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ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

HIGHLIGHTS	2021	2020
Property sales (including joint venture and associate projects)	RMB52,484 million	RMB44,047 million
Property delivery (including joint venture and associate projects)	RMB43,657 million	RMB32,794 million
Toll revenue from expressway projects	RMB3,779 million	RMB2,725 million
Profit for the year	HK\$1,984 million	HK\$2,784 million
Total assets	HK\$108,236 million	HK\$103,281 million
Bank balances and cash	HK\$12,600 million	HK\$14,056 million
Equity attributable to owners of the Company	HK\$22,337 million	HK\$20,928 million
Net assets per share attributable to owners of the Company	HK\$29.81	HK\$27.93
Earnings per share	HK\$1.37	HK\$2.30
Dividend per share (interim and proposed final)	HK\$0.35	HK\$0.75

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 2021 and consolidated statement of financial position of the Group as at 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
Revenue	3	24,677,949	24,196,103
Cost of sales		<u>(19,278,910)</u>	<u>(17,689,510)</u>
Gross profit		5,399,039	6,506,593
Interest income		307,695	244,588
Other income		184,425	83,574
Other gains and losses	5	82,950	259,652
Selling expenses		(901,018)	(763,170)
Administrative expenses		(950,298)	(961,668)
Share of results of associates		131,715	70,040
Share of results of joint ventures	6	1,093,035	466,586
Finance costs	7	<u>(1,073,317)</u>	<u>(1,172,693)</u>
Profit before taxation	8	4,274,226	4,733,502
Income tax expenses	9	<u>(2,289,737)</u>	<u>(1,949,906)</u>
Profit for the year		<u>1,984,489</u>	<u>2,783,596</u>
Profit for the year attributable to:			
Owners of the Company		1,028,245	1,722,848
Owners of perpetual capital securities		527,775	527,775
Non-controlling interests of subsidiaries		<u>428,469</u>	<u>532,973</u>
		<u>1,984,489</u>	<u>2,783,596</u>
Earnings per share	11		
– Basic		<u>HK\$1.37</u>	<u>HK\$2.30</u>
– Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 HK\$'000	2020 <i>HK\$'000</i>
Profit for the year	1,984,489	2,783,596
Other comprehensive income (expense)		
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss:</i>		
Fair value losses on hedging instruments designated in cash flow hedges	–	(53,111)
Reclassified to profit or loss upon termination of hedging instruments	53,111	–
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation to presentation currency	<u>926,689</u>	<u>1,364,932</u>
Other comprehensive income for the year	<u>979,800</u>	<u>1,311,821</u>
Total comprehensive income for the year	<u>2,964,289</u>	<u>4,095,417</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	1,934,109	2,871,079
Owners of perpetual capital securities	527,775	527,775
Non-controlling interests of subsidiaries	<u>502,405</u>	<u>696,563</u>
	<u>2,964,289</u>	<u>4,095,417</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

	<i>NOTE</i>	2021 HK\$'000	2020 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		93,253	81,905
Right-of-use assets		82,685	105,585
Investment properties		4,263,014	4,046,258
Interests in associates		1,606,893	1,433,375
Interests in joint ventures		19,320,801	13,843,087
Deferred tax assets		196,304	214,939
Amounts due from joint ventures		11,628,741	9,869,288
Amounts due from non-controlling interests of subsidiaries		306,198	–
Loan receivables		1,983,620	1,384,570
Financial assets at fair value through profit or loss (“FVTPL”)		899,080	328,751
		40,380,589	31,307,758
Current assets			
Inventory of properties		44,667,671	47,864,974
Prepayment for land leases		478,012	–
Amounts due from joint ventures and associates		3,341,987	3,939,385
Amounts due from non-controlling interests of subsidiaries		2,122,295	1,672,435
Loan receivables		558,008	551,420
Debtors, deposits and prepayments	12	2,398,928	2,421,954
Prepaid income tax		1,575,271	1,352,193
Pledged bank deposits		113,395	114,799
Bank balances and cash		12,599,575	14,055,969
		67,855,142	71,973,129
Total assets		108,235,731	103,280,887

	<i>NOTE</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		74,934	74,934
Reserves		22,262,484	20,852,911
		22,337,418	20,927,845
Perpetual capital securities		6,954,296	6,952,437
Non-controlling interests of subsidiaries		6,506,666	5,161,572
Total equity		35,798,380	33,041,854
Non-current liabilities			
Bank and other borrowings		30,402,464	24,631,423
Amount due to a joint venture		386,081	–
Deferred tax liabilities		1,362,754	1,172,600
Financial liabilities at FVTPL		111,793	17,409
Derivative financial instruments		–	53,111
Lease liabilities		67,663	89,609
		32,330,755	25,964,152
Current liabilities			
Creditors and accrued charges	13	10,703,320	10,685,326
Amounts due to joint ventures and associates		5,010,168	4,431,961
Amounts due to non-controlling interests of subsidiaries		1,938,642	1,424,335
Contract liabilities		8,406,644	7,819,246
Lease liabilities		24,417	26,357
Income tax payable		5,954,969	5,831,694
Bank and other borrowings		7,923,720	13,424,768
Financial liabilities at FVTPL		144,716	182,672
Other financial liabilities		–	448,522
		40,106,596	44,274,881
Total equity and liabilities		108,235,731	103,280,887

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 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 AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

2.1 Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2”

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 “Financial Instruments: Disclosures”.

As at 1 January 2021, the Group has several financial liabilities and derivative financial instruments, the interests of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding contracts. The amounts of financial liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

	HKD Hong Kong Interbank Offered Rate <i>HK\$'000</i>	USD London Interbank Offered Rate <i>HK\$'000</i>
Financial liabilities		
Bank and other borrowings	3,571,418	1,635,196
Derivatives		
Interest rate swaps	–	2,325,000

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year ended 31 December 2021. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank loans measured at amortised cost.

2.2 New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendment to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKFRS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 ²

¹ Effective for annual periods beginning on or after 1 April 2021.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company (the “Directors”) anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 “Income Taxes” so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 December 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to HK\$82,685,000 and HK\$92,080,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments.

3. REVENUE

(a) Disaggregation of the Group’s revenue from contracts with customers

Segment	2021			2020		
	Property development and investment HK\$’000	Investment and asset management HK\$’000	Total HK\$’000	Property development and investment HK\$’000	Investment and asset management HK\$’000	Total HK\$’000
Types of goods or services						
Property sales	23,687,815	66,880	23,754,695	23,147,870	131,278	23,279,148
Property management and service income	733,604	10,210	743,814	765,475	10,919	776,394
Total	24,421,419	77,090	24,498,509	23,913,345	142,197	24,055,542
Geographical market						
Mainland China	22,277,549	77,090	22,354,639	22,038,085	142,197	22,180,282
Hong Kong	2,143,870	–	2,143,870	1,875,260	–	1,875,260
Total	24,421,419	77,090	24,498,509	23,913,345	142,197	24,055,542
Timing of revenue recognition						
Goods recognised at a point in time	23,687,815	66,880	23,754,695	23,147,870	131,278	23,279,148
Services recognised over time	733,604	10,210	743,814	765,475	10,919	776,394
Total	24,421,419	77,090	24,498,509	23,913,345	142,197	24,055,542

- (b) Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Segment	2021			2020		
	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Revenue from contracts with customers (note 3(a))	24,421,419	77,090	24,498,509	23,913,345	142,197	24,055,542
Fund investment income	–	27,043	27,043	–	46,641	46,641
Gross rental and other income from commercial properties	147,875	4,522	152,397	93,251	669	93,920
Other revenue	147,875	31,565	179,440	93,251	47,310	140,561
Total revenue of the Group (note 4)	24,569,294	108,655	24,677,949	24,006,596	189,507	24,196,103

- (c) Total revenue of the Group

	2021 HK\$'000	2020 HK\$'000
Property sales and service income	24,498,509	24,055,542
Fund investment income	27,043	46,641
Gross rental and other income from commercial properties	152,397	93,920
Total revenue of the Group	24,677,949	24,196,103
Group's share of revenue of property joint ventures and associates	12,230,990	6,284,503
Group's share of toll revenue of infrastructure joint ventures	1,922,471	1,302,544
Revenue of the Group and Group's share of revenue of joint ventures and associates	38,831,410	31,783,150

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:

- Property development and investment – development of properties for sale and for rental income and/or potential capital appreciation
- Toll road – development, operation and management of toll roads
- Investment and asset management – property development and investment, integrated with property fund, cultural, tourist and commercial businesses

No other operating segments have been aggregated in arriving at the reportable segments of the Group.

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

	2021				2020			
	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Total HK\$'000
Segment revenue	<u>24,569,294</u>	<u>–</u>	<u>108,655</u>	<u>24,677,949</u>	<u>24,006,596</u>	<u>–</u>	<u>189,507</u>	<u>24,196,103</u>
Segment profit (loss)	<u>2,279,396</u>	<u>579,376</u>	<u>(805,706)</u>	<u>2,053,066</u>	<u>3,659,730</u>	<u>170,075</u>	<u>(974,741)</u>	<u>2,855,064</u>
Segment assets (including interests in joint ventures and associates)	<u>90,026,698</u>	<u>6,547,594</u>	<u>10,613,053</u>	<u>107,187,345</u>	<u>85,810,067</u>	<u>6,035,653</u>	<u>9,515,000</u>	<u>101,360,720</u>
Segment liabilities	<u>(69,071,043)</u>	<u>(453,764)</u>	<u>(1,599,012)</u>	<u>(71,123,819)</u>	<u>(65,638,092)</u>	<u>(318,436)</u>	<u>(1,999,178)</u>	<u>(67,955,706)</u>

(a) Measurement

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

Segment profit (loss) represents profit or loss generated from each segment, which includes share of results of associates, share of results of joint ventures, net gains (losses) on disposals/written off of property, plant and equipment, impairment losses on loan receivables, other receivables and long-term prepayments, fair value losses on transfer of completed properties held for sale to investment properties, change in fair value of investment properties, change in fair value of financial assets (liabilities) at FVTPL, net exchange gains, net gains on termination of hedging instruments, depreciation of property, plant and equipment and right-of-use assets, relevant interest income, 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, right-of-use assets, investment properties, interests in associates, interests in joint ventures, inventory of properties, prepayment for land leases, amounts due from joint ventures and associates, amounts due from non-controlling interests of subsidiaries, loan receivables, debtors, deposits and prepayments, prepaid income tax, financial assets at FVTPL, 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, amounts due to joint ventures and associates, amounts due to non-controlling interests of subsidiaries, contract liabilities, lease liabilities, income tax payable, bank and other borrowings, financial liabilities at FVTPL, other financial liabilities, derivative financial instruments 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, right-of-use assets, investment properties and capital contributions to joint ventures and associates directly attributable to the segment.

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Total segment profit	2,053,066	2,855,064
Unallocated items:		
Interest income	1,658	10,544
Corporate income	21,418	75,591
Corporate expenses	(15,593)	(26,502)
Finance costs	(76,060)	(131,101)
	<hr/>	<hr/>
Consolidated profit for the year	1,984,489	2,783,596
	<hr/>	<hr/>
Total segment assets	107,187,345	101,360,720
Unallocated assets:		
Property, plant and equipment	–	4
Right-of-use assets	21,507	27,118
Deposits and prepayments	57,138	24,975
Bank balances and cash	969,741	1,868,070
	<hr/>	<hr/>
Consolidated total assets	108,235,731	103,280,887
	<hr/>	<hr/>
Total segment liabilities	(71,123,819)	(67,955,706)
Unallocated liabilities:		
Accrued charges	(11,023)	(5,628)
Bank and other borrowings	(1,277,521)	(2,239,948)
Financial liabilities at FVTPL	(2,043)	(9,467)
Lease liabilities	(22,945)	(28,284)
	<hr/>	<hr/>
Consolidated total liabilities	(72,437,351)	(70,239,033)
	<hr/>	<hr/>

(c) Other segment information

	2021					2020				
	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000	Property development and investment HK\$'000	Toll road HK\$'000	Investment and asset management HK\$'000	Unallocated HK\$'000	Consolidated total HK\$'000
Amounts included in the measure of segment profit (loss):										
Interest income	281,635	24,402	-	1,658	307,695	192,262	21,870	19,912	10,544	244,588
Net gains (losses) on disposals/written off of property, plant and equipment	586	-	1	-	587	148	-	(94,511)	-	(94,363)
Impairment loss on other receivables	-	-	-	-	-	-	-	(12,943)	-	(12,943)
Impairment loss on loan receivables	-	-	(136,256)	-	(136,256)	-	-	(104,027)	-	(104,027)
Impairment loss on long-term prepayments	-	-	-	-	-	-	-	(36,913)	-	(36,913)
Fair value gains (losses) on transfer of completed properties held for sale to investment properties	858	-	(1,295)	-	(437)	(931)	-	(6,162)	-	(7,093)
Change in fair value of investment properties	43,543	-	(86,309)	-	(42,766)	(65,719)	-	(119,556)	-	(185,275)
Depreciation of property, plant and equipment	(18,884)	(798)	(1,854)	(3)	(21,539)	(16,061)	(642)	(5,393)	(6)	(22,102)
Depreciation of right-of-use assets	(15,380)	(5,876)	(580)	(6,353)	(28,189)	(18,131)	(5,677)	(5,157)	(6,986)	(35,951)
Finance costs	(375,211)	(496)	(621,550)	(76,060)	(1,073,317)	(658,219)	(781)	(382,592)	(131,101)	(1,172,693)
Income tax (expenses) credit	(2,276,706)	(30,206)	17,175	-	(2,289,737)	(1,954,196)	(18,052)	22,342	-	(1,949,906)
Share of results of associates	8,675	-	123,040	-	131,715	103,904	-	(33,864)	-	70,040
Share of results of joint ventures	322,291	776,388	(5,644)	-	1,093,035	287,329	273,951	(94,694)	-	466,586
Amounts included in the measure of segment assets:										
Right-of-use assets	55,620	5,411	147	21,507	82,685	66,836	10,917	714	27,118	105,585
Interests in associates	538,344	-	1,068,549	-	1,606,893	513,439	-	919,936	-	1,433,375
Interests in joint ventures	11,818,961	5,220,704	2,281,136	-	19,320,801	7,297,695	4,412,430	2,132,962	-	13,843,087
Financial assets at FVTPL	-	-	899,080	-	899,080	-	-	328,751	-	328,751
Additions to non-current assets during the year	4,650,698	657,003	48,459	-	5,356,160	1,849,819	112,165	36,350	-	1,998,334

(d) 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.

(e) Information about geographical areas

All of the Group's revenue is attributable to customers in Mainland China and Hong Kong and over 85% of the Group's total non-current assets (excluding deferred tax assets and financial instruments) are located in Mainland China and the remaining non-current assets are substantially located in Hong Kong and Indonesia.

(f) Information about major customers

In view of the nature of the toll road business, there are no major customers. For the property business and investment and asset management business, there was no customer who accounted for over 10% of the total revenue generated from the relevant operating and reportable segments.

5. OTHER GAINS AND LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Net exchange gains	538,534	979,067
Change in fair value of financial liabilities at FVTPL – relating to the foreign currency forward contracts	(130,316)	(229,585)
	408,218	749,482
Change in fair value of financial asset at FVTPL – relating to the investment in a listed entity	(41,468)	(49,216)
Change in fair value of financial liabilities at FVTPL – relating to contingent consideration	(110,371)	–
Net gains on termination of hedging instruments	5,443	–
Net gains (losses) on disposals/written off of property, plant and equipment	587	(94,363)
Impairment loss on other receivables	–	(12,943)
Impairment loss on loan receivables	(136,256)	(104,027)
Impairment loss on long-term prepayments	–	(36,913)
Fair value losses on transfer of completed properties held for sale to investment properties	(437)	(7,093)
Change in fair value of investment properties	(42,766)	(185,275)
	82,950	259,652

6. SHARE OF RESULTS OF JOINT VENTURES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Share of profits of infrastructure joint ventures before amortisation and taxation	1,329,652	648,793
Less share of: Amortisation of toll road operation rights	(308,647)	(287,055)
Income tax expenses	(244,617)	(87,787)
	776,388	273,951
Share of profits of other joint ventures	316,647	192,635
	1,093,035	466,586

7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on borrowings	2,337,550	2,304,136
Interest on lease liabilities	5,469	7,343
Other interest and finance costs	184,491	238,587
	<u>2,527,510</u>	<u>2,550,066</u>
Less: Capitalised in properties under development for sale	<u>(1,454,193)</u>	<u>(1,377,373)</u>
	<u>1,073,317</u>	<u>1,172,693</u>

Borrowing costs on general borrowings capitalised during the year are calculated by applying a capitalisation rate of 5.57% (2020: 6.17%) per annum to expenditure on qualifying assets.

8. PROFIT BEFORE TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	21,906	22,322
Depreciation of right-of-use assets	28,189	35,951
	<u>50,095</u>	<u>58,273</u>
Less: Capitalised in properties under development for sale	<u>(367)</u>	<u>(220)</u>
	<u>49,728</u>	<u>58,053</u>
Expenses relating to short-term leases with lease terms ending within 12 months	8,942	9,458
Salaries and other benefits	1,126,930	1,039,084
Provident fund scheme contributions, net of forfeited contributions of HK\$430,000 (2020: HK\$303,000)	170,481	94,532
Less: Capitalised in properties under development for sale	<u>(168,208)</u>	<u>(153,771)</u>
Total staff costs (excluding Directors' emoluments)	<u>1,129,203</u>	<u>979,845</u>
Audit fee	5,310	4,980
Cost of inventory of properties recognised as an expense	18,485,588	17,232,473
and after crediting:		
Bank interest income	<u>147,172</u>	<u>119,200</u>

9. INCOME TAX EXPENSES

	2021 HK\$'000	2020 HK\$'000
Current tax:		
Hong Kong profits tax	76,697	64,198
PRC enterprise income tax ("EIT")	890,592	1,182,533
PRC land appreciation tax ("LAT")	1,078,983	663,176
PRC withholding tax	65,270	40,232
	<u>2,111,542</u>	<u>1,950,139</u>
Deferred tax	<u>178,195</u>	<u>(233)</u>
	<u>2,289,737</u>	<u>1,949,906</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits derived from Hong Kong.

The EIT is calculated at a statutory tax rate of 25%. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	2021 HK\$'000	2020 HK\$'000
2020 final dividend paid of HK\$0.55 (2020: 2019 final dividend of HK\$0.88) per share	412,135	659,416
2021 interim dividend paid of HK\$0.15 (2020: 2020 interim dividend of HK\$0.20) per share	<u>112,401</u>	<u>149,867</u>
	<u>524,536</u>	<u>809,283</u>

Subsequent to the end of the reporting period, a final dividend in respect of 2021 of HK\$0.20 per share amounting to a total of approximately HK\$150 million has been proposed by the Board on 22 March 2022. 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 749,336,566 shares in issue as at 22 March 2022.

11. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings for the purposes of basic earnings per share attributable to owners of the Company	<u>1,028,245</u>	<u>1,722,848</u>
	2021 Number of shares '000	2020 Number of shares '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>749,337</u>	<u>749,337</u>

No diluted earnings per share for the years of 2021 and 2020 were presented as there were no dilutive potential ordinary shares in issue for both years.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Aged analysis of trade debtors, presented based on invoice dates (<i>note</i>):		
Within 60 days	197,835	242,940
61 to 90 days	2,175	10,733
More than 90 days	<u>39,954</u>	<u>36,258</u>
Trade debtors from contracts with customers derived from goods and services	239,964	289,931
Prepayment for land development cost	602,410	584,112
Deposits paid for acquisition of inventory of properties	616,629	644,930
Prepayment of value added tax and other taxes	344,893	215,037
Other receivables, deposits and prepayments	<u>595,032</u>	<u>687,944</u>
	<u>2,398,928</u>	<u>2,421,954</u>

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 to 90 days from the agreements. For most of the property projects, consideration will be fully received prior to the delivery of the properties to the property purchasers.

In determining the recoverability of trade debtors, the Group considers any change in the credit quality of the trade debtor from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited because the customer base is large and unrelated. The Directors consider that no credit loss provision is required at the end of the reporting period for trade debtors.

13. CREDITORS AND ACCRUED CHARGES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Aged analysis of creditors presented based on invoice date:		
Trade payables		
Within 60 days	845,617	1,057,611
61 to 90 days	47,661	22,670
More than 90 days	1,570,151	1,080,965
	<u>2,463,429</u>	<u>2,161,246</u>
Bills payables		
Within 60 days	38,730	9,461
61 to 90 days	15,720	11,682
More than 90 days	44,568	139
	<u>99,018</u>	<u>21,282</u>
Accrued construction costs	<u>5,241,400</u>	<u>5,672,305</u>
	7,803,847	7,854,833
Accrued taxes (other than EIT and LAT)	670,313	796,862
Consideration payable for the acquisition of joint ventures	489,046	238,087
Dividends payable to non-controlling interests of subsidiaries	–	152,570
Other payables	<u>1,740,114</u>	<u>1,642,974</u>
	<u><u>10,703,320</u></u>	<u><u>10,685,326</u></u>

14. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 31 December 2021 amounted to HK\$68,129,135,000 (2020: HK\$59,006,006,000). The Group's net current assets at 31 December 2021 amounted to HK\$27,748,546,000 (2020: HK\$27,698,248,000).

DIVIDEND

The Board has resolved to recommend a final dividend of HK\$0.20 (2020: HK\$0.55) per share for the year ended 31 December 2021 to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on Friday, 27 May 2022, 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 Thursday, 9 June 2022, 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 2022 to Friday, 20 May 2022, both dates inclusive, during which period no transfer of shares of the Company 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Monday, 16 May 2022 for registration.

To qualify for the proposed final dividend

The register of members of the Company will also be closed from Thursday, 26 May 2022 to Friday, 27 May 2022, both dates inclusive, during which period no transfer of shares of the Company 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 25 May 2022 for registration.

MANAGEMENT DISCUSSION AND ANALYSIS

Results for 2021

For the year ended 31 December 2021, property sales and toll revenue of the expressway projects of the Group (including joint venture and associate projects) were RMB52,484 million and RMB3,779 million respectively, totaling RMB56,263 million, representing an increase of 20% over last year. The Group’s profit for the year was HK\$1,984 million, with earnings per share of HK\$1.37 and net assets per share of HK\$29.81.

Business Overview

In 2021, under the policy environment of “house is for living, not for speculating”, the central and local governments of Mainland China intensively issued regulatory policies and insisted on the implementation of the long-term mechanism of “stabilizing land prices, stabilizing housing prices and stabilizing expectations”. The trend at the end of 2020 continued in the first half of the year, with the market in key cities remaining enthusiastic. Due to the tightening of regulatory policies and credit environment, coupled with credit defaults caused by tight liquidity of some real estate enterprises in the second half of the year, resulting in a crisis of confidence in the industry, a slowdown in the pace of home purchase and a rapid cooling of the national real estate market.

Despite the complex and volatile market environment, the Group’s operation team still adhered to the operating principle of striking a balance between sales volume and profitability, closely followed the market trend and made concerted efforts to maintain sales momentum, achieving total property sales (including joint venture and associate projects) of RMB39,562 million in Mainland China in 2021, comprising the contracted sales of RMB36,663 million and outstanding subscribed sales of RMB2,899 million. The sales were mainly from projects in the Yangtze River Delta region and the overall average selling price increased by 10% as compared to last year.

The land market sentiment in Mainland China was enthusiastic in early 2021 and then weak in the later period. In the first half of the year, the first batch of concentrated land supply was launched and the market was still relatively heated. In the second half of the year, the land auction rules were adjusted across the country. The land market cooled down significantly due to the decline in sales and the tight capital of real estate enterprises. The volume of land transactions shrank and bottom price transactions or abortive auctions occurred frequently. The Group was prudent and rational in land acquisition, acquiring 12 pieces of land for residential purpose with a total gross floor area of 1,480,000 sqm in 2021, to replenish its land reserves and support its development scale in the next two years. As at 31 December 2021, the Group had a total land reserve of approximately 6,520,000 sqm in Mainland China and Hong Kong.

The Hong Kong projects are operating smoothly. Property sales in Hong Kong increased significantly to HK\$15,568 million in 2021, mainly due to the overwhelming responses on the sales of the Southland in Wong Chuk Hang since its launch on 1 May, which sold 624 units worth HK\$13,626 million and was scheduled to be ready for occupation by the end of 2022. In addition, 104 units and 118 car parking spaces were sold at a value of HK\$1,942 million for Crescent Green in Yuen Long for the year, with property delivery of HK\$2,144 million. The construction of the superstructure of the So Kwun Wat Project in Tuen Mun was underway and the presale was scheduled to launch in mid-2022, depending on the development of the COVID-19 pandemic (the “Pandemic”).

In 2021, the Group’s total property delivery in Mainland China and Hong Kong (including joint venture and associate projects) amounted to approximately RMB43,657 million, representing an increase of 33% over last year, mainly from projects in the Yangtze River Delta region (which accounted for approximately 72% of the total delivery), with a gross profit margin of approximately 22%.

With the Pandemic under control, toll road business operations gradually restored to normal. Toll revenue from the Group's expressway projects in Mainland China increased by 36% to RMB3,153 million in 2021 as compared to last year, with an average daily traffic volume of approximately 274,600 vehicles. The increment was mainly due to a lower revenue base as a result of the implementation of the toll-free policy for all toll roads during the Pandemic prevention and control period in 2020, and a recovery to the pre-pandemic level in 2021.

In terms of Indonesian expressways, the Group completed the acquisition of the Medan-Kualanamu-Tebing Tinggi (the "MKTT") expressway in Sumatra, Indonesia in April 2021, to enhance the overseas toll road portfolio. Despite the Pandemic continued to resurface in 2021, the overall situation eased compared to last year. In addition, all three projects in Indonesia successfully secured toll rate increments during the year, resulting in an increase of 55% in toll revenue to RMB626 million compared to 2020, with an average daily traffic volume of approximately 47,200 vehicles.

In 2021, the overall average daily traffic volume and toll revenue of the Group's expressway projects in Mainland China and Indonesia reached 321,800 vehicles and RMB3,779 million respectively, representing an increase of 13% and 39% over last year. As a result of the increase in toll revenue, profit of the toll road segment rose to HK\$579 million.

Business Segments Analysis:

i) *Property Segment*

Sales of the property segment in the Mainland China and Hong Kong, including joint venture and associate projects, reached a new record high of RMB51,557 million in 2021, comprising the contracted sales of RMB48,893 million and outstanding subscribed sales of RMB2,664 million.

Set out below is an analysis of the property segment's property sales and delivery by region (including joint venture and associate projects) for 2021:

Regions (Notes)	Sales		Delivery	
	Amount RMB'million	Area sqm	Amount RMB'million	Area sqm
Yangtze River Delta Region	28,277	1,250,000	31,466	1,529,000
Bohai Rim Region	8,365	347,000	7,595	439,000
Guangdong-Hong Kong-Macao Bay Area	14,583	124,000	2,474	61,000
Other Regions	332	39,000	116	11,000
Total (2021)	<u>51,557</u>	<u>1,760,000</u>	<u>41,651</u>	<u>2,040,000</u>
Total (2020)	<u>42,712</u>	<u>1,980,000</u>	<u>32,544</u>	<u>1,913,000</u>

Notes:

Yangtze River Delta Region comprises Shanghai, Jiangsu Province and Zhejiang Province.

Bohai Rim Region comprises Beijing, Tianjin, Hebei Province and Shandong Province.

Guangdong-Hong Kong-Macao Bay Area comprises Guangdong Province and Hong Kong Special Administrative Region.

Other Regions comprise Henan Province.

Benefiting from the overwhelming responses on the sales of the Southland since its launch on 1 May 2021, property sales of the property segment increased by approximately 21% as compared to 2020, and the average selling price increased significantly to RMB29,300 per sqm, of which the average selling price in Hong Kong was HK\$318,000 per sqm and the average selling price in Mainland China was RMB22,600 per sqm. The sales mainly concentrated in Yangtze River Delta region and Guangdong-Hong Kong-Macao Bay Area, representing approximately 55% and 28% of total property sales, respectively. As at 31 December 2021, the total area of properties pre-sold but yet to be delivered was 1,170,000 sqm.

Set out below is an analysis of the financial performance of the Group's property segment for 2021 and 2020:

	2021	2020
	<i>HK\$'million</i>	<i>HK\$'million</i>
Revenue	24,569	24,007
Gross profit	5,379	6,485
Profit for the year	2,279	3,660

In 2021, revenue from the Group's property segment was mainly generated from the delivery of properties in Yangtze River Delta region (representing approximately 76% of total delivery). The average selling price rose to RMB20,400 per sqm. The gross profit margin was 22% and profit of the property segment amounted to approximately HK\$2,279 million.

The Group's property segment acquired 12 pieces of land for residential purpose, through listing-for-sale and co-development in 2021, with an aggregate floor area of about 1,480,000 sqm. All of the new land were jointly developed with competent enterprises, enabling the Group to invest in more scalable projects, share higher returns and diversify the Group's financial commitment.

In 2022 and up to the date of this announcement, the Group acquired a land parcel with a gross floor area of 71,000 sqm in Shunyi District, Beijing for residential development through co-development and further increased its equity interest in a residential land parcel in Wujin District, Changzhou through additional shareholding. Going forward, the Group will continue to optimise the land reserve portfolio in the Mainland China and Hong Kong in a cautious manner and seek for more development opportunities with business partners.

ii) Toll Road Segment

In 2021, the total traffic volume of the Group's expressway projects reached 117 million vehicles, with an average daily traffic volume of approximately 321,800 vehicles, representing an increase of 13% as compared with last year. The toll revenue of the year was RMB3,779 million, representing an increase of 39% as compared with last year.

The traffic volume and toll revenue of the Group's expressway projects are as follows:

Projects	Average Daily Traffic Vehicles	Increase/ (Decrease) %	Toll Revenue RMB'million	Increase %
Expressway projects in Mainland China				
Baojin Expressway	73,400	(5)	890	22
Tangjin Expressway	58,100	3	721	41
Changyi Expressway	76,800	7	525	17
Longcheng Expressway	29,600	29	644	61
Machao Expressway	36,700	13	373	63
Total	274,600	5	3,153	36
Expressway projects in Indonesia				
SN Expressway	15,500	23	269	26
NKK Expressway	14,400	21	231	20
MKTT Expressway (Note)	17,300	N/A	126	N/A
Total	47,200	93	626	55
Total (2021)	321,800	13	3,779	39
Total (2020)	285,300		2,725	

Note: The acquisition of MKTT Expressway in Indonesia was completed on 22 April 2021 and the above data are for the period from the acquisition date to 31 December 2021. The 2020 data of MKTT Expressway has not included in the above analysis report. For the year of 2020, the average daily traffic volume and toll revenue of MKTT Expressway was approximately 13,800 vehicles and RMB140 million respectively.

In 2021, the profit of the Group's toll road segment (after deduction of head office income, expenses and taxation) was HK\$579 million. The significant increase in segment profit as compared to 2020 was mainly attributable to the lower revenue base of the toll roads in Mainland China due to the impact of the implementation of the toll-free policy for all toll roads during the Pandemic prevention and control period in 2020. In addition, the Group's three expressways in Indonesia successfully secured toll rate increments during the year, and the savings in interest expenses on bank loans due to the significant decrease in interest rates of bank loans in Indonesia. In the same year, the Group received cash distributions of HK\$604 million from its expressway joint ventures, which has resumed to the normal distribution amount before the Pandemic.

iii) Investment and Asset Management Segment (the “IAM Segment”)

The COVID-19 incident continues to influence the investment mode, consumption habit, travel pattern and working style. After conducting an in-depth review of the business model of investment and asset management businesses, the Group has merged the cultural, tourist and commercial business and property development business of IAM Segment into its existing property segment to centralise its management. The business scale of other original investment and asset management businesses have been significantly reduced after the restructuring and rectification.

In 2021, the property development projects of IAM Segment (including joint venture and associate projects) achieved property sales of approximately RMB927 million, comprising the contracted sales of RMB692 million and outstanding subscribed sales of approximately RMB235 million. As of 31 December 2021, the total area of properties pre-sold but yet to be delivered was 40,000 sqm.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2021, the equity attributable to owners of the Company was HK\$22,337 million (2020: HK\$20,928 million). Net assets per share attributable to owners of the Company was HK\$29.81 (2020: HK\$27.93).

As at 31 December 2021, the Group's total assets were HK\$108,236 million (2020: HK\$103,281 million) and bank balances and cash were HK\$12,600 million (2020: HK\$14,056 million), of which about 77% was denominated in Renminbi and the remaining 23% was mainly denominated in US dollars or HK dollars.

The Group continues to adopt prudent financing and treasury policies, with all financing and treasury activities centrally managed and controlled. Implementation of the Group's related policies is made under collective and extensive considerations on liquidity risk, financing costs and exchange rate risk. Going forward, the Group will continue to maintain healthy treasury strategy and explore and broaden financing channels, so as to manage financing costs and enhance cash flows of the Group.

The Group's bank and other borrowings mainly comprised offshore guaranteed senior notes and syndicated loans, as well as domestic bonds and project development loans. During the year, the Group drew down various offshore bonds, offshore bank loans and project development loans in Hong Kong and Mainland China in an aggregate amount equivalent to HK\$19,870 million. The drawdown of new loans were offset by the repayment of certain bank loans and the redemption of the domestic and offshore bonds. As at 31 December 2021, the Group's total borrowings amounted to HK\$38,326 million (2020: HK\$38,056 million).

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

- (a) US\$2,592 million of guaranteed senior notes (annual rate ranging from 5.125% to 7.875%), of which US\$500 million 5.2% guaranteed senior notes and US\$500 million 5.125% guaranteed senior notes were issued in January and July 2021, respectively; and
- (b) RMB869 million of 6.5% domestic bonds.

In addition to the above loans, the Group also issued the following three senior guaranteed perpetual capital securities:

- (a) US\$600 million senior guaranteed perpetual capital securities (distribution rates are 7% and 7.95%); and
- (b) US\$300 million 7.75% senior guaranteed fixed-spread perpetual capital securities.

As at 31 December 2021, the net gearing ratio and the net capitalisation ratio of the Group were 72% and 42% respectively. Net gearing ratio represents the difference between the Group's total interest bearing borrowings (excluding amounts due to non-controlling interests of subsidiaries) and the bank balances and cash (including pledged bank deposits) ("Net Debt") to the total equity. The net capitalisation ratio represents the Net Debt to the sum of Net Debt and total equity.

Charges on Assets

As at 31 December 2021, bank balances of HK\$113 million (2020: HK\$115 million) were pledged as security in favour of banks for certain mortgage facilities granted to customers of the Group's property projects and bank credit facilities granted to the Group. In addition to these charged bank deposits, properties with carrying value of HK\$10,241 million (2020: HK\$12,279 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 dollar but the cash flow is mainly generated from projects whose earnings are denominated in Renminbi. As a result, the Group is exposed to the foreign exchange risk on the fluctuation of Renminbi and US dollar. In 2021, the Group recorded net exchange gains of approximately HK\$408 million. To cope with the impacts arisen from fluctuation of exchange rate between US dollar and Renminbi on the Group, the Group will pay close attention to the impact of changes in the international environment on exchange rate fluctuations, and will enter into foreign currency forward contracts to balance the foreign exchange risks, when appropriate.

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

Financial Guarantee Contracts

As at 31 December 2021, the Group had provided guarantees of HK\$8,398 million (2020: HK\$8,880 million) to banks in respect of the mortgage loans of the purchasers of the Group's properties. The guarantees would be released after the purchasers have pledged their property ownership certificates as securities to the banks for the mortgage loans granted.

In addition, the Group had provided guarantees of HK\$4,098 million (2020: HK\$3,181 million) for banking facilities granted to the joint ventures of the Group as at 31 December 2021.

The Group entered into the undertaking agreement with an independent third party in 2017, pursuant to which, the Group undertakes for a prompt settlement of 50% of outstanding debts incurred by the property development joint venture, in which the Group held 50% equity interest. As at 31 December 2021, the carrying amount of the liabilities undertaken by the Group amounted to approximately HK\$2,798 million (2020: HK\$2,778 million).

Employees

Excluding the staff of joint ventures and associates, the Group had 4,863 employees as at 31 December 2021. Expenditure on staff (excluding Directors' emoluments and share-based payment) for the year under review amounted to HK\$1,297 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 scheme. During the year, no share option was granted.

WORK PLAN

Looking ahead to 2022, it is expected that the central government of Mainland China will reaffirm its policy of "house is for living, not for speculating", strictly abide by austerity measures such as "city-specific policies" and restriction on purchase and price. Key cities will continue to optimize the "two concentrations" policy, with further improving the housing-land linkage mechanism, increasing the proportion of rental land supply, gradual strengthening the effect of stabilizing land prices and promoting the stable and healthy development of the real estate market. Although the relevant financial regulatory policies had been relaxed since the end of 2021, the overall capital market environment was still tighter than in previous years. Considering the capital pressure and the downside market risks in the coming year, the pace of the Group's land acquisition will continue to be cautious. In view of the complexity and volatility of the global Pandemic and many uncertainties in the international environment, which will have certain impacts on the Mainland China's economy in the short term, but real estate industry, as a pillar industry in Mainland China, still has an important role in supporting economic growth. The Group stays cautiously optimistic in regards to the outlook of property business development.

Through years of development, the Group's property business has a well-established business model, a well-functioned management system, a seasoned and dedicated operation team and a sound market position. In 2022, the Group will continue its pragmatic approach and adhere to the operating strategy of striking a balance between profitability and sales volume. To establish the Group as a more widely recognised developer, it will continue to research and develop market-oriented products and promote brand name of the Group.

The Group began to accumulate overseas operating experience after expanding its expressway business in Indonesia in 2019. In 2021, the Group has further acquired another expressway in Sumatra, Indonesia. Going forward, the Group will continue to look for toll road projects with reasonable investment returns in Mainland China and the Asia-Pacific region to further strengthen the Group's toll road business.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

During the year, the Company redeemed an aggregate principal amount of US\$215.6 million of US\$400 million 7.75% guaranteed senior notes due 2021 issued by RKPF Overseas 2019 (B) Limited. Following the redemption, the notes were cancelled and delisted from the Singapore Exchange Securities Trading Limited.

In addition, RKI Overseas Finance 2016 (B) Limited redeemed all outstanding notes in the principal amount of US\$500 million 4.7% guaranteed senior notes due 2021 upon their maturity on 6 September 2021 at the redemption price equal to 100% of the outstanding principal amount of the notes plus accrued and unpaid interest. Subsequent to the redemption, the notes were cancelled and delisted from the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company has also redeemed an aggregate principal amount of US\$4 million of US\$400 million 7.875% guaranteed senior notes due 2023 issued by RKPF Overseas 2019 (A) Limited (the "2023 Notes"). Following the redemption, the notes were cancelled and in an aggregate principal amount US\$396 million remain outstanding. Subsequent to the reporting year, the Company further redeemed an aggregate principal amount of US\$16 million of the 2023 Notes.

北京路勁雋御房地產開發有限公司 (Beijing RK Junyu Properties Developments Ltd.*), a wholly-owned subsidiary of the Company, issued RMB1.5 billion 7% domestic bonds due 2021 in September 2019 (the "2019 Domestic Bonds") and have a term of three years with the Group's option to adjust the coupon rate after the end of the second year of issuance and the investors' entitlement to require the Group to repurchase the bonds at the principal amount. The Group redeemed the 2019 Domestic Bonds with a principal amount of RMB631,450,000 in September 2021. As at 31 December 2021, the 2019 Domestic Bonds with remaining principal amount of RMB868,550,000, bearing an adjusted fixed interest rate of 6.5% will mature in September 2022.

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 2021.

* for identification purpose only

CORPORATE GOVERNANCE CODE

The Company has complied with all the applicable 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 throughout the year ended 31 December 2021.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31 December 2021 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 on Friday, 20 May 2022 at 10:00 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 Peu, Derek
Chairman

Hong Kong, 22 March 2022

As at the date of this announcement, the Board comprises Messrs. Zen Wei Peu, Derek, Ko Yuk Bing, Fong Shiu Leung, Keter and Ng Fun Hung, Thomas as Executive Directors, Ms. Cai Xun and Mr. Xu Enli as Non-executive Directors and Messrs. Lau Sai Yung, Tse Chee On, Raymond and Wong Wai Ho as Independent Non-executive Directors.