Approximate attributable interest	49%	Target completion	Completed	Location	North of Huhong Road and West of Anyang Road, Huguan Town, Gaoxin District, Suzhou, Jiangsu Province, the PRC		
22	Wonderful Times							
	Floor Area (sqm)	45,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	36,000
	Approximate attributable interest	49%	Target completion	Completed	Location	South of Sufu Road, East of Suxu Bay, Zhonghai, Mudu Town, Wuzhong District, Suzhou, Jiangsu Province, the PRC		
23	RK Jade Shores							
	Floor Area (sqm)	128,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	79,000
	Approximate attributable interest	51%	Target completion	Completed	Location	East of Kangyang Road, South of Chunguang Road, Huangdai Town, Xiangcheng District, Suzhou, Jiangsu Province, the PRC		
24	Sipac Zone							
	Floor Area (sqm)	78,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	58,000
	Approximate attributable interest	30%	Target completion	2022	Location	South of Jinsheng Road, East of Xingpu Road, Shengpu Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Yangtze River Delta Region

25	Beautiful Bay Times							
	Floor Area (sqm)	94,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	48,000
	Approximate attributable interest	30%	Target completion	2022	Location	South of Sunwu Road, East of Xiangshan North Road, Taihu National Tourism Resort Zone, Wuzhong District, Suzhou, Jiangsu Province, the PRC		
26	Glamorous Garden							
	Floor Area (sqm)	97,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	50,000
	Approximate attributable interest	35%	Target completion	2023	Location	East of Xiangshan North Road, North of Houtang Road, Taihu National Tourism Resort Zone, Wuzhong District, Suzhou, Jiangsu Province, the PRC		
27	City Valley (formerly known as Shengpu East Project)							
	Floor Area (sqm)	115,000	Nature	Residential	Stage of Completion (note)	F/S	Land Area (sqm)	56,000
	Approximate attributable interest	45%	Target completion	2023	Location	West of Xingpu Road, South of Minsheng Road, Suzhou Industrial Park High Trade Zone, Suzhou, Jiangsu Province, the PRC		
28	RK XinTianDi (Ningbo)							
	Floor Area (sqm)	20,000	Nature	Residential and commercial	Stage of Completion (note)	C	Land Area (sqm)	20,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 32, Zhengda Lane, Jiangbei District, Ningbo, Zhejiang Province, the PRC		

Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Bohai Rim Region

29 RK Yunhe Shangyuan								
	Floor Area (sqm)	33,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	33,000
	Approximate attributable interest	100%	Target completion	2023	Location	Ligezhuang Road, Miyun District, Beijing, the PRC		
30 RK Royal Yard								
	Floor Area (sqm)	58,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	77,000
	Approximate attributable interest	100%	Target completion	Completed	Location	East to Shouzhen Road, South to Yujin Street, West to Caifeng Road, North to Yuzhen Street, Caiyu Town, Daxing District, Beijing, the PRC		
31 RK Noble Mansion								
	Floor Area (sqm)	157,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	99,000
	Approximate attributable interest	51%	Target completion	2022	Location	East to Shunfu Road, South to Renheyuan Four Street, West to Fulin Road, North to Lin Henan Main Street, Renhe Town, Shunyi District, Beijing, the PRC		
32 RK Sunny Town								
	Floor Area (sqm)	204,000	Nature	Residential	Stage of Completion (note)	P/S/C	Land Area (sqm)	811,000
	Approximate attributable interest	94.74%	Target completion	2025	Location	Junction of Lushan Road and Helan Road, Hedong District, Tianjin, the PRC		
33 RK Junlan Bay								
	Floor Area (sqm)	63,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	125,000
	Approximate attributable interest	100%	Target completion	Completed	Location	Junction of Chenyong Road and Zhixin Road, Beicang Town, Beichen District, Tianjin, the PRC		

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Bohai Rim Region

34	Joy Meaningful Residence							
	Floor Area (sqm)	92,000	Nature	Residential	Stage of Completion (note)	S/C	Land Area (sqm)	109,000
	Approximate attributable interest	50%	Target completion	2023	Location	East of Huangzhuang Street and Quanshang Road, Wuqing District, Tianjin, the PRC		
35	Park Up Town							
	Floor Area (sqm)	222,000	Nature	Residential	Stage of Completion (note)	F/S	Land Area (sqm)	117,000
	Approximate attributable interest	40%	Target completion	2024	Location	South of Dafu South Road, East of Shouchuang Avenue, Dachang Hui Autonomous County, Langfang, Hebei Province, the PRC		
36	RK Center							
	Floor Area (sqm)	102,000	Nature	Commercial	Stage of Completion (note)	S	Land Area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	2022	Location	South of Beiyuan Da Street and West of Erhuan East Road, Licheng District, Jinan, Shandong Province, the PRC		
37	Joy Mansion of Glory							
	Floor Area (sqm)	111,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	50,000
	Approximate attributable interest	50%	Target completion	Completed	Location	North of Jingshi Dong Road, Lixia District, Jinan, Shandong Province, the PRC		
38	Jin Mao Noble Manor							
	Floor Area (sqm)	69,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	81,000
	Approximate attributable interest	50%	Target completion	Completed	Location	North of Feiyue Avenue, East of Hancang River, South of Hancang Avenue, Licheng District, Jinan, Shandong Province, the PRC		

Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Guangdong – Hong Kong – Macao Bay Area

39	Phoenix Residence							
	Floor Area (sqm)	156,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	58,000
	Approximate attributable interest	30%	Target completion	2023	Location	East of Phoenix South Road, South of Huadu Lake, Huadu District, Guangzhou, Guangdong Province, the PRC		
40	RK Rising Star							
	Floor Area (sqm)	61,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	18,000
	Approximate attributable interest	70%	Target completion	2023	Location	South of Xintang Avenue, Xintang Town, Zengcheng District, Guangzhou, Guangdong Province, the PRC		
41	Elite's Mansion							
	Floor Area (sqm)	53,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	40,000
	Approximate attributable interest	49%	Target completion	Completed	Location	North of Ronggui Rongqi Avenue East, West of Xianghe Guojiang Tunnel, Shunde District, Foshan, Guangdong Province, the PRC		
42	RK Rivage Panorama							
	Floor Area (sqm)	44,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	22,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 27 of Rongqi Avenue East, Ronggui Rongli Neighborhood Committee, Shunde District, Foshan, Guangdong Province, the PRC		
43	Crescent Green							
	Floor Area (sqm)	4,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	28,000
	Approximate attributable interest	100%	Target completion	Completed	Location	Lot No. 1066 in Demarcation District No. 103, Au Tau, Yuen Long, New Territories, Hong Kong		

MAJOR PROJECTS INFORMATION



PROPERTIES FOR SALE

As at 30 June 2022

Guangdong – Hong Kong – Macao Bay Area

44	Southland							
	Floor Area (sqm)	50,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	11,000
	Approximate attributable interest	50%	Target completion	2022	Location	Site A of Aberdeen Inland Lot No. 467, Hong Kong		
45	So Kwun Wat Project							
	Floor Area (sqm)	40,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	12,000
	Approximate attributable interest	50%	Target completion	2023	Location	Tuen Mun Town Lot No. 520, New Territories, Hong Kong		

Other Regions

46	RK International City (Zhengzhou)							
	Floor Area (sqm)	87,000	Nature	Residential	Stage of Completion (note)	C	Land Area (sqm)	162,000
	Approximate attributable interest	60%	Target completion	Completed	Location	Northeast of the junction of Shangduda Road and Renwen Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC		
47	RK Ninth County							
	Floor Area (sqm)	600,000	Nature	Residential and commercial	Stage of Completion (note)	P/F/S/C	Land Area (sqm)	314,000
	Approximate attributable interest	60%	Target completion	2027	Location	East to Zhongxing Road, West to Guihua Road, South to Dongfeng Road, North to Wenbo Road, Xiaopan Zhuang, Zhongmou County, Zhengzhou, Henan Province, the PRC		




Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

PROPERTIES FOR SALE

As at 30 June 2022

Other Regions

48	Joyful Park							
	Floor Area (sqm)	82,000	Nature	Residential	Stage of Completion (note)	S	Land Area (sqm)	24,000
	Approximate attributable interest	49.9%	Target completion	2023	Location	North of Lingyun Road, East of Yulong Street (Planned road name: Baishi East Street), South of Langxing Road, National Economic and Technological Development Zone, Zhengzhou, Henan Province, the PRC		
49	RK Slow City (Central China)							
	Floor Area (sqm)	246,000	Nature	Residential	Stage of Completion (note)	P/S	Land Area (sqm)	249,000
	Approximate attributable interest	100%	Target completion	2024	Location	North of Xinmi West Railway Station, North of Dabei Ring Planning Road, Micun Town, Xinmi City, Zhengzhou, Henan Province, the PRC		
50	RK Leader of Life (Luoyang)							
	Floor Area (sqm)	105,000	Nature	Residential	Stage of Completion (note)	P	Land Area (sqm)	54,000
	Approximate attributable interest	100%	Target completion	2023	Location	Southwest of the junction of Yanhuang Road and Tianzhong Road, Gaoxin District, Luoyang, Henan Province, the PRC		

MAJOR PROJECTS INFORMATION

INVESTMENT PROPERTIES

As at 30 June 2022

Yangtze River Delta Region

	51 RK Grand Metropolis (Changzhou)							
	Floor Area (sqm)	113,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	67,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 33, Huayuan Street, Wujin District, Changzhou, Jiangsu Province, the PRC		
	20 RK Phoenix City							
	Floor Area (sqm)	23,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	17,000
	Approximate attributable interest	100%	Target completion	Completed	Location	Junction of Zhongxin Da Road East and Xieyu Road South, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC		
	52 Meili Ancient Town							
	Floor Area (sqm)	51,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	54,000
	Approximate attributable interest	60%	Target completion	Completed	Location	Southeast of Xinhua Road and Taibo Avenue, Xinwu District, Wuxi, Jiangsu Province, the PRC		
	53 RK Grand Metropolis (Suzhou)							
	Floor Area (sqm)	37,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	24,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 180, Renmin Road, Wujiang District, Suzhou, Jiangsu Province, the PRC		
	28 RK XinTianDi (Ningbo)							
	Floor Area (sqm)	49,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	7,000
	Approximate attributable interest	100%	Target completion	Completed	Location	No. 32, Zhengda Lane, Jiangbei District, Ningbo, Zhejiang Province, the PRC		


Management Discussion and Analysis (continued)


MAJOR PROJECTS INFORMATION

INVESTMENT PROPERTIES


As at 30 June 2022

Bohai Rim Region

54	RK World Plaza							
	Floor Area (sqm)	63,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	22,000
	Approximate attributable interest	100%	Target completion	Completed	Location	West to Heying Road, East to Heying Xi Road, North to Changhuai Road Southern Line and South to Changhuai Road, Nanshao Town, Changping District, Beijing, the PRC		

32	RK Joy Park							
	Floor Area (sqm)	14,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	9,000
	Approximate attributable interest	94.74%	Target completion	Completed	Location	Junction of Longshan Road and Tianshan Bei Road, Hedong District, Tianjin, the PRC		


Other Regions

55	RK Central Special Zone							
	Floor Area (sqm)	18,000	Nature	Commercial	Stage of Completion (note)	C	Land Area (sqm)	9,000
	Approximate attributable interest	94.74%	Target completion	Completed	Location	Junction of Shangding Road and Nongye Dong Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC		

NEW PROJECT ACQUIRED IN THE FIRST HALF OF 2022

PROPERTIES FOR SALE

Bohai Rim Region

56	Park Mansion (formerly known as Shunyi District Project)							
	Floor Area (sqm)	71,000	Nature	Residential	Stage of Completion (note)	F	Land Area (sqm)	41,000
	Approximate attributable interest	49%	Target completion	2023	Location	West of Shuntai Road, North of Shuangping Street, Renhe Town, Shunyi District, Beijing, the PRC		

Notes:

"P" denotes "Planning and design"
 "S" denotes "Superstructure"

"F" denotes "Foundation"
 "C" denotes "Completed"

Management Discussion and Analysis (continued)

TOLL ROAD PROJECTS








Management Discussion and Analysis (continued)

MAJOR PROJECTS INFORMATION

TOLL ROAD PROJECTS




As at 30 June 2022

1	Baojin Expressway					
	Location	Hebei Province	Length	105km	Equity interest (note)	40%
	Route	Provincial Expressway S3700 Baoding-Tianjin ~ 4-lane		Road Rise Investments Limited		
2	Tangjin Expressway					
	Location	Hebei Province	Length	58km	Equity interest (note)	45%
	Route	National Expressway G25 Tangshan-Tianjin ~ 4/6-lane		Ontex Investments Limited Road Base Investments Limited Road Bond Investments Limited		
3	Changyi Expressway					
	Location	Hunan Province	Length	63km	Equity interest (note)	43.17%
	Route	National Expressway G5513 Changsha-Yiyang ~ 4-lane		Road Crown Investments Limited Road Express Investments Limited Road Famous Investments Limited Road Glorious Investments Limited Road Grand Investments Limited Road Link Investments Limited		
4	Longcheng Expressway					
	Location	Shanxi Province	Length	72km	Equity interest (note)	45%
	Route	Provincial Expressway S2002 Yuci Longbai Village-Chengzhao, Qixian ~ 6-lane		Intersafe Investments Limited		
5	Machao Expressway					
	Location	Anhui Province	Length	36km	Equity interest (note)	49%
	Route	National Expressway G4221 Ma'anshan-Chaohu ~ 6-lane		Road King (China) Infrastructure Limited		

MAJOR PROJECTS INFORMATION

TOLL ROAD PROJECTS

As at 30 June 2022

6 Solo Ngawi ("SN") Expressway						
	Location	Central and East Java, Indonesia	Length	91km	Equity interest (note)	40%
	Route	Trans Java Expressway Solo Ngawi ~ 4-lane		Kings Key Limited		
7 Ngawi Kertosono Kediri ("NKK") Expressway						
	Location	East Java, Indonesia	Length	115km	Equity interest (note)	40%
	Route	Trans Java Expressway Ngawi Kertosono Kediri ~ 4-lane		Kings Key Limited		
8 Medan – Kualanamu – Tebing Tinggi ("MKTT") Expressway						
	Location	North Sumatra, Indonesia	Length	62km	Equity interest (note)	45%
	Route	Trans Sumatra Expressway Medan Kualanamu Tebing Tinggi ~ 4-lane		Kings Ring Limited		

Note:

As at 30 June 2022, the toll road projects are indirectly held by Road King Expressway International Holdings Limited, which is 75% (31 December 2021: 75%) held by the Group.

Management Discussion and Analysis (continued)

BUSINESS REVIEW

Property sales and toll revenue of the expressway projects of the Group (including joint venture and associate projects) for the first half of 2022 were RMB14,787 million equivalent and RMB1,820 million equivalent respectively, totaling approximately RMB16,607 million. For the first half of 2022, the Group achieved a profit of HK\$469 million, with profit attributable to shareholders of HK\$85 million, earnings per share of HK\$0.11 and net assets per share of HK\$29.04.

As at 30 June 2022, the Group had a total land reserve of approximately 5,710,000 sqm, of which the total area pre-sold but yet to be delivered was 1,340,000 sqm.

BUSINESS SEGMENTS ANALYSIS

(i) Property Segment

During the first half of 2022, the ongoing collapse of vulnerable real estate enterprises continued to take a toll on the confidence in the property market in Mainland China. Together with the repeated COVID-19 pandemic (the "Pandemic") in multiple cities and the associated lockdowns and Pandemic control measures, the property market experienced additional pressure and faced severe challenges. The market remained sluggish in the first half of the year, with a significant drop in sales volume and a year-on-year decline in property development investment. As a pillar industry in Mainland China, the stability of the real estate sector plays a significant role in the stable social and economic development. Therefore, in the first half of this year, the central government and the authorities were on the move to send out positive signals by implementing city-specific policies and further relaxing the restrictions on property purchase and utilisation of provident funds. The policy environment in the industry entered an easing cycle, however, the confidence of property buyers in the economy and the property market is unlikely to be fully restored in the near future.

The Group's operation team closely monitored the market and seized the window of opportunity to achieve total property sales (including joint venture and associate projects) of RMB14,340 million for the first half of 2022, comprising the contracted sales of RMB12,302 million and outstanding subscribed sales of RMB2,038 million.

Management Discussion and Analysis (continued)

Property Sales and Delivery

Set out below is an analysis of the Property Segment's property sales and delivery by region (including joint venture and associate projects) for the first half of 2022:

Regions (Note 1)	Sales		Delivery	
	Amount RMB'million	Area sqm	Amount RMB'million	Area sqm
Yangtze River Delta Region	9,948	429,000	6,363	372,000
Bohai Rim Region	3,463	152,000	1,296	72,000
Guangdong – Hong Kong – Macao Bay Area	840	40,000	687	43,000
Other regions	89	10,000	12	2,000
Total (first half of 2022)	14,340	631,000	8,358	489,000
Total (first half of 2021) (Note 2)	37,361	1,171,000	9,860	584,000

Note 1:

Yangtze River Delta Region comprises Shanghai, Jiangsu Province and Zhejiang Province.

Bohai Rim Region comprises Beijing, Tianjin, Hebei Province and Shandong Province.

Guangdong-Hong Kong-Macao Bay Area comprises Guangdong Province and Hong Kong Special Administrative Region.

Other regions comprise Henan Province.

Note 2:

In the first half of 2021, the total property sales of the Property Segment recorded a substantial increase of about 90% as the property sales in Hong Kong increased significantly to HK\$14,476 million due to the overwhelming responses on the sales of the new property project Southland in Wong Chuk Hang, Hong Kong. In the first half of 2022, no pre-sale of new project was launched in Hong Kong, resulting in a significant drop in total sales as compared with the corresponding period of last year.

In the first half of 2022, the average selling price of properties in the Property Segment was RMB22,700 per sqm. The sales mainly concentrated in Yangtze River Delta Region and Bohai Rim Region, representing approximately 69% and 24% of total property sales, respectively. As at 30 June 2022, the total area of properties pre-sold but yet to be delivered was 1,290,000 sqm.

Financial Review

Set out below is an analysis of the financial performance of the Group's Property Segment for the first half of 2022 and 2021:

	Six months ended 30 June	
	2022 HK\$'million	2021 HK\$'million
Revenue	4,916	4,868
Gross profit	1,797	1,254
Profit for the period	587	650

In the first half of 2022, revenue from the Group's Property Segment was mainly generated from the delivery of properties in Yangtze River Delta Region (representing approximately 76% of total delivery). The average selling price rose to RMB17,100 per sqm and the gross profit margin was approximately 36%. The increase of gross profit margin was mainly due to the delivery of certain high margin projects and cost savings in settlement of previously completed projects during the period. Profit from the Property Segment was approximately HK\$587 million for the period.

Management Discussion and Analysis (continued)

Land Reserve

In the first half of 2022, while a succession of concentrated land supply was launched in Mainland China, the volume of land transactions was significantly reduced due to the fact that real estate enterprises remained cautious in land acquisition because of downturn in property market, tight liquidity, etc. Stated-owned enterprises still dominated land market. In March 2022, the Group's Property Segment acquired through co-development a residential land parcel in Beijing with a total gross floor area of approximately 71,000 sqm at a total consideration of approximately RMB1,400 million and shared a 49% interest in the project.

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 30 June 2022, the Property Segment's land reserve was approximately 4,620,000 sqm and mainly located in Yangtze River Delta Region, representing approximately 59% of the land reserve.

In the first half of 2022, the area under construction of the Group was 5,310,000 sqm while the area of completed projects was 760,000 sqm. The area under construction and the area of completed projects of the Group in the second half of 2022 are expected to be 5,080,000 sqm and 1,970,000 sqm, respectively.

Looking ahead to the second half of the year, the property market in Mainland China is expected to bottom out and stabilize. It is anticipated that the central and local governments will continue to introduce favourable policies for the stable and healthy development of the real estate industry. Meanwhile, financial policies are expected to achieve counter-cyclical adjustment and the property industry will shift from deleveraging towards stabilizing leverage to fulfill reasonable corporate financing needs and to maintain the stability and order in real estate financing. The unsettled global Pandemic and the uncertainties in the international economic and political environment will continue to impact on the overall economy of Mainland China in the short term. However, with the swift implementation of economic stabilisation policies, the economy and property market in Mainland China are expected to recover gradually in the second half of the year. The property industry, as a pillar industry in Mainland China, still has an important role in supporting economic growth. The Group stays cautiously optimistic in regards to the outlook of property development business in Mainland China.

Throughout the years, the Group's property business has developed a well-established model, a well-functioned management system, a seasoned and dedicated operation team and a sound market position. In the second half of the year, the property management and operation team of the Group will continue its pragmatic approach and strive to ensure property delivery and enhance its control on cash flow. To establish the Group as a more widely recognised and reliable developer, it will continue to research and develop market-oriented products and promote the brand name of the Group.

Overview of Major Projects

Yangtze River Delta Region

Simple Life, Shanghai

In the first half of 2022, the contracted sales of Simple Life was RMB455 million, with an average selling price of approximately RMB32,000 per sqm. It is expected that a total area of approximately 52,000 sqm will be delivered in the second half of 2022.

Jinmao Palace, Changzhou

In the first half of 2022, the contracted sales of Jinmao Palace was RMB595 million, with an average selling price of approximately RMB29,000 per sqm for residential building. In the first half of 2022, the value and area of properties delivered were RMB39 million and 2,000 sqm, respectively. It is expected that a total area of approximately 93,000 sqm will be delivered in the second half of 2022.

RK City Boyue, Changzhou

In the first half of 2022, the contracted sales of RK City Boyue was RMB174 million, with an average selling price of approximately RMB30,000 per sqm for residential building. In the first half of 2022, the value and area of properties delivered were RMB1,251 million and 52,000 sqm, respectively. It is expected that a total area of approximately 10,000 sqm will be delivered in the second half of 2022.

Hill Mansion I, Nanjing

In the first half of 2022, the contracted sales of Hill Mansion I was RMB180 million, with an average selling price of approximately RMB24,000 per sqm for residential building. In the first half of 2022, the value and area of properties delivered were RMB818 million and 32,000 sqm, respectively. It is expected that a total area of approximately 7,000 sqm will be delivered in the second half of 2022.

Dazzling Jiangnan, Nanjing

In the first half of 2022, the contracted sales of Dazzling Jiangnan was RMB660 million, with an average selling price of approximately RMB39,000 per sqm. The project is expected to be completed and delivered in the second half of 2023.

Cloud-Clad Mount, Nanjing

In the first half of 2022, the contracted sales of Cloud-Clad Mount was RMB1,189 million, with an average selling price of approximately RMB39,000 per sqm. The first phase of project is expected to be completed and delivered in the first half of 2023.

Sipac Zone, Suzhou

In the first half of 2022, the contracted sales of Sipac Zone was RMB363 million, with an average selling price of approximately RMB26,000 per sqm. In the first half of 2022, the value and area of properties delivered were RMB104 million and 4,000 sqm, respectively. It is expected that a total area of approximately 77,000 sqm will be delivered in the second half of 2022.

RK Jade Shores, Suzhou

In the first half of 2022, the contracted sales of RK Jade Shores was RMB306 million, with an average selling price of approximately RMB19,000 per sqm. In the first half of 2022, the value and area of properties delivered were RMB503 million and 28,000 sqm, respectively. It is expected that a total area of approximately 56,000 sqm will be delivered in the second half of 2022.

Wonderful Times, Suzhou

In the first half of 2022, the contracted sales of Wonderful Times was RMB166 million, with an average selling price of approximately RMB25,000 per sqm. In the first half of 2022, the value and area of properties delivered were RMB709 million and 29,000 sqm, respectively. It is expected that a total area of approximately 2,000 sqm will be delivered in the second half of 2022.

Management Discussion and Analysis (continued)

Poetic Villa, Wuxi

In the first half of 2022, the contracted sales of Poetic Villa was RMB1,828 million, with an average selling price of approximately RMB36,000 per sqm. The project is expected to be completed and delivered in the second half of 2023.

RK City, Zhenjiang

In the first half of 2022, the contracted sales of RK City was RMB37 million and the value and area of properties delivered were RMB454 million and 67,000 sqm, respectively. It is expected that a total area of approximately 7,000 sqm will be delivered in the second half of 2022.

Lan Ting Long Yue Hua Yuan, Kunshan

In the first half of 2022, the value and area of Lan Ting Long Yue Hua Yuan properties delivered were RMB1,094 million and 62,000 sqm, respectively. It is expected that a total area of approximately 14,000 sqm will be delivered in the second half of 2022.

Bohai Rim Region

RK Noble Mansion, Beijing

In the first half of 2022, the contracted sales of RK Noble Mansion was RMB703 million, with an average selling price of approximately RMB38,000 per sqm for residential building. It is expected that a total area of approximately 97,000 sqm will be delivered in the second half of 2022.

RK Royal Yard, Beijing

In the first half of 2022, the contracted sales of RK Royal Yard was RMB531 million, with an average selling price of approximately RMB25,000 per sqm for residential building. In the first half of 2022, the value and area of properties delivered were RMB392 million and 18,000 sqm, respectively. It is expected that a total area of approximately 42,000 sqm will be delivered in the second half of 2022.

RK Sunny Town, Tianjin

In the first half of 2022, the contracted sales of RK Sunny Town was RMB461 million, with an average selling price of approximately RMB27,000 per sqm. In the first half of 2022, the value and area of properties delivered were RMB177 million and 7,000 sqm, respectively. It is expected that a total area of approximately 66,000 sqm will be delivered in the second half of 2022.

Noble Mansion of Glory, Jinan

In the first half of 2022, the contracted sales of Noble Mansion of Glory was RMB336 million, with an average selling price of approximately RMB19,000 per sqm for residential building. In the first half of 2022, the value and area of properties delivered were RMB341 million and 20,000 sqm, respectively. It is expected that a total area of approximately 9,000 sqm will be delivered in the second half of 2022.

Guangdong – Hong Kong – Macao Bay Area

Phoenix Residence, Guangzhou

In the first half of 2022, the contracted sales of Phoenix Residence was RMB322 million, with an average selling price of approximately RMB27,000 per sqm. It is expected that a total area of approximately 65,000 sqm will be delivered in the second half of 2022.

Elite's Mansion, Foshan

In the first half of 2022, the contracted sales of Elite's Mansion was RMB184 million, with an average selling price of approximately RMB16,000 per sqm for residential building. In the first half of 2022, the value and area of properties delivered were RMB576 million and 38,000 sqm, respectively. It is expected that a total area of approximately 8,000 sqm will be delivered in the second half of 2022.

New Projects

Acquired in the first half of 2022:

Bohai Rim Region

Park Mansion, Beijing (formerly known as Shunyi District Project)

In March 2022, the Group acquired a piece of land in Shunyi District, Beijing for residential development through co-development. The project is located on the west side of Shuntai Road and the north side of Shuangping Street, Renhe Town, Shunyi District and close to RK Noble Mansion. The project is 1.4 km away from Linhe Village Station of the planned R4 line. The land to the west of the site is planned for primary school and large-scale commercial facilities. With comprehensive surrounding living, healthcare, education, leisure and entertainment facilities, it is fit for developing into a high-quality residential project. The project has a site area of 41,000 sqm and a floor area of 71,000 sqm. The project had been launched in June 2022.

(ii) Toll Road Segment

The Group's average daily traffic volume and toll revenue of the expressway projects for the first half of 2022 are analysed below:

	Average Daily Traffic Vehicles	Toll Revenue RMB'million
Expressway projects in Mainland China		
Baojin Expressway	53,700	390
Tangjin Expressway	40,300	313
Changyi Expressway	67,100	244
Longcheng Expressway	24,000	262
Machao Expressway	30,000	167
Sub-total	215,100	1,376
Expressway projects in Indonesia		
SN Expressway	20,200	184
NKK Expressway	19,000	149
MKTT Expressway	20,800	111
Sub-total	60,000	444
Total (First half of 2022)	275,100	1,820
Total (First half of 2021) (Note)	331,000	1,895

Note: The acquisition of MKTT Expressway in Indonesia was completed on 22 April 2021, therefore the above data represented the figures from the date of acquisition to 30 June 2021.

Management Discussion and Analysis (continued)

In the first half of 2022, the Group's average daily traffic volume and toll revenue of the expressway projects reached 275,100 vehicles and RMB1,820 million, representing a decrease of 17% and 4% respectively, as compared with the corresponding period of last year.

In the first half of the year, in addition to adverse weather conditions in northern China, several major cities imposed strict lockdown due to the repercussions of the Pandemic in Mainland China, resulting in a sharper fall in the number of passenger vehicles, with the average daily traffic volume dropping by 25% compared to the corresponding period of last year. As the central government had put in place policies to ensure the smoothness of freight and logistics and resumption of work and production, therefore the Pandemic control had less impact on trucks. In the first half of 2022, the toll revenue from the Group's expressways in Mainland China declined by 16% to RMB1,376 million as compared with the corresponding period of last year, representing a smaller drop than that of traffic volume. With better control of the Pandemic in Mainland China and a series of governmental stimulus packages, it is expected that the domestic economy will return to a stable upward momentum, and the toll revenue and traffic volume of the Group's expressways in Mainland China will both increase in the second half of the year.

In the first half of the year, the Pandemic in Indonesia became stable and traffic volume increased significantly from April during Ramadan and the Easter holidays onwards. During Eid al-Fitr in May, the local government relaxed the strict traffic restrictions imposed last year, resulting in a 104% year-on-year increase in monthly toll revenue and 96% year-on-year increase in the average daily traffic volume in May. It is expected that the current trend of economic development and Pandemic control will maintain the same in the second half of the year, and the toll revenue and traffic volume of the Group's expressways in Indonesia will continue to increase steadily.

In the first half of 2022, in addition to the year-on-year increase of 69% in the toll revenue from the Group's expressways in Indonesia, the Group also implemented cost-saving measures on expressways in Mainland China to offset the impact of toll revenue reduction from certain expressways in Mainland China, which enabled the Group's share of profits of infrastructure joint ventures in the first half of the year to reach HK\$350 million, representing an increase of HK\$4 million as compared with the corresponding period of last year. In the first half of 2022, toll road segment profit (net of head office expenses and taxation) reached HK\$309 million, which represented an increase of HK\$5 million as compared with the corresponding period of last year. During the corresponding period, the Group received a cash distribution from its expressway joint ventures of HK\$488 million, which has resumed to the pre-Pandemic level.

Going forward, the Group will continue to look for new expressway projects with promising returns in Mainland China and the Asia-Pacific region, especially Indonesia, to strengthen its toll road business.

Overview of Toll Road Projects

Baojin Expressway

In the first half of 2022, the average daily traffic volume and toll revenue decreased by 31% and 17% as compared with the corresponding period of last year, respectively. The decrease was mainly due to the Pandemic control in the area and the impact of the Pandemic on the construction of Xiong'an New Area in the first half of the year. While the Pandemic was gradually under control, the government also implemented new policies on logistics and other measures that favor economic recovery. Together with the expanded construction scale of Xiong'an New Area in the second half of the year, these factors will enable the traffic volume and toll revenue to increase. It is expected that traffic volume and toll revenue of Baojin Expressway in the second half of the year will improve as compared with that of the first half of the year.

Tangjin Expressway

In the first half of 2022, the average daily traffic volume and toll revenue decreased by 31% and 19% as compared with the corresponding period of last year, respectively. The decrease was mainly due to the impact of the Pandemic control in Tangshan and neighbouring provinces in the first half of 2022, which imposed travel restrictions and resulted in a sharper decline in passenger vehicle traffic. Truck traffic was less affected than passenger vehicle traffic credited to the government's proactive policies to ensure the smoothness of freight and logistics, but the recovery was sluggish. Meanwhile, both traffic volume and toll revenue decreased as compared with the corresponding period of last year due to the heavy rainfall in June in the area and the traffic control in the first half of the year, as well as the sustained surge in gasoline prices in the first half of the year. With the subsidence of the Pandemic and a series of stimulus packages implemented in Mainland China, the traffic volume and toll revenue of Tangjin Expressway in the second half of the year are expected to improve as compared with that of the first half of the year.

Changyi Expressway

In the first half of 2022, the average daily traffic volume and toll revenue decreased by 17% and 12% as compared with the corresponding period of last year, respectively. The decrease was mainly due to the heavy impact of Pandemic control on tourism in the first half of 2022, which resulted in a decline in traffic volume and toll revenue compared to the corresponding period of last year. With favorable factors such as the subsidence of the Pandemic and a series of stimulus packages implemented in Mainland China, both the traffic volume and toll revenue of Changyi Expressway are expected to improve in the second half of the year as compared with that of the first half of the year.

Longcheng Expressway

In the first half of 2022, the average daily traffic volume and toll revenue decreased by 19% and 17% as compared with the corresponding period of last year, respectively. The decrease was mainly due to a number of unfavorable factors such as denied entry of foreign vehicles into Jinzhong and its neighbouring areas for Pandemic control in the first half of 2022; the traffic control and the suspension and restriction of production imposed for environmental protection during the Winter Olympics between January and March; and the relaxation of truck control on Taiyuan Ring Road which directed cross-border trucks back to it. With favorable factors such as the subsidence of the Pandemic and a series of stimulus packages implemented in Mainland China, both the traffic volume and toll revenue of Longcheng Expressway are expected to improve in the second half of the year as compared with that of the first half of the year.

Machao Expressway

In the first half of 2022, the average daily traffic volume and toll revenue decreased by 21% and 10% as compared with the corresponding period of last year, respectively. The decrease was mainly due to the outbreak of the Pandemic in Shanghai and its neighbouring areas in the first half of 2022; the repair works of the Nanjing section of the Shanghai-Wuhan Expressway in May and June (the closure of the Shanghai-direction lane for construction) and the increase in domestic fuel prices, as a result of which the traffic volume and toll revenue decreased as compared with the corresponding period of last year. With favourable factors such as the subsidence of the Pandemic, a series of stimulus packages implemented in Mainland China, and the expected return of traffic upon the completion of repair works of the Shanghai-Wuhan Expressway in mid-June, both the traffic volume and toll revenue of Machao Expressway are expected to improve in the second half of the year as compared with that of the first half of the year.

Management Discussion and Analysis (continued)

SN Expressway

In the first half of 2022, the average daily traffic volume and toll revenue substantially increased by 35% and 51% as compared with the corresponding period of last year, respectively. The substantial year-on-year increase was mainly due to the government-imposed traffic restrictions in Java, Indonesia where the Pandemic remained severe during the corresponding period of last year. It was also due to the overall satisfying performance in the first half of the year favored mainly by homecoming and return traffic during the Easter holidays, Ramadan and Eid al-Fitr, as the government did not impose strict traffic restrictions this year which led to significant increase in traffic volume. In addition, the successful application for toll rate increment by approximately 15% in August 2021 also contributed to a larger year-on-year increase in toll revenue. The toll revenue and traffic volume of SN Expressway are expected to continue their upward trend steadily in the second half of the year.

NKK Expressway

In the first half of 2022, the average daily traffic volume and toll revenue increased by 37% and 35% as compared with the corresponding period of last year, respectively. The increase was mainly due to the government-imposed traffic restrictions in Java, Indonesia where the Pandemic remained severe during the corresponding period of last year. The overall satisfying performance in the first half of the year was favored mainly by the homecoming and return traffic during Easter holidays, Ramadan and Eid al-Fitr, as the government did not impose strict traffic restrictions this year which led to significant increase in traffic volume. In addition, the successful application for toll rate increment by approximately 3% in April 2021 also contributed to a year-on-year increase in toll revenue. The toll revenue and traffic volume of NKK Expressway are expected to continue their upward trend steadily in the second half of the year.

The project's remaining section that has not yet been constructed from Kertosono to Kediri will be postponed to next year.

MKTT Expressway

In the first half of 2022, the average daily traffic volume and toll revenue increased by 23% and 23% (Note) as compared with the corresponding period of last year, respectively. The increase was mainly due to the fact that the Pandemic in Medan was less severe than that in Java last year, thus government-imposed Pandemic control had less impact on economic activities. In addition, the successful application for toll rate increment by approximately 3% in May 2021 also contributed to a year on year increase in toll revenue. The toll revenue and traffic volume of MKTT Expressway are expected to continue their upward trend steadily in the second half of the year.

Note: The acquisition of MKTT Expressway in Indonesia was completed on 22 April 2021. The average daily traffic volume and toll revenue of MKTT Expressway for the period from January to June 2021 were approximately 16,900 vehicles and RMB90 million, respectively.

(iii) IAM SEGMENT

In the first half of 2022, the property development projects of IAM Segment (including joint venture and associate projects) achieved property sales of approximately RMB447 million, comprising the contracted sales of RMB212 million and outstanding subscribed sales of approximately RMB235 million. As of 30 June 2022, the land reserve of IAM Segment was approximately 1,090,000 sqm, which was mainly located in Henan Province, and the total area of properties pre-sold but yet to be delivered was 50,000 sqm.

After reorganisation and rectification, the business scale of the remaining original businesses, which mainly comprised real estate fund investment as well as cultural and entertainment businesses, has been significantly reduced and investment in new businesses has been ceased. Going forward, the Group will continue to review the operation of its remaining businesses and take appropriate action in due course.

FINANCIAL REVIEW OF THE GROUP

Unaudited Condensed Consolidated Statement of Profit or Loss

The table below extracted major items from the unaudited condensed consolidated statement of profit or loss of the Group for each of the six months ended 30 June 2022 and 2021.

	For the period ended 30 June	
	2022 HK\$'million	2021 HK\$'million
Revenue	4,973	4,949
Gross profit	1,808	1,276
Interest and other (losses) income, net	(266)	548
Selling and operating expenses	(623)	(769)
Share of results of joint ventures and associates	436	542
Finance costs	(550)	(513)
Profit before taxation	805	1,084
Income tax expenses	(336)	(437)
Profit for the period	469	647
Profit attributable to:		
– Owners of the Company	85	325
– Owners of perpetual capital securities	267	262
– Other non-controlling interests of subsidiaries	117	60
	469	647

Management Discussion and Analysis (continued)

Revenue and Gross Profit

During the period under review, revenue and gross profit of the Group were mainly contributed by the property business. The details are contained in the subsection headed “Financial Review” under “Property Segment”.

Interest and Other (Losses) Income, Net

Other net losses was mainly attributed to the depreciation of Renminbi during the period. The Group recorded net exchange losses of approximately HK\$490 million (2021: net exchange gains of HK\$311 million).

Selling and Operating Expenses

The decrease in expenses was mainly attributed to the decrease in property sales volume and the corresponding decrease in sales commission and marketing expenses of the Group as a result of the repeated situation of the Pandemic in various cities in Mainland China during the period.

Share of Results of Joint Ventures and Associates

During the period, the Group’s share of profit was mainly derived from the profit of infrastructure joint ventures of approximately HK\$350 million and the profit of property joint ventures and associates of approximately HK\$86 million. For details, please refer to the analysis of each business segment. The higher profit contribution for the last corresponding period was mainly due to the Group’s property associate project in Zhengzhou was completed with substantial delivery during the corresponding period of last year which contributed to the Group’s profit. Due to the impact of the Pandemic in Mainland China, the construction and delivery schedule of certain property projects were delayed and resulted in the decrease in respective profit contribution during the period.

Income Tax Expenses

Income tax expenses mainly comprise profit tax, land appreciation tax and deferred tax. The decrease in income tax expenses was mainly due to the increase in provision for land appreciation tax for the intended settlement of land appreciation tax of certain property projects during the corresponding period of last year.

Management Discussion and Analysis (continued)

Unaudited Condensed Consolidated Statement of Financial Position

The table below summarised the major items of the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2022 and 31 December 2021.

	30 June 2022 HK\$' million	31 December 2021 HK\$' million
Non-current assets		
– Investments in joint ventures and associates (including shareholders' loans)	27,633	32,556
– Investment properties	4,323	4,263
– Other non-current assets	4,551	3,562
	36,507	40,381
Current assets		
– Inventory of properties (including prepayment for land lease)	44,031	45,146
– Bank balances and cash (including pledged bank deposits)	10,492	12,713
– Shareholders' loans to joint ventures and associates	5,298	3,342
– Other current assets	5,927	6,654
	65,748	67,855
Non-current liabilities		
– Bank and other borrowings	(24,107)	(30,402)
– Other current liabilities	(2,717)	(1,929)
	(26,824)	(32,331)
Current liabilities		
– Creditors and accrued charges	(7,943)	(10,703)
– Loans from joint ventures and associates	(4,693)	(5,010)
– Deposits from pre-sale of properties	(8,371)	(8,407)
– Bank and other borrowings	(12,752)	(7,924)
– Other current liabilities	(6,788)	(8,063)
	(40,547)	(40,107)
Total equity (including owners of perpetual capital securities)	34,884	35,798

Management Discussion and Analysis (continued)

Investments in Joint Ventures and Associates (including Shareholders' Loans)

It mainly represented the Group's interests in infrastructure joint ventures of HK\$5,139 million (31 December 2021: HK\$5,355 million) and interests in property joint ventures and associates of HK\$27,792 million (31 December 2021: HK\$30,543 million), including shareholders' short term loans to the projects (included in current assets). The decrease in balance was mainly attributable to the repayment of shareholders' loans by joint ventures to the Group. The details on new projects acquired through joint ventures are contained in the subsections headed "Land Reserve" and "New Projects" under "Property Segment".

Investment Properties

This comprises the carrying value of investment properties with the details set out in note 12 of the condensed consolidated financial statements. During the period, the increase in the balance was mainly due to the increase in the leased areas of the Group's commercial properties in Ningbo, which offset the effect of decrease in fair value of investment properties. As at 30 June 2022, the total floor area of the investment properties of the Group (including joint venture and associate projects) was approximately 368,000 sqm.

Inventory of Properties (including Prepayment for Land Leases)

The decrease in inventory of properties was mainly due to the fact that the existing projects of the Group's subsidiaries have been completed and delivered successively, and the decrease in the number of newly acquired projects during the period as compared with last year.

Bank Balances and Cash (including Pledged Bank Deposits)

The decrease in bank balances and cash was mainly due to the repayment of certain bank loans and the decrease in pre-sale deposits received during the period as compared with last year.

Bank and Other Borrowings and Non-Current Liabilities

Bank and other borrowings and non-current liabilities mainly represented offshore guaranteed senior notes, syndicated loans, domestic bonds and project development loans of the Group.

Details of the Group's loan profile are set out as follows:

	30 June 2022 HK\$'million	31 December 2021 HK\$'million
Repayable:		
On demand	1,151	721
Within one year	11,601	7,203
After one year but within two years	3,231	8,494
After two years but within five years	20,048	21,004
More than five years	828	904
Total loans	36,859	38,326

Management Discussion and Analysis (continued)

Source of Loans

	30 June 2022	31 December 2021
Short term loans	35%	21%
Long term loans	65%	79%
Total	100%	100%

Currency Profile of Loans

	30 June 2022	31 December 2021
HKD	8%	8%
RMB	29%	32%
USD	63%	60%
Total	100%	100%

Interest Rates Basis

	30 June 2022	31 December 2021
Floating rate	40%	41%
Fixed rate	60%	59%
Total	100%	100%

Nature of Debts

	30 June 2022	31 December 2021
Unsecured loans	77%	74%
Secured loans	23%	26%
Total	100%	100%

Type of Loans

	30 June 2022	31 December 2021
Guaranteed senior notes*	55%	53%
Other offshore loans	16%	15%
	71%	68%
Domestic bonds	3%	3%
Other onshore loans	26%	29%
	29%	32%
Total	100%	100%

* Excluding perpetual capital securities (Classified as equity)

Management Discussion and Analysis (continued)

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

- (a) US\$2,576 million of guaranteed senior notes with annual rates ranging from 5.125% to 7.875% (the Group redeemed US\$22 million of notes after the reporting period); and
- (b) RMB869 million 6.5% domestic bonds.

Apart from the above loans, the Group also issued the following three senior guaranteed perpetual capital securities:

- (a) US\$600 million senior guaranteed perpetual capital securities with distribution rates of 7% and 7.95%; and
- (b) US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities.

As at 30 June 2022, the net gearing ratio and the net capitalisation ratio of the Group were 76% and 43% respectively. Net gearing ratio represents the difference between the Group's total interest-bearing borrowings (excluding amounts due to other non-controlling interests of subsidiaries) and the bank balances and cash (including pledged bank deposits) ("Net Debt") to the total equity. The net capitalisation ratio represents the Net Debt to the sum of Net Debt and total equity.

Unaudited Consolidated Statement of Cash Flows

The table below summarised the major items of the unaudited condensed consolidated statement of cash flows of the Group for each of the six months ended 30 June 2022 and 2021.

	Six months ended 30 June	
	2022 HK\$'million	2021 HK\$'million
Payment for land leases (including payments through joint ventures arrangement)	(1,785)	(1,911)
Net cash (used in) from operating activities, other than payment for land leases	(986)	7,897
Net cash from (used in) investing activities, other than payment for land leases	4,371	(1,193)
Net cash (used in) from financing activities	(3,040)	2,704
Effect of change in exchange rates	(216)	291
Cash and cash equivalents at 1 January	11,432	12,183
Cash and cash equivalents at 30 June	9,776	19,971

Payment for Land Leases (including Payments Through Joint Ventures Arrangement)

During the period, the payments of land premiums were mainly for a project newly acquired in Beijing during the period and for projects acquired in Changzhou and Guangzhou in the fourth quarter of last year. The details on new projects acquired are contained in the subsections headed "Land Reserve" and "New Projects" under "Property Segment".

Net Cash (used in) from Operating Activities, other than Payment for Land Leases

Net cash flow used in operating activities was mainly attributed to the decrease in cash generated from the pre-sales and sales of properties during the period as compared with the corresponding period of last year due to the decrease in sales volume of the Group as a result of the Pandemic.

Net Cash from (used in) Investing Activities, other than Payment for Land Leases

Net cash flow from investing activities was mainly due to the increase in repayment of shareholders' loans from the Group's property joint venture projects during the period, which offset the decrease in loans to non-controlling interests of subsidiaries and investment in joint ventures during the period.

Net Cash (used in) from Financing Activities

Net cash outflow from financing activities during the period was mainly due to the repayment of certain bank loans by the Group during the period, which offset the new loans raised. The net cash inflow from financing activities in the corresponding period of last year was mainly due to the Group's issuance of an offshore senior note totaling US\$500 million and the drawdown of a number of offshore loans, resulting in a higher overall loan amount.

Liquidity and Financial Resources

As at 30 June 2022, the equity attributable to owners of the Company was HK\$21,758 million (31 December 2021: HK\$22,337 million). Net assets per share attributable to owners of the Company was HK\$29.04 (31 December 2021: HK\$29.81).

As at 30 June 2022, the Group's total assets were HK\$102,255 million (31 December 2021: HK\$108,236 million) and bank balances and cash were HK\$10,370 million (31 December 2021: HK\$12,600 million), of which 87% was denominated in Renminbi and the remaining 13% was mainly denominated in US dollars or HK dollars.

During the period under review, the Group drew down various offshore bank loans and project development loans in Hong Kong and Mainland China in an aggregate amount equivalent to HK\$1,976 million. The drawdown of new loans was offset by the repayment of certain bank loans.

As confidence in the market continued to be rattled by the ongoing collapse of vulnerable real estate enterprises, coupled with lockdowns and Pandemic control measures, debt and equity investors and customers became increasingly cautious in investing in real estate, which created a negative impact on the overall capital flows of the industry. On one hand, the Group stepped up its efforts to manage project cash flows and ensure property delivery. On the other hand, it will materialize real estate projects with longer fund recovery period when opportunities arise.

The Group continues to adopt prudent financing and treasury policies, with all financing and treasury activities centrally managed and controlled. Implementation of the Group's related policies is made under collective and extensive considerations on liquidity risk, financing costs and exchange rate risk. The Group will continue to maintain healthy treasury strategy and consider various financing channels, so as to manage capital structure and ensure sufficient cash resources for the Group.

Charges on Assets

As at 30 June 2022, bank balances of HK\$122 million (31 December 2021: HK\$113 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects and banking facilities granted to the Group. In addition to these pledged bank deposits, properties with carrying value of HK\$15,740 million (31 December 2021: HK\$10,241 million) were pledged as security for certain loan facilities.

Management Discussion and Analysis (continued)

Exposure on Foreign Exchange Fluctuations and Interest Rates

The Group's borrowings are mainly denominated in Renminbi and US dollar but the cash flow is mainly generated from projects whose earnings are denominated in Renminbi. As a result, the Group is exposed to the foreign exchange risk on the fluctuation of Renminbi and US dollar. In the first half of 2022, the Group recorded net exchange loss of approximately HK\$490 million. For minimising the impacts arising from fluctuation of exchange rate between US dollar and Renminbi on the Group, the Group had entered into range forward swap contracts for part of offshore US dollar debts. The Group will pay close attention to the impact of changes in international environment on exchange rate fluctuations, and will enter into foreign currency forward contracts to balance the foreign exchange risks, when appropriate.

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

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

Financial Guarantee Contracts

As at 30 June 2022, the Group had provided guarantees of HK\$7,756 million (31 December 2021: HK\$8,398 million) to banks in respect of the mortgage loans of the purchasers of the Group's properties. The guarantees would be released after the purchasers have pledged their property ownership certificates as securities to the banks for the mortgage loans granted.

The Group had provided guarantees of HK\$4,877 million (31 December 2021: HK\$4,098 million) for banking facilities granted to the joint ventures of the Group as at 30 June 2022.

Employees

Excluding the staff of joint ventures and associates, the Group had 4,449 employees as at 30 June 2022. Expenditure on staff (excluding Directors' emoluments and share-based payment) amounted to HK\$501 million. Employees are remunerated according to their performance and contribution. Other employee benefits include provident fund, insurance, medical cover and training programs, as well as share option scheme. During the period under review, no share option was granted.

Corporate Governance

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the six months ended 30 June 2022.

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”) as set out in Appendix 10 to the Listing Rules as its own code. All the Directors of the Company have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30 June 2022.

Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 June 2022, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company 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 Directors	Nature of interest	Notes	Number of shares held		Percentage of holding (Note 3) %
			Long position	Short position	
Zen Wei Peu, Derek	Personal	1 & 2	24,649,000	–	3.29
Fong Shiu Leung, Keter	Personal	1	260,000	–	0.03

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. Included in the balance is 1,000,000 shares of the Company held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
3. The percentage was calculated based on 749,336,566 shares of the Company in issue as at 30 June 2022.

(II) Underlying Shares – Share Options

The share option scheme was adopted by the Company on 8 May 2013. 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 2021.

During the six months ended 30 June 2022, there were no outstanding share options under the share option scheme.

(III) Debentures of Associated Corporations

Name of Directors	Name of companies	Nature of interest	Type of debentures	Principal amount held
Zen Wei Peu, Derek	RKI Overseas Finance 2017 (A) Limited	Personal	US\$300 million 7% senior guaranteed perpetual capital securities	US\$800,000 (Note 1) (long position)
	RKPF Overseas 2019 (A) Limited	Personal	US\$400 million 7.875% guaranteed senior notes	US\$11,000,000 (long position)
	RKPF Overseas 2019 (A) Limited	Personal	US\$480 million 6.7% guaranteed senior notes	US\$4,500,000 (Note 2) (long position)
Wong Wai Ho	RKI Overseas Finance 2017 (A) Limited	Personal	US\$300 million 7% senior guaranteed perpetual capital securities	US\$200,000 (long position)

Notes:

1. A principal amount of US\$400,000 of US\$300 million 7% senior guaranteed perpetual capital securities was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.
2. A principal amount of US\$3,500,000 of US\$480 million 6.7% guaranteed senior notes was held by Ms. Luk Chan, the spouse of Mr. Zen Wei Peu, Derek.

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

Save as disclosed above, none of the Directors of the Company 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 corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2022, the interests and short positions of every person, other than the Directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of shareholders	Nature of interest	Number of shares held		Percentage of holding (Note 11) %
		Long position (Note 1)	Short position	
Wai Kee Holdings Limited (Note 2)	Interest in controlled corporation	336,608,428	–	44.92
Wai Kee (Zens) Holding Limited (Note 3)	Interest in controlled corporation	336,608,428	–	44.92
Groove Trading Limited (Note 4)	Beneficial owner	81,880,000	–	10.93
Wai Kee China Investments (BVI) Company Limited (Note 4)	Interest in controlled corporation	251,728,428	–	33.59
Wai Kee China Investments Company Limited (Note 5)	Interest in controlled corporation	251,728,428	–	33.59
ZWP Investments Limited (Note 6)	Beneficial owner	251,728,428	–	33.59
深業集團有限公司 (Shum Yip Group Limited*) (Note 7)	Interest in controlled corporation	202,334,142	–	27.00
Shum Yip Holdings Company Limited (Note 8)	Interest in controlled corporation	202,334,142	–	27.00
Shenzhen Investment Limited (Note 9)	Interest in controlled corporation	202,334,142	–	27.00
Brightful Investment Holding Limited (Note 10)	Beneficial owner	202,334,142	–	27.00

Disclosure of 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, Build King Management Limited and Build King Civil Engineering Limited, which beneficially held 3,000,000 shares of the Company. Mr. Zen Wei Peu, Derek is a director of Wai Kee Holdings Limited.
3. Wai Kee (Zens) Holding Limited is a direct wholly-owned subsidiary of Wai Kee Holdings Limited. Mr. Zen Wei Peu, Derek is a director of Wai Kee (Zens) Holding Limited.
4. Groove Trading Limited and Wai Kee China Investments (BVI) Company Limited are direct wholly-owned subsidiaries of Wai Kee (Zens) Holding Limited. Mr. Zen Wei Peu, Derek is a director of Groove Trading Limited and Wai Kee China Investments (BVI) Company Limited.
5. Wai Kee China Investments Company Limited is a direct wholly-owned subsidiary of Wai Kee China Investments (BVI) Company Limited. Mr. Zen Wei Peu, Derek is a director of Wai Kee China Investments Company Limited.
6. ZWP Investments Limited is a direct wholly-owned subsidiary of Wai Kee China Investments Company Limited. Mr. Zen Wei Peu, Derek is a director of ZWP Investments Limited.
7. 深業集團有限公司 (Shum Yip Group Limited*) (incorporated in the PRC) is deemed to be interested in the shares of the Company through its 90% interests in Shum Yip Holdings Company Limited (incorporated in Hong Kong). Ms. Cai Xun is a director of 深業集團有限公司 (Shum Yip Group Limited*).
8. Shum Yip Holdings Company Limited (incorporated in Hong Kong) is deemed to be interested in the shares of the Company through its approximately 63.19% interests in Shenzhen Investment Limited. Ms. Cai Xun is a director of Shum Yip Holdings Company 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 Brightful Investment Holding Limited. Ms. Cai Xun is a director of Shenzhen Investment Limited.
10. Brightful Investment Holding Limited is a direct wholly-owned subsidiary of Shenzhen Investment Limited.
11. The percentage was calculated based on 749,336,566 shares of the Company in issue as at 30 June 2022.

Save as disclosed above, no other person (other than the Directors of the Company) 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 by the Company under section 336 of the SFO.

* for identification purpose only

Other Disclosures

DIVIDEND

The Board has resolved not to declare the payment of any interim dividend (2021: HK\$0.15 per share) for the six months ended 30 June 2022.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

During the period, the Company redeemed an aggregate principal amount of US\$16 million of US\$400 million 7.875% guaranteed senior notes due 2023 (the "Notes") issued by RKPF Overseas 2019 (A) Limited. Following the redemption, the Notes were cancelled and in an aggregate principal amount of US\$380 million remain outstanding as at 30 June 2022. Subsequent to the reporting period, the Group redeemed US\$22 million of the Notes.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Group's listed securities during the six months ended 30 June 2022.

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 13.22 of the Listing Rules:

- (a) A summary of aggregate financial information of the affiliated companies, based on the unaudited financial statements prepared under the accounting principles generally accepted in Hong Kong, as at 30 June 2022, is as follows:

	At 30 June 2022 HK\$'million
Statement of Financial Position	
Non-current assets	3,164
Current assets	58,940
Current liabilities	(34,218)
Net current assets	24,722
Non-current liabilities	(16,723)
Net assets	11,163

Other Disclosures (continued)

(b) Details of the affiliated companies are as follows:

	The Group's attributable interest in the affiliated companies	Amount of guarantee given by the Group HK\$'million	Amount of commitment for amounts advanced or to be advanced by the Group HK\$'million
Anhui Machao Expressway Co., Ltd* ^(note)	49%	272	–
Beijing Shunherenyi Properties Developments Co., Ltd.*	49%	–	44
Changzhou Xinjunjie Properties Developments Ltd.*	40%	66	963
Foshan Qihui Properties Co., Ltd.*	49%	–	717
Guangzhou Runhe Real Estate Co., Ltd.*	30%	–	236
Hangzhou Xinyao Real Estate Co., Ltd.*	30%	–	137
Holovis International Ltd	40%	–	67
Jinan Junsheng Properties Developments Co., Ltd.*	50%	–	1,382
Jinan Yajun Properties Developments Co., Ltd.*	50%	–	473
Nanjing Qiaojing Properties Developments Co., Ltd.*	49%	–	178
Nanjing Xinjinglian Properties Developments Co., Ltd.*	25%	252	479
Nanjing Zhongjin Properties Developments Ltd.*	40%	298	106
Shanghai Junting Properties Developments Co., Ltd.*	33%	–	469
Shum King Company Limited	50%	866	2,134
Suzhou Huxi Properties Developments Co., Ltd.*	35%	–	188
Suzhou Huyue Properties Developments Co., Ltd.*	30%	–	32
Suzhou Ruimao Properties Developments Co., Ltd.*	49%	255	–
Tianjin Junda Corporate Management Co., Ltd.*	50%	–	661
Tianjin Juntai Properties Developments Co., Ltd.*	50%	286	–

	The Group's attributable interest in the affiliated companies	Amount of guarantee given by the Group HK\$'million	Amount of commitment for amounts advanced or to be advanced by the Group HK\$'million
Wuxi Xinsheng Real Estate Co., Ltd.*	30%	149	251
Wuxi Yejing Properties Developments Co., Ltd.*	24.75%	–	308
Zhengzhou Junzheng Properties Developments Co., Ltd.*	49.9%	186	25
		2,630	8,850

Note:

As at 30 June 2022, the interests in this infrastructure joint ventures are indirectly held by Road King Expressway International Holdings Limited, which is 75% held by the Group.

* for identification purpose only

2. Pursuant to Rule 13.18 of the Listing Rules:

Guaranteed Senior Notes and Senior Guaranteed Perpetual Capital Securities

The Company is obliged to make an offer to repurchase and redeem the following guaranteed senior notes and senior guaranteed perpetual capital securities then outstanding at a rate equal to 101% of the principal amount, plus accrued and unpaid interest, if any, up to (but not including) the date of repurchase, and together with any distribution accrued to the date fixed for redemption, including any deferred distribution and any additional distribution payable on it, respectively upon the occurrence of a change of control triggering event and a decline in the rating of the notes and the securities:

- (a) US\$400 million 7.875% notes due 2023 (issued in February 2019);
- (b) US\$480 million 6.7% notes due 2024 (issued in September 2019);
- (c) US\$300 million 5.9% notes due 2025 (issued in March 2020);
- (d) US\$416 million 6% notes due 2025 (issued in September 2020);
- (e) US\$500 million 5.2% notes due 2026 (issued in January 2021);
- (f) US\$500 million 5.125% notes due 2026 (issued in July 2021);
- (g) US\$300 million 7.95% perpetual capital securities (issued in February 2017);
- (h) US\$300 million 7% perpetual capital securities (issued in June 2017); and
- (i) US\$300 million 7.75% fixed-spread perpetual capital securities (issued in November 2019).

During the period, an aggregate principal amount of US\$16 million of US\$400 million 7.875% guaranteed senior notes due 2023 issued by RKPF Overseas 2019 (A) Limited were redeemed by the Company. For details, please refer to the section headed "Repurchase, Sale or Redemption of Listed Securities of the Group".

Other Disclosures (continued)

3. Pursuant to Rule 13.51B(1) of the Listing Rules:

Upon specific enquiry by the Company, save as disclosed below, there is no change in the information of the Directors of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report:

Name of Directors	Details of changes
Mr. Tse Chee On, Raymond	He entered into a letter of appointment with the Company for a period from 9 May 2022 to 8 May 2025 or the date of the annual general meeting of the Company to be held in 2025, whichever is earlier.
Mr. Xu Enli	He entered into a letter of appointment with the Company for a period from 21 May 2022 to 20 May 2025 or the date of the annual general meeting of the Company to be held in 2025, whichever is earlier.
Ms. Hui Grace Suk Han	She was appointed as an Independent Non-executive Director of the Company with effect from 1 June 2022. She entered into a letter of appointment with the Company for a period from 1 June 2022 to the next following annual general meeting of the Company.

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.

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

ACKNOWLEDGEMENT

The Board expresses its sincere gratitude to the business partners, customers and shareholders for their enduring support, and thanks all staff for their dedication and hard work.

Corporate Information

EXECUTIVE DIRECTORS

Zen Wei Peu, Derek (*Chairman*)
Ko Yuk Bing (*Deputy Chairman*)
Fong Shiu Leung, Keter (*Chief Executive Officer*)
Ng Fun Hung, Thomas (*Chief Financial Officer*)

NON-EXECUTIVE DIRECTORS

Cai Xun
Xu Enli

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lau Sai Yung
Tse Chee On, Raymond
Wong Wai Ho
Hui Grace Suk Han

PROPERTY BUSINESS MANAGEMENT COMMITTEE

Zen Wei Peu, Derek
Ko Yuk Bing
Fong Shiu Leung, Keter (*Convenor*)
Ng Fun Hung, Thomas
Li Wanle
Chuk Wing Suet, Josephine
Zhang Nan
Diao Lu, Amy
Zhao Min

AUDIT COMMITTEE

Lau Sai Yung (*Chairman*)
Tse Chee On, Raymond
Wong Wai Ho

NOMINATION COMMITTEE

Zen Wei Peu, Derek (*Chairman*)
Lau Sai Yung
Wong Wai Ho
Tse Chee On, Raymond

REMUNERATION COMMITTEE

Tse Chee On, Raymond (*Chairman*)
Zen Wei Peu, Derek
Lau Sai Yung
Wong Wai Ho

COMPANY SECRETARY

Lee Tak Fai, Kennedy

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

SOLICITORS

Beijing Global Law Office
Conyers, Dill & Pearman
Reed Smith Richards Butler LLP

PRINCIPAL BANKERS

Mainland China

Agricultural Bank of China Limited
Bank of China Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
PingAn Bank Co., Ltd.

Hong Kong

China CITIC Bank International Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor, North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Corporate Information (continued)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

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

SHARE LISTING

The Company's shares are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 1098)

NOTES, SECURITIES AND BONDS LISTING

The following notes and securities are listed on the Singapore Exchange Securities Trading Limited

- US\$400 million 7.875% guaranteed senior notes due 2023
- US\$480 million 6.7% guaranteed senior notes due 2024
- US\$300 million 5.9% guaranteed senior notes due 2025
- US\$416 million 6% guaranteed senior notes due 2025
- US\$500 million 5.2% guaranteed senior notes due 2026
- US\$500 million 5.125% guaranteed senior notes due 2026
- US\$300 million 7.95% senior guaranteed perpetual capital securities
- US\$300 million 7% senior guaranteed perpetual capital securities
- US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities

The following bonds are listed on the Shanghai Stock Exchange

- RMB868.55 million 6.5% domestic bonds

The following commercial mortgage-backed securities ("CMBS") are listed on the Shenzhen Stock Exchange

- RMB270 million 5.5% CMBS due 2024
- RMB440 million 6.5% CMBS due 2024

INVESTOR RELATIONS

Contact Persons: Lee Tak Fai, Kennedy
Tsoi Yuk Gee, Melissa
Telephone: (852) 2957 6800
Facsimile: (852) 2375 2477
E-mail address: ir@roadking.com.hk

WEBSITES

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

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF ROAD KING INFRASTRUCTURE LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Road King Infrastructure Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages F-2 to F-36, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The 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 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 these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 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 these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 August 2022

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Revenue			
Property sales and service income	3(a)	4,899,761	4,834,401
Other revenue		73,139	114,637
Total revenue	3(c)	4,972,900	4,949,038
Cost of sales		(3,165,290)	(3,672,569)
Gross profit		1,807,610	1,276,469
Interest income		227,189	180,489
Other income		93,244	74,773
Other gains and losses	5	(585,708)	292,425
Selling expenses		(245,015)	(365,760)
Administrative expenses		(378,480)	(403,661)
Share of results of associates		30,063	142,053
Share of results of joint ventures	6	405,947	400,255
Finance costs	7	(549,537)	(513,136)
Profit before taxation	8	805,313	1,083,907
Income tax expenses	9	(336,381)	(437,094)
Profit for the period		468,932	646,813
Profit attributable to:			
Owners of the Company		85,431	325,132
Owners of perpetual capital securities		266,321	262,092
Other non-controlling interests of subsidiaries		117,180	59,589
		468,932	646,813
Earnings per share	11		
– Basic		HK\$0.11	HK\$0.43
– Diluted		N/A	N/A

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Profit for the period	468,932	646,813
Other comprehensive (expense) income		
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	52,224	(34,436)
Share of other comprehensive expense of joint ventures	(6,346)	–
Reclassified to profit or loss upon termination of hedging instruments	–	53,111
<i>Item that will not be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation to presentation currency	(670,023)	733,055
Other comprehensive (expense) income for the period	(624,145)	751,730
Total comprehensive (expense) income for the period	(155,213)	1,398,543
Total comprehensive (expense) income attributable to:		
Owners of the Company	(429,379)	1,039,518
Owners of perpetual capital securities	266,321	262,092
Other non-controlling interests of subsidiaries	7,845	96,933
	(155,213)	1,398,543

Condensed Consolidated Statement of Financial Position

At 30 June 2022

	NOTES	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		92,311	93,253
Right-of-use assets		52,985	82,685
Investment properties	12	4,322,934	4,263,014
Interests in associates		1,606,103	1,606,893
Interests in joint ventures	13	18,771,713	19,320,801
Deferred tax assets		278,842	196,304
Amounts due from joint ventures	15	7,254,870	11,628,741
Amounts due from other non-controlling interests of subsidiaries		1,002,080	306,198
Loan receivables		2,248,700	1,983,620
Financial assets at fair value through profit or loss ("FVTPL")		876,757	899,080
		36,507,295	40,380,589
Current assets			
Inventory of properties	14	44,030,526	44,667,671
Prepayment for land leases		–	478,012
Amounts due from joint ventures and associates	15	5,298,261	3,341,987
Amounts due from other non-controlling interests of subsidiaries		1,370,845	2,122,295
Loan receivables		447,544	558,008
Debtors, deposits and prepayments	16	2,576,886	2,398,928
Prepaid income tax		1,530,855	1,575,271
Pledged bank deposits	17	122,186	113,395
Bank balances and cash	17	10,370,383	12,599,575
		65,747,486	67,855,142
Total assets		102,254,781	108,235,731
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	18	74,934	74,934
Reserves		21,683,238	22,262,484
		21,758,172	22,337,418
Owners of perpetual capital securities	19	6,956,605	6,954,296
Other non-controlling interests of subsidiaries		6,169,521	6,506,666
Total equity		34,884,298	35,798,380

Condensed Consolidated Statement of Financial Position

At 30 June 2022

	NOTES	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Non-current liabilities			
Bank and other borrowings	20	24,107,029	30,402,464
Amounts due to joint ventures		1,026,272	386,081
Deferred tax liabilities		1,401,671	1,362,754
Financial liabilities at FVTPL		249,842	111,793
Lease liabilities		38,917	67,663
		26,823,731	32,330,755
Current liabilities			
Creditors and accrued charges	21	7,942,625	10,703,320
Amounts due to joint ventures and associates		4,693,079	5,010,168
Amounts due to other non-controlling interests of subsidiaries		1,516,333	1,938,642
Contract liabilities		8,370,847	8,406,644
Lease liabilities		18,496	24,417
Income tax payable		5,148,547	5,954,969
Bank and other borrowings	20	12,751,635	7,923,720
Financial liabilities at FVTPL		105,190	144,716
		40,546,752	40,106,596
Total equity and liabilities		102,254,781	108,235,731

Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company									Other non-controlling interests of subsidiaries HK\$'000	Total equity HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Foreign currency translation reserve HK\$'000	Special reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Cash flow hedging reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000			Owners of perpetual capital securities HK\$'000
Balance at 1 January 2021 (audited)	74,934	3,224,794	1,237,468	1,260,000	1,002,963	3,742,623	(53,111)	10,438,174	20,927,845	6,952,437	5,161,572	33,041,854
Profit for the period	-	-	-	-	-	-	-	325,132	325,132	262,092	59,589	646,813
Reclassified to profit or loss upon termination of hedging instruments	-	-	-	-	-	-	53,111	-	53,111	-	-	53,111
Exchange differences arising on translation of foreign operations	-	-	(25,827)	-	-	-	-	-	(25,827)	-	(8,609)	(34,436)
Exchange differences arising on translation to presentation currency	-	-	687,102	-	-	-	-	-	687,102	-	45,953	733,055
Total comprehensive income for the period	-	-	661,275	-	-	-	53,111	325,132	1,039,518	262,092	96,933	1,398,543
Sub-total	74,934	3,224,794	1,898,743	1,260,000	1,002,963	3,742,623	-	10,763,306	21,967,363	7,214,529	5,258,505	34,440,397
Capital contributions from other non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	34,727	34,727
Distributions paid for owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	(262,796)	-	(262,796)
Dividend (note 10)	-	-	-	-	-	-	-	(412,135)	(412,135)	-	-	(412,135)
Balance at 30 June 2021 (unaudited)	74,934	3,224,794	1,898,743	1,260,000	1,002,963	3,742,623	-	10,351,171	21,555,228	6,951,733	5,293,232	33,800,193
Balance at 1 January 2022 (audited)	74,934	3,224,794	2,090,221	1,260,000	1,002,963	4,154,450	-	10,530,056	22,337,418	6,954,296	6,506,666	35,798,380
Profit for the period	-	-	-	-	-	-	-	85,431	85,431	266,321	117,180	468,932
Share of other comprehensive expense of joint ventures	-	-	-	-	-	-	(6,346)	-	(6,346)	-	-	(6,346)
Exchange differences arising on translation of foreign operations	-	-	39,168	-	-	-	-	-	39,168	-	13,056	52,224
Exchange differences arising on translation to presentation currency	-	-	(547,632)	-	-	-	-	-	(547,632)	-	(122,391)	(670,023)
Total comprehensive (expense) income for the period	-	-	(508,464)	-	-	-	(6,346)	85,431	(429,379)	266,321	7,845	(155,213)
Sub-total	74,934	3,224,794	1,581,757	1,260,000	1,002,963	4,154,450	(6,346)	10,615,487	21,908,039	7,220,617	6,514,511	35,643,167
Released upon deregistration of subsidiaries of the Company	-	-	(50,776)	-	-	-	-	50,776	-	-	-	-
Reduction of capital of a non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(344,990)	(344,990)
Distributions paid for owners of perpetual capital securities	-	-	-	-	-	-	-	-	-	(264,012)	-	(264,012)
Dividend (note 10)	-	-	-	-	-	-	-	(149,867)	(149,867)	-	-	(149,867)
Balance at 30 June 2022 (unaudited)	74,934	3,224,794	1,530,981	1,260,000	1,002,963	4,154,450	(6,346)	10,516,396	21,758,172	6,956,605	6,169,521	34,884,298

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Operating activities:			
Operating cash flows before movements in working capital		1,295,398	603,483
Payment for land leases		(473,958)	(1,313,491)
(Increase) decrease in debtors, deposits and prepayments		(196,732)	106,220
Decrease in inventory of properties		1,187,729	225,851
Increase in contract liabilities		121,624	8,488,743
Decrease in creditors and accrued charges		(2,359,946)	(308,306)
Cash (used in) generated from operations		(425,885)	7,802,500
Income tax paid		(1,034,729)	(1,219,084)
Net cash (used in) generated from operating activities		(1,460,614)	6,583,416
Investing activities:			
Cash distributions/dividends received from joint ventures		488,331	722,461
Net cash inflow from acquisition of subsidiaries	22	–	22,313
Cash proceeds on disposal of interest in a joint venture		48,150	–
Acquisition of/capital contributions to joint ventures		(333,691)	(833,811)
Advances to other non-controlling interests of subsidiaries		(105,084)	(633,688)
Repayment from other non-controlling interests of subsidiaries		111,206	111,364
Advances to joint ventures and associates		(1,544,212)	(2,408,270)
Repayment from joint ventures and associates		3,737,163	2,494,096
Addition of investments in an unlisted entity		–	(597,877)
Placement of pledged bank deposits		(13,058)	(114,799)
Withdrawal of pledged bank deposits		2,123	111,254
Placement of restricted bank balances		(195,296)	(1,384,841)
Withdrawal of restricted bank balances		748,270	892,245
Settlement of consideration payables		(198,322)	(5,557)
Other investing cash flows		314,462	(165,812)
Net cash generated from (used in) investing activities		3,060,042	(1,790,922)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Financing activities:			
New borrowings raised		1,976,313	13,227,467
Repayment of borrowings		(3,382,857)	(8,571,880)
Cash consideration paid for other financial liabilities		–	(448,522)
Repayment of lease liabilities		(12,459)	(15,846)
Capital contributions from other non-controlling interests of subsidiaries		–	34,727
Reduction of capital of a non-controlling interest of a subsidiary		(344,990)	–
Advances from other non-controlling interests of subsidiaries		303,073	788,474
Repayment to other non-controlling interests of subsidiaries		(676,677)	(831,711)
Advances from joint ventures and associates		694,004	1,671,255
Repayment to joint ventures and associates		(268,959)	(1,193,352)
Dividends paid for other non-controlling interests of subsidiaries		–	(156,220)
Distributions paid for owners of perpetual capital securities		(264,012)	(262,796)
Dividend paid		(149,867)	(412,135)
Interest paid		(1,051,236)	(1,125,150)
Cash received from participation rights designated as at FVTPL		137,616	–
Net cash (used in) generated from financing activities		(3,040,051)	2,704,311
Net (decrease) increase in cash and cash equivalents		(1,440,623)	7,496,805
Cash and cash equivalents at 1 January		11,432,416	12,183,058
Effect of foreign exchange rate changes		(216,216)	291,461
Cash and cash equivalents at 30 June		9,775,577	19,971,324
Add: Designated bank balances	17	594,806	2,365,507
Total bank balances and cash	17	10,370,383	22,336,831

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as 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”).

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), agenda decision of the International Financial Reporting Standards Interpretations Committee (the “Committee”) of the International Accounting Standards Board (the “IASB”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

In addition, the Group applied the agenda decision of the Committee of the IASB which is relevant to the Group: Cost necessary to sell inventories (HKAS 2 “Inventories”). The Group is still in the process of assessing the potential impact of another agenda decision: Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (HKAS 7 “Statement of Cash Flows”).

Except as described below, the directors of the Company (the “Directors”) anticipate that the application of the amendments to HKFRSs and agenda decision in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Application of amendments to HKFRSs *(Continued)*

2.1 Impacts and changes in accounting policies on application of Amendments to HKFRS 3 “Reference to the Conceptual Framework”

2.1.1 Accounting policies

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the “Conceptual Framework”) except for transactions and events within the scope of HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or HK(IFRIC)-Int 21 “Levies”, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

2.1.2 Transition and summary of effects

The Group applies the amendments to business combinations for which the acquisition date is on or after 1 January 2022. The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

2.2 Impacts and changes in accounting policies on application of Amendment to HKFRS 16 “Covid-19-Related Rent Concessions beyond 30 June 2021”

2.2.1 Accounting policies

Leases

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group accounts for changes in lease payments resulting from rent concessions in the same way it would account for the changes applying HKFRS 16 “Leases” if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in profit or loss in the period in which the event occurs.

2.2.2 Transition and summary of effects

The application of the amendments has had no material impact on the Group’s financial position and performance.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Application of amendments to HKFRSs *(Continued)*

2.3 Impacts and accounting policies on application of Amendments to HKAS 16 "Property, Plant and Equipment – Proceeds before Intended Use"

2.3.1 Accounting policies

Property, plant and equipment

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss.

2.3.2 Transition and summary of effects

The application of the amendments has had no material impact on the Group's financial position and performance.

2.4 Impacts and accounting policies on application of Amendments to HKAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"

2.4.1 Accounting policies

Provisions

Onerous contracts

For assessment of outstanding unfulfilled contracts as at 1 January 2022, the unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs (to specify, e.g. direct labour and materials) and an allocation of other costs (to specify, e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract) that relate directly to fulfilling contracts.

2.4.2 Transition and summary of effects

The application of the amendments has had no material impact on the Group's financial position and performance.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Application of amendments to HKFRSs *(Continued)*

2.5 Impacts on application of Amendments to HKFRSs “Annual Improvements to HKFRSs 2018-2020”

The Group has applied the annual improvements which make amendments to the following standards:

HKFRS 9 “Financial Instruments”

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

HKFRS 16 “Leases”

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

The application of the amendments has had no material impact on the Group’s financial position and performance.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. REVENUE

(a) Revenue from contracts with customers

By segment	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Types of goods or services						
Property sales	4,514,214	47,435	4,561,649	4,509,910	53,542	4,563,452
Property management and service income	332,115	5,997	338,112	266,324	4,625	270,949
Total	4,846,329	53,432	4,899,761	4,776,234	58,167	4,834,401
Geographical market						
Mainland China	4,753,497	53,432	4,806,929	3,571,487	58,167	3,629,654
Hong Kong	92,832	–	92,832	1,204,747	–	1,204,747
Total	4,846,329	53,432	4,899,761	4,776,234	58,167	4,834,401
Timing of revenue recognition						
Goods recognised at a point in time	4,514,214	47,435	4,561,649	4,509,910	53,542	4,563,452
Services recognised over time	332,115	5,997	338,112	266,324	4,625	270,949
Total	4,846,329	53,432	4,899,761	4,776,234	58,167	4,834,401

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

By segment	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Revenue from contracts with customers (note 3(a))	4,846,329	53,432	4,899,761	4,776,234	58,167	4,834,401
Rental income from commercial properties and other revenue	69,238	3,901	73,139	91,842	22,795	114,637
Total revenue of the Group (note 4)	4,915,567	57,333	4,972,900	4,868,076	80,962	4,949,038

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. REVENUE *(Continued)*

(c) Total revenue of the Group

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Property sales and service income	4,899,761	4,834,401
Rental income from commercial properties and other revenue	73,139	114,637
Total revenue of the Group	4,972,900	4,949,038
Group's share of revenue of property joint ventures and associates	2,680,611	4,077,112
Group's share of toll revenue of infrastructure joint ventures	936,331	954,127
Revenue of the Group and Group's share of revenue of joint ventures and associates	8,589,842	9,980,277

4. SEGMENT INFORMATION

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4. SEGMENT INFORMATION *(Continued)*

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

	Six months ended 30 June 2022				Six months ended 30 June 2021			
	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Segment revenue	4,915,567	-	57,333	4,972,900	4,868,076	-	80,962	4,949,038
Segment profit (loss)	586,551	308,604	(356,706)	538,449	649,856	303,421	(278,623)	674,654

	At 30 June 2022				At 31 December 2021			
	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Segment assets (including interests in joint ventures and associates)	84,511,483	6,573,138	10,299,287	101,383,908	90,026,698	6,547,594	10,613,053	107,187,345
Segment liabilities	(64,342,901)	(234,882)	(1,478,528)	(66,056,311)	(69,071,043)	(453,764)	(1,599,012)	(71,123,819)

(a) Measurement

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

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4. SEGMENT INFORMATION *(Continued)*

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

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Total segment profit	538,449	674,654
Unallocated items:		
Interest income	764	1,138
Corporate income	–	16,052
Corporate expenses	(33,046)	(7,087)
Finance costs	(37,235)	(37,944)
Consolidated profit for the period	468,932	646,813
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Total segment assets	101,383,908	107,187,345
Unallocated assets:		
Right-of-use assets	18,702	21,507
Other receivables, deposits and prepayments	67,623	57,138
Bank balances and cash	784,548	969,741
Consolidated total assets	102,254,781	108,235,731
Total segment liabilities	(66,056,311)	(71,123,819)
Unallocated liabilities:		
Accrued charges	(8,152)	(11,023)
Bank and other borrowings	(1,285,841)	(1,277,521)
Financial liabilities at FVTPL	–	(2,043)
Lease liabilities	(20,179)	(22,945)
Consolidated total liabilities	(67,370,483)	(72,437,351)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Net exchange (losses) gains	(490,034)	404,235
Change in fair value of financial liabilities at FVTPL – relating to the foreign currency forward contracts	20	(93,720)
	(490,014)	310,515
Change in fair value of financial asset at FVTPL – relating to the investment in a listed entity	(5,402)	(29,308)
Loss on disposal of interest in a joint venture	(20,582)	–
Net gains on termination of hedging instruments	–	5,386
Net gains on disposals/written off of property, plant and equipment	477	265
Impairment loss on loan receivables	(34,814)	–
Fair value (losses) gains on transfer of completed properties held for sale to investment properties	(687)	243
Change in fair value of investment properties	(34,686)	5,324
	(585,708)	292,425

6. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Share of profits of infrastructure joint ventures before amortisation and taxation	609,807	606,423
Less share of:		
Amortisation of toll road operation rights	(137,034)	(153,273)
Income tax expenses	(122,615)	(106,779)
	350,158	346,371
Share of profits of other joint ventures	55,789	53,884
	405,947	400,255

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

7. FINANCE COSTS

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Interest on borrowings	1,065,545	1,152,287
Interest on lease liabilities	1,395	2,886
Other interest and finance costs	64,973	144,525
	1,131,913	1,299,698
Less: Capitalised in properties under development for sale	(582,376)	(786,562)
	549,537	513,136

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Profit before taxation has been arrived at after charging:		
Depreciation of right-of-use assets	10,038	14,611
Depreciation of property, plant and equipment	8,138	7,676
	18,176	22,287
Less: Capitalised in properties under development for sale	(137)	(625)
	18,039	21,662
and after crediting:		
Bank interest income	45,741	75,264

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Current tax:		
Hong Kong profits tax	1,490	42,328
PRC enterprise income tax ("EIT")	311,697	176,659
PRC land appreciation tax ("LAT")	2,484	127,209
Withholding tax	42,706	34,848
	358,377	381,044
Deferred tax	(21,996)	56,050
	336,381	437,094

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

The EIT is calculated at a statutory tax rate of 25%. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

10. DIVIDEND PAID

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
2021 final dividend paid of HK\$0.20 (six months ended 30 June 2021: 2020 final dividend paid of HK\$0.55) per share	149,867	412,135

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$0.15 per share).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Earnings for the purposes of basic earnings per share attributable to owners of the Company	85,431	325,132

	Six months ended 30 June	
	2022 Number of shares '000	2021 Number of shares '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	749,337	749,337

No diluted earnings per share for the six months ended 30 June 2022 and 2021 were presented as there were no dilutive potential ordinary shares in issue for both interim periods.

12. INVESTMENT PROPERTIES

	HK\$'000
Completed properties, at fair value	
At 1 January 2022	4,263,014
Addition during the period	1,991
Transfer from completed properties held for sale (note)	179,114
Change in fair value recognised in profit or loss	(34,686)
Disposal during the period	(6,418)
Exchange difference arising on translation to presentation currency	(80,081)
At 30 June 2022	4,322,934

Note: The change in use of the properties were evidenced by the inception of lease contracts. The amounts included fair value losses of HK\$687,000 on transfer of completed properties held for sale to investment properties.

The fair values of completed investment properties at the date of transfer, 31 December 2021 and 30 June 2022 were determined by reference to valuations carried out by an independent firm of professional valuers not connected with the Group, who had recognised qualifications and relevant experience. The valuation reports on these properties were signed by directors of the firm of professional valuers who are members of The Hong Kong Institute of Surveyors. The fair values of the completed investment properties were determined 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.

The investment properties are situated in the Mainland China. The leasehold interests in land held by the Group as right-of-use assets to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

13. INTERESTS IN JOINT VENTURES

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Interests in infrastructure joint ventures		
Cost of investments	6,190,695	6,190,695
Return of cost of investments (note (a))	(3,005,923)	(3,144,149)
Share of post-acquisition profits and other comprehensive expense, net of dividends	1,389,348	1,566,418
Exchange adjustments	565,116	607,740
	5,139,236	5,220,704
Interests in property and other joint ventures		
Cost of investments	12,929,791	13,300,568
Share of post-acquisition profits, net of dividends	900,407	699,359
Unrealised profits (note (b))	(226,445)	(228,006)
Exchange adjustments	28,724	328,176
	13,632,477	14,100,097
	18,771,713	19,320,801

Notes:

- (a) Pursuant to the joint venture agreements, the infrastructure joint ventures distribute the cash surplus to the Group and the other ventures based on the agreed net cash distribution. The actual 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.
- (b) The unrealised profit related to the Group's attributable interest income from amounts due from certain joint ventures. The related interest expenses were capitalised in inventory of properties of the joint ventures which have not been realised at 30 June 2022.
- (c) In March 2017, the Group entered into an undertaking agreement with an independent third party (the land provider) pursuant to which the Company undertakes for a prompt settlement of 50% of the outstanding debts incurred by a joint venture of the Group for a property development project in Hong Kong. The remaining 50% of the outstanding debts incurred by the joint venture is borne by the other joint venture partner. The outstanding debts incurred by the joint venture was fully settled in April 2022 and the Group borne the pro rata portion.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

13. INTERESTS IN JOINT VENTURES (Continued)

Notes: (Continued)

- (d) In September 2019, the Group entered into conditional sale and purchase agreements with certain independent third parties to acquire 40% equity interest in PT Jasamarga Solo Ngawi ("SN JV") and PT Jasamarga Ngawiertosono Kediri ("NKK JV"), both are limited liability companies established in Indonesia. SN JV and NKK JV own concession right of toll roads in Indonesia. The approval of the relevant activities of SN JV and NKK JV require unanimous consent of the three joint venture partners and SN JV and NKK JV are accounted for as joint ventures of the Group.

In January 2020, the Group entered into capital injection agreement with two other joint venture partners pursuant to which the joint venture partners agreed to make further capital contribution to SN JV in proportion equity interest of the joint venture partners. As at 31 December 2020, the further capital contribution of IDR194,828,832,000 (equivalent to HK\$111,740,000) was fully paid by the Group. In December 2020, remaining consideration for the acquisition of equity interests and shareholders loans of SN JV and NKK JV amounting to IDR224,800,000,000 (equivalent to HK\$122,147,000) was settled.

The acquisition of SN JV includes contingent consideration arrangement. The payment of such contingent consideration depends on the achievement of toll road tariff adjustment and receipt of cash compensation from the local government before the end of 2022.

At 30 June 2022, the fair value of the consideration payable amounting to HK\$105,190,000 (31 December 2021: HK\$103,882,000) was determined by the Directors based on probability of the adjustment to the toll road tariff chargeable under the concession agreement.

Details of the fair value measurement of the contingent consideration are set out in note 28.

- (e) In March 2021, the Group entered into conditional sale and purchase agreements with certain independent third parties to acquire 45% equity interest in PT Jasamarga Kualanamu Tol ("MKTT JV"), a limited liability company established in Indonesia. MKTT JV owns concession right of the toll road in Indonesia. The approval of the relevant activities of MKTT JV require unanimous consent of the two joint venture partners and MKTT JV is accounted for as a joint venture of the Group.

The total consideration for the acquisition of equity interests of MKTT JV is IDR1,236,000,000,000 (equivalent to HK\$656,330,000) in which IDR975,000,000,000 (equivalent to HK\$517,736,000) has been paid by the Group before 30 June 2021 and the remaining consideration of IDR261,000,000,000 (equivalent to HK\$141,519,000) was settled in June 2022.

- (f) In June 2022, the Group disposed of 45% interest in a joint venture to a third party at a consideration of approximately RMB68,849,000 (equivalent to HK\$81,382,000), together with repayment of the shareholder's loans in the amount of approximately RMB802,100,000 (HK\$948,109,000). Before the disposal, the Group owned 45% of the equity interest in the joint venture through an indirect wholly-owned subsidiary and the investment was previously accounted for as an investment in a joint venture using the equity method of accounting.

This transaction has resulted in the Group recognising a loss of HK\$20,582,000 in profit or loss.

14. INVENTORY OF PROPERTIES

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Completed properties held for sale	13,308,001	13,625,438
Properties under development for sale (note)	30,722,525	31,042,233
	44,030,526	44,667,671

Note: Included in the amounts are properties under development for sale of HK\$14,474,552,000 (31 December 2021: HK\$14,498,761,000) which are expected to be completed and available for delivery to the customers more than twelve months from the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

15. AMOUNTS DUE FROM JOINT VENTURES AND ASSOCIATES

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Amounts due from joint ventures and associates (note)	12,553,131	14,970,728
Current portion	5,298,261	3,341,987
Non-current portion	7,254,870	11,628,741
	12,553,131	14,970,728

Note: The amounts due from joint ventures and associates are all unsecured. The Group expects to receive the current portion within twelve months from the end of the reporting period based on the development and pre-sales status of the property projects of property joint ventures and associates and the performance of the infrastructure joint ventures. The amounts due from infrastructure joint ventures were fully settled in June 2022. Included in the balances at 30 June 2022, HK\$6,644,873,000 (31 December 2021: HK\$5,986,447,000) were interest-free and the remaining portion were interest bearing either at fixed rate or variable rate by reference to lending rate set by the People's Bank of China ("PBOC").

16. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Aged analysis of trade debtors, presented based on invoice dates (note (a)):		
Within 60 days	100,174	197,835
61 to 90 days	1,831	2,175
More than 90 days	66,014	39,954
Trade debtors from contracts with customers derived from goods and services	168,019	239,964
Prepayment for land development cost (note (b))	591,017	602,410
Deposits paid for acquisition of inventory of properties (note (c))	616,787	616,629
Prepayment of value added tax and other taxes	409,159	344,893
Consideration receivable	26,596	–
Other receivables, deposits and prepayments	765,308	595,032
	2,576,886	2,398,928

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

16. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Notes:

- (a) The debtors are mainly arisen from sale of properties. Consideration in respect of properties sold is paid in accordance with the terms of the related sale and purchase agreements, normally within 60 to 90 days from the agreements. For most of the Group's property projects, consideration will be fully received prior to the delivery of the properties to the property purchasers.
- (b) In January 2016, the Group entered into an agreement with certain independent third parties who own certain pieces of industrial land in Jinan, the PRC (the "Contracting Parties") pursuant to which the Group will pay not more than RMB500,000,000 to the Contracting Parties to settle the debts of Contracting Parties and for the severance payments and labour compensation of the Contracting Parties such that the land can be cleared up and its use can be changed from industrial to residential purpose and put into public auction. At 30 June 2022, prepayment of land development cost of HK\$591,017,000 (31 December 2021: HK\$602,410,000) has been fully paid in prior years. According to the agreement, if the Group cannot obtain the land through the public auction, the entire amount will be refunded in full along with a daily interest of 0.03% to be received as necessary. During the period ended 30 June 2022, the Group has been actively negotiating with the local government which supports to expedite the whole land development progress with the approval from relevant local authorities and put the land into public auction and there is no material deviation from the agreed timetable so far.
- (c) The amounts at 30 June 2022 represent deposits for acquisition of property development projects in the Mainland China, which will be fully refunded if the Group cannot acquire the land/property projects successfully.

17. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits of HK\$122,186,000 (31 December 2021: HK\$113,395,000) in total are pledged as securities in favour of banks for mortgage facilities granted to the buyers of properties developed by the Group and bank borrowings granted to the Group.

Included in bank balances and cash, bank balances amounting to HK\$594,806,000 (31 December 2021: HK\$1,167,159,000) were restricted to be used for the development of certain property projects. These bank balances comprised the proceeds received from pre-sale of properties of certain property projects deposited into designated bank accounts of the Group according to the relevant regulations in the Mainland China and Hong Kong.

Bank balances carry interest at market rates which range from 0.01% to 3.18% (31 December 2021: 0.01% to 2.8%) per annum.

18. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each	20,000,000,000	2,000,000
7.5% convertible preference shares of HK\$0.1 each	518,380	52
Issued and fully paid:		
Ordinary shares At 1 January 2021, 31 December 2021 and 30 June 2022	749,336,566	74,934

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

19. OWNERS OF PERPETUAL CAPITAL SECURITIES

	Notes	30 June 2022 HK\$'000	31 December 2021 HK\$'000
2017 February perpetual capital securities	(a)	2,348,790	2,348,473
2017 June perpetual capital securities	(a)	2,285,786	2,285,789
2019 November perpetual capital securities	(b)	2,322,029	2,320,034
		6,956,605	6,954,296

Notes:

- (a) In February 2017 and June 2017, two wholly-owned subsidiaries of the Company issued US\$300 million 7.95% senior guaranteed perpetual capital securities ("2017 February perpetual capital securities") and US\$300 million 7% senior guaranteed perpetual capital securities ("2017 June perpetual capital securities") respectively at issue price of 100% of the principal amounts. Both capital securities were then listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange") and guaranteed by the Company for the due payment. Distributions are paid semi-annually in arrears and can be deferred at the discretion of the issuers. The perpetual capital securities have no fixed maturity and are redeemable at the issuers' option at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company cannot declare or, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank, which includes the ordinary shares of the Company.
- (b) In November 2019, a wholly-owned subsidiary of the Company issued US\$300 million 7.75% senior guaranteed fixed spread perpetual capital securities ("2019 November perpetual capital securities") at issue price of 100% of the principal amounts. The distribution rate is subject to reset at the first call date and each day falling every five calendar years after the first call date. The reset distribution rate is equal to the sum of 6.003% and the Treasury Rate as defined in the terms and conditions of the perpetual securities. The capital securities were then listed on the Singapore Exchange and guaranteed by the Company for the due payment. Distributions are paid semi-annually in arrears and can be deferred at the discretion of the issuer. The perpetual capital securities have no fixed maturity and are redeemable at the issuers' option at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company cannot declare or, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank, which includes the ordinary shares of the Company.

Additional information for the owners of perpetual capital securities is as follows:

List of perpetual capital securities	Listing date	First call date*
2017 February perpetual capital securities	20 February 2017	17 February 2022
2017 June perpetual capital securities	27 June 2017	23 June 2022
2019 November perpetual capital securities	19 November 2019	18 November 2024

* The issuers may redeem the perpetual capital securities on or after the first call date.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

20. BANK AND OTHER BORROWINGS

	Notes	30 June 2022 HK\$'000	31 December 2021 HK\$'000
2019 February guaranteed senior notes	(a)	3,052,054	3,159,813
2019 September guaranteed senior notes	(b)	3,771,455	3,751,627
2020 March guaranteed senior notes	(c)	2,366,373	2,355,248
2020 September guaranteed senior notes	(d)	3,250,757	3,231,843
2021 January guaranteed senior notes	(e)	3,947,112	3,927,175
2021 July guaranteed senior notes	(f)	3,933,701	3,913,938
2019 Domestic bonds	(g)	1,082,253	1,069,106
Bank loans	(h)	14,663,325	15,960,639
Other loans	(i)	791,634	956,795
		36,858,664	38,326,184
Secured		8,565,743	10,085,078
Unsecured		28,292,921	28,241,106
		36,858,664	38,326,184

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

20. BANK AND OTHER BORROWINGS *(Continued)*

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
The maturity of the above loans is as follows:		
Senior notes and domestic bonds repayable*:		
Within one year	4,484,656	1,518,804
More than one year but not exceeding two years	–	3,059,112
More than two years but not exceeding five years	16,919,049	16,830,834
	21,403,705	21,408,750
Bank borrowings repayable*:		
Within one year	7,070,134	5,636,529
Repayable on demand (within one year)	390,731	100,145
Repayable on demand (more than one year but not exceeding two years)	500,000	500,000
More than one year but not exceeding two years	2,745,157	5,394,087
More than two years but not exceeding five years	3,129,393	3,426,080
More than five years	827,910	903,798
	14,663,325	15,960,639
Other loans repayable*:		
Within one year	46,185	47,760
Repayable on demand (within one year)	259,929	–
Repayable on demand (more than one year but not exceeding two years)	–	120,482
More than one year but not exceeding two years	485,520	40,964
More than two years but not exceeding five years	–	747,589
	791,634	956,795
Total borrowings	36,858,664	38,326,184
Less: Amounts classified as current liabilities	(12,751,635)	(7,923,720)
Amounts due over one year shown and classified as non-current liabilities	24,107,029	30,402,464

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

20. BANK AND OTHER BORROWINGS *(Continued)*

Notes:

- (a) The 2019 February guaranteed senior notes with an outstanding principal amount of US\$380,000,000 (31 December 2021: US\$396,000,000) are listed on the Singapore Exchange and were issued in February 2019. The notes, bearing interest at a fixed rate of 7.875% per annum, will mature in February 2023.
- (b) The 2019 September guaranteed senior notes with an outstanding principal amount of US\$480,000,000 (31 December 2021: US\$480,000,000) are listed on the Singapore Exchange and were issued in September 2019. The notes, bearing interest at a fixed rate of 6.7% per annum, will mature in September 2024.
- (c) The 2020 March guaranteed senior notes with an outstanding principal amount of US\$300,000,000 (31 December 2021: US\$300,000,000) are listed on the Singapore Exchange and were issued in March 2020. The notes, bearing interest at a fixed rate of 5.9% per annum, will mature in March 2025.
- (d) The 2020 September guaranteed senior notes with an outstanding principal amount of US\$415,588,000 (31 December 2021: US\$415,588,000) are listed on the Singapore Exchange and were issued in September 2020. The notes, bearing interest at a fixed rate of 6% per annum, will mature in September 2025.
- (e) The 2021 January guaranteed senior notes with an outstanding principal amount of US\$500,000,000 (31 December 2021: US\$500,000,000) are listed on the Singapore Exchange and were issued in January 2021. The notes, bearing interest at a fixed rate of 5.2% per annum, will mature in January 2026.
- (f) The 2021 July guaranteed senior notes with an outstanding principal amount of US\$500,000,000 (31 December 2021: US\$500,000,000) are listed on the Singapore Exchange and were issued in July 2021. The notes, bearing interest at a fixed rate of 5.125% per annum, will mature in July 2026.
- (g) The Group has issued 2019 Domestic bonds with an outstanding principal amount of RMB868,550,000 (31 December 2021: RMB868,550,000) in September 2019. The bonds are listed on the Shanghai Stock Exchange, bearing interest at an adjusted fixed rate of 6.5% per annum and have a term of third years with the Group's option to adjust the coupon rate after the end of the second year of issuance and the investors' entitlement to require the Group to redeem the bonds at the principal amount.
- (h) At 30 June 2022, bank loans with carrying amount of HK\$8,937,300,000 (31 December 2021: HK\$10,079,462,000) bear a floating interest rate based on either PBOC or Loan Prime Rate plus a specified margin, ranging from 4.45% to 7.13% (31 December 2021: 3.8% to 7.13%) per annum. At 31 December 2021, bank loans with carrying amount of HK\$213,977,000 bear interest at fixed rate of 4.89% to 5.23% per annum was fully settled during the reporting period. At 30 June 2022, interest rates on the remaining bank loans, which carry at floating interest rates based on either Hong Kong Interbank Offered Rate or London Interbank Offered Rate plus a specified margin, ranging from 2.59% to 4.62% (31 December 2021: 2.11% to 3.23%) per annum.

At 30 June 2022, in respect of bank loans with the aggregate carrying amount of HK\$14,663,325,000 (31 December 2021: HK\$15,960,639,000), the Group is required to comply with the financial covenants throughout the continuance of the relevant loans and/or as long as the loans are outstanding. The Group has complied with these covenants throughout the reporting period.
- (i) At 30 June 2022, other loans with carrying amount of HK\$791,634,000 (31 December 2021: HK\$956,795,000) bear interest at a fixed rate ranging from 5.5% to 9.8% (31 December 2021: from 5.5% to 9.8%) per annum and mainly include commercial mortgaged-backed securities and amounts borrowed from certain trust companies.

Subsequent to the reporting period, US\$22,000,000 of the guaranteed senior notes has been redeemed by the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

21. CREDITORS AND ACCRUED CHARGES

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Aged analysis of creditors presented based on invoice date:		
Trade payables		
Within 60 days	780,458	845,617
61 to 90 days	73,652	47,661
More than 90 days	1,378,835	1,570,151
	2,232,945	2,463,429
Bills payables		
Within 60 days	5,902	38,730
61 to 90 days	2,408	15,720
More than 90 days	40,537	44,568
	48,847	99,018
Accrued construction costs	3,324,495	5,241,400
	5,606,287	7,803,847
Accrued taxes (other than EIT and LAT)	471,550	670,313
Consideration payable from acquisition of subsidiaries and joint ventures	288,608	489,046
Other payables	1,576,180	1,740,114
	7,942,625	10,703,320

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

22. ACQUISITION OF SUBSIDIARIES

In January 2021, the Group entered into a sale and purchase agreement to acquire the remaining 40% equity interest in 溧陽宏景房地產開發有限公司(“溧陽宏景”) from the PRC joint venture partner at a cash consideration of RMB120,000,000 (equivalent to HK\$143,541,000). 溧陽宏景 was a 60% joint venture of the Group engaging in the property development in Changzhou, the PRC. Upon completion of the acquisition in 2021, it became the wholly-owned subsidiary of the Company. The transaction was accounted for as acquisition of assets.

In January 2021, the Group entered into a sale and purchase agreement to acquire the remaining 49% equity interest in 鄭州路極旅遊小鎮開發有限公司(“鄭州路極”) from the PRC joint venture partner at a cash consideration of RMB5,635,000 (equivalent to HK\$6,740,000). 鄭州路極 was a 51% joint venture of the Group engaging in the property development in Zhengzhou, the PRC. Upon completion of the acquisition in 2021, it became the wholly-owned subsidiary of the Company. The transaction was accounted for as acquisition of assets.

The aggregate net assets of the subsidiaries at the date of acquisition were as follows:

	HK\$'000
Property, plant and equipment	362
Deferred tax assets	2,559
Inventory of properties	871,442
Debtors, deposits and prepayments	106,278
Amounts due from the Group	93,301
Prepaid income tax	17,113
Bank balances and cash	172,594
Creditors and accrued charges	(180,810)
Amount due to the Group	(676,648)
Contract liabilities	(27,307)
	<u>378,884</u>
Satisfied by:	
Cash considerations paid	150,281
Interests in joint ventures disposed of	228,603
	<u>378,884</u>
Net cash inflow arising on acquisition:	
Cash considerations paid	(150,281)
Bank balances and cash acquired	172,594
	<u>22,313</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

23. FINANCIAL GUARANTEE CONTRACTS

At 30 June 2022, the Group provided guarantees of HK\$7,756,329,000 (31 December 2021: HK\$8,398,006,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will 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 consider that the fair value of such guarantees on initial recognition is insignificant.

At 30 June 2022, the Group provided guarantee of HK\$4,877,492,000 (31 December 2021: HK\$4,097,662,000) to banks in connection with the banking facilities granted to joint ventures. The Directors consider that the fair value of such guarantee on initial recognition is insignificant as the joint ventures have strong net asset position and the default risk is low.

The details of undertakings of a property joint venture provided by the Group are disclosed in note 13(c).

24. PLEDGE OF ASSETS

At the end of the reporting period, other than the pledged bank deposits as disclosed in note 17, the Group's inventory of properties of HK\$13,069,073,000 (31 December 2021: HK\$8,650,396,000) and investment properties of HK\$2,671,392,000 (31 December 2021: HK\$1,590,427,000) were pledged to banks to secure the banking and other facilities granted to the Group.

25. CAPITAL COMMITMENTS

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Capital injection into joint ventures contracted for but not provided in the condensed consolidated financial statements	57,352	59,181

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

26. RELATED PARTY TRANSACTIONS

The Group also had transactions with the following related parties during the period:

Related parties	Nature	Six months ended 30 June	
		2022 HK\$'000	2021 HK\$'000
Infrastructure joint ventures	Interest income	1,365	6,565
Property and other joint ventures	Interest income	155,990	94,788
Other non-controlling interests of subsidiaries	Interest income	8,167	3,872
Property joint ventures	Interest expense	10,718	26,263
A subsidiary of a major shareholder of the Company	Construction costs payable	31,745	35,342

In November 2021, the Group entered into a participation agreement. A subsidiary of a major shareholder of the Company share a pro rata portion of 32.5% of the economic interest attributable to wholly-owned subsidiary of the Company's 70% interest (i.e. 22.75% attributable interest) in a property development project in the PRC. Such sharing of pro rata portion shall not exceed a particular value with exceed subject to the approval from the shareholders of the company.

During the year ended 31 December 2021, the Group had transferred the title of one piece of land included in prepayment for land leases of the Group at its carrying amount of HK\$1,271,236,000 to a joint venture of the Group and no gain or loss was resulted from such transfer. The said amount would be settled by the joint venture after the pre-sale of properties commences.

Compensation of key management personnel

The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Short-term employment benefits	66,683	93,953
Post-employment benefits	2,510	3,033
	69,193	96,986

The remuneration of Directors and key executives is determined with reference to the performance of individuals and market trends.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

27. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 30 June 2022 amounted to HK\$61,708,029,000 (31 December 2021: HK\$68,129,135,000). The Group's net current assets at 30 June 2022 amounted to HK\$25,200,734,000 (31 December 2021: HK\$27,748,546,000).

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, mark-to-market report from the custodian is used where available. Otherwise, the Group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Financial assets (liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2022 HK\$'000	31 December 2021 HK\$'000		
Investment in an unlisted entity (included in financial assets at FVTPL)	876,166	893,056	Level 3	<ul style="list-style-type: none"> Market comparison approach. The fair value is determined based on valuation provided by an independent professional valuer which is measured using market comparison approach based on making reference to fair market prices of the land value.
Investment in a listed entity (included in financial assets at FVTPL)	591	6,024	Level 1	<ul style="list-style-type: none"> Published price quotation available on the Nasdaq Capital Market.
Foreign currency forward contracts (included in financial liabilities at FVTPL)	–	(40,834)	Level 2	<ul style="list-style-type: none"> Discounted cash flows. The fair value is provided by counterparty financial institutions, which is measured using discounted cash flow analysis. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rate, discounted at a rate that reflects the credit risk of various counterparties.
Contingent consideration (included in financial liabilities at FVTPL)	(105,190)	(103,882)	Level 3	<ul style="list-style-type: none"> Probability of the adjustment to the toll road tariff chargeable under the concession agreement.
Participation rights designated as at FVTPL (included in financial liabilities at FVTPL)	(249,842)	(111,793)	Level 3	<ul style="list-style-type: none"> Discounted cash flows. The fair value is determined based on valuation provided by an independent professional valuer which is measured using discount cash flow analysis based on surrender price, distribution, discount rate. A significant increase in surrender value would result in a significant increase in fair value of the participation rights, and vice versa.
	521,725	642,571		

During the six months ended 30 June 2022 and 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Reconciliation of Level 3 fair value measurements

	Investment in an unlisted entity HK\$'000
Financial asset at FVTPL	
At 1 January 2021	282,022
Additions	602,198
Exchange difference arising on translation to presentation currency	8,836
At 31 December 2021	893,056
Exchange difference arising on translation to presentation currency	(16,890)
At 30 June 2022	876,166

	Contingent consideration HK\$'000	Participation rights designated as at FVTPL HK\$'000	Total HK\$'000
Financial liabilities at FVTPL			
At 1 January 2021	105,412	–	105,412
Change in fair value recognised in profit or loss	110,371	–	110,371
Cash received from participation rights	–	111,793	111,793
Settlement (included in creditors and accrued charges (note 21))	(109,340)	–	(109,340)
Exchange difference arising on translation to presentation currency	(2,561)	–	(2,561)
At 31 December 2021	103,882	111,793	215,675
Cash received from participation rights	–	137,616	137,616
Exchange difference arising on translation to presentation currency	1,308	433	1,741
At 30 June 2022	105,190	249,842	355,032

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Financial liabilities carried at other than fair value

The Directors consider that the carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost in the condensed consolidated financial statements approximate their fair values as at 30 June 2022 and 31 December 2021 except for the following financial liabilities, for which their carrying amounts and fair values (based on the quoted ask price) are disclosed below:

	30 June 2022		31 December 2021	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
2019 February guaranteed senior notes	3,052,054	2,324,765	3,159,813	3,084,345
2019 September guaranteed senior notes	3,771,455	2,086,111	3,751,627	3,645,600
2020 March guaranteed senior notes	2,366,373	1,167,980	2,355,248	2,255,250
2020 September guaranteed senior notes	3,250,757	1,687,996	3,231,843	3,116,131
2021 January guaranteed senior notes	3,947,112	1,873,346	3,927,175	3,642,500
2021 July guaranteed senior notes	3,933,701	1,855,725	3,913,938	3,603,750
2019 Domestic bonds	1,082,253	1,018,710	1,069,106	918,299





Road King Infrastructure Limited

