ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS

	2010	2009
	HK$	*HK$*
Revenue	**4,942 million**	4,600 million
Average selling price based on delivery (per sqm)	**10,000**	7,000
Contracted sales	**7,573 million**	6,288 million
Gross profit margin (percent)	**31%**	12%
Cash receipt from toll road joint ventures	**751 million**	539 million
Profit attributable to the owners of the Company, net of gains on disposal of interests in joint ventures	**625 million**	149 million
Profit attributable to the owners of the Company	**625 million**	728 million
Dividend per share (interim and proposed final)	**0.43**	0.50
Bank balances and cash	**5,230 million**	2,887 million
Net gearing ratio (percent)	**32%**	34%
Net assets per share attributable to the owners of the Company	**13.9**	13.3

RESULTS

The Board of Directors (the "Board") of Road King Infrastructure Limited (the "Company") announces the audited consolidated income statement and audited consolidated statement of comprehensive income of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010, and the audited consolidated statement of financial position of the Group as at 31 December 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	NOTES	2010 HK$'000	2009 HK$'000
Revenue	3	**4,942,028**	4,600,424
Cost of sales		**(3,398,281)**	(4,061,924)
Gross profit		**1,543,747**	538,500
Interest income		**33,428**	23,090
Other income		**46,476**	33,987
Other gains and losses	5	**279,628**	526,533
Selling expenses		**(167,581)**	(127,682)
Operating expenses		**(407,393)**	(358,858)
Share of results of joint ventures	6	**391,478**	514,323
Finance costs	7	**(115,272)**	(104,435)
Profit before taxation	8	**1,604,511**	1,045,458
Income tax expenses	9	**(971,790)**	(302,281)
Profit for the year		**632,721**	743,177
Profit attributable to:			
Owners of the Company		**625,008**	728,080
Non-controlling interests		**7,713**	15,097
		632,721	743,177
Earnings per share	11		
– Basic		**HK$0.84**	HK$0.99
– Diluted		**HK$0.84**	HK$0.99

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010	2009
	HK$'000	*HK$'000*
Profit for the year	**632,721**	743,177
Other comprehensive income		
Exchange differences arising on translation to presentation currency	**145,272**	50,090
Total comprehensive income for the year	**777,993**	793,267
Total comprehensive income attributable to:		
Owners of the Company	**768,492**	776,630
Non-controlling interests	**9,501**	16,637
	777,993	793,267

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	NOTES	**2010**	2009
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**60,043**	19,352
Investment properties		**715,386**	255,437
Interests in joint ventures		**3,855,047**	4,357,996
Loans to related companies		**–**	48,200
Deferred tax assets		**6,500**	31,506
Long-term receivables		**110,634**	542,603
Prepayment for acquisition of additional interest in a subsidiary		**–**	88,310
		4,747,610	5,343,404
Current assets			
Inventory of properties		**14,496,917**	12,953,468
Prepayment for land leases		**1,783,378**	222,334
Loan to a joint venture		**43,649**	64,286
Loans to related companies		**23,400**	3,300
Debtors, deposits and prepayments	*12*	**974,810**	330,951
Prepaid income tax		**196,694**	211,203
Pledged bank deposits		**189,546**	206,553
Bank balances and cash		**5,230,371**	2,887,090
		22,938,765	16,879,185
Total assets		**27,686,375**	22,222,589

	NOTES	2010 HK$'000	2009 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to the owners of the Company			
Share capital		**74,193**	73,912
Reserves		**10,213,942**	9,777,653
		10,288,135	9,851,565
Non-controlling interests		**115,663**	180,778
Total equity		**10,403,798**	10,032,343
Non-current liabilities			
Bank and other borrowings – due after one year		**5,686,644**	5,199,953
Deferred tax liabilities		**283,470**	153,886
		5,970,114	5,353,839
Current liabilities			
Creditors and accrued charges	*13*	**2,419,010**	2,438,815
Deposits from pre-sale of properties		**5,213,949**	2,904,072
Income tax payable		**676,081**	292,195
Bank and other borrowings – due within one year		**3,003,423**	1,201,325
		11,312,463	6,836,407
Total equity and liabilities		**27,686,375**	22,222,589

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Hong Kong Companies Ordinance.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the new and revised standards, amendments and interpretations (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the HKICPA that are relevant to its operations and effective for the Group's financial year beginning on or after 1 January 2010.

HKFRS 3 (Revised 2008) "Business Combinations"

The Group applies HKFRS 3 (Revised 2008) prospectively to business combinations for which the acquisition date is on or after 1 January 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised 2008) is applicable, the application of HKFRS 3 (Revised 2008) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised 2008) and the consequential amendments to the other HKFRSs are applicable.

HKAS 27 (Revised 2008) "Consolidated and Separate Financial Instruments"

The application of HKAS 27 (Revised 2008) has resulted in the Group's accounting policies regarding increases or decreases in ownership interests in subsidiaries of the Group.

In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under HKAS 27 (Revised 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstances, the revised standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date the control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

In January 2010, the Group has completed the acquisition of additional 5.28% equity interest in Sunco Property Holdings Company Limited ("Sunco Property"), a subsidiary of the Company engaged in investment holding, from Wai Kee Holdings Limited ("Wai Kee") which has significant beneficial interest in the Company, at a cash consideration of HK$88,310,000, which has been prepaid before 31 December 2009 and recognised as prepayment for acquisition of additional interest in a subsidiary under non-current assets as at 31 December 2009. After the acquisition, the Company's interest in Sunco Property has been increased from 89.46% to 94.74%. The difference between the purchase consideration and the decrease in the carrying value of non-controlling interests of Sunco Property of HK$1,895,000 has been recognised directly in equity (including in retained profits).

Hong Kong Interpretation 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause"

Hong Kong Interpretation 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause" ("HK Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As at 31 December 2010, bank loans that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause with the aggregate carrying amount of HK$149,361,000 have been classified as current liabilities. The application of HK Int 5 has had no significant impact on the classification of bank borrowings at 31 December 2009 and reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities.

The application of other new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied those new and revised HKFRSs that have been issued but are not yet effective.

The amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property". Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors of the Company (the "Directors") anticipate that the application of the amendments to HKAS 12 may have an impact on deferred tax recognised for investment properties that are measured using the fair value model. The Group is in the process to quantify the potential financial impact on deferred tax recognised for investment properties that are measured using the fair value model.

The Directors anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE

	2010	2009
	HK$'000	*HK$'000*
Revenue of the Group		
Sale of completed properties held for sale	**4,942,028**	4,600,424
Group's share of toll revenue of infrastructure joint ventures	**802,617**	1,082,933
Revenue of the Group and Group's share of revenue of infrastructure joint ventures	**5,744,645**	5,683,357

4. SEGMENTAL INFORMATION

The Group's operating segments, based on the information reported to the Group's chief operating decision team for the purpose of resources allocation and assessment of performance are as follows:

Toll road	–	development, operation and management of toll roads through the infrastructure joint ventures
Property development and investment	–	development of properties for sale and for rental income potential and/or capital appreciation

The following is an analysis of the Group's revenue, profit, assets, liabilities and other information by operating segments for the years under review:

	2010			2009		
	Toll road	**Property development and investment**	**Total**	Toll road	Property development and investment	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	**–**	**4,942,028**	**4,942,028**	–	4,600,424	4,600,424
Segment profit (loss) before gains on disposal of interests in joint ventures	**144,990**	**482,435**	**627,425**	245,371	(10,248)	235,123
Segment profit (loss)	**144,990**	**482,435**	**627,425**	823,968	(10,248)	813,720
Segment assets (including interests in joint ventures)	**3,992,321**	**18,816,164**	**22,808,485**	4,376,361	15,305,633	19,681,994
Segment liabilities	**(57,557)**	**(14,627,160)**	**(14,684,717)**	(50,269)	(10,269,610)	(10,319,879)

Other segment information

	2010			2009		
	Toll road	**Property development and investment**	**Total**	Toll road	Property development and investment	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:						
Interest income	**2,608**	**25,723**	**28,331**	349	20,241	20,590
Gains on disposal of interests in joint ventures	**–**	**–**	**–**	578,597	–	578,597
Impairment losses on interests in joint ventures	**(162,103)**	**–**	**(162,103)**	(158,000)	–	(158,000)
Fair value gain on transfer of completed properties held for sale to investment properties	**–**	**91,013**	**91,013**	–	–	–
Increase in fair value of investment properties	**–**	**179,749**	**179,749**	–	40,678	40,678
Depreciation	**(71)**	**(16,984)**	**(17,055)**	(163)	(21,616)	(21,779)
Finance costs	**(4,192)**	**(75,727)**	**(79,919)**	(5,600)	(10,018)	(15,618)
Income tax expenses	**(20,230)**	**(951,560)**	**(971,790)**	(18,017)	(284,264)	(302,281)
Share of results of joint ventures	**395,634**	**(4,156)**	**391,478**	484,429	29,894	514,323
Interests in joint ventures	**3,838,124**	**16,923**	**3,855,047**	4,307,950	50,046	4,357,996
Additions to non-current assets during the year	**30**	**166,127**	**166,157**	35	23,285	23,320

(a) Measurement

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment profit (loss) represents profit (loss) earned by each segment, which includes share of results of joint ventures, change in fair value of investment properties, gain (loss) on disposal of interests in joint ventures, impairment losses on interests in joint ventures, depreciation of property, plant and equipment, relevant interest income and finance costs and income tax expenses attributable to the relevant segment but without allocation of headquarter income and expenses.

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

Segment assets include property, plant and equipment, investment properties, interests in joint ventures, long-term receivables, prepayment for acquisition of additional interest in a subsidiary, inventory of properties, prepayment for land leases, loan to a joint venture, debtors, deposits and prepayments, prepaid income tax, pledged bank deposits, bank balances and cash and deferred tax assets which are directly attributable to the relevant reportable segment.

Segment liabilities include creditors and accrued charges, deposits from pre-sale of properties, income tax payable, bank and other borrowings and deferred tax liabilities which are directly attributable to the relevant reportable segment.

Additions to non-current assets are the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year and comprises purchase of property, plant and equipment and investment properties directly attributable to the segment.

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

	2010	2009
	HK$'000	*HK$'000*
Total segment profit	**627,425**	813,720
Unallocated items:		
Interest income	**5,097**	2,500
Corporate income	**62,990**	25,819
Corporate expenses	**(27,438)**	(10,045)
Finance costs	**(35,353)**	(88,817)
Consolidated profit for the year	**632,721**	743,177
Total segment assets	**22,808,485**	19,681,994
Unallocated assets:		
Property, plant and equipment	**789**	600
Loans to related companies	**23,400**	51,500
Deposits and prepayments	**3,067**	4,453
Bank balances and cash	**4,850,634**	2,484,042
Consolidated total assets	**27,686,375**	22,222,589
Total segment liabilities	**(14,684,717)**	(10,319,879)
Unallocated liabilities:		
Accrued charges	**(144,929)**	(78,468)
Bank and other borrowings	**(2,452,931)**	(1,791,899)
Consolidated total liabilities	**(17,282,577)**	(12,190,246)

(c) ***Revenue from major products and services***

The Group's revenue for the year comprises sale of completed properties, which are mainly residential properties developed by the Group for sale purpose.

(d) ***Information about geographical areas***

All the Group's revenue is attributable to customers in the People's Republic of China (the "PRC") and over 90% of the Group's total non-current assets (excluding loans to related companies, deferred tax assets and long-term receivables) are located in the PRC and the remaining non-current assets are located in Hong Kong.

(e) ***Information about major customers***

In view of the nature of the toll road business, there are no major customers and suppliers. For the property business, there was no customer who accounted for over 10% of the total revenue generated from property business.

5. OTHER GAINS AND LOSSES

	2010	2009
	HK$'000	*HK$'000*
Gains on disposal of interests in joint ventures	**–**	578,597
Impairment losses on interests in joint ventures	**(162,103)**	(158,000)
Losses on disposal of property, plant and equipment	**(2,082)**	(1,485)
Fair value gain on transfer of completed properties held for sale to investment properties	**91,013**	–
Increase in fair value of investment properties	**179,749**	40,678
Net exchange gains	**173,051**	66,743
	279,628	526,533

6. SHARE OF RESULTS OF JOINT VENTURES

	2010	2009
	HK$'000	*HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	**687,723**	762,966
Less share of: Amortisation of toll road operation rights	**(188,043)**	(191,834)
Current tax	**(112,943)**	(85,203)
Deferred tax	**8,897**	(1,500)
	395,634	484,429
Share of (loss) profit of other joint venture	**(4,156)**	29,894
	391,478	514,323

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

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

7. FINANCE COSTS

	2010 HK$'000	2009 HK$'000
Interest on borrowings wholly repayable within five years	**395,794**	364,424
Other finance costs	**40,693**	40,422
	436,487	404,846
Less: Capitalised in properties under development for sale	**(321,215)**	(300,411)
	115,272	104,435

Borrowing costs capitalised during the year are calculated by applying an average capitalisation rate of 5.30% (2009: 4.74%) per annum to expenditure on qualifying assets.

8. PROFIT BEFORE TAXATION

	2010 HK$'000	2009 HK$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**18,255**	23,079
Less: Capitalised in properties under development for sale	**(734)**	(811)
	17,521	22,268
Operating lease rentals in respect of land and buildings	**12,876**	13,801
Less: Capitalised in properties under development for sale	**(147)**	(741)
	12,729	13,060
Salaries and other benefits	**227,766**	167,694
Equity-settled share based payments	**11,926**	–
Provident fund scheme contributions, net of forfeited contributions of HK$341,000 (2009: HK$195,000)	**30,257**	22,470
Less: Capitalised in properties under development for sale	**(54,075)**	(44,926)
Total staff costs (excluding Directors' emoluments)	**215,874**	145,238
Auditor's remuneration	**5,000**	5,049
Cost of inventory of properties recognised as an expense	**3,398,281**	4,061,924
and after crediting:		
Bank interest income	**23,837**	13,751
Rental income in respect of investment properties with insignificant rental outgoings	**6,138**	4,654

9. INCOME TAX EXPENSES

	2010	2009
	HK$'000	*HK$'000*
Current tax:		
PRC enterprise income tax ("EIT")	**280,823**	162,092
PRC land appreciation tax ("LAT")	**431,401**	109,237
PRC withholding tax	**30,970**	15,725
	743,194	287,054
Underprovision of EIT in prior years *(note)*	**80,000**	–
Deferred tax:		
Current year	**148,596**	15,227
	971,790	302,281

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

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

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

Note: After the tax assessment carried out by the local tax authority on two property companies during the year, certain tax adjustments related to prior years' assessable profits have been made, resulting in an underprovision of EIT in respect of prior years, which is previously unforeseen by the Group.

10. DIVIDENDS PAID

	2010	2009
	HK$'000	*HK$'000*
2009 final dividend paid of HK$0.30 (2009: HK$0.20 for 2008) per share	**222,035**	147,785
2010 interim dividend paid of HK$0.20 (2009: HK$0.20) per share	**148,143**	147,824
	370,178	295,609

Subsequent to the end of the reporting period, a final dividend in respect of 2010 of HK$0.23 per share amounting to a total of approximately HK$171 million has been declared by the Board on 17 March 2011. The amount has not been included as a liability in the consolidated financial statements as it was declared after the end of the reporting period.

The amount of the proposed final dividend has been calculated on the basis of 741,934,566 shares in issue as at 17 March 2011.

11. EARNINGS PER SHARE

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

	2010	2009
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	**625,008**	728,080

	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**740,205**	738,993
Effect of dilutive potential ordinary shares:		
Share options	**122**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**740,327**	738,993

The share options outstanding during the year ended 31 December 2009 were anti-dilutive because the exercise prices of the share options were higher than the average market prices of the shares of the Company during that year.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2010	2009
	HK$'000	*HK$'000*
Aged analysis of trade debtors, presented based on invoice date *(note (a))*:		
Within 60 days	**48,073**	11,227
60 to 90 days	**6,277**	6,267
More than 90 days	**11,778**	14,263
	66,128	31,757
Deferred consideration on disposal of interest in a joint venture	**27,713**	27,211
Interest receivable	**335**	1,439
Prepayment of business tax and other taxes	**210,969**	115,904
Other receivables, deposits and prepayments *(note (b))*	**669,665**	154,640
	974,810	330,951

Notes:

(a) Debtors of the Group 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 days from the agreements. Consideration under pre-sale contracts will be fully received prior to the delivery of the properties to the purchasers.

(b) At 31 December 2010, included in other receivables, deposits and prepayments was an aggregate amount of HK$517,321,000 (2009: HK$31,746,000) representing the tender deposits paid to the local government or its agents for the tender of several pieces of land and a toll road development and operating project through public auctions. The tender deposits will be refunded if the Group fails to acquire the pieces of land or the toll road project during the tender. Subsequent to 31 December 2010, HK$311,778,000 has been refunded to the Group.

13. CREDITORS AND ACCRUED CHARGES

	2010	2009
	HK$'000	*HK$'000*
Aged analysis of creditors, presented based on invoice date:		
Within 60 days	**47,916**	9,299
60 to 90 days	**2,045**	11,339
More than 90 days	**103,795**	99,722
	153,756	120,360
Accrued construction costs	**1,724,120**	1,872,993
	1,877,876	1,993,353
Interest payable	**132,229**	66,385
Accrued taxes (other than EIT and LAT)	**23,615**	15,595
Other accrued charges	**385,290**	363,482
	2,419,010	2,438,815

14. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 31 December 2010 amounted to HK$16,373,912,000 (2009: HK$15,386,182,000). The Group's net current assets at 31 December 2010 amounted to HK$11,626,302,000 (2009: HK$10,042,778,000).

DIVIDEND

The Board has resolved to recommend a final dividend of HK$0.23 (2009: HK$0.30) per ordinary share for the year ended 31 December 2010 to the shareholders of the Company whose names appear in the register of members of the Company on Wednesday, 25 May 2011, subject to approval of the shareholders of the Company at the forthcoming annual general meeting. It is expected that payment of the final dividend will be made on or before 15 June 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 19 May 2011 to Wednesday, 25 May 2011, both days inclusive, during which no transfer of shares will be registered for the purpose of determining entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 18 May 2011.

BUSINESS REVIEW

Results for 2010

The Group's profit attributable to the owners of the Company for 2010 was HK$625 million (2009: HK$728 million). Earnings per share for 2010 was HK$0.84 (2009: HK$0.99). The 2009 results had included a gain of HK$579 million from the disposal of two toll road projects (including Jihe Expressway (Eastern Section)). Deducting the aforesaid gain, the profit after tax increased by 319% in 2010, mainly due to the significant improvement of the property business.

Toll Road Business

In 2010, total traffic volume and toll revenue of the Group's existing toll road projects were 90 million vehicles and RMB1,959 million, representing an increase of 11% and 4% respectively over 2009.

As a result of the disposal of Jihe Expressway (Eastern Section) in 2009 and the fact that two major expressway projects in Hebei are at the stage where our joint venture partners are receiving a larger portion of the returns to recover their investment costs, the performance of the Group's toll road business in 2010 was tarnished to a certain extent. It is anticipated that starting from 2013 the partners would have recovered their investment costs, therefore the Group's entitlement in the return of the projects will gradually increase in accordance with the joint venture agreements.

In order to optimise the value of its toll road portfolio, in 2010, the Group, via the joint ventures, disposed of Handan Highway located in Hebei Province and a portion of Heye Highway located in Hefei, Anhui Province. The total proceeds shared by the Group was RMB214 million.

The Group has put in additional effort in securing new expressway projects in 2010. To this end, the Group has already reached consensus with certain business partners to acquire the operating rights of two expressways in the Shanxi and Henan provinces, and is currently establishing a joint venture enterprise in preparation for completing the acquisition of the expressway project in the Shanxi Province.

Property Business

As discussed in last year's annual report, the Group's property business in 2010 improved significantly. Contracted sales in 2010 amounted to HK$7,573 million, representing an increase of 20% over 2009. Revenue generated from the delivery of properties was HK$4,942 million, representing an increase of 7% over 2009, and a net profit of HK$482 million (2009: HK$10 million of loss) was realised.

In 2010, the Group, through public tenders and auctions, successfully acquired four pieces of residential and commercial land with a total GFA of 610,000 sqm. These projects are located in Liwan District of Guangzhou, Changping District of Beijing, Jiading District of Shanghai and Binhu District of Wuxi, all of which satisfied the investment return and cash flow requirements as well as the development plans of the Group. Apart from these, the Group also completed the acquisition of the International City project located in Shijiazhuang, Hebei in June 2010, adding another 200,000 sqm to the Group's total GFA. Taking into account of all these five pieces of land, the land reserve of the Group was about 5,200,000 sqm at 31 December 2010.

Disputes in connection with Sunco Property

With the coordination of the Tianjin Municipal Government, in August 2010, the Group withdrew the lawsuit against the former major shareholders of Sunco Real Estate Investment Limited in Hong Kong. The relevant claims will be resolved through mediation by the Tianjin Municipal Government. The information of relevant claims is currently under review.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2010, the equity attributable to the owners of the Company increased to HK$10,288 million (2009: HK$9,852 million). The increase was mainly attributable to the profit generated during the year and offset by the dividends payment. Net assets per share attributable to the owners of the Company increased to HK$13.9 (2009: HK$13.3).

As at 31 December 2010, the Group's total assets were HK$27,686 million (2009: HK$22,223 million) and bank balances and cash were HK$5,230 million (2009: HK$2,887 million), of which 65% was denominated in Renminbi and the remaining 35% was mainly denominated in US dollars or HK dollars.

Financing Activities

In order to refinance the existing borrowings and indebtedness and make new investments, the Group had issued US$350 million and RMB1,300 million fixed rate guaranteed senior notes in September 2010 and February 2011 respectively.

Debt and Gearing

The gross gearing ratio, representing the interest bearing borrowings to the equity attributable to the owners of the Company, increased from 65% at the end of 2009 to 84% at 31 December 2010, which was caused by the issue of the US$350 million 9.5% fixed rate guaranteed senior notes in September 2010. As soon as the repayment obligations are met in 2011 as scheduled, the gross gearing ratio should be gradually reduced. In fact, the net gearing ratio, representing the difference of Group's total interest bearing borrowings and the bank balances and cash (including pledged bank deposits) to the owners' equity of the Company, reduced slightly from 34% at the end of 2009 to 32% as at 31 December 2010. Interest coverage was 17.6 times (2009: 13.9 times).

As at 31 December 2010, the Group's total borrowings were HK$8,690 million (2009: HK$6,401 million). The maturity profile of the Group's total borrowings is set out as follows:

	As at 31 December	
	2010	2009
	HK$'million	*HK$'million*
Repayable:		
Within one year	**3,003**	1,201
After one year but within two years	**1,510**	2,081
After two years but within five years	**4,177**	3,119
Total borrowings	**8,690**	6,401

The Group's borrowings were largely denominated in US dollars. Other than the US$200 million 6.25% fixed rate guaranteed notes due 2011, the US$200 million 7.625% fixed rate senior notes due 2014 and the US$350 million 9.5% fixed rate guaranteed senior notes due 2015, the Group's borrowings were mainly on a floating rate basis.

Financing and Treasury Policies

The Group continues to adopt prudent financing and treasury policies. The entire Group's financing and treasury activities are centrally managed and controlled. Implementation of the Group's policies is made under collective but extensive considerations on liquidity risk, interest rate risk and exchange rate risk.

Charges on Assets
As at 31 December 2010, bank balances of HK$190 million (2009: HK$207 million) were pledged as security in favour of banks for mortgage facilities granted to customers of the Group's property projects and short-term credit facilities granted to the Group. In addition to these charged bank deposits, properties valued at HK$1,322 million (2009: HK$3,745 million) and the shares of certain subsidiaries were pledged as securities for certain loan facilities.

Exposure on Foreign Exchange Fluctuations and Interest Rates
The Group's borrowings are mainly denominated in US dollars but its cash flow is generated from projects whose earnings were denominated principally in Renminbi. As a result, the Group is exposed to foreign currency risk on the fluctuation of US dollars.

The Group's exposure to interest rate risk results from fluctuation in interest rates for its borrowings denominated in Renminbi and US dollars. The one-year interest rate for Renminbi borrowings increased slightly from 531 basis points at the end of 2009 to 581 basis points at the end of 2010, while the London Interbank Offered Rate for US dollars dropped from 98 basis points at the end of 2009 to 78 basis points at the end of 2010. The Directors consider that the monetary policies implemented by the PRC and the US governments will continue to have a major impact on the Group's results and operations.

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

Contingent Liabilities
As at 31 December 2010, the Group provided guarantees of HK$4,490 million 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. The guarantees would be released when the customers pledge their building ownership certificates as securities to the banks for the mortgage loans granted.

Employees
Excluding the staff of joint ventures, the Group had 1,540 employees as at 31 December 2010. Expenditure on staff (excluding Directors' emoluments and share based payments) amounted to HK$258 million. Employees are remunerated according to their performance and contribution. Other employee benefits include provident fund, insurance, medical cover, training programs and a share option scheme. During the year, 15,110,000 share options were granted to the Directors and employees under the Company's share option scheme adopted in May 2003.

PROSPECTS

The Group expects that the rapid economic growth and increase in personal disposable income in the PRC will continue to benefit the Group's business in 2011.

With respect to the toll road business, the Group will continue to identify and invest in appropriate expressway projects in the next few years, in order to optimise and improve the Group's portfolio and the return thereof.

For the property business, we believe that with the dedicated integration and enhancement arrangements undertaken in the past few years, the management team has been polished to become one of the leading teams in the industry, and the operations have entered into a virtuous cycle whereby the business will provide a gratifying return to the Group in the foreseeable future. Through further improvement in the quality of the products, the competence of the staff teams and the recognition of the brand, the Group is committed to realise the hidden value as well as the profitability of the existing projects. Meanwhile, the Group will continue to identify suitable land to make the property business much stronger.

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

During the year ended 31 December 2010, the Group purchased its 6.25% fixed rate guaranteed notes due 2011 in the aggregate principal amount of US$32,769,000 at the range of 101.95% to 102% of its notional value. Details of the purchases are as follows:

Month of purchase	**Total principal amount of notes purchased** *US$'000*	**Sale price to notional value** *%*	**Aggregate consideration** *US$'000*	**Method of purchase**
October 2010	30,414	102.00	31,022	Tender offer
November 2010	2,355	101.95	2,401	Singapore Exchange Securities Trading Limited
	32,769		33,423	

All of the above notes purchased together with US$5,000,000 in aggregate principal amount of the mentioned notes already purchased by the Group in 2009 were cancelled. The fixed rate guaranteed notes are listed on the Singapore Exchange Securities Trading Limited.

Save as the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to the application of good corporate governance practices and procedures. The Company has complied throughout the year ended 31 December 2010 with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules except for the deviation from code provision A.4.1 that Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Bye-law 87 of the Company's Bye-laws. The Company considers that this is no less exacting than those provided in the Code.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31 December 2010 have been reviewed by the Audit Committee of the Company, and have been audited by the Company's external auditor, Messrs. Deloitte Touche Tohmatsu.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 25 May 2011 at 2:30 p.m. and the notice of annual general meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.roadking.com.hk) and the Stock Exchange (www.hkexnews.hk). The Annual Report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

APPRECIATION

The Board would like to take this opportunity to express hearty gratitude to all shareholders, business partners, and loyal and dedicated staff.

By order of the Board
Road King Infrastructure Limited
Zen Wei Pao, William
Chairman

Hong Kong, 17 March 2011

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Ko Yuk Bing, Chan Kam Hung, Fong Shiu Leung, Keter and Zen Wei Peu, Derek as Executive Directors, Messrs. Guo Limin, Xu Ruxin and Lam Wai Hon, Patrick as Non-executive Directors and Messrs. Chow Shiu Kee, Stephen, Lau Sai Yung and Dr. Chow Ming Kuen, Joseph as Independent Non-executive Directors.