ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS

	2014	2013
	HK$	*HK$*
Revenue	**12,730 million**	11,456 million
Core operating profit *	**2,638 million**	2,130 million
Profit for the year	**1,029 million**	1,023 million
Basic earnings per share	**1.37**	1.36
Dividend per share (interim and proposed final)	**0.58**	0.58
Equity attributable to owners of the Company	**13,208 million**	12,672 million
Net assets per share attributable to owners of the Company	**18.10**	17.24

* Core operating profit represents profit for the year before taxation, exchange and related differences as well as change in fair value of investment properties

RESULTS

The Board of Directors (the "Board") of Road King Infrastructure Limited (the "Company") announces the audited consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014, and consolidated statement of financial position of the Group as at 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	NOTES	**2014** *HK$'000*	2013 *HK$'000*
Revenue	*3*	**12,730,104**	11,456,048
Cost of sales		**(9,396,035)**	(8,523,007)
Gross profit		**3,334,069**	2,933,041
Interest income		**48,569**	72,407
Other income		**67,723**	26,317
Other gains and losses	*5*	**(16,597)**	467,230
Selling expenses		**(379,287)**	(405,400)
Operating expenses		**(541,475)**	(517,467)
Share of results of joint ventures	*6*	**203,702**	201,762
Finance costs	*7*	**(216,049)**	(257,128)
Profit before taxation	*8*	**2,500,655**	2,520,762
Income tax expenses	*9*	**(1,471,272)**	(1,497,395)
Profit for the year		**1,029,383**	1,023,367
Profit attributable to:			
Owners of the Company		**1,005,018**	1,001,618
Non-controlling interests		**24,365**	21,749
		1,029,383	1,023,367
Earnings per share	*11*		
– Basic		**HK$1.37**	HK$1.36
– Diluted		**HK$1.37**	HK$1.35

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**1,029,383**	1,023,367
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Exchange differences arising on translation to presentation currency	**(54,217)**	290,954
Total comprehensive income for the year	**975,166**	1,314,321
Total comprehensive income attributable to:		
Owners of the Company	**954,254**	1,283,593
Non-controlling interests	**20,912**	30,728
	975,166	1,314,321

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	NOTES	2014 HK$'000	2013 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**41,214**	43,993
Investment properties		**2,243,909**	2,173,729
Interests in joint ventures		**4,372,557**	3,567,466
Deferred tax assets		**49,193**	31,474
Loans to joint ventures		**470,525**	308,924
		7,177,398	6,125,586
Current assets			
Inventory of properties		**28,446,105**	26,382,519
Prepayment for land leases		**886,299**	1,925,815
Loans to joint ventures		**167,614**	88,608
Other receivables		**–**	34,221
Debtors, deposits and prepayments	12	**1,395,396**	1,609,859
Prepaid income tax		**364,450**	387,764
Other financial assets		**–**	46,785
Pledged bank deposits		**322,335**	151,091
Bank balances and cash		**3,724,192**	6,677,215
		35,306,391	37,303,877
Total assets		**42,483,789**	43,429,463
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**72,970**	73,518
Reserves		**13,134,921**	12,598,251
		13,207,891	12,671,769
Non-controlling interests		**844,661**	691,483
Total equity		**14,052,552**	13,363,252

	NOTES	2014 HK$'000	2013 HK$'000
Non-current liabilities			
Bank and other borrowings – due after one year		**9,600,290**	7,516,859
Loans from non-controlling interests of subsidiaries		**167,457**	410,791
Deferred tax liabilities		**634,853**	583,292
		10,402,600	8,510,942
Current liabilities			
Creditors and accrued charges	*13*	**6,104,137**	5,551,299
Deposits from pre-sale of properties		**5,606,260**	8,208,965
Income tax payable		**872,346**	1,630,564
Bank and other borrowings – due within one year		**4,788,420**	5,896,689
Loans from non-controlling interests of subsidiaries		**540,681**	267,752
Other financial liabilities		**116,793**	–
		18,028,637	21,555,269
Total equity and liabilities		**42,483,789**	43,429,463

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS(s)") 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 on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

The 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.

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

In current year, the Group has applied, for the first time, the following new and revised Hong Kong Accounting Standards ("HKAS(s)"), the HKFRS(s), amendments and interpretations ("HK(IFRIC) – Int") (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the HKICPA:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Contribution of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the above new and revised HKFRSs in the current year has had no material impact on the amounts reported and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised standards and amendments that have been issued but are not yet effective.

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

3 Effective for annual periods beginning on or after 1 January 2017

4 Effective for annual periods beginning on or after 1 July 2014

5 Effective for annual periods beginning on or after 1 January 2016

6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors anticipate that the application of HKFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 16 and HKAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or

b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. The Directors are in the process of assessing the impact of the amendments to HKAS 38 on the amortisation of toll road operating rights held by the infrastructure joint ventures of the Group.

Other than the above, the Directors anticipate that the application of the above new and revised standards and amendments will have no material impact on the results and the financial position of the Group.

3. REVENUE

	2014	2013
	HK$'000	*HK$'000*
Revenue of the Group		
Sale of completed properties held for sale	**12,475,778**	11,248,631
Gross rental income from properties	**62,420**	49,095
Property management income	**191,906**	158,322
	12,730,104	11,456,048
Group's share of toll revenue of infrastructure joint ventures	**968,270**	893,301
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	**13,698,374**	12,349,349

4. SEGMENT INFORMATION

The Group's operating segments, based on the information reported to the Group's chief operating decision maker 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:

	2014			2013		
	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	**–**	**12,730,104**	**12,730,104**	–	11,456,048	11,456,048
Segment profit	**118,980**	**1,061,033**	**1,180,013**	91,006	849,352	940,358
Segment assets (including interests in joint ventures)	**4,545,707**	**35,310,519**	**39,856,226**	4,363,342	34,043,399	38,406,741
Segment liabilities	**(93,397)**	**(26,846,478)**	**(26,939,875)**	(36,584)	(26,847,917)	(26,884,501)
Other segment information						
Amounts included in the measure of segment profit or segment assets:						
Interest income	**21,055**	**26,996**	**48,051**	24,175	47,451	71,626
Losses on disposal of interests in joint ventures	**–**	**–**	**–**	(54,599)	–	(54,599)
Fair value gains on transfer of completed properties held for sale to investment properties	**–**	**–**	**–**	–	170,688	170,688
Change in fair value of investment properties	**–**	**127,736**	**127,736**	–	27,493	27,493
Depreciation	**(182)**	**(12,346)**	**(12,528)**	(158)	(10,516)	(10,674)
Finance costs	**(3,439)**	**(173,781)**	**(177,220)**	(4,490)	(175,206)	(179,696)
Income tax expenses	**(31,772)**	**(1,439,500)**	**(1,471,272)**	(15,790)	(1,481,605)	(1,497,395)
Share of results of joint ventures	**187,954**	**16,979**	**204,933**	196,026	5,736	201,762
Interests in joint ventures	**4,004,726**	**357,648**	**4,362,374**	3,537,847	29,619	3,567,466
Additions to non-current assets during the year	**722,402**	**336,623**	**1,059,025**	89,383	74,415	163,798

(a) Measurement

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

Segment profit represents profit earned by each segment, which includes share of results of joint ventures, losses on disposal of interests in joint ventures, fair value gains on transfer of completed properties held for sale to investment properties, change in fair value of investment properties, 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 headquarters 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, other receivables, inventory of properties, prepayment for land leases, loans to joint ventures, 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, loans from non-controlling interests of subsidiaries 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 comprise purchase of property, plant and equipment, investment properties and capital contributions to joint ventures directly attributable to the segment.

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

	2014	2013
	HK$'000	*HK$'000*
Total segment profit	**1,180,013**	940,358
Unallocated items:		
Interest income	**518**	781
Corporate income	**61**	175,553
Corporate expenses	**(111,149)**	(15,893)
Finance costs	**(38,829)**	(77,432)
Share of results of joint ventures	**(1,231)**	–
Consolidated profit for the year	**1,029,383**	1,023,367
Total segment assets	**39,856,226**	38,406,741
Unallocated assets:		
Property, plant and equipment	**965**	1,540
Interests in joint ventures	**10,183**	–
Deposits and prepayments	**5,023**	42,091
Other financial assets	**–**	46,785
Bank balances and cash	**2,611,392**	4,932,306
Consolidated total assets	**42,483,789**	43,429,463
Total segment liabilities	**(26,939,875)**	(26,884,501)
Unallocated liabilities:		
Accrued charges	**(102,338)**	(179,684)
Bank and other borrowings	**(1,272,231)**	(3,002,026)
Other financial liabilities	**(116,793)**	–
Consolidated total liabilities	**(28,431,237)**	(30,066,211)

(c) Revenue from major products and services

The Group's revenue for the year mainly comprises sale of completed residential properties developed by the Group for sale purposes and rental income.

(d) Information about geographical areas

All of the Group's revenue is attributable to customers in the People's Republic of China ("PRC") and over 90% of the Group's total non-current assets (excluding deferred tax assets and loans to joint ventures) 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. For the property business, there was no customer who accounted for over 10% of the total revenue generated from property development and investment business.

5. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
Losses on disposal of interests in joint ventures	**–**	(54,599)
Reversal of impairment losses on other receivables	**–**	25,000
Gains on disposal of property, plant and equipment	**588**	900
Fair value gains on transfer of completed properties held for sale to investment properties	**–**	170,688
Change in fair value of investment properties	**127,736**	27,493
Change in fair value of other financial liabilities/assets	**(83,197)**	118,000
Net exchange (losses) gains	**(61,724)**	179,748
	(16,597)	467,230

6. SHARE OF RESULTS OF JOINT VENTURES

	2014	2013
	HK$'000	*HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	**491,075**	485,739
Less share of: Amortisation of toll road operation rights	**(182,654)**	(184,362)
Income tax expenses	**(120,467)**	(105,351)
	187,954	196,026
Share of profits of other joint ventures	**15,748**	5,736
	203,702	201,762

7. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on borrowings		
– wholly repayable within five years	**1,013,440**	922,024
– not wholly repayable within five years	**26,777**	13,602
Other finance costs	**156,376**	132,111
	1,196,593	1,067,737
Less: Capitalised in properties under development for sale	**(980,544)**	(810,609)
	216,049	257,128

Borrowing costs capitalised during the year are calculated by applying a capitalisation rate of 8.13% (2013: 8.70%) per annum to expenditure on qualifying assets.

8. PROFIT BEFORE TAXATION

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**14,907**	13,072
Less: Capitalised in properties under development for sale	**(1,585)**	(1,536)
	13,322	11,536
Minimum lease payments paid under operating lease rentals in respect of land and buildings	**21,333**	17,316
Less: Capitalised in properties under development for sale	**(135)**	(508)
	21,198	16,808
Salaries and other benefits	**467,914**	409,978
Equity-settled share-based payments	**–**	4,900
Provident fund scheme contributions, net of forfeited contributions of HK$872,000 (2013: HK$472,000)	**68,482**	68,641
Less: Capitalised in properties under development for sale	**(133,606)**	(122,008)
Total staff costs (excluding Directors' emoluments)	**402,790**	361,511
Audit fee	**3,980**	3,800
Cost of inventory of properties recognised as an expense	**9,221,004**	8,363,855
and after crediting:		
Bank interest income	**26,118**	47,795

9. INCOME TAX EXPENSES

	2014 *HK$'000*	2013 *HK$'000*
Current tax:		
PRC enterprise income tax ("EIT")	**822,635**	843,333
PRC land appreciation tax ("LAT")	**553,797**	671,099
PRC withholding tax	**58,172**	57,118
	1,434,604	1,571,550
Deferred tax	**36,668**	(74,155)
	1,471,272	1,497,395

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 which is charged at progressive rates ranging from 30% to 60% of the appreciation value, with certain allowable deductions.

10. DIVIDENDS PAID

	2014 *HK$'000*	2013 *HK$'000*
2013 final dividend paid of HK$0.40 (2013: 2012 final dividend of HK$0.30) per share	**293,590**	222,614
2014 interim dividend paid of HK$0.13 (2013: 2013 interim dividend of HK$0.18) per share	**95,226**	132,843
	388,816	355,457

Subsequent to the end of the reporting period, a final dividend in respect of 2014 of HK$0.45 per share amounting to a total of approximately HK$328 million has been proposed by the Board on 12 March 2015. The amount has not been included as a liability in the consolidated financial statements as it was not declared before the end of the reporting period.

The amount of the proposed final dividend has been calculated on the basis of 729,696,566 shares in issue as at 12 March 2015.

11. EARNINGS PER SHARE

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

	2014	2013
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	**1,005,018**	1,001,618
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**733,508**	738,942
Effect of dilutive potential ordinary shares:		
Share options	**334**	1,633
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**733,842**	740,575

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2014	2013
	HK$'000	*HK$'000*
Aged analysis of trade debtors, presented based on invoice dates *(note)*:		
Within 60 days	**6,083**	3,982
60 to 90 days	**783**	49
More than 90 days	**8,944**	3,368
	15,810	7,399
Deferred consideration on disposal of interests in joint ventures	**180,959**	181,875
Refundable tender deposits for acquisition of land and toll road project	**467,335**	540,798
Prepayment of business tax and other taxes	**304,450**	371,421
Other receivables, deposits and prepayments	**426,842**	508,366
	1,395,396	1,609,859

Note: 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 days from the agreements. Consideration will be fully received prior to the delivery of the properties to the property purchasers.

13. CREDITORS AND ACCRUED CHARGES

	2014	2013
	HK$'000	*HK$'000*
Aged analysis of creditors presented based on invoice date:		
Trade payables		
Within 60 days	**138,268**	186,187
60 to 90 days	**14,155**	17,755
More than 90 days	**359,371**	269,908
	511,794	473,850
Bills payables		
Within 60 days	**67,099**	8,861
60 to 90 days	**29,442**	–
More than 90 days	**98,440**	11,392
	194,981	20,253
Accrued construction costs	**4,254,405**	4,082,009
Subtotal	**4,961,180**	4,576,112
Interest payable	**99,034**	161,974
Accrued taxes (other than EIT and LAT)	**72,209**	47,021
Other payables and accrued charges	**971,714**	766,192
	6,104,137	5,551,299

14. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 31 December 2014 amounted to HK$24,455,152,000 (2013: HK$21,874,194,000). The Group's net current assets at 31 December 2014 amounted to HK$17,277,754,000 (2013: HK$15,748,608,000).

DIVIDEND

The Board has resolved to recommend a final dividend of HK$0.45 (2013: HK$0.40) per share for the year ended 31 December 2014 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 22 May 2015, subject to approval of the Shareholders at the forthcoming annual general meeting. It is expected that the payment of the final dividend will be made on or before Wednesday, 10 June 2015, if approved.

CLOSURES OF REGISTER OF MEMBERS

To be eligible to attend and vote at the forthcoming annual general meeting

The register of members of the Company will be closed from Wednesday, 13 May 2015 to Friday, 15 May 2015, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 12 May 2015 for registration.

To qualify for the proposed final dividend

The register of members of the Company will also be closed from Thursday, 21 May 2015 to Friday, 22 May 2015, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 20 May 2015 for registration.

BUSINESS REVIEW

Results for 2014

The profit for the year of 2014 was HK$1,029 million, and earnings per share was HK$1.37. The core operating profit (profit for the year before taxation, exchange and related differences as well as change in fair value of investment properties) of the Group increased from HK$2,130 million in 2013 to HK$2,638 million in 2014. Property sales (including joint venture projects) for the year amounted to RMB10,411 million, of which, outstanding subscribed sales was approximately RMB1,007 million. The total toll revenue of toll road projects for the year amounted to RMB1,928 million.

Property Business

Due to the tightening of monetary policies and ongoing macro-control implemented in the first half of 2014, the customers tended to be cautious on property purchase. Following the relaxation of "first home" criteria and interest cuts, the property market witnessed a slight return of growth in both sales volume and property prices during the second half of the year. In light of the uncertainties as to government policies and the liberalisation of interest rates, the Group continued to focus on the mass market and targeted first-time home buyers and first-time home upgraders. Adhering to the steady and consistent business strategy of deeper exploitation and balancing turnover and profitability, the Group adopted effective and practicable measures to establish various partnerships through flexible marketing approaches, achieving remarkable results in operation and development. The Group recorded the sales (including joint venture projects) of RMB10,411 million for 2014, with an average selling price of approximately RMB10,000 per sqm.

Set out below is an analysis of the performance of the Group's property business for 2014 and 2013:

	For the year ended 31 December	
	2014	2013
	HK$'million	*HK$'million*
Revenue	**12,730**	11,456
Gross Profit	**3,334**	2,933
Selling and operating expenses	**(855)**	(833)
Profit after taxation	**1,061**	849

By steadily improving the turnover rate and further optimising product design and cost structure, the Group continued to record an increase in revenue and maintained reasonable growth in profit. Revenue in 2014 was HK$12,730 million, representing a growth of about 11% from the previous year, and mainly contributed by the delivery of properties related to projects in the Yangtze River Delta and the Bohai Rim regions. The total area delivered in 2014 was 976,000 sqm, with an average price of approximately RMB10,700 per sqm, representing a slight growth as compared with that in 2013. The segment profit of the property business increased to HK$1,061 million.

Set out below is an analysis of the Group's property sales and delivery by region for 2014:

	Sales		**Delivery**	
Regions	**Amount**	**Area**	**Amount**	**Area**
(Notes)	*RMB'million*	*sqm*	*RMB'million*	*sqm*
Yangtze River Delta	5,044	541,000	4,439	394,000
Bohai Rim	2,599	215,000	4,318	402,000
Other major regions	1,506	148,000	1,726	180,000
Subtotal	9,149	904,000	10,483	976,000
Joint venture projects	255	42,000	365	31,000
Total	9,404	946,000	10,848	1,007,000

Notes:
Yangtze River Delta region comprises Shanghai and Jiangsu Province.
Bohai Rim region comprises Beijing, Tianjin, Hebei Province and Shandong Province.
Other major regions comprise Henan Province and Guangdong Province.

Land Reserve

For land reserve replenishment, the Group acquired five pieces of land in Shanghai, Changzhou, Wuxi, Suzhou and Jinan in 2014, with an aggregate floor area of about 753,000 sqm.

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 31 December 2014, the Group's land reserve was over 5,300,000 sqm.

Toll Road Business

In 2014, the Group received cash distribution of HK$515 million from the toll road joint ventures, including the repayment of shareholders' loans. The Group's share of results of toll road joint ventures for 2014 and 2013 are as follows:

	2014	2013
	HK$'million	*HK$'million*
Share of results of joint ventures before amortisation and taxation	**491**	486
Less: Share of amortisation of toll road operation rights and taxation	**(303)**	(290)
Withholding tax	**(31)**	(16)
Share of operating profits of joint ventures	**157**	180

The Group's share of operating profits of toll road joint ventures declined from HK$180 million in 2013 to HK$157 million in 2014. This was mainly due to an increase in amortisation after the commencement of the operation of Machao Expressway and withholding tax provision.

The traffic volume and toll revenue of the existing toll roads for 2014 are as follows:

Project	**2014 Average Daily Traffic**	**Increase (Decrease)**	**2014 Toll Revenue**	**Increase (Decrease)**
	Vehicles	*%*	*RMB'million*	*%*
Expressways				
Baojin Expressway	46,000	1	579	(11)
Tangjin Expressway	38,000	4	491	4
Changyi Expressway	51,000	17	536	10
Longcheng Expressway	12,000	(9)	171	6
Machao Expressway *(note)*	11,000	N/A	74	N/A
	158,000	14	1,851	4
Highways	43,000	(4)	77	(26)
	201,000	9	1,928	3

Note: Since the acquisition of Machao Expressway has been completed by end of May 2014, there are no comparative figures.

The total traffic volume and toll revenue of the Group's toll road projects were 72 million vehicles and RMB1,928 million respectively in 2014. Toll revenue contributed by expressway projects represented approximately 96% of that of the Group's toll road business.

Relevant documentations and approvals for the acquisition of 49% equity interests in Machao Expressway in Anhui Province were completed in the first half of 2014. The successful completion of the acquisition of Machao Expressway will uplift the results of toll road business.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2014, the equity attributable to the owners of the Company increased to HK$13,208 million (2013: HK$12,672 million). The increase was mainly attributable to the profit generated during the year. Net assets per share attributable to the owners of the Company increased to HK$18.10 (2013: HK$17.24).

As at 31 December 2014, the Group's total assets were HK$42,484 million (2013: HK$43,429 million) and bank balances and cash were HK$3,724 million (2013: HK$6,677 million), of which 98% was denominated in Renminbi and the remaining 2% was mainly denominated in US dollars or HK dollars.

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 related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

During the year, the Group obtained two facilities in an aggregate amount of US$430 million offered by a group of banks, as well as several offshore bank loans in Hong Kong and the property development loans in the PRC. The majority of these new borrowings were utilised for the repayment of certain bank loans and the redemption of the guaranteed senior notes.

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

(a) RMB2,200 million 6% guaranteed senior notes due in 2016; and

(b) US$350 million 9.875% guaranteed senior notes due in 2017.

At 31 December 2014, the gross gearing ratio and the net gearing ratio of the Group were 102% and 74% respectively. Gross gearing ratio represents total interest bearing borrowings (but excluding loans from non-controlling interests of subsidiaries) to the total equity, whereas net gearing ratio represents the difference of Group's total interest bearing borrowings (but excluding loans from non-controlling interests of subsidiaries) and the bank balances and cash (including pledged bank deposits) to the total equity.

Interest coverage for the year under review was 14.04 times (2013: 11.98 times).

Charges on Assets

As at 31 December 2014, bank balances of HK$322 million (2013: HK$151 million) were pledged as security in favour of banks for certain 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 with carrying value of HK$4,021 million (2013: HK$3,400 million) were pledged as securities for certain loan facilities.

Exposure on Foreign Exchange Fluctuations and Interest Rates

The Group's borrowings are mainly denominated in Renminbi and US dollars but the 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 between Renminbi and US dollars.

The Group's exposure to interest rate risk results mainly from fluctuation in interest rates relating to its borrowings denominated in Renminbi and US dollars. Although the monetary policies implemented by the PRC and the US governments continue to have a major impact on the Group's results and operations, 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 operations 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 monitor its exposure to these risks closely and may arrange hedging against the risks exposed as and when necessary and appropriate.

Contingent Liabilities

As at 31 December 2014, the Group had provided guarantees of HK$5,476 million (2013: HK$5,328 million) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's properties. The guarantees would be released after the customers have pledged their property certificates as securities to the banks for the mortgage loans granted.

Employees

Excluding the staff of joint ventures, the Group had 2,394 employees as at 31 December 2014 (2013: 2,176). Expenditure on staff (excluding Directors' emoluments and share-based payment) amounted to HK$536 million (2013: HK$479 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 schemes. During the year, no share option was granted.

PROSPECT

The property industry in the mainland China is a commodity business as well as a long-lived industry. Short-term adjustments in the market enable the industry to be better regulated and developed, benefiting its long-term development. The prospects of the property industry in the mainland China remain positive given the continuous economic growth of China, rising income per capita, the urbanisation process and the demand for improvement of living environment. With the gradual easing of economic policies and the introduction of various favourable market policies in the second half of 2014, the purchasing power will be released gradually. It is expected that the environment of the PRC property market should improve in 2015 compared with that in 2014.

With years of implementation, experience and efforts, the Group has developed a track record for the property business. In the following year, the Group will continue to adopt the strategy that maintains deeper exploitation, and balances profitability and sales volume. The Group will focus on providing residential properties and relevant amenities, enhancing the strategic cooperation with its partners, and further optimising its product quality and cost structure. In doing so, the Group aims to increase the profit margin of its products, establish long-standing brand recognition and further reinforce its position in the industry.

The Group holds the view that the toll road business would provide long term steady cash flows and returns and will solicit appropriate expressway projects by leveraging its reputation in the industry and management experience obtained over the past two decades, with a view to expanding its expressway portfolio further and creating solid returns for the Shareholders continuously.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

(I) Repurchase of Shares

During the year, the Company repurchased a total of 4,326,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK$30,368,920. Details of the repurchases are as follows:

Month of repurchases	Total number of shares repurchased	Price per share		Aggregate consideration
		Highest	Lowest	
		HK$	*HK$*	*HK$*
March	17,000	7.11	7.11	120,870
June	1,275,000	7.05	6.86	8,886,140
July	224,000	7.23	7.00	1,590,250
August	1,973,000	7.15	6.91	13,923,950
September	837,000	7.02	6.90	5,847,710
	4,326,000			30,368,920

Up to the date of this announcement, all of the abovementioned shares repurchased were cancelled.

(II) Redemption of Notes

During the year, RKI Finance (2011) Limited, a wholly-owned subsidiary of the Company, redeemed all the outstanding principal amount of RMB1,272 million of RMB1,300 million 6% guaranteed senior notes due 2014 (the "2014 Notes") in February 2014 at the redemption price equal to 100% of the outstanding principal amount of the 2014 Notes plus accrued and unpaid interest.

In addition, RKI Finance (2010) Limited, a wholly-owned subsidiary of the Company, redeemed all the outstanding principal amount of US$163.58 million of US$350 million 9.5% guaranteed senior notes due 2015 (the "2015 Notes") in September 2014 at the redemption price equal to 102.375% of the outstanding principal amount of the 2015 Notes plus accrued and unpaid interest.

Subsequent to the completion of the redemptions, the 2014 Notes and the 2015 Notes were cancelled and delisted from the official list of the Singapore Exchange Securities Trading Limited.

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 year ended 31 December 2014.

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 on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2014 except for Rule 3.10A of the Listing Rules.

Pursuant to Rule 3.10A, the independent non-executive directors of a listed issuer must represent at least one-third of the board of directors. Following the resignation of Ms. Nie Meisheng as an Independent Non-executive Director of the Company with effect from 3 November 2014, the number of Independent Non-executive Directors of the Company has fallen below the minimum number as required under Rule 3.10A. During the transitional period, the Board believes that there is still a sufficient independent element on the Board, which can effectively exercise independent judgment.

On 16 February 2015, Mr. Zhang Yongliang was appointed as an Independent Non-executive Director of the Company. Following the appointment of Mr. Zhang as an Independent Non-executive Director of the Company, the number of Independent Non-executive Directors of the Company has fulfilled the minimum number as required under Rule 3.10A of the Listing Rules.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31 December 2014 have been reviewed by the Audit Committee of the Company and audited by the Company's external auditor.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Jade and Lotus Rooms, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 15 May 2015 at 10:30 a.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 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, 12 March 2015

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, Zen Wei Peu, Derek and Xu Ruxin as Executive Directors, Messrs. Lu Hua, Lam Wai Hon, Patrick and Gao Shengyuan as Non-executive Directors and Mr. Lau Sai Yung, Dr. Chow Ming Kuen, Joseph, Mr. Tse Chee On, Raymond, Mr. Wong Wai Ho and Mr. Zhang Yongliang as Independent Non-executive Directors.