

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

HIGHLIGHTS	2019	2018
Property sales (including joint venture and associate projects)	RMB42,765 million	RMB34,503 million
Property delivery (including joint venture and associate projects)	RMB32,200 million	RMB22,131 million
Toll revenue from expressway toll roads	RMB3,162 million	RMB3,079 million
Profit for the year attributable to owners of the Company	HK\$3,028 million	HK\$2,988 million
Equity attributable to owners of the Company	HK\$18,866 million	HK\$17,398 million
Total assets	HK\$90,683 million	HK\$78,952 million
Bank balances and cash	HK\$14,451 million	HK\$11,793 million
Net assets per share attributable to owners of the Company	HK\$25.18	HK\$23.22
Earnings per share	HK\$4.04	HK\$3.99
Dividend per share (interim and proposed final)	HK\$1.18	HK\$1.18
Net gearing ratio	52%	35%

RESULTS

The Board of Directors (the “Board”) of Road King Infrastructure Limited (the “Company”) is pleased to announce 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 2019 and consolidated statement of financial position of the Group as at 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	2019 HK\$'000	2018 HK\$'000
Revenue	3	21,494,796	22,365,223
Cost of sales		<u>(13,985,909)</u>	<u>(12,300,781)</u>
Gross profit		7,508,887	10,064,442
Interest income		492,564	778,753
Other income		117,384	62,238
Other gains and losses	5	(114,934)	(104,394)
Selling expenses		(572,886)	(682,454)
Administrative expenses		(1,043,163)	(896,345)
Share of results of associates		122,326	(14,109)
Share of results of joint ventures	6	1,166,535	972,699
Finance costs	7	<u>(916,766)</u>	<u>(683,774)</u>
Profit before taxation	8	6,759,947	9,497,056
Income tax expenses	9	<u>(3,083,321)</u>	<u>(5,798,453)</u>
Profit for the year		<u>3,676,626</u>	<u>3,698,603</u>
Profit for the year attributable to:			
Owners of the Company		3,028,005	2,988,242
Owners of perpetual capital securities		371,395	349,830
Non-controlling interests of subsidiaries		<u>277,226</u>	<u>360,531</u>
		<u>3,676,626</u>	<u>3,698,603</u>
Earnings per share	11		
– Basic		<u>HK\$4.04</u>	<u>HK\$3.99</u>
– Diluted		<u>N/A</u>	<u>HK\$3.99</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	3,676,626	3,698,603
Other comprehensive expense		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation to presentation currency	<u>(767,495)</u>	<u>(936,353)</u>
Total comprehensive income for the year	<u>2,909,131</u>	<u>2,762,250</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	2,342,725	2,116,696
Owners of perpetual capital securities	371,395	349,830
Non-controlling interests of subsidiaries	<u>195,011</u>	<u>295,724</u>
	<u>2,909,131</u>	<u>2,762,250</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

	<i>NOTES</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		183,361	203,083
Right-of-use assets	2	162,712	–
Investment properties		3,813,082	2,516,218
Interests in associates		908,599	811,115
Interests in joint ventures		11,898,547	9,962,924
Deferred tax assets		133,505	130,176
Amounts due from joint ventures		7,216,954	10,180,660
Loan receivables		1,043,766	196,190
Financial assets at fair value through profit or loss (“FVTPL”)		361,567	514,286
Long-term prepayments	12	36,867	70,200
		25,758,960	24,584,852
Current assets			
Inventory of properties		39,320,944	31,614,778
Prepayment for land leases		2,142,964	606,284
Amounts due from joint ventures		3,243,624	3,713,510
Loan receivables		426,168	2,161,126
Debtors, deposits and prepayments	12	3,310,290	3,581,178
Prepaid income tax		1,170,993	634,225
Financial assets at FVTPL		136,086	133,564
Pledged bank deposits		721,760	128,951
Bank balances and cash		14,450,838	11,793,235
		64,923,667	54,366,851
Total assets		90,682,627	78,951,703

	<i>NOTES</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		74,934	74,934
Reserves		<u>18,791,115</u>	<u>17,323,129</u>
		18,866,049	17,398,063
Perpetual capital securities		6,961,919	4,632,638
Non-controlling interests of subsidiaries		<u>2,736,049</u>	<u>2,736,741</u>
Total equity		<u>28,564,017</u>	<u>24,767,442</u>
Non-current liabilities			
Bank and other borrowings		21,822,290	10,183,873
Deferred tax liabilities		1,058,752	923,315
Lease liabilities	2	<u>141,566</u>	–
		<u>23,022,608</u>	<u>11,107,188</u>
Current liabilities			
Creditors and accrued charges	13	10,400,432	9,824,931
Amounts due to joint ventures and an associate		2,897,818	1,247,350
Amounts due to non-controlling interests of subsidiaries		2,763,049	–
Contract liabilities		8,481,912	16,288,131
Lease liabilities	2	27,087	–
Income tax payable		5,797,741	5,255,537
Bank and other borrowings		8,319,005	10,461,124
Other financial liabilities		<u>408,958</u>	–
		<u>39,096,002</u>	<u>43,077,073</u>
Total equity and liabilities		<u>90,682,627</u>	<u>78,951,703</u>

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 NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

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

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except as described below, the application of the new and 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.

HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases”, and the related interpretations.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- (i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- (ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in the People's Republic of China ("PRC") was determined on a portfolio basis.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 5.04% per annum.

	<i>HK\$'000</i>
Operating lease commitments disclosed as at 31 December 2018	<u>65,098</u>
Lease liabilities discounted at relevant incremental borrowing rates	59,247
<i>Less:</i> Recognition exemption – short-term leases	<u>(8,719)</u>
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	<u><u>50,528</u></u>
Analysed as:	
– Current	9,925
– Non-current	<u>40,603</u>
	<u><u>50,528</u></u>
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019 – office premises	<u><u>50,528</u></u>

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

- (a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 January 2019. However, effective from 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

- (b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under trade and other payables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The Group currently had insignificant balances of refundable rental deposits and advance lease payments.
- (c) Effective on 1 January 2019, the Group has applied HKFRS 15 “*Revenue from Contracts with Customers*” to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the consolidated financial statements of the Group for the current year.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018 HK\$'000	Adjustments HK\$'000	Carrying amounts under HKFRS 16 at 1 January 2019 HK\$'000
Non-current assets			
Right-of-use assets	–	50,528	50,528
	<u>–</u>	<u>50,528</u>	<u>50,528</u>
Current liabilities			
Lease liabilities	–	9,925	9,925
	<u>–</u>	<u>9,925</u>	<u>9,925</u>
Non-current liabilities			
Lease liabilities	–	40,603	40,603
	<u>–</u>	<u>40,603</u>	<u>40,603</u>

No adjustments have been made, in the application of HKFRS 16 as a lessor, on the Group’s consolidated statement of financial position as at 31 December 2019 and its consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and cash flows for the year ended.

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 ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

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

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the “*Amendments to References to the Conceptual Framework in HKFRS Standards*”, will be effective for annual periods beginning on or after 1 January 2020.

The directors of the Company (the “Directors”) anticipate that the application of above new and amendments to HKFRSs will have impact on the disclosures and presentations in the consolidated financial statements, but there will not be any material impact on them in the foreseeable future.

3. REVENUE

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

Segment	2019			2018		
	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	20,323,283	300,007	20,623,290	21,379,649	11,153	21,390,802
Property management and service income	518,851	35,916	554,767	647,336	24,311	671,647
Total	20,842,134	335,923	21,178,057	22,026,985	35,464	22,062,449
Geographical market						
Mainland China	20,842,134	335,923	21,178,057	22,026,985	35,464	22,062,449
Timing of revenue recognition						
Goods recognised at a point in time	20,323,283	300,007	20,623,290	21,379,649	11,153	21,390,802
Services recognised over time	518,851	35,916	554,767	647,336	24,311	671,647
Total	20,842,134	335,923	21,178,057	22,026,985	35,464	22,062,449

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

Segment	2019			2018		
	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))	20,842,134	335,923	21,178,057	22,026,985	35,464	22,062,449
Fund investment income (note)	-	193,932	193,932	-	173,874	173,874
Gross rental and other income from commercial properties	119,592	3,215	122,807	116,173	12,727	128,900
Other revenue	119,592	197,147	316,739	116,173	186,601	302,774
Total revenue of the Group (note 4)	<u>20,961,726</u>	<u>533,070</u>	<u>21,494,796</u>	<u>22,143,158</u>	<u>222,065</u>	<u>22,365,223</u>

Note: It mainly represents interest revenue on loan receivables calculated by using effective interest method.

- (c) Total revenue of the Group

	2019 HK\$'000	2018 HK\$'000
Property sales and service income	21,178,057	22,062,449
Fund investment income	193,932	173,874
Gross rental and other income from commercial properties	122,807	128,900
Total revenue of the Group	<u>21,494,796</u>	<u>22,365,223</u>
Group's share of revenue of property joint ventures and associates	<u>8,116,672</u>	<u>3,048,339</u>
Group's share of toll revenue of infrastructure joint ventures	<u>1,556,856</u>	<u>1,575,363</u>
Revenue of the Group and Group's share of revenue of joint ventures and associates	<u>31,168,324</u>	<u>26,988,925</u>

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 fund, cultural, tourist and commercial, entertainment and content development 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:

	2019				2018			
	Property development and investment <i>HK\$'000</i>	Toll road <i>HK\$'000</i>	Investment and asset management <i>HK\$'000</i>	Total <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	Toll road <i>HK\$'000</i>	Investment and asset management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>20,961,726</u>	<u>–</u>	<u>533,070</u>	<u>21,494,796</u>	<u>22,143,158</u>	<u>–</u>	<u>222,065</u>	<u>22,365,223</u>
Segment profit	<u>3,101,007</u>	<u>622,536</u>	<u>8,682</u>	<u>3,732,225</u>	<u>2,959,317</u>	<u>578,446</u>	<u>245,847</u>	<u>3,783,610</u>
Segment assets (including interests in joint ventures and associates)	<u>74,550,446</u>	<u>5,816,752</u>	<u>8,338,346</u>	<u>88,705,544</u>	<u>63,643,205</u>	<u>5,299,866</u>	<u>7,902,496</u>	<u>76,845,567</u>
Segment liabilities	<u>(56,494,074)</u>	<u>(374,406)</u>	<u>(3,455,149)</u>	<u>(60,323,629)</u>	<u>(48,875,061)</u>	<u>(269,898)</u>	<u>(3,313,815)</u>	<u>(52,458,774)</u>

(a) Measurement

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

Segment profit represents profit earned by each segment, which includes share of results of associates, share of results of joint ventures, net losses on disposal of subsidiaries, gains on disposal of interests in joint ventures, net (losses) gains on disposals/written off of property, plant and equipment, impairment losses on loan receivables and long-term prepayments, fair value gains 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 at FVTPL, net exchange losses, 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, long-term prepayments, inventory of properties, prepayment for land leases, amounts due from joint ventures, 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 an associate, amounts due to non-controlling interests of subsidiaries, contract liabilities, lease liabilities, income tax payable, bank and other borrowings, other financial liabilities 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, long-term prepayments, 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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Total segment profit	3,732,225	3,783,610
Unallocated items:		
Interest income	38,862	4,252
Corporate income	–	92
Corporate expenses	(18,423)	(33,395)
Finance costs	(76,038)	(55,956)
	<hr/>	<hr/>
Consolidated profit for the year	3,676,626	3,698,603
	<hr/> <hr/>	<hr/> <hr/>
Total segment assets	88,705,544	76,845,567
Unallocated assets:		
Property, plant and equipment	10	19
Right-of-use assets	32,731	–
Deposits and prepayments	18,093	60,014
Financial assets at FVTPL	13,610	26,713
Bank balances and cash	1,912,639	2,019,390
	<hr/>	<hr/>
Consolidated total assets	90,682,627	78,951,703
	<hr/> <hr/>	<hr/> <hr/>
Total segment liabilities	(60,323,629)	(52,458,774)
Unallocated liabilities:		
Accrued charges	(6,800)	(10,965)
Bank and other borrowings	(1,754,805)	(1,714,522)
Lease liabilities	(33,376)	–
	<hr/>	<hr/>
Consolidated total liabilities	(62,118,610)	(54,184,261)
	<hr/> <hr/>	<hr/> <hr/>

(c) **Other segment information**

	2019					2018				
	Property development and investment		Investment and asset management		Consolidated total	Property development and investment		Investment and asset management		Consolidated total
	investment	Toll road	management	Unallocated		investment	Toll road	management	Unallocated	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Amounts included in the measure of segment profit:										
Interest income	424,564	21,270	7,868	38,862	492,564	738,242	26,797	9,462	4,252	778,753
Net losses on disposal of subsidiaries	(285)	-	-	-	(285)	(339)	-	-	-	(339)
Gains on disposal of interests in joint ventures	10,323	1,966	-	-	12,289	-	-	33,330	-	33,330
Net (losses) gains on disposals/written off of property, plant and equipment	963	-	(33,971)	104	(32,904)	905	-	4	92	1,001
Impairment loss on loan receivables	-	-	(40,417)	-	(40,417)	-	-	-	-	-
Impairment loss on long-term prepayments	-	-	(33,975)	-	(33,975)	-	-	-	-	-
Fair value gains on transfer of completed properties held for sale to investment properties	17,352	-	40,982	-	58,334	-	-	-	-	-
Change in fair value of investment properties	42,247	-	(23,896)	-	18,351	53,510	-	21,492	-	75,002
Depreciation of property, plant and equipment	(18,698)	(446)	(4,571)	(9)	(23,724)	(29,230)	(308)	(1,343)	(30)	(30,911)
Depreciation of right-of-use assets	(16,668)	(5,646)	(9,424)	(950)	(32,688)	-	-	-	-	-
Finance costs	(697,214)	(1,054)	(142,460)	(76,038)	(916,766)	(580,631)	-	(47,187)	(55,956)	(683,774)
Income tax expenses	(3,039,238)	(30,783)	(13,300)	-	(3,083,321)	(5,749,235)	(32,049)	(17,169)	-	(5,798,453)
Share of results of associates	-	-	122,326	-	122,326	-	-	(14,109)	-	(14,109)
Share of results of joint ventures	308,937	716,318	141,280	-	1,166,535	67,338	664,151	241,210	-	972,699
Amounts included in the measure of segment assets:										
Right-of-use assets	76,444	17,018	36,519	32,731	162,712	-	-	-	-	-
Interests in associates	-	-	908,599	-	908,599	-	-	811,115	-	811,115
Interests in joint ventures	5,652,138	4,266,324	1,980,085	-	11,898,547	5,028,516	3,161,416	1,772,992	-	9,962,924
Financial assets at FVTPL	122,476	-	361,567	13,610	497,653	106,851	-	514,286	26,713	647,850
Additions to non-current assets during the year	844,235	1,143,813	198,141	-	2,186,189	1,305,727	17,284	1,087,609	-	2,410,620

(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 the PRC and over 85% of the Group's total non-current assets (excluding deferred tax assets and financial instruments) are located in the PRC and the remaining non-current assets are substantially located in Hong Kong.

(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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Net exchange losses	(118,391)	(396,015)
Change in fair value of financial assets at FVTPL – relating to the foreign currency forward contracts	<u>142,109</u>	<u>182,627</u>
	23,718	(213,388)
Change in fair value of financial asset at FVTPL – relating to the investment in an unlisted entity	(120,045)	–
Net losses on disposal of subsidiaries	(285)	(339)
Gains on disposal of interests in joint ventures	12,289	33,330
Net (losses) gains on disposals/written off of property, plant and equipment	(32,904)	1,001
Impairment loss on loan receivables	(40,417)	–
Impairment loss on long-term prepayments	(33,975)	–
Fair value gains on transfer of completed properties held for sale to investment properties	58,334	–
Change in fair value of investment properties	<u>18,351</u>	<u>75,002</u>
	<u>(114,934)</u>	<u>(104,394)</u>

6. SHARE OF RESULTS OF JOINT VENTURES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Share of profits of infrastructure joint ventures before amortisation and taxation	1,170,912	1,130,839
Less share of: Amortisation of toll road operation rights Income tax expenses	<u>(248,646)</u> <u>(205,948)</u>	<u>(256,898)</u> <u>(209,790)</u>
	716,318	664,151
Share of profits of other joint ventures	<u>450,217</u>	<u>308,548</u>
	<u>1,166,535</u>	<u>972,699</u>

7. FINANCE COSTS

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Interest on borrowings	1,851,174	1,344,274
Interest on lease liabilities	7,723	–
Interest on other financial liabilities	19,323	–
Other interest and finance costs	<u>350,632</u>	<u>415,287</u>
	2,228,852	1,759,561
Less: Capitalised in properties under development for sale	<u>(1,312,086)</u>	<u>(1,075,787)</u>
	<u>916,766</u>	<u>683,774</u>

Borrowing costs on general borrowings capitalised during the year are calculated by applying a capitalisation rate of 6.36% (2018: 5.06%) per annum to expenditure on qualifying assets.

8. PROFIT BEFORE TAXATION

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	24,342	31,791
Depreciation of right-of-use assets	<u>32,688</u>	<u>–</u>
	57,030	31,791
Less: Capitalised in properties under development for sale	<u>(618)</u>	<u>(880)</u>
	<u>56,412</u>	<u>30,911</u>
Minimum lease payments paid under operating lease rentals in respect of land and buildings	–	14,470
Expenses relating to short-term leases with lease terms ending within 12 months at the date of initial application of HKFRS 16	10,826	–
Salaries and other benefits	1,005,529	925,371
Provident fund scheme contributions, net of forfeited contributions of HK\$330,000 (2018: HK\$236,000)	132,715	122,800
Less: Capitalised in properties under development for sale	<u>(200,561)</u>	<u>(210,125)</u>
Total staff costs (excluding Directors' emoluments)	<u>937,683</u>	<u>838,046</u>
Audit fee	4,710	4,130
Cost of inventory of properties recognised as an expense	13,552,090	11,674,834
and after crediting:		
Bank interest income	<u>108,306</u>	<u>71,185</u>

9. INCOME TAX EXPENSES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current tax:		
PRC enterprise income tax ("EIT")	1,508,327	1,898,831
PRC land appreciation tax ("LAT")	1,378,252	3,755,200
PRC withholding tax	30,892	50,469
	<u>2,917,471</u>	<u>5,704,500</u>
Deferred tax	<u>165,850</u>	<u>93,953</u>
	<u><u>3,083,321</u></u>	<u><u>5,798,453</u></u>

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
2018 final dividend paid of HK\$0.88 (2018: 2017 final dividend of HK\$0.78) per share	659,416	584,483
2019 interim dividend paid of HK\$0.30 (2018: 2018 interim dividend of HK\$0.30) per share	224,801	224,800
	<u>884,217</u>	<u>809,283</u>

Subsequent to the end of the reporting period, a final dividend in respect of 2019 of HK\$0.88 per share amounting to a total of approximately HK\$660 million has been proposed by the Board on 23 March 2020. 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 23 March 2020.

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:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Earnings for the purposes of basic and diluted earnings per share attributable to owners of the Company	<u>3,028,005</u>	<u>2,988,242</u>

	2019 Number of shares '000	2018 Number of shares '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	749,337	749,045
Effect of dilutive potential ordinary shares: Share options	<u>N/A</u>	<u>151</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>N/A</u>	<u>749,196</u>

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2019 HK\$'000	2018 HK\$'000
Aged analysis of trade debtors, presented based on invoice dates (<i>note (a)</i>):		
Within 60 days	38,702	65,899
61 to 90 days	5,281	6,678
More than 90 days	<u>44,715</u>	<u>31,530</u>
Trade debtors from contracts with customers derived from goods and services	88,698	104,107
Prepayment for land development cost	555,556	586,286
Deposits paid for acquisition of inventory of properties (<i>note (b)</i>)	1,915,051	694,857
Prepayment of value added tax and other taxes	138,468	1,451,347
Prepayment for property, plant and equipment and investment properties	36,867	70,200
Other receivables, deposits and prepayments	<u>612,517</u>	<u>744,581</u>
Total debtors, deposits and prepayments	3,347,157	3,651,378
Less: Amounts classified as non-current assets	<u>(36,867)</u>	<u>(70,200)</u>
Amounts classified as current assets	<u>3,310,290</u>	<u>3,581,178</u>

Notes:

- (a) 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.

- (b) Subsequent to the reporting period, tender deposits of HK\$1,268,318,000 have been refunded to the Group or transferred to a property joint venture.

13. CREDITORS AND ACCRUED CHARGES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Aged analysis of creditors presented based on invoice date:		
Trade payables		
Within 60 days	836,751	481,553
61 to 90 days	31,576	15,328
More than 90 days	<u>1,115,718</u>	<u>854,397</u>
	<u>1,984,045</u>	<u>1,351,278</u>
Bills payables		
Within 60 days	5,375	12,641
61 to 90 days	5,146	21,767
More than 90 days	<u>6,388</u>	<u>5,201</u>
	<u>16,909</u>	<u>39,609</u>
Accrued construction costs	<u>4,786,513</u>	<u>5,467,177</u>
	<u>6,787,467</u>	<u>6,858,064</u>
Accrued taxes (other than EIT and LAT)	718,887	965,047
Consideration payable for the acquisition of subsidiaries and joint ventures	969,825	342,608
Dividends payable to non-controlling interests of subsidiaries	225,000	200,000
Other payables	<u>1,699,253</u>	<u>1,459,212</u>
	<u>10,400,432</u>	<u>9,824,931</u>

14. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 31 December 2019 amounted to HK\$51,586,625,000 (2018: HK\$35,874,630,000). The Group's net current assets at 31 December 2019 amounted to HK\$25,827,665,000 (2018: HK\$11,289,778,000).

DIVIDEND

The Board has resolved to recommend a final dividend of HK\$0.88 (2018: HK\$0.88) per share for the year ended 31 December 2019 to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on Friday, 29 May 2020, 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 Tuesday, 30 June 2020, 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, 19 May 2020 to Friday, 22 May 2020, 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, 18 May 2020 for registration.

To qualify for the proposed final dividend

The register of members of the Company will also be closed from Thursday, 28 May 2020 to Friday, 29 May 2020, 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, 27 May 2020 for registration.

MANAGEMENT DISCUSSION AND ANALYSIS

Results for 2019

For the year ended 31 December 2019, property sales and toll revenue of the Group (including joint venture and associate projects) were RMB42,765 million and RMB3,162 million respectively, totaling RMB45,927 million, representing an increase of 22% as compared with 2018. The profit for the year of 2019 was HK\$3,677 million, with earnings per share of HK\$4.04 and net assets per share of HK\$25.18.

Business Overview

In 2019, the property market in Mainland China remained fluctuated significantly and the government continued to deepen and widen its austerity measures on the market such as imposing restrictions on prices and purchases, tightening the property funding market, which slowed down the sales progress and exerted pressure on pricing. By closely following the market trend, the operation team of the Group concerted their efforts and drove property sales of the year to RMB42,765 million, representing an increase of 24% as compared with that of 2018, with the average selling price increased to RMB18,900 per sqm.

The land supply in Mainland China was stable with a slight increase in 2019. However, considering the uses of funding and given the downside risk of the market, the team was cautious in land acquisition and preferred projects with quicker turnover rate. In order to replenish the land reserve and support the scale of development in the next two years, the Group totally acquired 15 pieces of land with an aggregate floor area of 1,490,000 sqm throughout the year. As at 31 December 2019, the Group's land reserves was approximately 7,350,000 sqm.

The three existing projects in Hong Kong are operating normally, construction works are in progress as scheduled. Construction of the superstructure of Crescent Green project in Yuen Long was nearly completed, and is expected to be delivered by the end of 2020. The Crescent Green project was launched for pre-sale in November 2019 but the sales were affected by various factors including social movements. The sales amount was approximately HK\$600 million by the end of the year.

The total traffic volume of the Group's expressway projects in Mainland China was 95 million vehicles with an average daily traffic volume of 259,956 vehicles; toll revenue was about RMB3,162 million in 2019, representing a slight increase of 3% as compared with that of 2018.

In 2019, the Group actively explored business opportunities for new expressway projects, and completed the acquisition of 40% equity interests of two expressways in Java, Indonesia in December, representing a breakthrough in overseas expressway investment and injecting new impetus in the development of expressway business of the Group.

Business Segments Analysis:

(i) Property Segment

In 2019, the central government of Mainland China reaffirmed the policy of “house is for living, not for speculating” and implemented the long-term effective mechanism of “one policy for one city, assuming the primary responsibility of local government” under the overall guideline of maintaining stability. Austerity measures such as regulating land auction, tightening home purchase restrictions, restriction on prices and mortgage, have become routinised in various regions. Resolutely preventing the illegal inflow of funds into real estate is the government’s bottom line, indicating that the trend of strict supervision over property financing market continues. Although the overall transaction volume increased gradually, transactions differed notably in various cities. By closely following the market trend and adhering to the operating principle of ensuring a balance between profitability and sales volume, the operation team of the Group concerted their efforts and drove property sales of the property segment in 2019 to a record high of RMB39,962 million, comprising the contracted sales of RMB36,124 million and outstanding subscribed sales of RMB3,838 million.

Set out below is an analysis of the property segment’s property sales and delivery by region (including joint venture projects) for 2019:

Regions (Notes)	Sales		Delivery	
	Amount RMB'million	Area sqm	Amount RMB'million	Area sqm
Yangtze River Delta Region	28,789	1,487,000	20,776	1,280,000
Bohai Rim Region	8,257	461,000	6,264	361,000
Guangdong-Hong Kong-Macao Bay Area	2,101	77,000	2,863	139,000
Other Regions	815	88,000	691	94,000
Total (2019)	<u>39,962</u>	<u>2,113,000</u>	<u>30,594</u>	<u>1,874,000</u>
Total (2018)	<u>31,648</u>	<u>1,814,000</u>	<u>20,254</u>	<u>1,130,000</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.

In 2019, property sales of the Group increased about 26% as compared with 2018, with the average selling price increased to approximately RMB18,900 per sqm. The sales mainly concentrated in Yangtze River Delta Region, representing about 72% of the total property sales. As at 31 December 2019, the total area of properties pre-sold but yet to be delivered was about 1,680,000 sqm.

Set out below is an analysis of the financial performance of the Group's property segment for 2019 and 2018:

	2019	2018
	<i>HK\$'million</i>	<i>HK\$'million</i>
Revenue	20,962	22,143
Gross profit	7,241	9,881
Selling and operating expenses	(1,275)	(1,302)
Profit for the year	3,101	2,959

In 2019, revenue of the Group's property segment was mainly contributed by the delivery of properties in Yangtze River Delta Region, which represented about 68% of the total property delivery. The average selling price per sqm was approximately RMB16,300 and gross profit margin was 35%. Profit of the property segment was approximately HK\$3,101 million.

The Group seized the market opportunities and acquired several new lands for residential purpose, through listing-for-sale and co-development with competent enterprises in 2019. The Group believes that the co-development with competent enterprises would enable the Group to invest in more scalable projects, share higher returns and diversify the financial burden.

In March 2020, the Group further acquired a land parcel in Wujin District, Changzhou for residential development through listing-for-sale. The site area and the floor area of the project are 40,000 sqm and 59,000 sqm, respectively. The Group will optimise the land reserve portfolio in Mainland China and Hong Kong in a cautious manner and seek for more development opportunities with business partners in the future.

(ii) Toll Road Segment

In 2019, the Group received cash distribution of HK\$689 million from the expressway joint ventures, including the repayment of shareholders' loans. The Group's share of operating profits of toll road joint ventures (net of income tax and withholding tax) increased from HK\$632 million in 2018 to HK\$685 million in 2019, representing an increase of 8% comparing to the corresponding period of last year, mainly attributable to the increase in traffic volume and toll revenue of Longcheng Expressway and strict cost control for each project.

In 2019, the total traffic volume of the Group's expressway projects in Mainland China reached 95 million vehicles, the toll revenue reached RMB3,162 million, representing an increase of 3% as compared with 2018.

The traffic volume and toll revenue of the expressway projects in Mainland China are as follows:

Projects	Average Daily Traffic Vehicles	Increase/ (Decrease) %	Toll Revenue RMB'million	Increase/ (Decrease) %
Baojin Expressway	75,928	(1)	910	(5)
Tangjin Expressway	57,609	(6)	761	4
Changyi Expressway	74,319	2	716	1
Longcheng Expressway	23,328	10	500	21
Machao Expressway	28,772	8	275	4
Total (2019)	<u>259,956</u>	<u>-</u>	<u>3,162</u>	<u>3</u>
Total (2018)	<u>258,900</u>		<u>3,079</u>	

In December 2019, the Group acquired 40% equity interest in each of the two expressways in Indonesia, i.e. the Solo Ngawi Expressway (“SN Expressway”) and the Ngawi Kertosono Kediri Expressway (“NKK Expressway”) at a price of approximately HK\$1.2 billion (excluding contingent compensation and additional financing in the announcement dated 30 September 2019), making a major breakthrough in overseas expressway project investment. It is expected that on this basis, the Group will continue to identify and invest in expressway projects with ideal returns in Mainland China and the countries along the Belt and Road, thereby laying a good foundation for the Group’s mid-term and long-term development. For the year of 2019 (including period prior to the Group’s acquisition), the average daily traffic volume of SN Expressway and NKK Expressway were approximately 15,600 vehicles and 14,583 vehicles respectively; their toll revenue were RMB273 million and RMB247 million respectively.

Since 17 February 2020, the Chinese government has implemented a toll-free policy for all toll roads in response to the prevention and control of COVID-19 pandemic until a date to be announced after the work for prevention and control of the pandemic ends, which is expected to have an adverse impact on the performance of the Group’s toll road business in 2020.

(iii) Investment and Asset Management Segment

In 2019, the Group continued to consolidate the businesses of Investment and Asset Management Segment, including our property fund, cultural, tourist and commercial, and entertainment, content development and supply businesses.

In 2019, the projects of investment and asset management segment (including joint venture and associate projects) achieved sales of RMB2,803 million, including the contracted sales of RMB2,568 million and outstanding subscribed sales of RMB235 million.

The Group will continue to explore through property funds and cultural, tourist and commercial businesses to increase the land reserve for residential use and locate stimulus for new opportunities and drivers for profit growth under controllable risks.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2019, the equity attributable to owners of the Company was HK\$18,866 million (2018: HK\$17,398 million). Net asset per share attributable to owners of the Company was HK\$25.18 (2018: HK\$23.22).

As at 31 December 2019, the Group's total assets were HK\$90,683 million (2018: HK\$78,952 million) and bank balances and cash were HK\$14,451 million (2018: HK\$11,793 million), of which about 70% was denominated in Renminbi and the remaining 30% 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 and extensive considerations on liquidity risk, financing cost and exchange rate risk. Going forward, the Group will continue to maintain its financials healthily and explore and broaden financing channels, so as to manage financing costs and enhance cash flows of the Group.

Bank and other borrowings mainly represented offshore guaranteed senior notes, syndicated loans, domestic bonds and project development loans of the Group. During the year, the Group drew down various loans in Hong Kong and Mainland China in an aggregate amount equivalent to HK\$22,688 million. The drawdown of new loans was offset by repayment of certain bank loans. As at 31 December 2019, the Group's total bank and other borrowings were HK\$30,141 million (31 December 2018: HK\$20,645 million).

By the end of 2019, certain of the Group's loans were on a fixed rate basis, which included, among the others, the following notes:

- (a) US\$500 million 4.7% guaranteed senior notes;
- (b) US\$400 million 7.75% guaranteed senior notes (issued in January 2019);
- (c) US\$400 million 7.875% guaranteed senior notes (issued in February 2019);
- (d) RMB1,500 million 7% domestic bonds (refinanced in September 2019); and
- (e) US\$480 million 6.7% guaranteed senior notes (issued in September 2019).

Apart from the above loans, the Group also issued the following three senior guaranteed perpetual capital securities:

- (a) US\$300 million 7.95% senior guaranteed perpetual capital securities;
- (b) US\$300 million 7% senior guaranteed perpetual capital securities; and
- (c) US\$300 million 7.75% senior guaranteed fixed spread perpetual capital securities (issued in November 2019).

As at 31 December 2019, the net gearing ratio and the net capitalisation ratio of the Group were 52% and 34% respectively. Net gearing ratio represents the difference between the Group's total interest bearing borrowings (excluding loans from 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.

In February 2020, the Group also issued US\$300 million 5.9% guaranteed senior notes to support the Group's business development.

Charges on Assets

As at 31 December 2019, bank balances of HK\$722 million (2018: HK\$129 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\$8,548 million (2018: HK\$3,909 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. For minimising the impacts arisen from fluctuation of exchange rate between US dollar and Renminbi on the Group, the Group has entered into capped forward swap contracts and range forward swap contracts for parts of offshore US dollar debts. The Group will pay close attention to the impact of changes in Sino-US trade relations on exchange rate fluctuations, and will expand foreign currency forward contracts to hedge 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.

Contingent Liabilities

As at 31 December 2019, the Group had provided guarantees of HK\$7,977 million (2018: HK\$8,616 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\$3,002 million (2018: HK\$4,449 million) for banking facilities granted to the joint ventures of the Group as at 31 December 2019.

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 2019, the carrying amount of the liabilities undertaken by the Group amounted to approximately HK\$2,729 million (31 December 2018: HK\$2,716 million).

Employees

Excluding the staff of joint ventures and associates, the Group had 4,841 employees as at 31 December 2019 (2018: 4,158 employees). Expenditure on staff (excluding Directors' emoluments and share-based payment) amounted to HK\$1,138 million (2018: HK\$1,048 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 FOR 2020

The outbreak of COVID-19 pandemic since early 2020 has posted more uncertainties on the economic and market prospects. Both Mainland China and Hong Kong are facing a greater pressure of economic downturn, and various industries including the property market, capital market and transportation are negatively affected. Since 17 February 2020, the PRC government has implemented a toll-free policy for all toll roads and such policy is expected to have adverse impact on the performance of the Group's toll road business in 2020. The management team of the Group will maintain a prudent and positive attitude and continue to work in a pragmatic manner to take the challenges arising from changes in the market.

Through years of development, the Group's current business has a well-established model, a well-functioning management system, a seasoned and dedicated operation team and a sound market position. In 2020, with respect to the property business, the Group will continue to adhere to the business strategy of striking a balance between profitability and sales volume. To establish the Group as a more widely recognised enterprise, we will continue to research and develop market-oriented products to boost the sales volume, maintain the growth trend of profit and promote the brand name of the Group. Meanwhile, the team will also continue to explore business related opportunities, strive to increase toll road assets, optimise the land reserve portfolio and seek for more collaboration opportunities with business partners for further development.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

During the year, the Company purchased an aggregate principal amount of US\$224,743,000 of US\$450 million 5% guaranteed senior notes due 2019 (the "Notes") issued by RKI Overseas Finance 2016 (A) Limited under a tender offer, which were then cancelled in January 2019, and redeemed the remaining amount of the Notes at maturity date.

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 2019.

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 2019.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31 December 2019 have been reviewed by the Audit Committee of the Company and audited by the Company’s external auditor.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Jade and Lotus Rooms, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 22 May 2020 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
Co-Chairman

Hong Kong, 23 March 2020

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Zen Wei Peu, Derek, Ko Yuk Bing and Fong Shiu Leung, Keter as Executive Directors, Messrs. Mou Yong and Dong Fang as Non-executive Directors and Messrs. Lau Sai Yung, Tse Chee On, Raymond and Wong Wai Ho as Independent Non-executive Directors.