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ROAD KING INFRASTRUCTURE LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1098)

DISCLOSEABLE TRANSACTION

THE DISPOSAL

On 5 February 2013, the Vendor and the Purchaser entered into the Agreements whereby the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at a consideration of RMB400,000,000 in aggregate pursuant to the terms set out therein.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 5 February 2013, the Vendor and the Purchaser entered into the Agreements whereby the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at a consideration of RMB400,000,000 in aggregate pursuant to the terms set out therein. Save for the level(s) in the Property and the relevant consideration, the terms of the Agreements are identical. The principal terms of the Agreement are set out as below:

- Date : 5 February 2013
- Vendor : Guangzhou Junde Real Estate Limited, an indirectly wholly-owned subsidiary of the Company
- Purchaser : 曾志光 (Zeng Zhiguang)**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

Consideration : In respect of Level 1 of the Property, RMB210,000,000 (equivalent to approximately HK\$262,500,000) which is to be paid in the following manner:

- (a) as to RMB63,000,000 upon signing of the Agreement (inclusive of an earnest money in the amount of RMB16,000,000 paid by the Purchaser to the Vendor on 15 January 2013);
- (b) as to RMB63,000,000 on or before 19 February 2013;
and
- (c) as to RMB84,000,000 on or before 30 April 2013.

In respect of Levels 2 and 3 of the Property, RMB190,000,000 (equivalent to approximately HK\$237,500,000) which is to be paid in the following manner:

- (a) as to RMB57,000,000 upon signing of the Agreement (inclusive of an earnest money in the amount of RMB4,000,000 paid by the Purchaser to the Vendor on 15 January 2013);
- (b) as to RMB57,000,000 on or before 19 February 2013;
and
- (c) as to RMB76,000,000 on or before 30 April 2013.

The consideration was determined after arm's length negotiation between the parties by reference to the prevailing market price of properties in the vicinity of the Property.

Expected completion date : 1 July 2013

Other documentation : Upon payment of 60% of the consideration under the relevant Agreement, the Vendor and the Purchaser (or its nominee) will enter into a subscription letter. Upon full payment of the consideration under the relevant Agreement, the Vendor and the Purchaser (or its nominee) will enter into a property commodity sale and purchase agreement and arrange for registration of a transfer of title at the relevant authority in the PRC.

Default by the Purchaser : Default in payment by the Purchaser of the consideration will attract a daily additional interest in the amount of 0.05% of the outstanding consideration due. The Vendor has a right to terminate an Agreement if payment of consideration is overdue for over 60 days, in which case the Vendor has the right to forfeit the earnest money and consideration paid and require default payment in an amount of 20% of the total consideration under that Agreement.

Pursuant to a supplemental agreement to the Agreements dated 5 February 2013 between the Vendor and the Purchaser, if the Purchaser fails to perform its obligations (including but not limited to its payment obligations) in accordance with the terms of either of the Agreements, the Vendor has the right not to perform all of its obligations under any of the Agreements, and at its discretion terminate either or both of the Agreements. Where the Vendor exercises its right to terminate both Agreements, it has the right to forfeit the earnest money and consideration paid under both Agreements.

Default by the Vendor : If the Vendor fails to deliver the Property in accordance with the terms of an Agreement, the Vendor will be required to pay a daily additional interest in the amount of 0.05% of the Consideration. The Purchaser has a right to terminate an Agreement if the delivery of Property is delayed for over 60 days, in which case the Purchaser has the right to require the payment in the amount of twice the earnest money and default payment in an amount of 20% of the total consideration under that Agreement.

Tenant's pre-emption right : The Disposal is subject to the tenant's pre-emption right to purchase the relevant unit in the Property. In the event a tenant exercises the pre-emption right in accordance with the relevant laws and regulations of the PRC, upon the completion of registration of a transfer of title from the Vendor to such tenant, the relevant portion of the consideration already paid by the Purchaser under that Agreement will be refunded interest-free by the Vendor to the Purchaser.

INFORMATION ON THE PROPERTY

The Property, with an aggregate gross floor area of approximately 7,000 square metres, is for commercial use and it will be assigned subject to various tenancies at completion of the Disposal.

FINANCIAL EFFECT OF THE DISPOSAL

Taking into account the carrying value of the Property of RMB356,045,000 (equivalent to approximately HK\$445,056,000) as at 31 December 2012, upon completion of the Disposal, it is estimated that the Group will record a gain on disposal of approximately RMB43,955,000 (equivalent to approximately HK\$54,944,000) before deducting tax and expenses.

Based on the prevailing accounting standards generally accepted in Hong Kong as at the date of this announcement, the net profits of the Property (both before and after taxation and extraordinary items) attributable to the Group for the two years ended 31 December 2011 were as follows:

	For the year ended 31 December	
	2011	2010
	HK\$' million	HK\$' million
Net profit before taxation	213.3	91.0
Net profit after taxation	93.7	42.1

The net profits of the Property before and after taxation for year ended 31 December 2010 were attributable to a gain on valuation of the Property. The net profits of the Property before and after taxation for the year ended 31 December 2011 comprised a gain on valuation of the Property of HK\$210.7 million and HK\$91.7 million respectively.

REASONS FOR AND THE BENEFIT OF THE DISPOSAL

The Company is an investment holding company. The principal activities of the Group, including its infrastructure joint ventures, are investment in, development, operation and management of toll roads and property projects in the PRC. The Vendor is principally engaged in the business of development of property projects. Having considered the current property market conditions, the Directors are of the view that the Disposal presents a good opportunity for the Group to realise the value of the Property and to enhance liquidity of the Group.

The Directors consider that the terms of the Agreements are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreements”	the two agreements both dated 5 February 2013 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Level 1 and Levels 2 and 3 of the Property respectively, and each an “Agreement”
“Board”	the board of directors of the Company
“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
“Directors”	the directors of the Company
“Disposal”	the disposal by the Vendor of the Property pursuant to the Agreements
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	Levels 1 to 3, Parkvista Phase II, No. 12, Xingsheng Road, Zhujiang New City, Tianhe District, Guangzhou City, Guangdong Province, the PRC
“Purchaser”	曾志光 (Zeng Zhiguang)**
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

