



路勁基建有限公司

Road King Infrastructure Limited

(incorporated in Bermuda with limited liability)

Stock Code: 1098



2013 Annual Results Presentation

March 2014

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A Property Developer with Stable Growth and Sustainable Profit Potential

Overview

Updates

Q&A



Overview

**Maintain
growth
momentum**

**Strong and
sustainable
profit growth
potential**

**Predictable
recurring
cash flow**

Corporate

- ✓ Net profit achieved 22% growth to over HK\$1bn

Property development business

- ✓ Record contracted sales of RMB 12.2 bn in 2013
- ✓ Proven execution capacity again by securing 1.1mm sqm sales and delivering 913,000 sqm to customers
- ✓ Total land reserve of over 5.6 million sqm
- ✓ Maintained focus in Yangtze River Delta and Bohai Rim regions, targeting first-time home buyers and up-graders

Toll road business

- ✓ Predictable cash flow generation
- ✓ 4 expressways spanning over 300km in length
- ✓ Enhanced toll road portfolio through the acquisition of Anhui Machao Expressway

★ Property projects under development

▲ Expressway projects





A Property Developer with Stable Growth and Sustainable Profit Potential

Overview

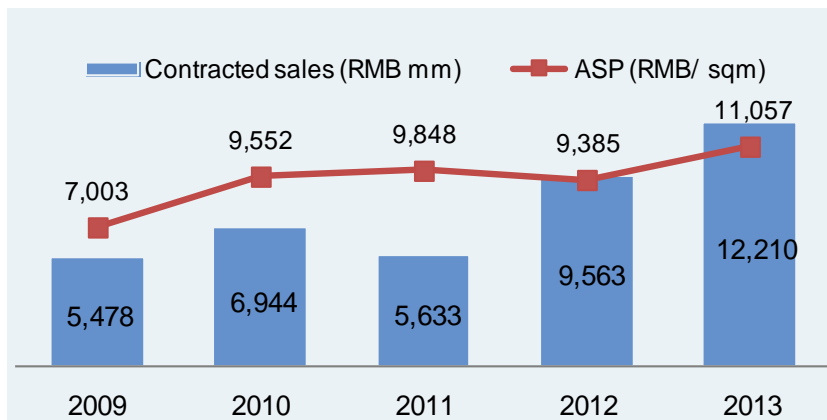
Updates

Q&A

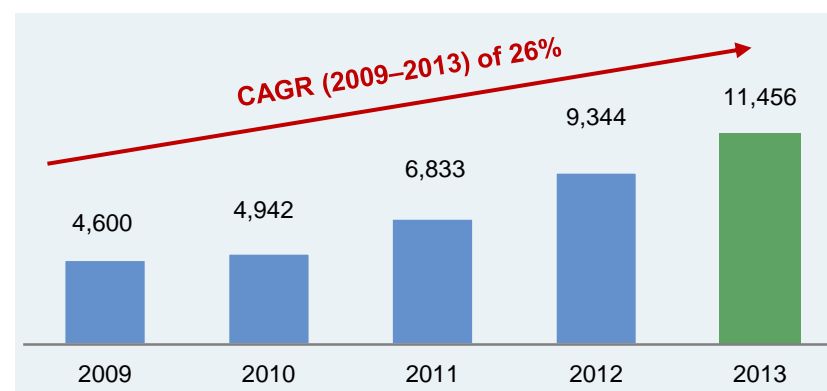


Proven track record of strong business performance

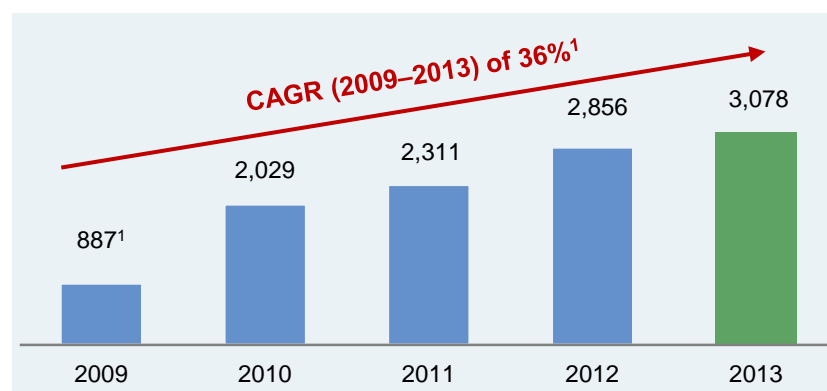
Contracted sales (RMB mm)



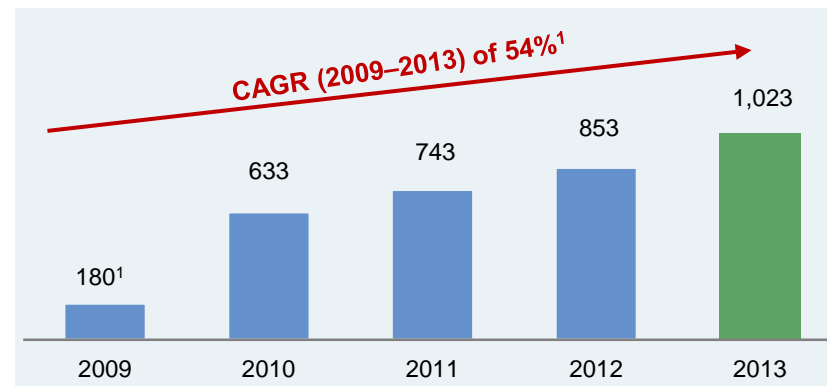
Revenue (HK\$ mm)



EBITDA (HK\$ mm)



Profit for the year (HK\$ mm)



Note: ¹ Profit in 2009 has excluded the gain on disposal of Jihe Expressway

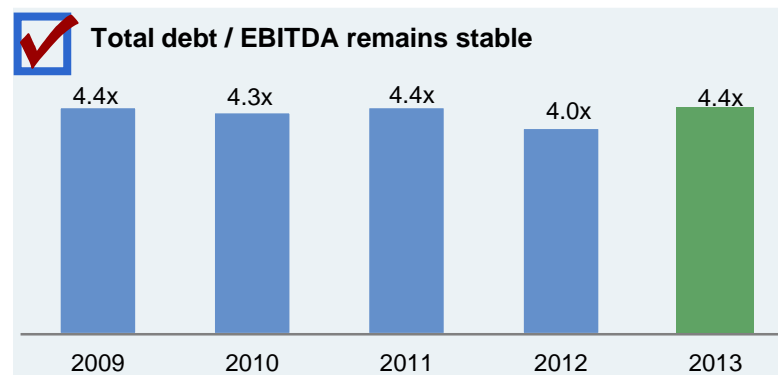
Strong liquidity and proactive debt management

Total cash / short-term debt¹ (HK\$ mm)



Note: ¹ Total cash includes pledged bank deposits and bank balances and cash; short-term debt includes current bank and other borrowings

Total debt² / EBITDA



Note: ² Total debt includes current and non-current bank and other borrowings

Termed out debt maturity profile (HK\$ mm)



Note: ³ Total debt repayable within 1 year included HK\$2,910mm onshore loan

⁴ In Feb 2014, CNY bond of HK\$1,609mm was redeemed

Net debt / capitalization⁵



Note: ⁵ Net debt = total debt – (bank balances and cash + pledged bank deposits); Capitalization = net debt + total equity;

Strengthening financial profile

Financial snapshot (HK\$ mm)

	2011 ¹	2012	2013
Contracted sales (RMB mm)	5,633	9,563	12,210
Contracted sales (GFA'000 sqm)	573	1,019	1,104
Property revenue	6,833	9,344	11,456
Gross profit	1,911	2,718	2,933
Gross margin (%)	28%	29%	26%
Cash flow from toll road joint ventures	658	523	512
EBITDA ²	2,311	2,856	3,079
Profit attributable to owners of the company	735	818	1,002
Basic earnings per share (HK\$)	0.99	1.10	1.36
Dividend per share (HK\$)	0.46	0.46	0.58
Total cash ³	3,421	5,337	6,828
Total short-term debt ⁴	3,500	3,370	5,897
Total debt ⁴	10,151	11,360	13,414
Net debt ⁵	6,730	6,023	6,586
Total equity	11,349	12,223	13,363
Equity attributable to owners of the company	11,072	11,793	12,672
Net asset per share (HK\$)	14.9	15.9	17.2
<u>Key ratios</u>			
EBITDA / interest expense ²	3.5x	3.7x	3.0x
Total debt / EBITDA ^{2,4}	4.4x	4.0x	4.4x
Net debt / capitalization ^{5,6}	37.2%	33.0%	33.0%
Total cash / short-term debt ^{3,4}	1.0x	1.6x	1.2x
Dividend payout ratio ⁷	46.5%	41.8%	42.6%

Key observations



Healthy property business performance through 2013

- Substantial growth of 23% in property revenue performance over 2012
- Delivered completed properties in line with predetermined schedule



Gross profit maintain at over 25%



Predictable cash flow stream from toll roads



Strong and stable operating cash flow



Robust liquidity



Closely monitored leverage position

Note: ¹ The figures were restated based on the prevailing HKGAAP requirements

² 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

³ Total cash includes pledged bank deposits and bank balances and cash

⁴ Total short-term debt includes current bank and other borrowings; Total debt includes current and non-current bank and other borrowings

⁵ Net debt = total debt – (bank balances and cash + pledged bank deposits)

⁶ Capitalization = net debt + total equity

⁷ Dividend payout ratio = dividend per share/ Earnings per share



Continue to replenish land reserve to support future development

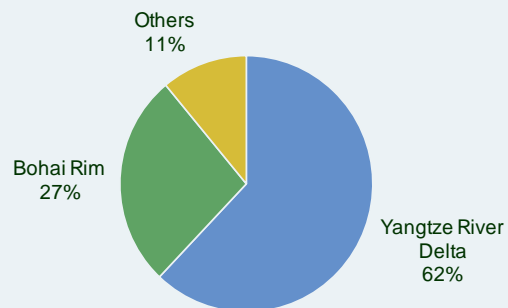


- Acquired nine pieces of land for residential developments in four cities with a total saleable area of over 1.7 million sqm in 2013

Location	Attributable interest	Saleable area (sqm)	Consideration (RMB mm)
Shanghai	75%	215,000	1,447
Changzhou	100%	457,000	901
Zhenjiang	100%	648,000	651
Luoyang	100%	392,000	305

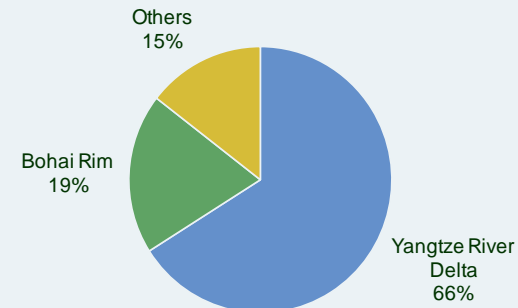
Land reserve breakdown

2012



Total land reserve: 4.6 million sqm

2013



Total land reserve: 5.6 million sqm



Continue to replenish land reserve to support future development



- In January 2014, additional three pieces of land in Yangtze River Delta region with an aggregate saleable area of about 452,000 sqm were acquired

Location	Attributable interest	Saleable area (sqm)	Consideration (RMB mm)
Suzhou	100%	84,000	770
Wuxi	100%	92,000	382
Changzhou	100%	276,000	534



Expressway in the pipeline

- In January 2014, Road King announced the acquisition of 49% equity interest in Anhui Machao Expressway. The transaction is expected to be completed in 2014

Anhui Machao Expressway	
Grade	Expressway, dual three-lane
Distance	35.77 kilometers
Project total investment	RMB 2,471 million
Interest to be acquired by Road King	49%
Operation period	30 years





A Property Developer with Stable Growth and Sustainable Profit Potential

Questions & Answers