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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 2009

FINANCIAL HIGHLIGHTS	2009	2008
	HK\$	HK\$
Revenue	4,600 million	4,631 million
Contracted sales	6,288 million	2,413 million
Profit attributable to shareholders of the Company	728 million	656 million
Net cash inflow/(outflow) from operating activities	2,495 million	(1,731 million)
Earnings per share	0.99	0.87
Dividend per share (interim and proposed final)	0.50	0.25
Dividend yield (Note)	10.0%	3.5%
Bank balances and cash	2,887 million	796 million
Net gearing ratio	34%	66%
Net assets per share attributable to shareholders of the Company	13.3	12.7

Note: The dividend yield is the dividend per share (interim and proposed final) divided by the average daily closing price of the Company of each trading day for the year.

RESULTS

The Board of Directors (the “Board”) of Road King Infrastructure Limited (the “Company”) is pleased to announce the audited consolidated income statement and audited consolidated statement of comprehensive income of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2009, and the audited consolidated statement of financial position of the Group as at 31 December 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	NOTES	2009 HK\$'000	2008 HK\$'000
Revenue	3	4,600,424	4,630,672
Cost of sales		<u>(4,061,924)</u>	<u>(4,110,060)</u>
Gross profit		538,500	520,612
Interest income		23,090	19,972
Other income		33,987	28,369
Other gains and losses	5	526,533	344,639
Selling expenses		(127,682)	(112,784)
Operating expenses		(358,858)	(510,385)
Share of results of joint ventures	6	514,323	909,759
Finance costs	7	<u>(104,435)</u>	<u>(156,855)</u>
Profit before taxation	8	1,045,458	1,043,327
Income tax expenses	9	<u>(302,281)</u>	<u>(366,693)</u>
Profit for the year		<u>743,177</u>	<u>676,634</u>
Profit attributable to:			
Owners of the Company		728,080	656,429
Minority interests		<u>15,097</u>	<u>20,205</u>
		<u>743,177</u>	<u>676,634</u>
Earnings per share	11		
– Basic		<u>HK\$0.99</u>	<u>HK\$0.87</u>
– Diluted		<u>HK\$0.99</u>	<u>HK\$0.87</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit for the year	743,177	676,634
Other comprehensive income		
Exchange difference arising on translation to presentation currency	50,090	557,130
Reclassification adjustment upon disposal of interest in a joint venture	—	(15,296)
	<u>50,090</u>	<u>541,834</u>
Total comprehensive income for the year	<u>793,267</u>	<u>1,218,468</u>
Total comprehensive income attributable to:		
Owners of the Company	776,630	1,188,875
Minority interests	16,637	29,593
	<u>793,267</u>	<u>1,218,468</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	<i>NOTES</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		19,352	57,346
Prepaid lease payments for land		–	33,293
Investment properties		255,437	143,851
Interests in joint ventures		4,357,996	5,289,683
Loans to related companies		48,200	54,700
Deferred tax assets		31,506	40,700
Long-term receivables		542,603	576,359
Available-for-sale financial assets	12	–	632,787
Prepayment for acquisition of additional interest in a subsidiary		88,310	–
		5,343,404	6,828,719
Current assets			
Inventory of properties		12,953,468	12,029,250
Prepayment for land leases		222,334	107,865
Prepaid lease payments for land		–	938
Loan to a joint venture		64,286	70,787
Loans to related companies		3,300	–
Debtors, deposits and prepayments	13	330,951	686,063
Prepaid income tax		211,203	225,699
Pledged bank deposits		206,553	163,723
Bank balances and cash		2,887,090	796,098
		16,879,185	14,080,423
Total assets		22,222,589	20,909,142

		2009	2008
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		73,912	73,893
Reserves		<u>9,777,653</u>	<u>9,295,568</u>
		9,851,565	9,369,461
Minority interests		<u>180,778</u>	<u>164,141</u>
Total equity		<u>10,032,343</u>	<u>9,533,602</u>
Non-current liabilities			
Bank and other borrowings – due after one year		5,199,953	5,737,728
Deferred tax liabilities		<u>153,886</u>	<u>147,998</u>
		<u>5,353,839</u>	<u>5,885,726</u>
Current liabilities			
Creditors and accrued charges	14	2,438,815	1,756,811
Deposits from pre-sale of properties		2,904,072	2,095,694
Income tax payable		292,195	212,424
Bank and other borrowings – due within one year		<u>1,201,325</u>	<u>1,424,885</u>
		<u>6,836,407</u>	<u>5,489,814</u>
Total equity and liabilities		<u>22,222,589</u>	<u>20,909,142</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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair values.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the new and revised standards, amendments and interpretations (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for the Group’s financial year beginning on or after 1 January 2009. The adoption of these new and revised HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods, except for the impact as described below.

Amendment to HKAS 40 “Investment Property”

The application of the amendment to HKAS 40 “Investment Property” arising from Improvements to HKFRSs issued in 2008 affects the accounting for property under construction or development for future use as an investment property of the Group. The amendment to HKAS 40 brings such property within the scope of HKAS 40 which, therefore, shall be accounted for under the fair value model in accordance with the Group’s accounting policy. Prior to the application of this amendment, such property was accounted for at cost less impairment in accordance with HKAS 16 “Property, plant and equipment”. The amendment is applied prospectively from 1 January 2009 in accordance with the relevant transitional provision. As a result, the properties under development for investment properties amounting to HK\$17,575,000 and prepaid lease payments for land amounting to HK\$34,231,000 were reclassified to investment properties under construction at 1 January 2009 and profit for the year and total comprehensive income for the year have been increased by HK\$11,017,000 arising from adoption of the amendment as at 1 January 2009, taking into account the change in fair value of the investment properties under construction up to 1 January 2009 of HK\$14,689,000 and its related deferred taxation of HK\$3,672,000. There was no significant change in fair value of investment properties under construction since 1 January 2009.

The Group has not early applied those new and revised HKFRSs that have been issued but are not yet effective.

The application of HKFRS 3 (Revised 2008) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary.

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

The directors of the Company (the “Directors”) anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. REVENUE

	2009 <i>HK\$’000</i>	2008 <i>HK\$’000</i>
Revenue of the Group		
Sale of completed properties held for sale	<u>4,600,424</u>	<u>4,630,672</u>
Group’s share of toll revenue of infrastructure joint ventures	<u>1,082,933</u>	<u>1,698,633</u>
Revenue of the Group and Group’s share of revenue of infrastructure joint ventures	<u>5,683,357</u>	<u>6,329,305</u>

4. SEGMENTAL INFORMATION

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (HKAS 14 “Segment Reporting”) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity’s system of internal financial reporting to key management personnel’s serving only as the starting point for the identification of such segments.

The identification of the Group’s reportable segments under HKFRS 8 is consistent with the prior years’ presentation of business segments under HKAS 14. Information reported to the Group’s chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on two main operations: toll road and property development. The Group’s reportable segments under HKFRS 8 are as follows:

Toll road	–	development, operation and management of toll roads through the infrastructure joint ventures
Property development	–	development and sale of properties

The adoption of HKFRS 8 has changed the basis of measurement of segment profit. Previously under HKAS 14, the Group included interest income, exchange gains, gains on disposal of interests in joint ventures, share of results of joint ventures, finance costs, income tax expenses and certain unallocated expenses as unallocated corporate items, without allocating them to relevant operating segments, which is different from the measurement under HKFRS 8. Amounts reported for the prior year have been restated to conform to the presentation under HKFRS 8.

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

	2009			2008		
	Toll road HK\$'000	Property development HK\$'000	Total HK\$'000	Toll road HK\$'000	Property development HK\$'000	Total HK\$'000
Reportable segment revenue	<u>–</u>	<u>4,600,424</u>	<u>4,600,424</u>	<u>–</u>	<u>4,630,672</u>	<u>4,630,672</u>
Reportable segment profit (loss)	<u>823,968</u>	<u>(10,248)</u>	<u>813,720</u>	<u>814,517</u>	<u>(109,572)</u>	<u>704,945</u>
Reportable segment assets (including interests in joint ventures)	<u>4,376,361</u>	<u>15,305,633</u>	<u>19,681,994</u>	<u>5,306,296</u>	<u>15,146,327</u>	<u>20,452,623</u>
Reportable segment liabilities	<u>(50,269)</u>	<u>(10,269,610)</u>	<u>(10,319,879)</u>	<u>(134,186)</u>	<u>(9,140,321)</u>	<u>(9,274,507)</u>
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Interest income	349	20,241	20,590	288	14,164	14,452
Gains on disposal of interests in joint ventures	578,597	–	578,597	10,272	–	10,272
Impairment losses on interests in joint ventures	(158,000)	–	(158,000)	–	–	–
Depreciation	(163)	(21,616)	(21,779)	(191)	(12,963)	(13,154)
Finance costs	(5,600)	(10,018)	(15,618)	(6,212)	(28,720)	(34,932)
Income tax expenses	(18,017)	(284,264)	(302,281)	(46,004)	(320,689)	(366,693)
Share of results of joint ventures	484,429	29,894	514,323	899,617	10,142	909,759
Interests in joint ventures	4,307,950	50,046	4,357,996	5,260,470	29,213	5,289,683
Additions to non-current segment assets during the year	<u>35</u>	<u>23,285</u>	<u>23,320</u>	<u>44</u>	<u>89,799</u>	<u>89,843</u>

(a) **Measurement**

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

Segment profit includes profit earned by each segment, share of results of joint ventures, gains on disposal of interests in joint ventures, impairment losses on interests in joint ventures, relevant interest income and finance costs and income tax expenses attributable to the relevant segment but without allocation of headquarter income and expenses.

Segment assets include property, plant and equipment, investment properties, prepaid lease payments for land, interests in joint ventures, long-term receivables, available-for-sale financial assets, prepayment for acquisition of additional interest in a subsidiary, inventory of properties, prepayment for land leases, loan to a joint venture, debtors, deposits and prepayments, prepaid income tax, pledged bank deposits, bank balances and cash and deferred tax assets which are directly attributable to the relevant reportable segment.

Segment liabilities include creditors and accrued charges, deposits from pre-sale of properties, income tax payable, bank and other borrowings 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 comprises purchase of property, plant and equipment and investment properties directly attributable to the segment.

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Total reportable segment profit	813,720	704,945
Unallocated items:		
Interest income	2,500	5,520
Corporate income	25,819	101,417
Corporate expenses	(10,045)	(13,325)
Finance costs	(88,817)	(121,923)
Consolidated profit for the year	<u>743,177</u>	<u>676,634</u>
Total reportable segment assets	19,681,994	20,452,623
Unallocated assets:		
Property, plant and equipment	600	1,074
Loans to related companies	51,500	54,700
Deposits and prepayments	4,453	10,249
Bank balances and cash	2,484,042	390,496
Consolidated total assets	<u>22,222,589</u>	<u>20,909,142</u>

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Total reportable segment liabilities	(10,319,879)	(9,274,507)
Unallocated liabilities:		
Accrued charges	(78,468)	(88,428)
Bank and other borrowings	<u>(1,791,899)</u>	<u>(2,012,605)</u>
Consolidated total liabilities	<u><u>(12,190,246)</u></u>	<u><u>(11,375,540)</u></u>

(c) Revenue from major products and services

An analysis of the Group's revenue for the year from its major products and services is set out in note 3.

(d) Information about geographical areas

All the Group's revenue is attributable to customers in the People's Republic of China (the "PRC") and over 90% of the Group's total non-current assets are located in the PRC and the remaining non-current assets are located in Hong Kong.

(e) Information about major customers

In view of the nature of the toll road business, there are no major customers and suppliers. For the property business, there was no customer who accounted for over 10% of the total revenue generated from property business.

5. OTHER GAINS AND LOSSES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Gains on disposal of interests in joint ventures	578,597	10,272
Impairment losses on interests in joint ventures	(158,000)	–
Losses on disposal of property, plant and equipment	(1,485)	(1,017)
Increase in fair value of investment properties	40,678	–
Net exchange gains	<u>66,743</u>	<u>335,384</u>
	<u><u>526,533</u></u>	<u><u>344,639</u></u>

6. SHARE OF RESULTS OF JOINT VENTURES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Share of profits of infrastructure joint ventures before amortisation and taxation	762,966	1,220,488
Less share of: Amortisation of toll road operation rights	(191,834)	(208,821)
Current tax	(85,203)	(100,050)
Deferred tax	(1,500)	(12,000)
	<u>484,429</u>	<u>899,617</u>
Share of profits of other joint ventures	<u>29,894</u>	<u>10,142</u>
	<u><u>514,323</u></u>	<u><u>909,759</u></u>

The current tax amount represents the share of the PRC enterprise income tax attributable to the PRC infrastructure joint ventures.

Deferred tax has been provided for temporary differences between the carrying amount of toll road operation rights and the corresponding tax base used in the computation of taxable profits for the PRC infrastructure joint ventures. For the infrastructure joint ventures that enjoyed preferential rate of 15% or lower for the PRC enterprise income tax as at 31 December 2007, based on a grandfathering provision, the tax rate increases progressively to 25% over five years from 1 January 2008 onwards.

7. FINANCE COSTS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest on:		
Borrowings wholly repayable within five years	364,424	319,882
Borrowings not wholly repayable within five years	–	122,468
	<u>364,424</u>	<u>442,350</u>
Total borrowing costs	364,424	442,350
Other finance costs	<u>40,422</u>	<u>27,254</u>
	404,846	469,604
Less: Capitalised in properties under development for sale	<u>(300,411)</u>	<u>(312,749)</u>
	<u><u>104,435</u></u>	<u><u>156,855</u></u>

Borrowing costs capitalised during the year are calculated by applying an average capitalisation rate of 4.74% (2008: 5.71%) per annum to expenditure on qualifying assets.

8. PROFIT BEFORE TAXATION

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	23,079	15,021
Less: Capitalised in properties under development for sale	<u>(811)</u>	<u>(1,063)</u>
	<u>22,268</u>	<u>13,958</u>
Operating lease rentals in respect of leasehold land, premises and equipment	13,801	22,725
Less: Capitalised in properties under development for sale	<u>(741)</u>	<u>(817)</u>
	<u>13,060</u>	<u>21,908</u>
Staff costs	167,694	178,422
Provident fund scheme contributions, net of forfeited contributions of HK\$195,000 (2008: HK\$343,000)	22,470	24,635
Less: Capitalised in properties under development for sale	<u>(44,926)</u>	<u>(52,278)</u>
Total staff costs (excluding Directors' emoluments)	<u>145,238</u>	<u>150,779</u>
Auditor's remuneration	5,049	5,327
Cost of inventory of properties recognised as an expense	4,061,924	4,110,060
and after crediting:		
Bank interest income	13,751	15,320
Rental income in respect of investment properties with insignificant rental outgoings	<u>4,654</u>	<u>1,329</u>

9. INCOME TAX EXPENSES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax:		
PRC enterprise income tax ("EIT")	162,092	128,034
PRC land appreciation tax ("LAT")	109,237	115,124
PRC withholding tax	15,725	–
	<u>287,054</u>	<u>243,158</u>
Deferred tax:		
Current year	15,227	123,535
	<u>302,281</u>	<u>366,693</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.

10. DIVIDENDS PAID

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
2008 final dividend paid of HK\$0.20 (2008: HK\$0.28 for 2007) per share	147,785	210,752
2009 interim dividend paid of HK\$0.20 (2008: HK\$0.05) per share	147,824	37,534
	<u>295,609</u>	<u>248,286</u>

A final dividend in respect of 2009 of HK\$0.30 per share amounting to a total of approximately HK\$222 million has been declared by the Board. The amount has not been included as a liability in the consolidated financial statements as it was declared after the end of the reporting period.

The amount of the proposed final dividend has been calculated on the basis of 739,116,566 shares in issue as at 26 March 2010.

11. EARNINGS PER SHARE

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	<u>728,080</u>	<u>656,429</u>
	2009 Number of shares '000	2008 Number of shares '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	738,993	750,694
Effect of dilutive potential ordinary shares:		
Share options	<u>—</u>	<u>662</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>738,993</u>	<u>751,356</u>

The share options outstanding during the year ended 31 December 2009 were anti-dilutive because the exercise prices of the share options were higher than the average market prices of the shares of the Company during the year.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

On 26 May 2007, 天津順馳濱海不動產投資管理有限公司, a wholly-owned subsidiary of Sunco Property Holdings Company Limited (“Sunco Property”), entered into sale and purchase agreements with certain subsidiaries of Sunco Real Estate Investment Limited (“Sunco Real Estate”), being the vendor, for the acquisition of, inter alia, the entire equity interests in 天津順馳新地置業有限公司 and 天津順馳融信置地有限公司 (collectively referred to as the “Tianjin Companies”) at a total cash consideration of RMB563,180,000 (equivalent to HK\$632,787,000). Sunco Real Estate was controlled by Mr. Sun Hongbin (“Mr. Sun”), the then major beneficial owner of Sunco Property prior to the Group’s acquisitions of Sunco Property in 2007. Upon the completion of the acquisition of additional interest in Sunco Property by the Group on 20 July 2007, Sunco Property became an indirect subsidiary of the Company and, in the absence of the circumstances described below, the Tianjin Companies would also have become indirect subsidiaries of the Company, of which the Group would have 89.46% equity interests in them as at 31 December 2008.

As at 31 December 2008, although the Group’s PRC legal counsel confirmed that the legal procedures in respect of the acquisition of the Tianjin Companies were completed and the acquisition was legally enforceable under the relevant laws in the PRC, the Group had not yet obtained effective control over the Tianjin Companies as the former management of the Tianjin Companies did not allow the representatives of the Group to access to the then office of the Tianjin Companies, and hand over the official seals, the books and records as well as other relevant documents of the Tianjin Companies. As the Group did not obtain effective control or exercise significant influence over the operating and financing policies of the Tianjin Companies, the Tianjin Companies were not then considered as subsidiaries or associates of the Company and therefore the financial statements of the Tianjin Companies had not been consolidated into or equity accounted for in the Group’s consolidated financial statements for each of the two years ended 31 December 2008. Instead, the investments in the Tianjin Companies were accounted for as available-for-sale financial assets and had been recorded at cost less impairment as at 31 December 2008 and 2007 because the investments were unquoted equity shares whose range of reasonable fair value estimates was so significant that the Directors were of the opinion that the fair values could not be measured reliably. Based on the impairment review on the investments in the Tianjin Companies, in the opinion of the Directors, no impairment on the investment cost in the Tianjin Companies was considered necessary.

With the assistance provided by the Tianjin municipal government, the Group received the official seals of the Tianjin Companies on 24 August 2009 and was able to carry out the due diligence works on the books and records as well as other relevant documents of the Tianjin Companies in September 2009. In the opinion of the Directors, the Group obtained effective control to govern the financial and operating policies of the Tianjin Companies so as to obtain benefits from their activities in September 2009. Accordingly, the assets and liabilities of the Tianjin Companies and their results have been consolidated in the Group’s consolidated financial statements since the date the Group obtained effective control.

13. DEBTORS, DEPOSITS AND PREPAYMENTS

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Aged analysis of debtors, presented based on invoice date:		
Within 60 days	11,227	12,279
60 to 90 days	6,267	340
More than 90 days	14,263	11,139
	<u>31,757</u>	<u>23,758</u>
Deferred consideration on disposal of interest in a joint venture	27,211	14,719
Interest receivable	1,439	253
Prepayment of business tax and other taxes	115,904	101,573
Other receivables, deposits and prepayments	154,640	545,760
	<u>330,951</u>	<u>686,063</u>

Debtors of the Group are mainly arisen from sale of properties. Consideration in respect of properties sold is paid in accordance with the terms of the related sale and purchase agreements, normally within 60 days from the agreements. Consideration under pre-sale contracts will be fully received prior to the delivery of the properties to the purchasers.

14. CREDITORS AND ACCRUED CHARGES

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Aged analysis of creditors, presented based on invoice date:		
Within 60 days	9,299	33,332
60 to 90 days	11,339	2,770
More than 90 days	99,722	105,386
	<u>120,360</u>	<u>141,488</u>
Accrued construction costs	1,872,993	1,157,891
	<u>1,993,353</u>	<u>1,299,379</u>
Interest payable	66,385	70,384
Accrued taxes (other than EIT and LAT)	15,595	13,750
Other accrued charges	363,482	373,298
	<u>2,438,815</u>	<u>1,756,811</u>

15. TOTAL ASSETS LESS CURRENT LIABILITIES/NET CURRENT ASSETS

The Group's total assets less current liabilities at 31 December 2009 amounted to HK\$15,386,182,000 (2008: HK\$15,419,328,000). The Group's net current assets at 31 December 2009 amounted to HK\$10,042,778,000 (2008: HK\$8,590,609,000).

DIVIDEND

The Board has resolved to recommend a final dividend of HK\$0.30 (2008: HK\$0.20) per ordinary share for the year ended 31 December 2009 to the shareholders of the Company whose names appear in the register of members of the Company on Thursday, 20 May 2010, subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting. It is expected that payment of the final dividend will be made on or before Tuesday, 15 June 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17 May 2010 to Thursday, 20 May 2010, both days inclusive, during which no transfer of shares will be registered for the purpose of determining entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 14 May 2010.

BUSINESS REVIEW

The Group's profit attributable to shareholders for 2009 was HK\$728 million, representing an increase by 10.9% over 2008. The earnings per share for 2009 was HK\$0.99 (2008: HK\$0.87). Having benefited from disciplined management, the revival of the mainland property market and the realisation of our interest in Jihe Expressway (Eastern Section), the financial position of the Group has significantly improved. As at the end of 2009, the Group's bank balances and cash amounted to HK\$2,887 million, which was substantially higher as compared with HK\$796 million at the end of 2008.

Toll Road Business

In 2009, total traffic volume and toll revenue of the Group's toll road projects were 115 million vehicles and RMB2,222 million (approximately HK\$2,511 million), as compared to 124 million vehicles and RMB2,545 million (approximately HK\$2,812 million) in 2008. The decrease was due to the reduction of the portfolio, including the disposal of our interests in Jihe Expressway (Eastern Section), Yugong Highway in Guangxi and part of Yulin City Ring Road in 2009.

The cash generated from the toll road business attributable to the Group was reduced to HK\$539 million (2008: HK\$1,083 million), which has resulted from the changes in cash distribution ratios of the two major expressway projects in Hebei in accordance with the joint venture agreements after the Group had recouped its investments in 2009. Meanwhile, the disposal of our interest in Jihe Expressway (Eastern Section) generated a cash inflow of HK\$1,208 million to the Group, crystallising all the future contributions from such project. In addition, the Group recorded some profit in completing the disposal of our interests in Yugong Highway and part of Yulin City Ring Road to our PRC joint venture partner in May 2009.

The toll revenue of the Group's expressways in 2009 was HK\$2,062 million, represented 82% (2008: 79%) of the total amount derived from all the Group's toll road projects.

Property Business

As a result of the introduction of various measures to stimulate the property market following the outbreak of financial tsunami, the mainland property market has achieved a remarkable rebound since the second quarter of 2009. According to the National Bureau of Statistics of China, total national sales value and area of properties for 2009 surged by more than 75% and 42% respectively as compared to those of 2008.

In 2009, the performance of the Group's property business was satisfactory. Contracted sales and pre-sale of properties (excluding the joint venture project in Shanghai) for the year amounted to HK\$6,288 million which was 2.6 times of 2008. However, due to the time lag between pre-sale and actual delivery, the immediate positive impact brought by the recovery of property market was not fully reflected in 2009's results, and only HK\$4,600 million (2008: HK\$4,631 million) was accounted for as revenue in the consolidated financial statements for the year. In view of the current pre-sale performance and in the absence of any material adverse change in the property market, the Group is confident that the property business will make a more positive contribution to the Group in 2010 and has the potential to outperform our toll road business.

With the support of the Tianjin municipal government, the Group duly assumed its control over the two Tianjin Companies in September 2009 and removed the uncertainties over their control in the past two years. Coordinated by the government, the Group has also reactivated the development of the projects in Tianjin. It is expected that developable floor area of the projects in Tianjin can reach 1.35 million sqm and Tianjin will become a profit centre of the Group.

The Group has been integrating its property business since late 2007. After two years of endeavours, the Group has polished and perfected its management team, strengthened and improved the management system, its work flow and execution, and enhanced the quality of products and standard of its property management services, which in all we believe will provide a solid foundation for the further development of the Group's property business.

In respect of the acquisition of new projects, the Group adheres to the principle of financial prudence by insisting on the return, cash flow and capital requirements before new investment is made. At the end of 2009, the Group secured a parcel of residential land with developable floor area of 268,000 sqm in Huadu District, Guangzhou at a consideration of RMB830 million.

In January 2010, the Group completed the acquisition of 1,319 shares of Sunco Property from Elite Rich Investments Limited, an indirect wholly-owned subsidiary of Wai Kee Holdings Limited at a total consideration of HK\$88.3 million. The Group's interests in Sunco Property has since then increased from 89.46% to approximately 94.74%.

Disputes in connection with Sunco Property

Litigations in the PRC

As disclosed in note 12 to the consolidated financial statements in this announcement, the Group has taken over the control of the Tianjin Companies and therefore the legal proceedings in the PRC regarding the control of the Tianjin Companies have been discontinued.

Litigations in Hong Kong

With regard to the litigation proceedings against the former shareholders of Sunco Real Estate by the Group in October 2007, the processes for the discovery of evidence and preparation of witness statements have been completed and the trial will soon commence. The Group will continue to pursue its claims in a manner that is in the interests of the Company and its shareholders as a whole, and further announcement will be made as and when appropriate.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 December 2009, shareholders' equity increased to HK\$9,852 million (2008: HK\$9,369 million). The increase was mainly attributable to the profit generated during the year. Net assets per share attributable to shareholders of the Company increased to HK\$13.3 (2008: HK\$12.7).

As at 31 December 2009, the Group's total assets were HK\$22,223 million (2008: HK\$20,909 million). Bank balances and cash were HK\$2,887 million (2008: HK\$796 million), of which 86% was denominated in Renminbi and the remaining 14% was denominated in US dollars or HK dollars.

Financing activities

The Group had drawn down several project loans in the PRC amounting to RMB1,079 million in aggregate and repaid project loans amounting to RMB875 million in aggregate in 2009. In addition, the Group had repaid other borrowings amounting to RMB990 million in aggregate.

Debt and gearing

The gearing ratio, representing the interest bearing bank borrowings to the shareholders' equity of the Group dropped from 76% at the end of 2008 to 65% as at 31 December 2009. The net gearing ratio, representing the difference of Group's total bank borrowings and the bank balances and cash to the shareholders' equity, was reduced significantly from 66% at the end of 2008 to 34% as at 31 December 2009. The significant reduction in the Group's leverage level was the result of repayment of certain borrowings due to the cash generated from the disposal of toll road projects and the significant improvement of the pre-sale of properties. Interest coverage was 13.9 times (2008: 9.7 times).

As at 31 December 2009, the Group's total borrowings were HK\$6,401 million (2008: HK\$7,163 million). The maturity profile of the Group's total borrowings is set out as follows:

	As at 31 December	
	2009	2008
	<i>HK\$'million</i>	<i>HK\$'million</i>
Repayable:		
Within one year	1,201	1,425
After one year but within two years	2,081	648
After two years but within five years	3,119	3,559
After five years	–	1,531
	<hr/>	<hr/>
Total borrowings	6,401	7,163

The Group's borrowings were largely denominated in US dollars. Other than the US\$200 million 6.25% fixed rate guaranteed notes due 2011 and the US\$200 million 7.625% fixed rate senior notes due 2014, the Group's borrowings were mainly on a floating rate basis.

Financing and treasury policies

The Group continues to adopt prudent financing and treasury policies. All the Group's financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies are made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

Charges on assets

As at 31 December 2009, bank balances of HK\$207 million (2008: HK\$164 million) were pledged as security in favour of banks for 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 deposits, properties valued at HK\$3,745 million (2008: HK\$2,074 million) and the shares of certain subsidiaries were pledged as securities for certain loan facilities.

Exposure on foreign exchange fluctuations

The Group's borrowings are mainly denominated in US dollars but its cash flow is generated from projects whose earnings were denominated principally in Renminbi. As a result, the appreciation of Renminbi has contributed to the Group's 2009 results. Save for the aforesaid, the Group has no significant exposure to foreign exchange fluctuation and no hedging has been arranged on the abovementioned exposure.

Exposure on interest rate

The interest rates of both the Renminbi and the US dollars have been reduced since the outbreak of the global financial turmoil in 2008. The one-year interest rate for Renminbi borrowings remained at 531 basis points as at 31 December 2009 while the London Interbank Offered Rate for the US Dollars dropped from 200 basis points at the end of 2008 to 98 basis points at the end of 2009.

The Group's borrowings are mainly denominated in Renminbi and US dollars and the Group is benefited from the continued low interest rate level. The Directors consider that the monetary policies implemented by the PRC and the US governments will continue to have a major impact on the Group's results and operation. No hedging has been arranged on the abovementioned exposure.

Contingent liabilities

As at 31 December 2009, the Group provided guarantees of HK\$3,433 million in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's properties. The guarantees will be released when the customers pledge their real estate certificates as securities to the banks for the mortgage loans granted.

Employees

Excluding the staff of joint ventures, the Group had 1,296 employees as at 31 December 2009. Expenditure on staff (excluding Directors' emoluments) amounted to HK\$190 million. Employees are remunerated according to their performance and contribution. Other employee benefits include but not limited to provident fund, insurance, medical cover and training programs, as well as a share option scheme. No share option was granted in 2009.

PROSPECTS

In 2010, the Group believes that the toll road business will continue to benefit from the economic development in the PRC, thus providing the Group with a reliable source of cash flow and profits. Meanwhile, the Group will seek to divest its portfolio of Class I/II highways and increase the value of its existing toll roads, and continue to seek appropriate new expressway projects for investment.

Although the economic stimulus measures have been replaced by the new tightening controls, the Group remains positive on the mainland property market in 2010. Building on its current foundation, the Group will continue to perfect its management team, enhance the quality of its products and build up the brand loyalty. In addition, the Group will actively strive for new development opportunities which meet return, cash flow and capital requirements, and seek to become a renowned reliable property developer.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2009, the Group purchased its 6.25% fixed rate guaranteed notes due 2011 in the aggregate principal amount of US\$5 million at 96% of its notional value. The fixed rate guaranteed notes are listed on the Singapore Exchange Securities Trading Limited.

Save as the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to the application of good corporate governance practices and procedures. The Company has complied throughout the year ended 31 December 2009 with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules except for the deviation from code provision A.4.1 that Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Bye-law 87 of the Company's Bye-laws. The Company considers that this is no less exacting than those provided in the Code.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2009, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Jade Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 20 May 2010 at 2:30 p.m. and the notice of Annual General Meeting will be published and despatched to the shareholders of the Company 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 of the Company and published on the aforesaid websites in due course.

APPRECIATION

The Board would like to take this opportunity to express hearty gratitude to all shareholders, business partners, and loyal and dedicated staff.

By order of the Board
Road King Infrastructure Limited
Zen Wei Pao, William
Chairman

Hong Kong, 26 March 2010

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Ko Yuk Bing, Chan Kam Hung, Fong Shiu Leung, Keter, and Zen Wei Peu, Derek as Executive Directors, Messrs. Guo Limin and Xu Ruxin as Non-executive Directors and Messrs. Chow Shiu Kee, Stephen, Lau Sai Yung and Dr. Chow Ming Kuen, Joseph as Independent Non-executive Directors.