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ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

MAJOR TRANSACTION — DISPOSAL OF THE SALE INTEREST IN, AND SALE LOAN TO JIHE EXPRESSWAY (EASTERN-SECTION)

On 1 June 2009, Intersafe, a wholly-owned subsidiary of the Company, and the Company entered into the Agreement with the Purchaser, to sell the Sale Interest together with the Sale Loan, for an aggregate consideration of RMB1,068,800,000 (equivalent to approximately HK\$1,209,050,000). After the Disposal, the Company will cease to have any interest in Jihe Expressway (Eastern-Section).

Implications under the Listing Rules

The transaction contemplated under the Agreement constitutes a major transaction of the Company and requires the approval of the Shareholders under Rule 14.40 of the Listing Rules.

A circular containing, among other things, (i) further particulars of the Agreement; (ii) the financial information required to be disclosed in that circular under the Listing Rules; and (iii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

THE AGREEMENT

On 1 June 2009, Intersafe, the Purchaser and the Company entered into the Agreement. Set out below is a summary of the major terms of the Agreement:

Date: 1 June 2009

Parties:

- (1) Intersafe, a wholly-owned subsidiary of the Company, as vendor;
- (2) Shenzhen Expressway Company Limited, as the Purchaser, further information in relation to which is set out in “Information on the Purchaser” below; and
- (3) the Company, as guarantor to guarantee the obligations with respect to the transfer of the Sale Interest and the payment of Intersafe under the Agreement should the Agreement be terminated.

Transaction: Intersafe has agreed to sell and the Purchaser has agreed to purchase:

- (1) the Sale Interest, representing 45% of the registered capital of Jihe Expressway (Eastern-Section), including the right to receive distributions arising from the Sale Interest commencing from 1 April 2009; and
- (2) the Sale Loan.

Intersafe will therefore enjoy entitlement to distributions attributable to the Sale Interest for all periods up to 31 March 2009, and will bear its proportionate share of tax liability of Jihe Expressway (Eastern-Section) up to that date. The Purchaser has also agreed to reimburse Intersafe for income tax payable by it in connection with its sale of the Sale Interest and the Sale Loan.

*Consideration and
payment schedule:*

The Consideration for the Sale Interest and Sale Loan is RMB1,068,800,000 (equivalent to approximately HK\$1,209,050,000).

Payments are to be made by the Purchaser as follows:

- The Purchaser is to pay a refundable prepayment of RMB50,000,000 (equivalent to approximately HK\$56,561,000) in cash within seven business days after receiving the written notice from Intersafe to be issued after the signing of the Agreement. The prepayment is refundable within seven business days of the termination of the Agreement, with interest accrued thereon at the RMB fixed deposit rate applicable to that period.
- An additional RMB950,000,000 (equivalent to approximately HK\$1,074,661,000) is payable by the Purchaser in cash in Hong Kong Dollars within seven business days after (i) the satisfaction of all the conditions precedent; (ii) the payment of relevant taxes and the obtaining of tax clearance from the relevant tax bureau by the Purchaser; (iii) the obtaining of the relevant approval from the State Administration of Foreign Exchange by the Purchaser for the buying of foreign currency to settle the Consideration; and subject to the issue of an acknowledgement from the State Administration For Industry & Commerce of the submission by the Purchaser and Jihe Expressway (Eastern-Section) of applications for the change of registrations relating to the transfer of the Sale Interest.
- The remaining RMB68,800,000 (equivalent to approximately HK\$77,828,000) is payable by the Purchaser in cash in Hong Kong Dollars within seven business days after completion of formalisation and registrations relating to the transfer of the Sale Interest.

The Consideration is arrived at after arm's length negotiations between the parties on normal commercial terms. The Company has taken into account (i) the book values of the Sale Interest and the Sale Loan as at 31 December 2008 amounting to RMB506,866,000 (equivalent to approximately HK\$573,378,000) in aggregate and 45% of the profits after taxation of Jihe Expressway (Eastern-Section) attributable to the Group of approximately RMB126,424,000 (equivalent to approximately HK\$143,014,000) for the year ended 31 December 2008 according to accounting principles generally accepted in Hong Kong; and (ii) 45% of the net profit before and after taxation and extraordinary items of Jihe Expressway (Eastern-Section) for the year ended 31 December 2008 (calculated in accordance with PRC GAAP) amounting to RMB133,342,000 (equivalent to approximately HK\$150,840,000) and RMB109,600,000 (equivalent to approximately HK\$123,982,000) respectively.

Conditions precedent: The conditions precedent of the Agreement are set out below:

- (i) the passing at the board meeting of Jihe Expressway (Eastern-Section) of all necessary resolutions to approve the Agreement and the transaction contemplated thereunder;
- (ii) the passing by the respective shareholders at general meetings, if required, of the Company, the Purchaser and Shenzhen International Holdings Limited (the holding company of the Purchaser) respectively of all necessary resolutions to approve the Agreement and the transactions contemplated thereunder;
- (iii) the obtaining of the approval and consent of the relevant PRC regulatory authorities for foreign investment in respect of the Disposal; and
- (iv) Intersafe producing written consent from the agent bank, representing the lenders, to RKI Finance Limited to the facility agreement (as amended and supplemented from time to time) entered into between RKI Finance Limited, a wholly-owned subsidiary of the Company and lenders on 11 April 2007 with Intersafe as one of the guarantors.

If these conditions precedent are not fulfilled by the Long Stop Date, i.e. 30 September 2009, the party which has not fulfilled the relevant condition precedent may give notice to the other parties to postpone the Long Stop Date to 31 October 2009. If the conditions precedent cannot be fulfilled by 31 October 2009 or such later date as the parties may have agreed, the Agreement will lapse.

As at the date of this Announcement, none of the conditions precedent has yet been fulfilled or waived.

Completion: The Company currently accounts for Jihe Expressway (Eastern-Section) in the Company's consolidated financial statements on an equity accounting basis and will cease to do so on satisfaction of all the conditions set out in the section "Conditions Precedent" above.

INFORMATION ON JIHE EXPRESSWAY (EASTERN-SECTION) AND THE GROUP AND REASONS FOR THE DISPOSAL

The Company is an investment holding company. The principal activities of the Group including the infrastructure joint ventures are investment in, development, operation and management of toll roads and property development projects in the PRC.

Jihe Expressway (Eastern-Section) is a sino-foreign co-operative joint venture established in the PRC. Intersafe and the Purchaser share the profit and loss of Jihe Expressway (Eastern-Section) as to 45% and 55% respectively. Jihe Expressway (Eastern-Section) commenced operations in 1997 with an operating period to March 2027. It owns and operates the two-way six-lane eastern section of the Shenzhen Airport-Heao Expressway which connects Qinghu and Heao of Shenzhen of over 23 kilometres in length. The expressway forms part of the coastal national trunk highway of Tongsan Highway (Tongjiang, Heilongjiang — Sanya, Hainan) and is also a major artery in the Pearl River Delta. In 2008, the section of the expressway operated by Jihe Expressway (Eastern-Section) had a daily average mixed traffic flow of approximately 90,000 vehicles, with a daily average toll revenue of approximately RMB1,200,000.

Based on the audited financial statements of Jihe Expressway (Eastern-Section) prepared under the PRC GAAP for the two years ended 31 December 2008 and 31 December 2007: (i) the net profit before taxation and extraordinary items of Jihe Expressway (Eastern-Section) for the above years were approximately RMB296,316,000 (equivalent to approximately HK\$335,199,000) and approximately RMB267,033,000 (equivalent to approximately HK\$302,074,000) (restated as a

result of the release of new accounting interpretation on 7 August 2008) respectively; and (ii) the net profit after taxation and extraordinary items of Jihe Expressway (Eastern-Section) for the above years were approximately RMB243,556,000 (equivalent to approximately HK\$275,516,000) and approximately RMB220,544,000 (equivalent to approximately HK\$249,484,000) (restated as described above) respectively.

The Disposal represents a good opportunity for the Group to realise its investment in Jihe Expressway (Eastern-Section). After the Disposal, the Company will cease to have any interest in Jihe Expressway (Eastern-Section). Assuming that the completion of the Disposal will take place on 30 September 2009, an estimated unaudited gain (being the amount by which the Consideration exceeds the aggregate of estimated transaction costs and the unaudited book value of the Group's total investment cost in the Sale Interest and Sale Loan) of approximately HK\$544,746,000 is expected to arise from the Disposal. The proceeds, net of expenses, from the Disposal are intended to be used for reducing the Group's gearing. The Directors (including Independent Non-executive Directors) considered that the terms of the Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE PURCHASER

The Purchaser is principally engaged in the investment, construction, operation and management of toll highways and roads. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, and save for the fact that the Purchaser is the Group's joint venture partner in Jihe Expressway (Eastern-Section), the Purchaser and its holding company, whose shares are traded on the Stock Exchange, are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Agreement constitutes a major transaction of the Company and requires the approval of the Shareholders under Rule 14.40 of the Listing Rules.

A circular containing, among other things, (i) further particulars of the Agreement; (ii) the financial information required to be disclosed in that circular under the Listing Rules; and (iii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

Definitions

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the agreement dated 1 June 2009 entered into between Intersafe, the Purchaser and the Company in respect of the sale and purchase of the Sale Interest and the Sale Loan
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Road King Infrastructure Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB1,068,800,000 (equivalent to approximately HK\$1,209,050,000) for the acquisition by the Purchaser of the Sale Interest and the Sale Loan
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Interest and the Sale Loan by Intersafe to the Purchaser
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Intersafe”	Intersafe Investments Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
“Jihe Expressway (Eastern-Section)”	Shenzhen Airport-Heao Expressway (Eastern-Section) Co. Ltd., a sino-foreign co-operative joint venture established in the PRC. Intersafe and the Purchaser share the profit and loss of Shenzhen Airport-Heao Expressway (Eastern-Section) Co. Ltd. as to 45% and 55% respectively
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2009, unless extended as set out in this announcement
“PRC”	the People’s Republic of China
“PRC GAAP”	the accounting principles generally accepted in the PRC

“Purchaser”	Shenzhen Expressway Company Limited, a joint stock limited company incorporated in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange
“Sale Interest”	45% of the registered capital of Jihe Expressway (Eastern-Section) held by Intersafe
“Sale Loan”	RMB158,431,000 (equivalent to approximately HK\$179,221,000) in principal amount of the indebtedness owed to Intersafe by Jihe Expressway (Eastern-Section) as at 31 March 2009
“SGM”	the special general meeting of the Company to be convened to consider and if thought fit, to approve the Agreement and the transactions contemplated thereunder
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK\$1.00 = RMB0.884 have been used for currency translation, where applicable. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount in HK\$ or RMB have been, could have been or may be converted at such or any other rates or at all.

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

Hong Kong, 1 June 2009

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. Hu Aimin and Zhang Yijun as Non-executive Directors and Messrs. Chow Shiu Kee, Stephen, Lau Sai Yung and Dr. Chow Ming Kuen, Joseph as Independent Non-executive Directors.