

路勁基建有限公司

Road King Infrastructure Limited

(incorporated in Bermuda with limited liability)

Stock Code: 1098



2015 Interim Results Presentation

August 2015



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A Developer and Operator with Sustainable and Healthy Growth

Updates

Q&A



RK Shanghai Villa in Shanghai



RK Phoenix City in Suzhou



Machao Expressway in Anhui



Performance Highlights

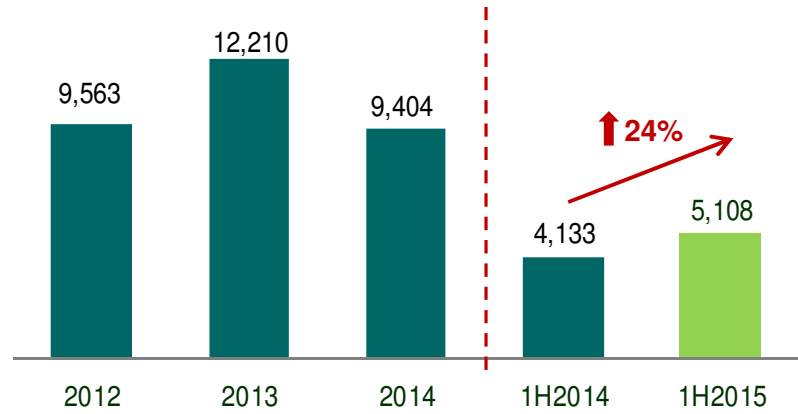


- ✓ **Progressive growth in contracted sales and revenue from property development**
- ✓ **Sustainable gross profit margin around mid-20%**
- ✓ **Robust liquidity – stable toll road cashflow + high cash collection ratio from property sales**
- ✓ **Closely managed leverage position**

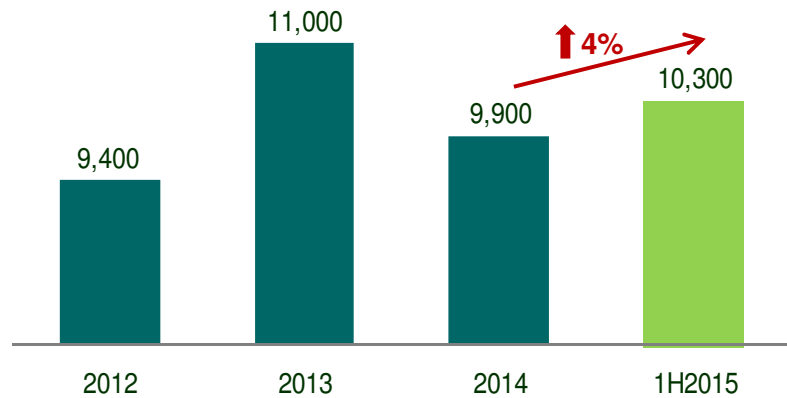


Contracted sales

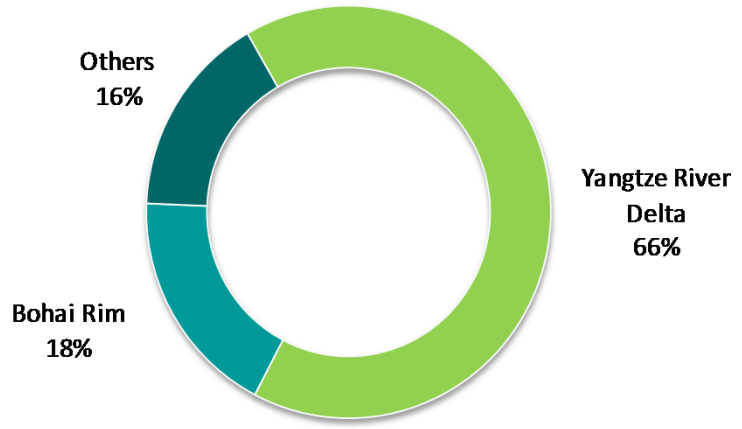
Contracted sales (RMB mm)



ASP for contracted sales (RMB/sqm)



Contracted sales breakdown by region

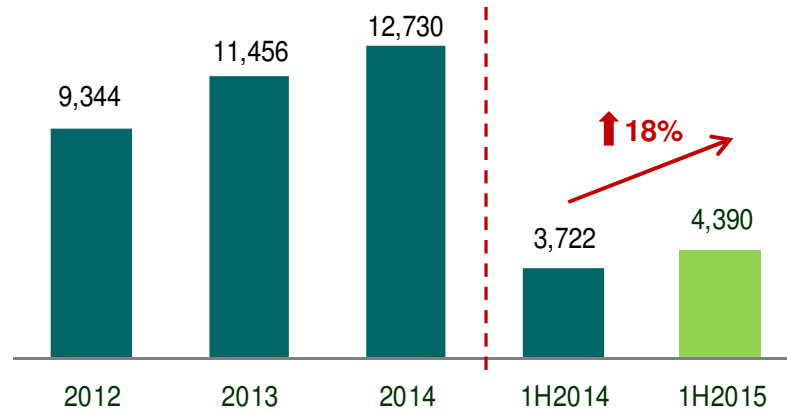


- ✓ Contracted sales increased 24% over 1H2014
- ✓ ASP in 1H2015 increased by 4% to RMB10,300/sqm as compared to 2014
- ✓ 66% was contributed by Yangtze River Delta, mainly by Shanghai & Suzhou

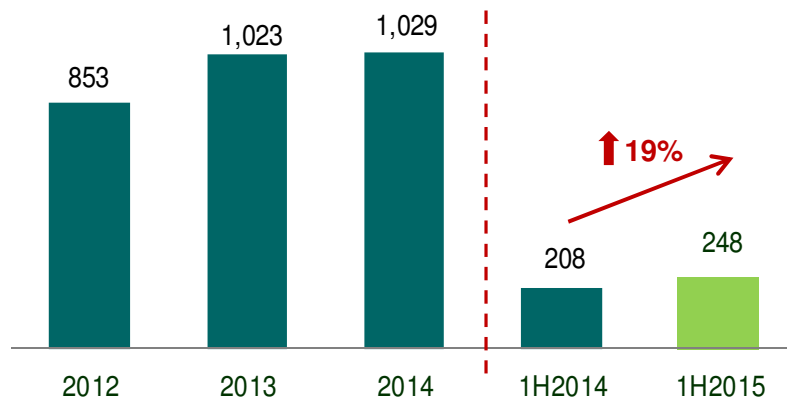


Revenue recognized

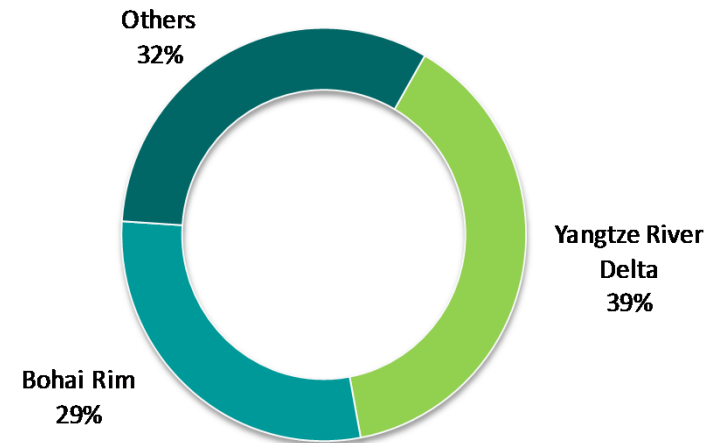
Revenue (HK\$ mm)



Net Profit (HK\$ mm)



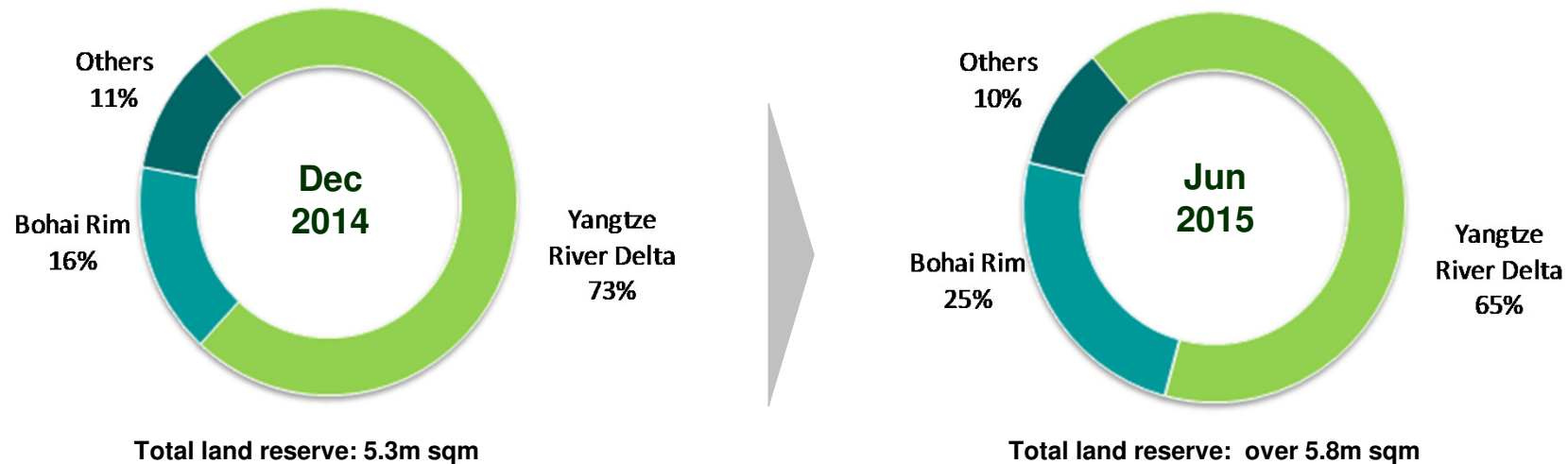
Recognized revenue breakdown by region



- ✓ Revenue recognized increasing by 18% over 1H2014
- ✓ Net Profit increased by 19% to HK\$248 mm in 1H2015 as compared to 1H2014
- ✓ ASP of delivery increased by 20% over 1H2014



Land reserve

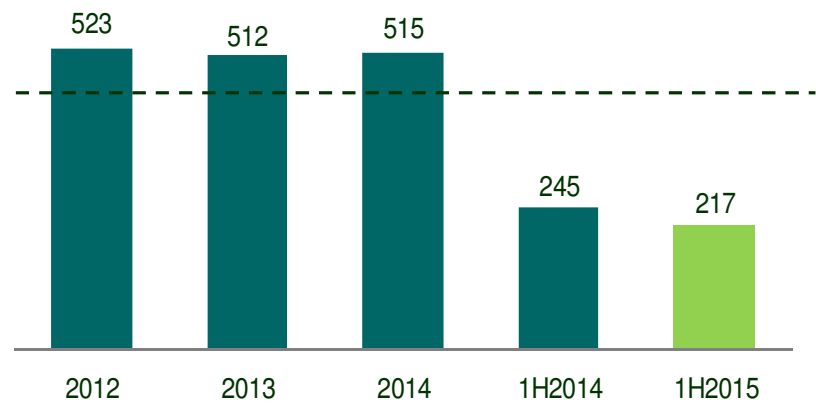


- ✓ In 1H2015, successfully obtained two projects with an aggregate saleable area of about 777,000 sqm
- ✓ Land reserve of over 5.8m sqm for 3 – 4 years development
- ✓ Discipline land acquisition approach and focus in existing cities

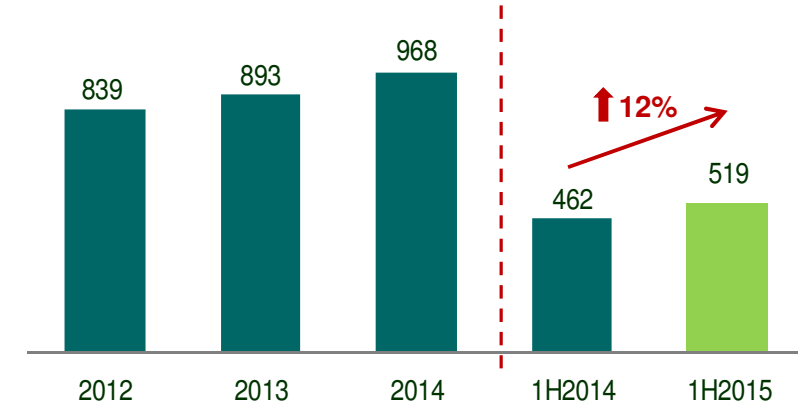


Toll Road Business

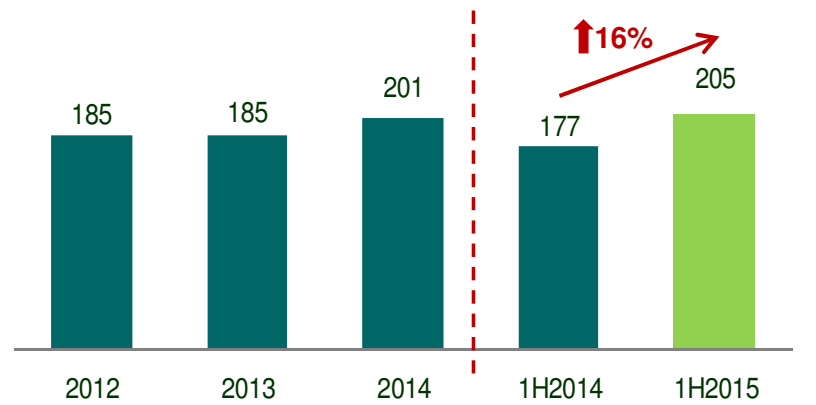
Cash received from toll road (HK\$ mm)



Share of toll road revenue (HK\$ mm)



Average daily traffic volume of existing toll roads (mm vehicles)



- ✓ Recurring cash flow stream of HK\$500m each year – cash received from JV was HK\$217m in 1H2015
- ✓ The average daily traffic volume and shares of toll revenue increased by 16% and 12% respectively over 1H2014



Financial Highlights

(HK\$ mm)	1H2015	1H2014	FY2014
Turnover	4,390	3,722	12,730
Gross profit	993	989	3,334
Gross profit margin	23%	26%	26%
Profit attributable to owners of the Company	228	198	1,005
EBITDA ¹	4,045	3,953	4,013
EBITDA margin	30%	32%	32%
Basic earnings per share (HK\$)	0.31	0.27	1.37
Dividend per share (HK\$)	0.13	0.13	0.58

Note: ¹ EBITDA is calculated based on the profit for the period of the Company but does not account for taxes, interest expenses, depreciation and amortization charges; interest expense is the cash interest paid in the year/ period (EBITDA for 1H2015 and 1H2014 is based on the LTM EBITDA prior to 30 Jun 2014 and 2015)



Financial Highlights

(HK\$ mm)	1H2015	1H2014	FY2014
Total cash ¹	4,423	4,407	4,047
Total debt ²	15,166	14,293	14,389
Total debt / Total capitalization ³	52%	51%	51%
Total debt / EBITDA	3.7x.	3.6x	3.6x
EBITDA / interest expense	3.3x	3.3x	3.4x

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

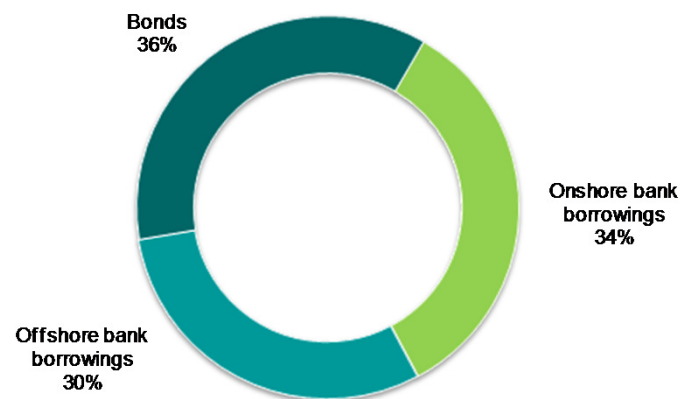
² Total debt includes current and non-current bank and notes borrowings

³ Total Capitalization = total debt + total equity

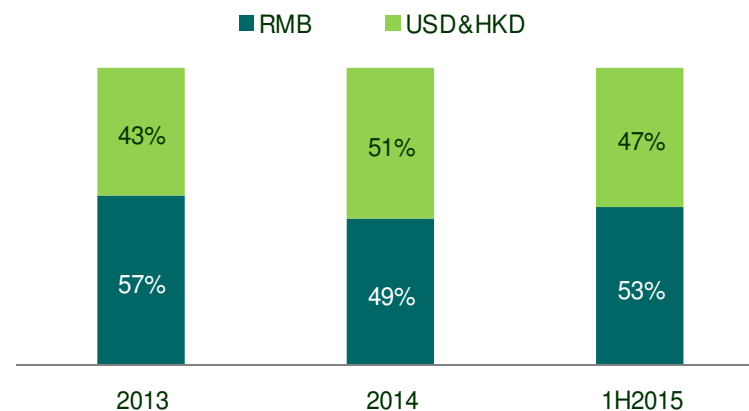


Debt Profile

Type of borrowings



Currency profile of borrowings



- ✓ According to the maturity date of the loan agreements, only HK\$3,371m will need to repay in 1 year, which could be covered by cash balance of HK\$4,423m as at 30 Jun 2015
- ✓ Increase the portion of RMB borrowing to mitigate exchange rate risks
- ✓ Diverse source of funding



Performance overview

Progressive growth in property development business

- ✓ Contracted sales achieved RMB5,108m in 1H2015, increased by 24% over 1H2014
- ✓ ASP increased by 4% to RMB10,300/sqm as compared to 2014
- ✓ Revenue recognized increasing by 18% to HK\$4,390m over 1H2014

Stable cash flows from toll road business

- ✓ Cash received from JV was HK\$217 mm in 1H2015
- ✓ The average daily traffic volume reached 205,000 vehicles, representing a y-o-y growth of 16%
- ✓ Shares of toll revenue increased by 12% to HK\$519m in 1H2015

