



Road King Infrastructure Limited

路勁基建有限公司

(incorporated in Bermuda with limited liability)

Stock Code: 1098



Investor Presentation

March 2018

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Agenda

Business highlights

Financial highlights

Outlook

Appendix



Business highlights

1 Achieved record high contracted sales

2 Strong and sustainable profitability

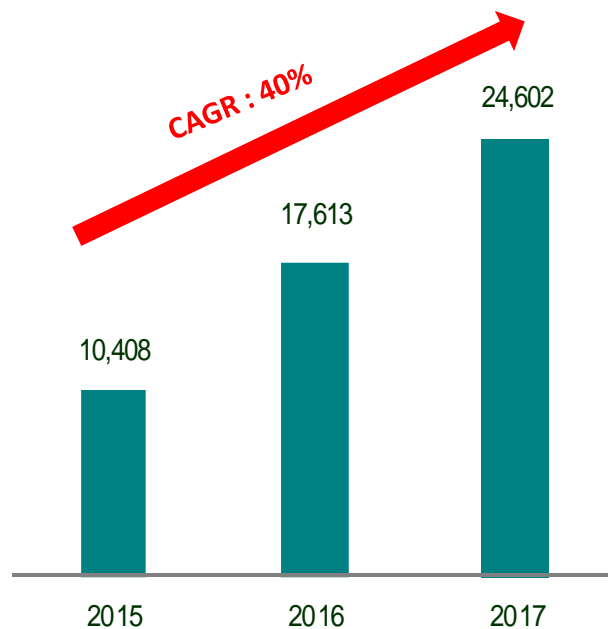
3 Strategic expansion into new surrounding cities

4 Further improvement on the performance of the existing expressways

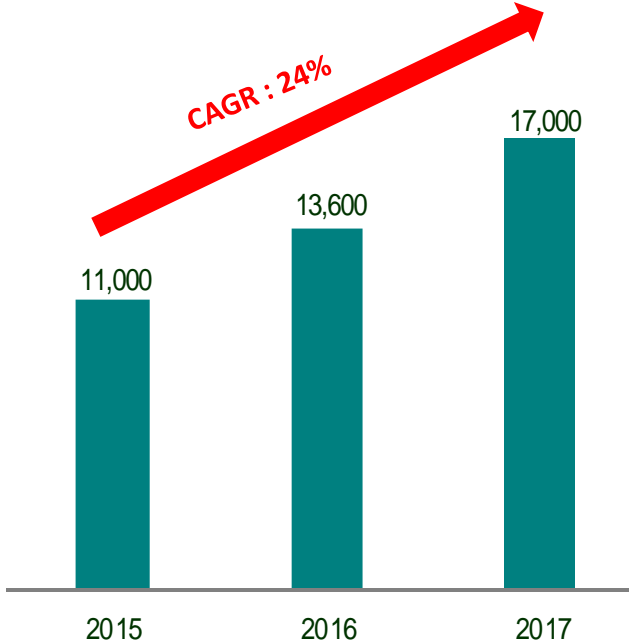
1 Achieved record high contracted sales

- ✓ Contracted sales (including JV projects) increased 40% to RMB24,602mm in 2017
- ✓ ASP increased by 24% respectively to RMB17,000/sqm in 2017
- ✓ 65% of contracted sales was derived from Yangtze River Delta and mainly from Changzhou, Shanghai and Suzhou

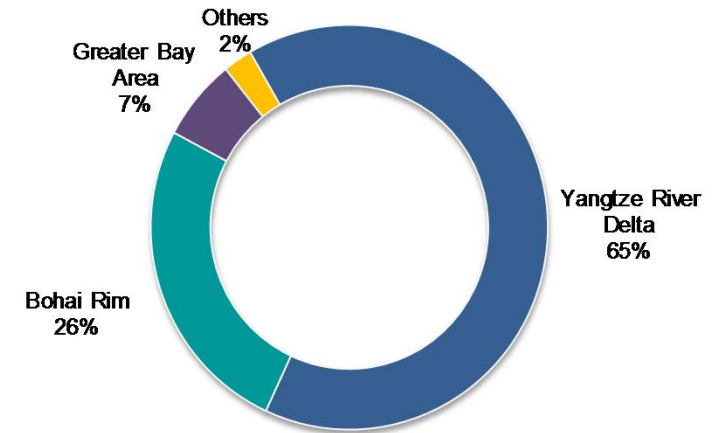
Contracted sales (RMBmm)¹



ASP (RMB/sqm)



Property sales breakdown by region¹

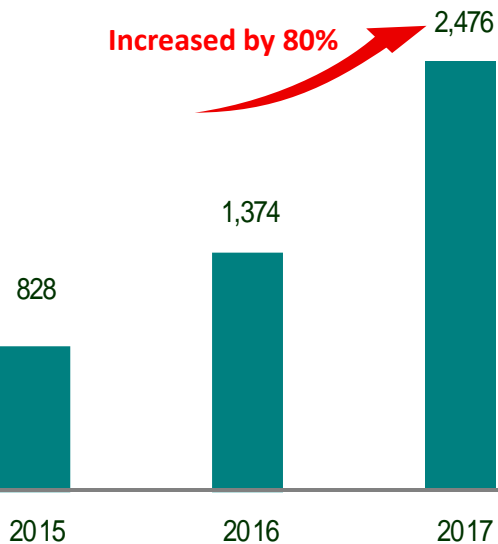


Note: ¹ Excluding subscribed sales

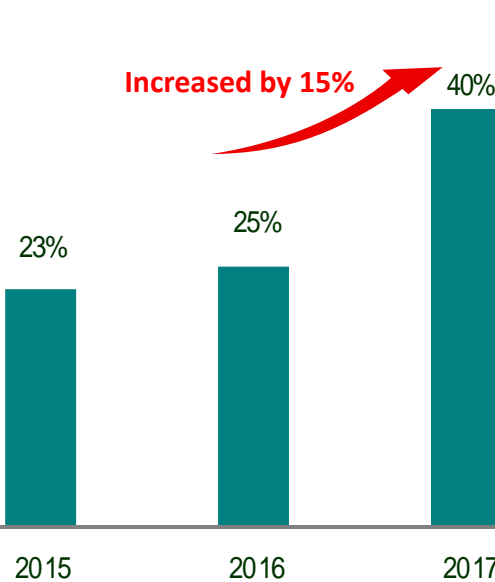
2 Strong and sustainable profitability

- ✓ Profit for the year 2017 was HK\$2,476 million, representing a surge of HK\$1,102 million or 80% as compared with 2016
- ✓ Gross profit margin was significantly increased from 25% to approximately 40%
- ✓ Net profit margin was also improved from 8% in 2016 to 17% to 2017

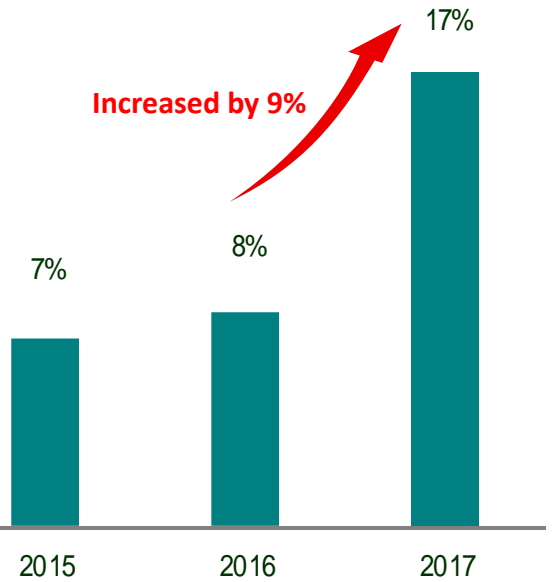
Profit for the year (HK\$mm)



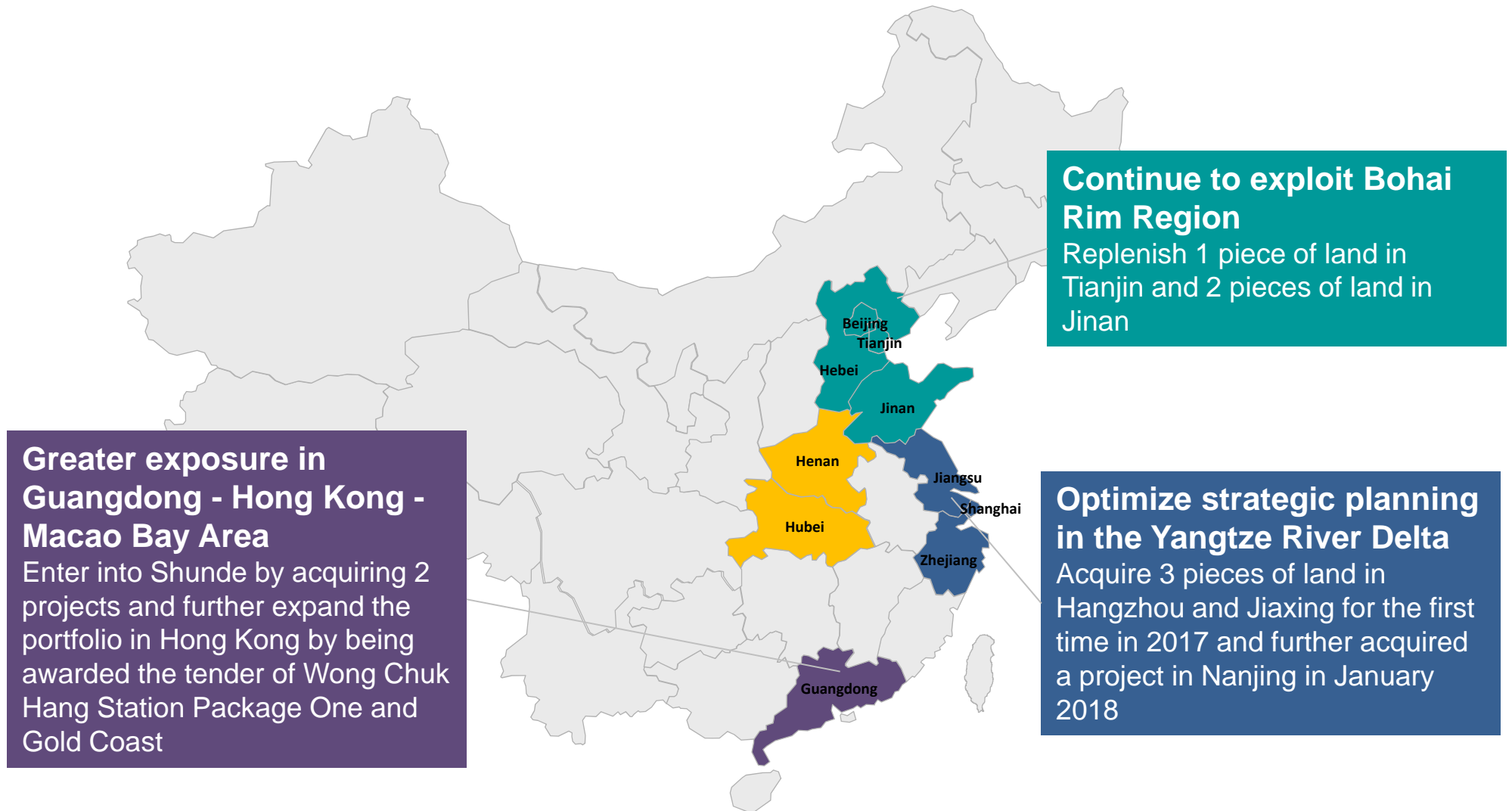
Gross profit margin



Net profit margin

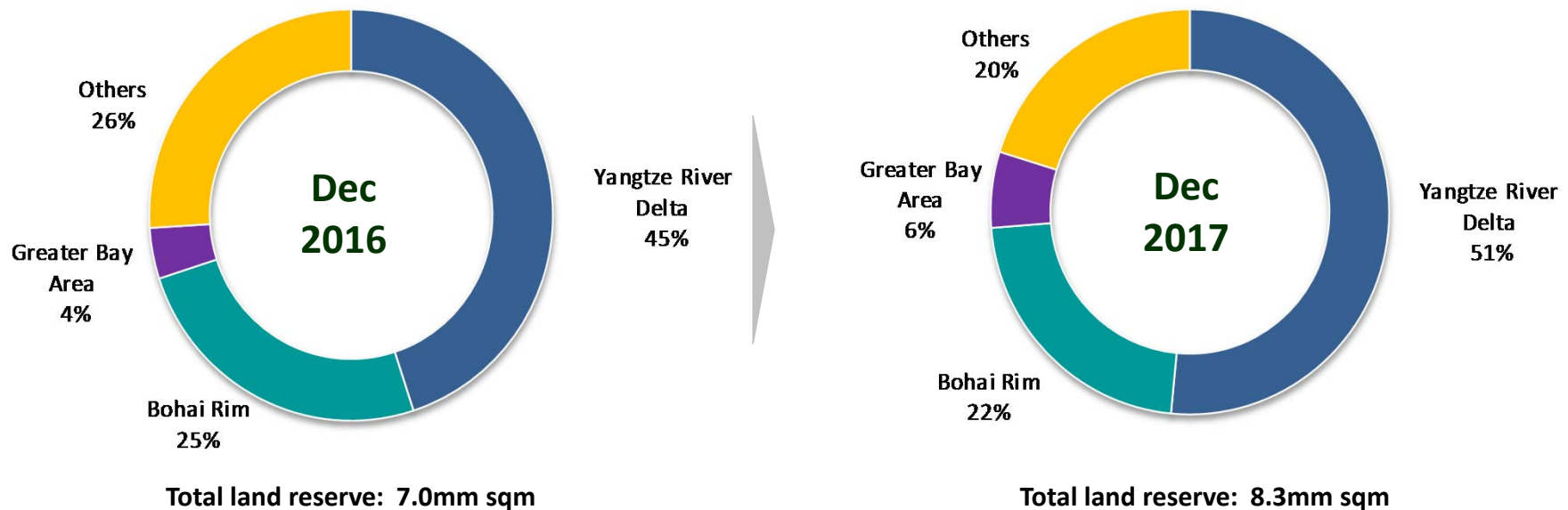


3 Strategic expansion into new surrounding cities



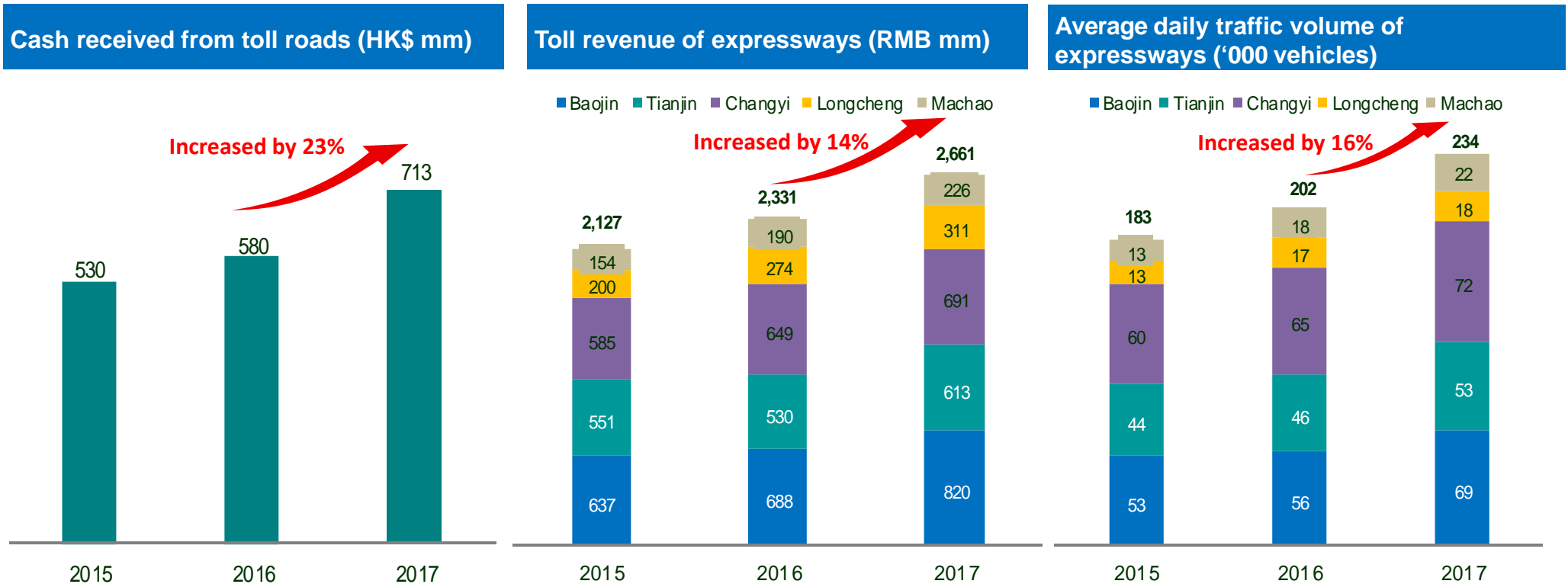
Land reserve

- ✓ Acquired 19 pieces of land in 2017 with an aggregate floor area of 2.42 mm sqm
- ✓ Total land reserve increased to 8.3mm sqm in 2017
- ✓ 15 pieces of new land are JV projects and the Group believes that the cooperation would allow the Group to invest in scalable projects, share higher returns and diversify the financial burden



4 Further improvement on the performance of the existing expressways

- ✓ Recurring cash flow stream – cash received from toll road JV in 2017 increased 23% to HK\$713mm
- ✓ Longcheng Expressway and Machao Expressway are reaching maturity and expect to have cash contribution in 2018
- ✓ Toll revenue and traffic volume increased by 14% and 16% respectively in 2017



Financial Highlights

(HK\$mm)	2017	2016	Change
Revenue	14,756	16,842	-12%
Gross profit	5,916	4,222	+40%
Gross profit margin	40%	25%	+15%
Profit for the year	2,476	1,374	+80%
Profit attributable to owners of the Company	1,944	1,250	+56%
Net profit margin	17%	8%	+9%
Basic earnings per share (HK\$)	2.61	1.69	+54%
Dividend per share (HK\$)	0.93	0.68	+37%

Balance Sheet & Key Financial Ratios

(HK\$mm)	2017	2016	Change
Total assets	69,735	50,400	+38%
Total cash ¹	8,751	8,215	+7%
Total debt ²	20,393	17,577	+16%
Total equity	21,614	14,233	+52%
Net gearing ratio ³	54%	66%	-12%
Net debt/ Net capitalization ⁴	35%	40%	-5%
Net assets per share attributable to owners of the Company (HK\$)	HK\$20.90	HK\$17.96	+16%

Note:

¹ Total cash includes pledged bank deposits and bank balances and cash

² Total debt includes current and non-current bank and notes borrowings

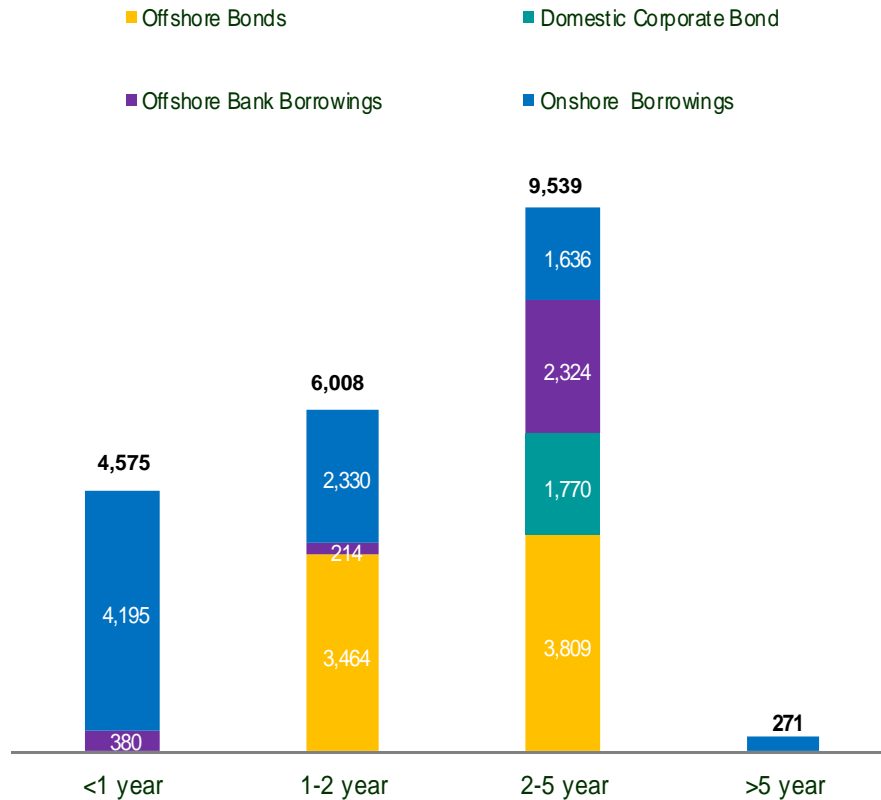
³ Net gearing ratio = (total debt - total cash)/ total equity

⁴ Net Capitalization = (total debt - total cash) + total equity



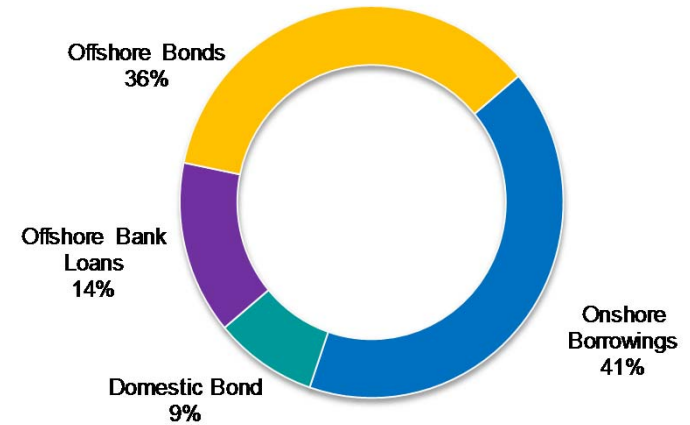
Stable leverage and diversified funding platform

Debt maturity profile (HK\$m)

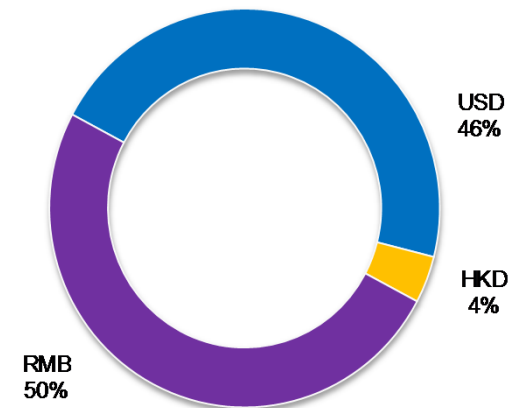


Total borrowings: HK\$20,393m
Onshore: 50%
Offshore: 50%

Type of borrowings



Type of currency





Outlook



- ✓ **Enhance cooperation with business partners to capture better development opportunities**
- ✓ **Focus on regional exploration and capture opportunities in Hong Kong for suitable acquisitions in property market**
- ✓ **Capitalize on opportunities from “One Belt, One Road” initiative**
- ✓ **Seek new opportunities and profit growth drivers with manageable risks through private property fund and real estate related business**

A Developer and Operator with Sustainable and Healthy Growth

Questions & Answers



RK Shanghai Villa in Shanghai

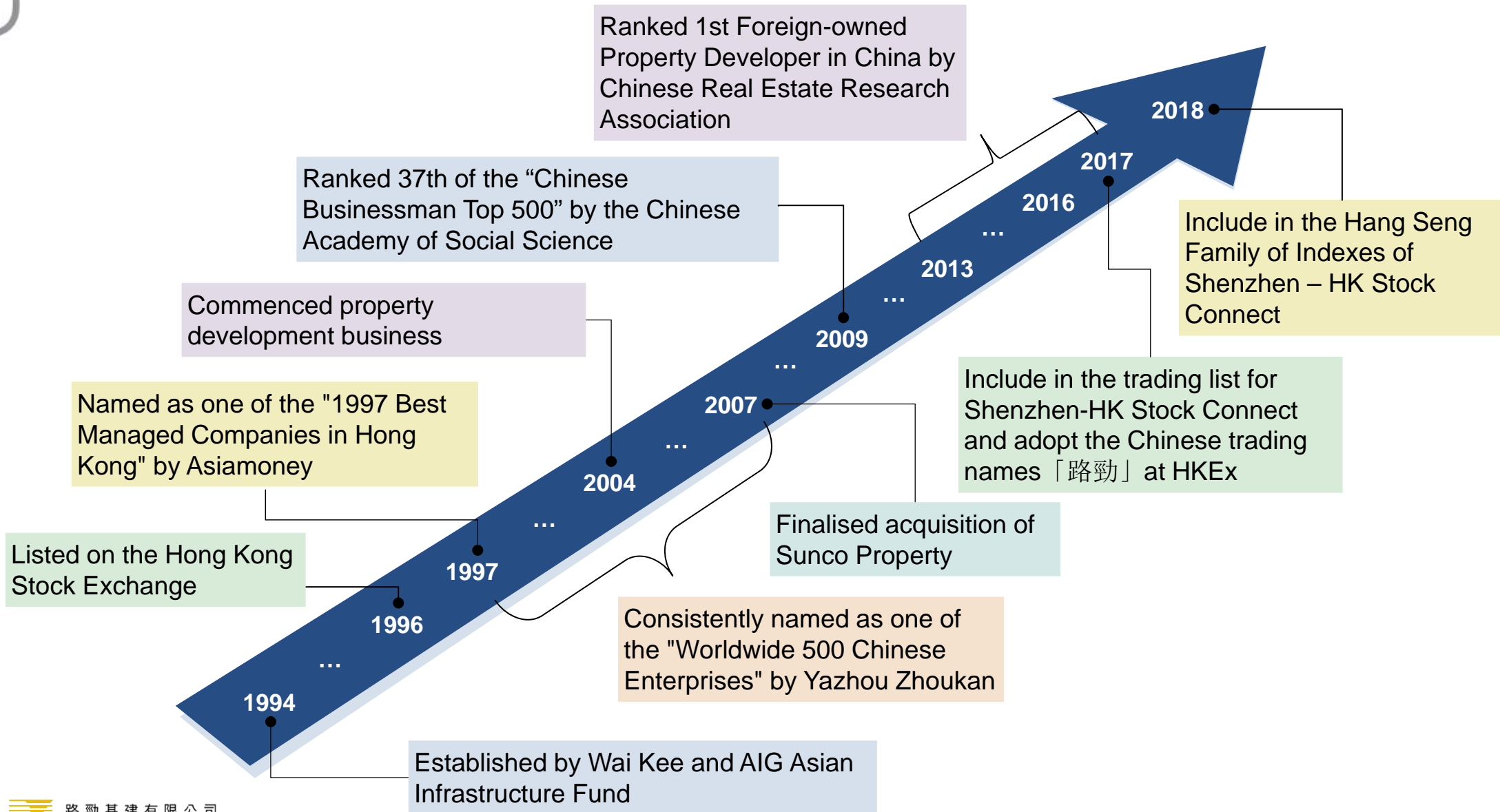


RK Grandtown in Langfang



Tianjin Expressway in Hebei

Appendix: Corporate Milestones



Appendix: Shareholding structure



Wai Kee Holdings Limited
(HK Stock Code 0610)

41.94%



Shenzhen Investment Limited
(HK Stock Code 0604)

27.05%



Public

31.01%



Road King Infrastructure Limited

Note: ¹ As of 31 December 2017

Appendix: Our high quality expressway assets



Diversified portfolio of 5 expressways – strategically located around the key national economic zones and positioned to benefit from One Belt One Road initiatives

Note: 1 As of 31 December 2017

Appendix: Strategically located land bank

Bohai Rim Region

Province	No. of projects	GFA
Beijing	1	80,000
Tianjin	3	766,000
Hebei	2	593,000
Shandong	4	414,000
Total	10	1,853,000

Yangtze River Delta

Province	No. of projects	GFA
Shanghai	3	319,000
Jiangsu	20	3,489,000
Zhejiang	4	450,000
Total	27	4,258,000

Other Regions

Province	No. of projects	GFA
Henan	5	1,633,000
Hunan	1	61,000
Total	6	1,694,000

Guangdong-Hong Kong -Macao Bay Area

Province	No. of projects	GFA
Guangdong	3	413,000
Hong Kong	3	117,000
Total	6	530,000

Total GFA: 8.3 million sqm¹

Note: ¹ As of 31 December 2017