



路勁基建有限公司

Road King Infrastructure Limited

(incorporated in Bermuda with limited liability)

Stock Code: 1098



2015 Annual Results Presentation



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A Developer and Operator with Sustainable and Healthy Growth

Updates

Q&A



RK Shanghai Villa in Shanghai



RK Hong Kong Times in Suzhou



Tangjin Expressway in Hebei



Performance overview

Progressive growth in property development business

- ✓ Contracted sales achieved RMB10,408m in 2015, increased by 11% over 2014
- ✓ ASP increased by 11% to RMB11,000/sqm as compared to 2014

Stable cash flows with growing performance from toll road business

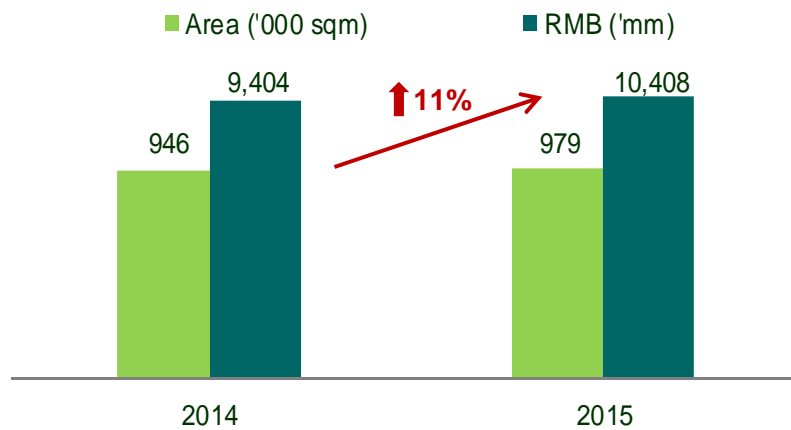
- ✓ Cash received from JV was HK\$530 mm in 2015
- ✓ Share of toll road profit soared by 59% to HK\$250m in 2015 contributed by the more mature Longcheng and Machao Expressway

Prudent and proactive financial management

- ✓ Lower gearing ratio to below 100%
- ✓ Diverse funding channel - preparation of issuance of corporate bonds in the Mainland

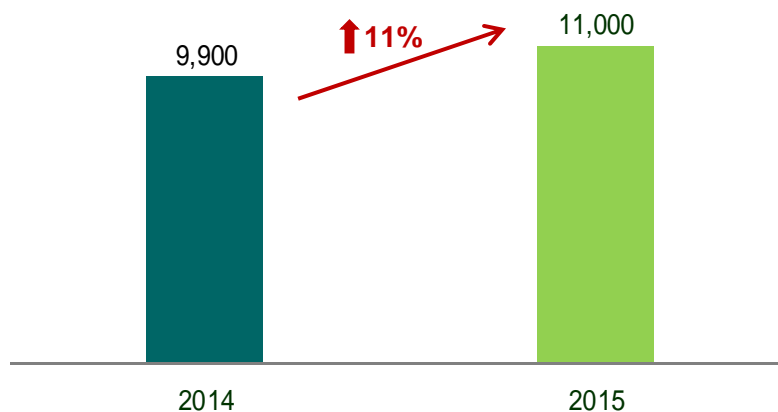
Contracted sales

Contracted sales

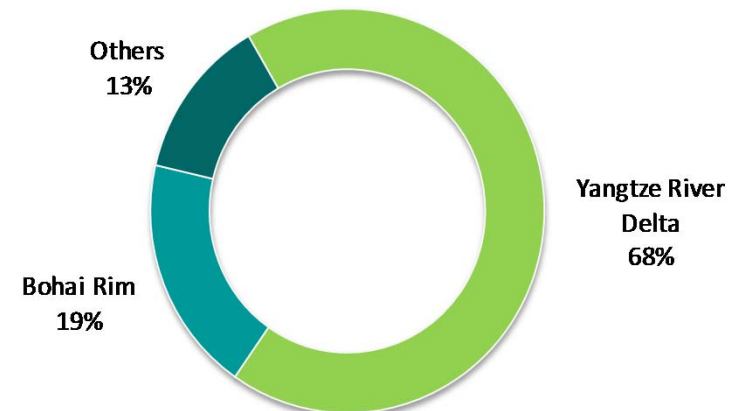


- ✓ Contracted sales and ASP increased by 11% respectively to RMB10,408m and RMB11,000/sqm over 2014
- ✓ 68% was contributed by Yangtze River Delta, mainly by Shanghai & Suzhou

ASP (RMB/sqm)

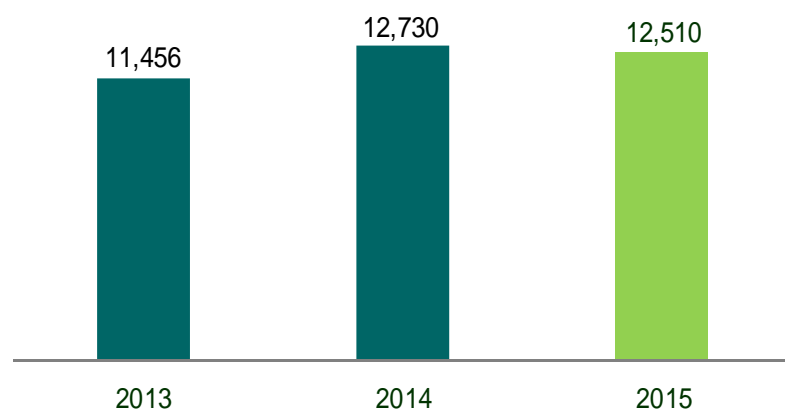


Contracted sales breakdown by region

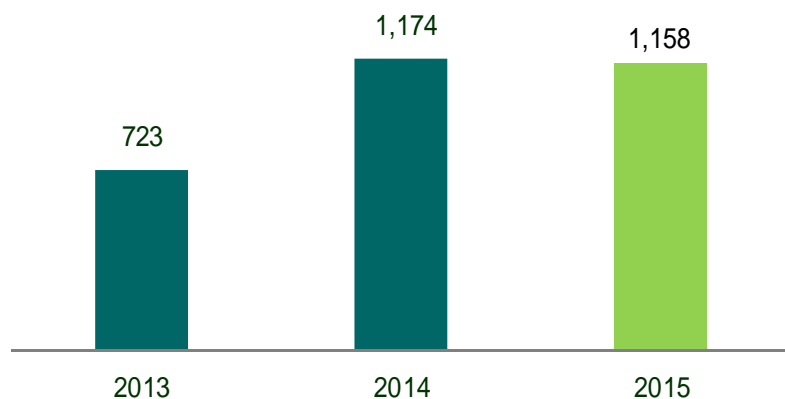


Revenue recognized

Revenue (HK\$ mm)

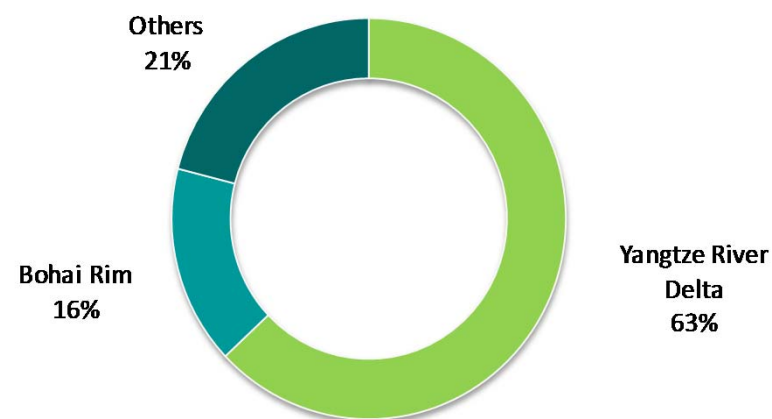


Operating profit* (HK\$ mm)



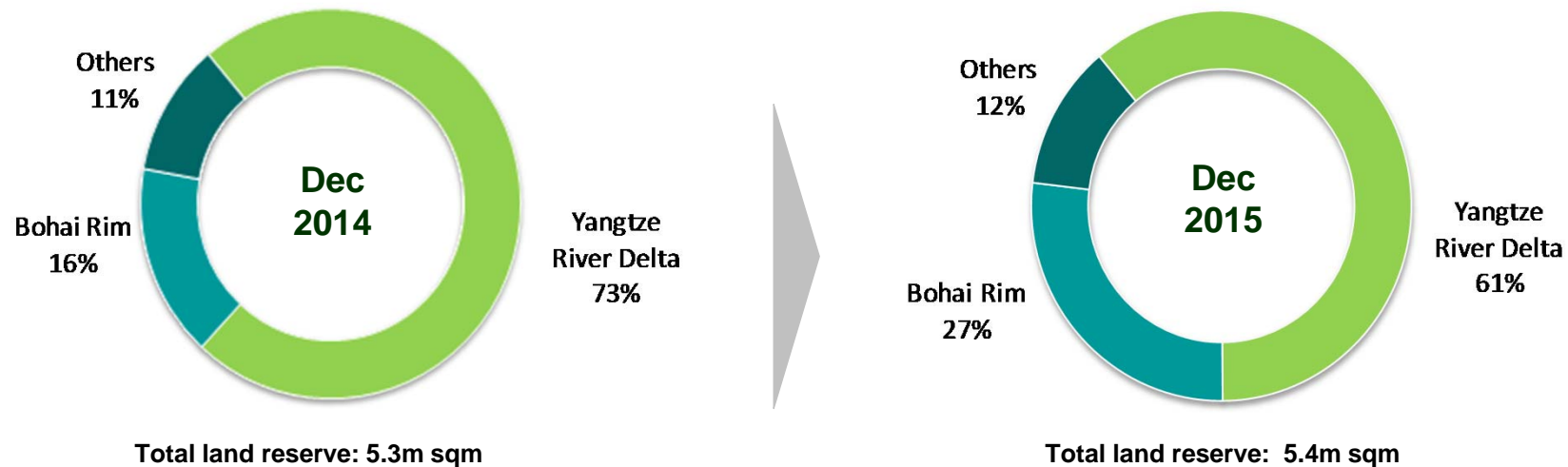
* Excluding exchange impact

Revenue breakdown by region



- ✓ Recorded HK\$12,510m in 2015 with an ASP of RMB10,300/sqm
- ✓ Operating profit (excluding exchange impact) reached HK\$1,158m
- ✓ Yangtze River Delta remained as the major contributor to the revenue

Land reserve



- ✓ In 2015, successfully obtained three projects in Luoyang, Langfang and Guangzhou with an aggregate saleable area of about 1,002,000 sqm
- ✓ Two of these new projects are jointly developed with well established PRC enterprises
 → invest in sizeable projects, share higher profits and diversify the financial burden

Location	Attributable interest	Total Floor Area (sqm)	Total Consideration (RMB mm)
Luoyang	100%	54,000	111
Langfang	40%	723,000	1,364
Guangzhou	51%	225,000	1,941

Land reserve

Bohai Rim Region

City	GFA	%
Pan-Beijing*	802,000	15%
Tianjin	295,000	6%
Jinan	342,000	6%
Total	1,439,000	27%

* Including Longfang city

Other Regions

City	GFA	%
Guangzhou	270,000	5%
Luoyang	398,000	6%
Zhengzhou	25,000	1%
Total	693,000	13%

- ✓ Demonstrate ability to replenish land bank in Tier 1 and 2 cities
- ✓ Target to replenish landbank in Shanghai, Suzhou and Guangzhou

Yangtze River Delta

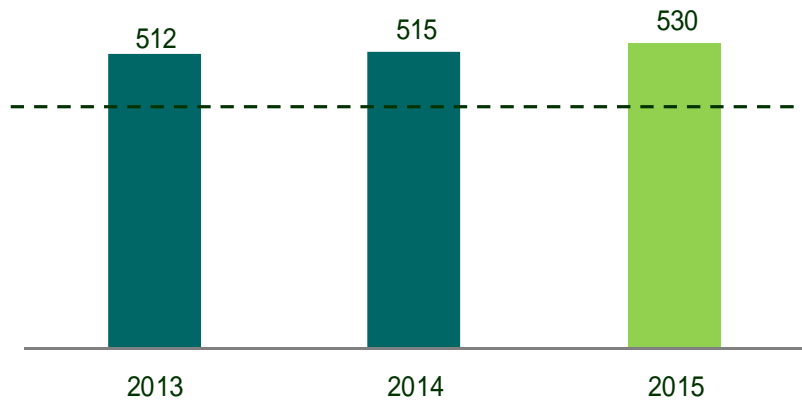
City	GFA	%
Shanghai	452,000	8%
Suzhou	477,000	9%
Changzhou	1,441,000	27%
Wuxi	266,000	5%
Zhenjiang	642,000	12%
Total	3,278,000	61%

Total GFA: over 5.4 million sqm

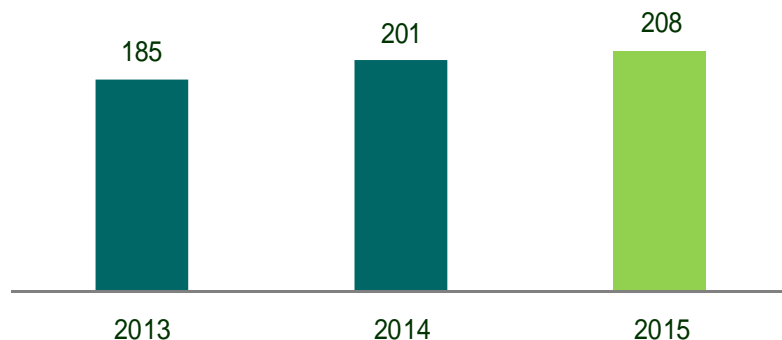


Toll Road Business

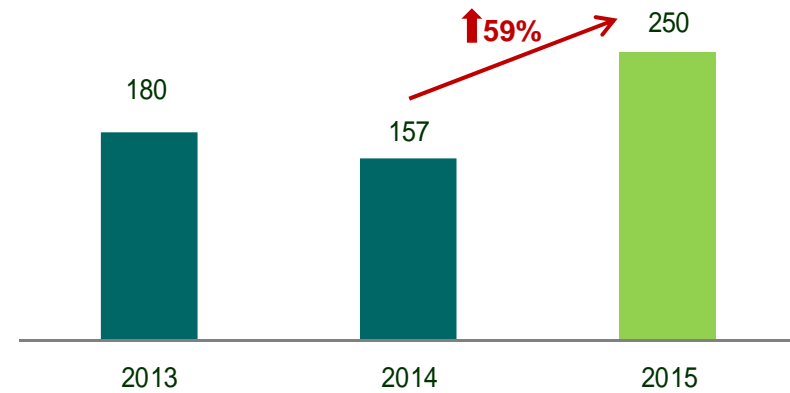
Cash received from toll road (HK\$ mm)



Average daily traffic volume of existing toll roads (mm vehicles)



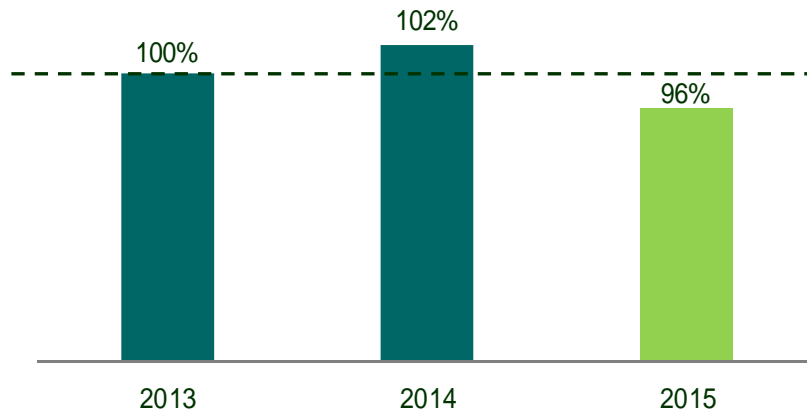
Share of toll road profit (HK\$ mm)



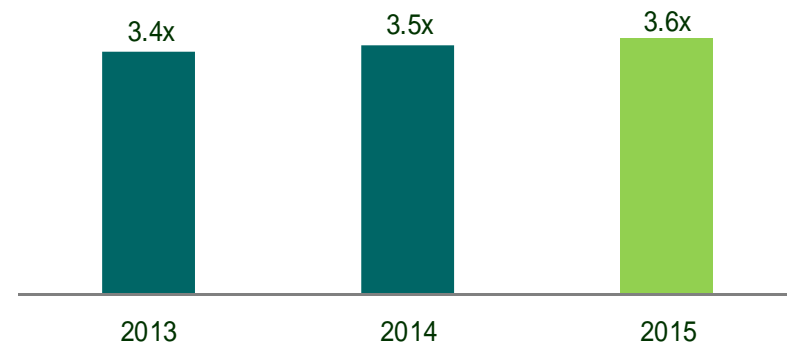
- ✓ Recurring cash flow stream of over HK\$500m each year – cash received from JV was HK\$530m in 2015
- ✓ Share of toll road profit soared by 59% to HK\$250m in 2015 contributed by the more mature Longcheng and Machao Expressway

Financial Metrics

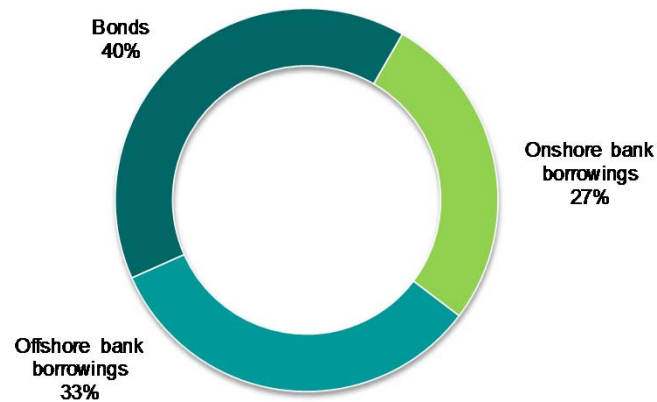
Gross gearing ratio



Total debt/ EBITDA



Type of borrowings



- ✓ **Reduced leverage level - Gross gearing ratio reduced 6% to 96% in 2015**
- ✓ **Total debt/EBITDA remained stable**
- ✓ **Diverse funding channel - preparation of issuance of corporate bonds in the Mainland**



Outlook

- ✓ **Maintain progressive growth of 20%**
- ✓ **Developing and expanding different financing channels (i.e. issuance of domestic bonds)**
- ✓ **Enhance cooperation with business partners to look for better development**
 - Ping An Real Estate (平安不動產)
 - Hebei Construction & Investment Group (河北建設投資集團)
- ✓ **Focus on land replenishment in existing Tier-1 and 2 cities**

A Developer and Operator with Sustainable and Healthy Growth

Questions & Answers



RK Shanghai Style in Shanghai



RK Joo•Y Heights in Guangzhou



Machao Expressway in Anhui

Appendix: Financial Highlights

(HK\$ mm)	FY2015	FY2014
Revenue	12,510	12,730
Gross profit	2,883	3,334
Gross profit margin	23%	26%
Profit attributable to owners of the Company	820	1,005
EBITDA ¹	3,732	4,160
Basic earnings per share (HK\$)	1.11	1.37
Dividend per share (HK\$)	0.48	0.58

Note: ¹ EBITDA is calculated based on the profit for the period of the Company but does not account for taxes, interest expenses, depreciation and amortization charges; interest expense is the cash interest paid in the year/ period



Appendix: Financial Highlights

(HK\$ mm)	FY2015	FY2014
Total cash ¹	3,314	4,047
Total debt ²	13,450	14,389
Gross gearing ratio ³	96%	102%
Net gearing ratio ⁴	73%	74%
Total debt / Total capitalization ⁵	49%	51%
Net debt/ Net capitalization ⁶	42%	42%
Total debt / EBITDA	3.6x	3.5x

Note: ¹ Total cash includes pledged bank deposits and bank balances and cash

² Total debt includes current and non-current bank and notes borrowings

³ Gross gearing ratio = total debt/ total equity

⁴ Net gearing ratio = (total debt - total cash)/ total equity

⁵ Total Capitalization = total debt + total equity

⁶ Net Capitalization = (total debt – total cash) + total equity

