ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

HIGHLIGHTS

	2015	2014
Property sales (including joint venture projects)	**RMB11,649 million**	RMB10,411 million
Operating profit after taxation (excluding exchange and related differences)	**HK$1,158 million**	HK$1,174 million
Equity attributable to owners of the Company	**HK$13,155 million**	HK$13,208 million
Net assets per share attributable to owners of the Company	**HK$17.78**	HK$18.10
Dividend per share (interim and proposed final)	**HK$0.48**	HK$0.58
Gross gearing ratio	**96%**	102%

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 2015 and consolidated statement of financial position of the Group as at 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	NOTES	**2015** *HK$'000*	2014 *HK$'000*
Revenue	*3*	**12,509,646**	12,730,104
Cost of sales		**(9,626,650)**	(9,396,035)
Gross profit		**2,882,996**	3,334,069
Interest income		**86,557**	48,569
Other income		**43,708**	67,723
Other gains and losses	*5*	**(171,987)**	(16,597)
Selling expenses		**(367,459)**	(379,287)
Administrative expenses		**(518,964)**	(541,475)
Share of results of joint ventures	*6*	**261,018**	203,702
Finance costs	*7*	**(233,346)**	(216,049)
Profit before taxation	*8*	**1,982,523**	2,500,655
Income tax expenses	*9*	**(1,154,213)**	(1,471,272)
Profit for the year		**828,310**	1,029,383
Profit attributable to:			
Owners of the Company		**820,005**	1,005,018
Non-controlling interests		**8,305**	24,365
		828,310	1,029,383
Earnings per share	*11*		
–Basic		**HK$1.11**	HK$1.37
–Diluted		**HK$1.11**	HK$1.37

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**828,310**	1,029,383
Other comprehensive expense		
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation to presentation currency	**(547,096)**	(54,217)
Total comprehensive income for the year	**281,214**	975,166
Total comprehensive income (expense) attributable to:		
Owners of the Company	**305,405**	954,254
Non-controlling interests	**(24,191)**	20,912
	281,214	975,166

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	NOTES	2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**33,503**	41,214
Investment properties		**2,193,098**	2,243,909
Interests in joint ventures		**5,108,141**	4,372,557
Deferred tax assets		**56,229**	49,193
Loans to joint ventures		**1,596,933**	470,525
		8,987,904	7,177,398
Current assets			
Inventory of properties		**25,247,436**	28,446,105
Prepayment for land leases		**480,201**	886,299
Loans to joint ventures		**179,366**	167,614
Debtors, deposits and prepayments	*12*	**1,455,019**	1,395,396
Prepaid income tax		**392,726**	364,450
Pledged bank deposits		**241,932**	322,335
Bank balances and cash		**3,071,723**	3,724,192
		31,068,403	35,306,391
Total assets		**40,056,307**	42,483,789

	NOTES	2015 HK$'000	2014 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**73,994**	72,970
Reserves		**13,081,403**	13,134,921
		13,155,397	13,207,891
Non-controlling interests		**820,470**	844,661
Total equity		**13,975,867**	14,052,552
Non-current liabilities			
Bank and other borrowings – due after one year		**7,226,144**	9,600,290
Loans from non-controlling interests of subsidiaries		**180,000**	167,457
Deferred tax liabilities		**586,532**	634,853
		7,992,676	10,402,600
Current liabilities			
Creditors and accrued charges	*13*	**5,775,998**	6,104,137
Deposits from pre-sale of properties		**4,548,201**	5,606,260
Income tax payable		**895,891**	872,346
Bank and other borrowings – due within one year		**6,224,230**	4,788,420
Loans from non-controlling interests of subsidiaries		**374,741**	540,681
Other financial liabilities		**268,703**	116,793
		18,087,764	18,028,637
Total equity and liabilities		**40,056,307**	42,483,789

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

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the 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[2]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

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 of the Company (the "Directors") anticipate that the application of HKFRS 15 in the future may affect the amounts reported and related disclosures in the Group's consolidated financial statements. 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 anticipate that 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 is not significant.

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

3. REVENUE

	2015	2014
	HK$'000	*HK$'000*
Revenue of the Group		
Sale of completed properties held for sale	**12,205,731**	12,475,778
Gross rental income from properties	**66,911**	62,420
Property management income	**237,004**	191,906
	12,509,646	12,730,104
Group's share of toll revenue of infrastructure joint ventures	**1,090,009**	968,270
Revenue of the Group and Group's share of toll revenue of infrastructure joint ventures	**13,599,655**	13,698,374

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:

	2015			2014		
	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	**–**	**12,509,646**	**12,509,646**	–	12,730,104	12,730,104
Segment profit	**211,696**	**822,582**	**1,034,278**	118,980	1,061,033	1,180,013
Segment assets (including interests in joint ventures)	**4,094,399**	**33,245,218**	**37,339,617**	4,545,707	35,310,519	39,856,226
Segment liabilities	**(32,175)**	**(24,431,923)**	**(24,464,098)**	(93,397)	(26,846,478)	(26,939,875)
Other segment information						
Amounts included in the measure of segment profit or segment assets:						
Interest income	**14,957**	**71,015**	**85,972**	21,055	26,996	48,051
Gain on disposal of interest in a joint venture	**2,145**	**–**	**2,145**	–	–	–
Fair value gains on transfer of completed properties held for sale to investment properties	**–**	**62,735**	**62,735**	–	–	–
Change in fair value of investment properties	**–**	**92,936**	**92,936**	–	127,736	127,736
Depreciation	**(289)**	**(11,648)**	**(11,937)**	(182)	(12,346)	(12,528)
Finance costs	**(3,392)**	**(204,966)**	**(208,358)**	(3,439)	(173,781)	(177,220)
Income tax expenses	**(28,304)**	**(1,125,589)**	**(1,153,893)**	(31,772)	(1,439,500)	(1,471,272)
Share of results of joint ventures	**277,940**	**(13,401)**	**264,539**	187,954	16,979	204,933
Interests in joint ventures	**3,628,714**	**1,474,899**	**5,103,613**	4,004,726	357,648	4,362,374
Additions to non-current assets during the year	**53**	**1,188,206**	**1,188,259**	722,402	336,623	1,059,025

(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, gain on disposal of interest in a joint venture, 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, 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

	2015	2014
	HK$'000	*HK$'000*
Total segment profit	**1,034,278**	1,180,013
Unallocated items:		
Interest income	**585**	518
Corporate income	**5,577**	61
Corporate expenses	**(183,301)**	(111,149)
Finance costs	**(24,988)**	(38,829)
Income tax expenses	**(320)**	–
Share of losses of joint ventures	**(3,521)**	(1,231)
Consolidated profit for the year	**828,310**	1,029,383
Total segment assets	**37,339,617**	39,856,226
Unallocated assets:		
Property, plant and equipment	**322**	965
Interests in joint ventures	**4,528**	10,183
Deposits and prepayments	**207,602**	5,023
Bank balances and cash	**2,504,238**	2,611,392
Consolidated total assets	**40,056,307**	42,483,789
Total segment liabilities	**(24,464,098)**	(26,939,875)
Unallocated liabilities:		
Accrued charges	**(109,972)**	(102,338)
Bank and other borrowings	**(1,237,667)**	(1,272,231)
Other financial liabilities	**(268,703)**	(116,793)
Consolidated total liabilities	**(26,080,440)**	(28,431,237)

(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 from investment properties.

(d) Information about geographical areas

All of 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 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

	2015	2014
	HK$'000	*HK$'000*
Gain on disposal of interest in a joint venture	**2,145**	–
Gains on disposal of property, plant and equipment	**206**	588
Fair value gains on transfer of completed properties held for sale to investment properties	**62,735**	–
Change in fair value of investment properties	**92,936**	127,736
Change in fair value of other financial liabilities	**(128,273)**	(83,197)
Net exchange losses	**(201,736)**	(61,724)
	(171,987)	(16,597)

6. SHARE OF RESULTS OF JOINT VENTURES

	2015	2014
	HK$'000	*HK$'000*
Share of profits of infrastructure joint ventures before amortisation and taxation	**598,786**	491,075
Less share of: Amortisation of toll road operation rights	**(180,780)**	(182,654)
Income tax expenses	**(140,066)**	(120,467)
	277,940	187,954
Share of (losses) profits of other joint ventures	**(16,922)**	15,748
	261,018	203,702

7. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on borrowings	**1,291,873**	1,152,917
Other finance costs	**124,149**	190,821
	1,416,022	1,343,738
Less: Capitalised in properties under development for sale	**(1,182,676)**	(1,127,689)
	233,346	216,049

Borrowing costs capitalised during the year are calculated by applying a capitalisation rate of 7.68% (2014: 8.13%) per annum to expenditure on qualifying assets.

8. PROFIT BEFORE TAXATION

	2015	2014
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**13,992**	14,907
Less: Capitalised in properties under development for sale	**(1,396)**	(1,585)
	12,596	13,322
Minimum lease payments paid under operating lease rentals in respect of land and buildings	**18,599**	21,333
Less: Capitalised in properties under development for sale	**–**	(135)
	18,599	21,198
Salaries and other benefits	**503,697**	467,914
Provident fund scheme contributions, net of forfeited contributions of HK$47,000 (2014: HK$872,000)	**74,159**	68,482
Less: Capitalised in properties under development for sale	**(135,313)**	(133,606)
Total staff costs (excluding Directors' emoluments)	**442,543**	402,790
Audit fee	**3,980**	3,980
Cost of inventory of properties recognised as an expense	**9,440,691**	9,221,004
and after crediting:		
Bank interest income	**28,855**	26,118

9. INCOME TAX EXPENSES

	2015 *HK$'000*	2014 *HK$'000*
Current tax:		
PRC enterprise income tax ("EIT")	**678,074**	822,635
PRC land appreciation tax ("LAT")	**382,124**	553,797
PRC withholding tax	**127,485**	58,172
	1,187,683	1,434,604
Deferred tax	**(33,470)**	36,668
	1,154,213	1,471,272

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

	2015 *HK$'000*	2014 *HK$'000*
2014 final dividend paid of HK$0.45 (2014: 2013 final dividend of HK$0.40) per share	**332,971**	293,590
2015 interim dividend paid of HK$0.13 (2014: 2014 interim dividend of HK$0.13) per share	**96,192**	95,226
	429,163	388,816

Subsequent to the end of the reporting period, a final dividend in respect of 2015 of HK$0.35 per share amounting to a total of approximately HK$259 million has been proposed by the Board on 18 March 2016. 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 739,936,566 shares in issue as at 18 March 2016.

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:

	2015	2014
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	**820,005**	1,005,018
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**736,706**	733,508
Effect of dilutive potential ordinary shares:		
Share options	**123**	334
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**736,829**	733,842

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2015	2014
	HK$'000	*HK$'000*
Aged analysis of trade debtors, presented based on invoice dates *(note)*:		
Within 60 days	**2,157**	6,083
61 to 90 days	**992**	783
More than 90 days	**7,547**	8,944
	10,696	15,810
Deferred consideration on disposal of interests in joint ventures	**176,555**	180,959
Refundable deposits/prepayment for acquisition of property projects	**622,134**	467,335
Prepayment of business tax and other taxes	**187,896**	304,450
Other receivables, deposits and prepayments	**457,738**	426,842
	1,455,019	1,395,396

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

	2015	2014
	HK$'000	*HK$'000*
Aged analysis of creditors presented based on invoice date:		
Trade payables		
Within 60 days	**116,469**	138,268
61 to 90 days	**51,780**	14,155
More than 90 days	**654,786**	359,371
	823,035	511,794
Bills payables		
Within 60 days	**48,943**	67,099
61 to 90 days	**34,268**	29,442
More than 90 days	**80,404**	98,440
	163,615	194,981
Accrued construction costs	**3,582,035**	4,254,405
	4,568,685	4,961,180
Interest payable	**92,661**	99,034
Accrued taxes (other than EIT and LAT)	**65,116**	72,209
Other payables and accrued charges	**1,049,536**	971,714
	5,775,998	6,104,137

14. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 31 December 2015 amounted to HK$21,968,543,000 (2014: HK$24,455,152,000). The Group's net current assets at 31 December 2015 amounted to HK$12,980,639,000 (2014: HK$17,277,754,000).

DIVIDEND

The Board has resolved to recommend a final dividend of HK$0.35 (2014: HK$0.45) per share for the year ended 31 December 2015 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 27 May 2016, 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 Friday, 17 June 2016, 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 Tuesday, 17 May 2016 to Thursday, 19 May 2016, 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 Monday, 16 May 2016 for registration.

To qualify for the proposed final dividend

The register of members of the Company will also be closed from Thursday, 26 May 2016 to Friday, 27 May 2016, 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, 25 May 2016 for registration.

BUSINESS REVIEW

Results for 2015

The operating profit after taxation (excluding exchange and related differences) of the Group in 2015 was HK$1,158 million. However, under the impact of RMB depreciation, an exchange loss of HK$330 million was incurred, resulting in the profit for 2015 was HK$828 million with earnings per share of HK$1.11. Property sales (including joint venture projects) for the year amounted to RMB11,649 million, representing a growth of 12% compared with 2014. The toll revenue of the existing toll road projects for 2015 amounted to RMB2,187 million, which is 14% more than that in 2014.

Property Business

In 2015, the central and local governments of the PRC implemented various policies improving the market sentiment such as lowered the lending interest rates and the down payment ratio, loosened the provident fund loan requirements and mitigated the transaction taxes. The property market became active but the impacts diversified in different regions, with the focus on the release of the demand for the property upgrade in tier 1 and 2 cities. Adhering to the steady and consistent business strategy of deeper exploitation and balancing turnover and profitability, the Group achieved remarkable results. The Group's property sales (including joint venture projects) increased to RMB11,649 million in 2015, including the contracted sales of RMB10,408 million and outstanding subscribed sales of RMB1,241 million.

Set out below is an analysis of the performance of the Group's property business for 2015 and 2014:

	For the year ended 31 December	
	2015	2014
	HK$'million	*HK$'million*
Revenue	**12,510**	12,730
Gross profit	**2,883**	3,334
Selling and operating expenses	**(813)**	(855)
Profit for the year	**823**	1,061

In 2015, the revenue of the Group's property business was mainly contributed by the delivery of properties in Yangtze River Delta region. The total area delivered in 2015 was 1,006,000 sqm, with an average price of approximately RMB10,300 per sqm. Operating profit after taxation of the property business was HK$990 million. Taking into account the exchange loss of HK$167 million due to RMB depreciation, the profit for the year was HK$823 million.

Set out below is an analysis of the Group's property sales and delivery by region (including joint venture projects) for 2015:

	Sales		Delivery	
Regions	**Amount**	**Area**	**Amount**	**Area**
(Notes)	*RMB'million*	*sqm*	*RMB'million*	*sqm*
Yangtze River Delta	7,863	637,000	6,566	630,000
Bohai Rim	2,229	237,000	1,650	137,000
Other major regions	1,557	181,000	2,158	239,000
Total	11,649	1,055,000	10,374	1,006,000

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.

For land reserve replenishment, the Group acquired three pieces of land in Luoyang, Langfang and Guangzhou through listing-for-sale and subscription for trust units of an investment fund in 2015, with an aggregate floor area of about 1,002,000 sqm. Two of these new projects with larger area are jointly developed with well established PRC enterprises.

The Group's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. As at 31 December 2015, the Group's land reserve was approximately 5,400,000 sqm.

In February 2016, the Group entered into an agreement with the joint venture partner of a property project in Shanghai to acquire 51% equity interest in the joint venture company at a cash consideration of RMB300 million and thereafter, it will become the wholly-owned subsidiary of the Company upon the completion of the transaction. Details of the transaction were set out in the announcement of the Company dated 26 February 2016.

Toll Road Business

In 2015, the Group received cash distribution of HK$530 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 2015 and 2014 are as follows:

	2015	2014
	HK$'million	*HK$'million*
Share of results of joint ventures before amortisation and taxation	**599**	491
Less: Share of amortisation of toll road operation rights and taxation	**(321)**	(303)
Withholding tax	**(28)**	(31)
Share of operating profits of joint ventures	**250**	157

The Group's share of operating profits of toll road joint ventures was increased from HK$157 million in 2014 to HK$250 million in 2015. This was benefited from the increase in traffic flow and the toll income as well as a result of a course of favorable actions taken out by our expressways.

The traffic volume and toll revenue of the existing toll road projects for 2015 are as follows:

Project	**2015 Average Daily Traffic**	**Increase (Decrease)**	**2015 Toll Revenue**	**Increase (Decrease)**
	Vehicles	*%*	*RMB'million*	*%*
Expressways				
Baojin Expressway	53,000	16	637	10
Tangjin Expressway	44,000	17	551	12
Changyi Expressway	60,000	17	585	9
Longcheng Expressway	13,000	1	200	17
Machao Expressway	13,000	22	154	109
	183,000	16	2,127	15
Highways	25,000	–	60	(5)
	208,000	13	2,187	14

The total traffic volume and toll revenue of the Group's toll road projects reached 76 million vehicles and RMB2,187 million respectively in 2015. Toll revenue from expressway projects further increased from 96% of the entire toll road portfolio in 2014 to 97% in 2015.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2015, the equity attributable to the owners of the Company was HK$13,155 million (2014: HK$13,208 million). Net assets per share attributable to the owners of the Company was HK$17.78 (2014: HK$18.10).

As at 31 December 2015, the Group's total assets were HK$40,056 million (2014: HK$42,484 million) and bank balances and cash were HK$3,072 million (2014: HK$3,724 million), of which 96% was denominated in Renminbi and the remaining 4% 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.

The increase in net cash used in financing activities for the year was mainly attributable to the repayment of several offshore bank loans in Hong Kong and the property development loans in the PRC, as well as the payment of loan interest.

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 2015, the gross gearing ratio and the net gearing ratio of the Group were 96% and 73% 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 10.93 times (2014: 14.04 times).

Charges on Assets

As at 31 December 2015, bank balances of HK$242 million (2014: HK$322 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$3,446 million (2014: HK$4,021 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 are denominated principally in Renminbi. As a result, the Group is exposed to foreign currency risk on the fluctuation of Renminbi and US dollars. On 11 August 2015, the People's Bank of China announced the reform of the foreign exchange fixing, accordingly the Group incurred an exchange loss of HK$330 million on the 2015 results. The volatility of the value of Renminbi was higher as compared to previous periods.

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 2015, the Group had provided guarantees of HK$4,650 million (2014: HK$5,476 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.

In addition, the Group had provided guarantees of HK$845 million to banks in connection with the banking facilities granted to the joint venture of the Group as at 31 December 2015.

Employees

Excluding the staff of joint ventures, the Group had 2,584 employees as at 31 December 2015 (2014: 2,394). Expenditure on staff (excluding Directors' emoluments and share-based payment) amounted to HK$578 million (2014: HK$536 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

Meanwhile, the China's economy faces downward pressure while property industry is still an important pillar of the economy. It is expected that the PRC government will continue the policy of maintaining stability and the Group is optimistic about the prospect of the property market.

The Group will continue to adopt the strategy that maintains deeper exploitation, and balances profitability and sales volume, researching and developing market-oriented products, enhancing the value-added services of the property management services, and to continuously improve product and service quality and brand appeal. In the meantime, the Group will enhance cooperation with business partners to look for better development. The Group believes that the co-operation with well established PRC enterprises for the development of property projects would allow the Group to invest in larger size projects, share higher profits and diversify financial burden. Together with our market position and a well-developed operation team, the Group has established a solid foundation for the continuous expansion in property business.

The Group believes that the toll road business would provide steady cash flows. By leveraging the experience obtained over the past two decades, the Group ensures a sustainable and stable operation and development.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

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 2015.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 December 2015 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 2015 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 Thursday, 19 May 2016 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, 18 March 2016

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Ko Yuk Bing, Zen Wei Peu, Derek, Chan Kam Hung, Fong Shiu Leung, Keter and Xu Ruxin as Executive Directors, Messrs. Lam Wai Hon, Patrick, Mou Yong and Dong Fang 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.