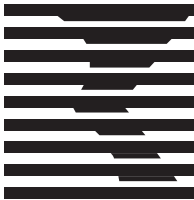


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## **ROAD KING INFRASTRUCTURE LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1098)**

### **DISCLOSEABLE TRANSACTION DEEMED DISPOSAL OF 51% EQUITY INTERESTS IN A WHOLLY-OWNED SUBSIDIARY**

The Board is pleased to announce that on 28 November 2014, Shanghai Junxiang (an indirect wholly-owned subsidiary of the Company), Shanghai Junhe (an indirect wholly-owned subsidiary of the Company through Shanghai Junxiang) and ZRITC entered into the Capital Contribution Agreement pursuant to which ZRITC agreed to make a capital contribution of RMB300 million to Shanghai Junhe.

Upon completion of the initial capital contribution of RMB100 million by ZRITC comprised in the Capital Increase, (i) the registered capital of Shanghai Junhe shall be RMB20.41 million; and (ii) the equity interest in Shanghai Junhe shall be held as to 49% by Shanghai Junxiang and as to 51% by ZRITC. Further contributions towards the Capital Increase will not result in any additional dilution to the Group's interest in Shanghai Junhe.

Accordingly, the equity interest of Shanghai Junxiang in Shanghai Junhe would decrease from 100% to 49%, which constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Capital Increase exceeds 5% but is below 25%, the entering into the Capital Contribution Agreement constitutes a discloseable transaction for the Company, which is subject to the announcement requirement but exempt from shareholders' approval requirement under the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 11 September 2014 in relation to the successful bid of the land use right of the Land by the Group and Shanghai International Autocity. On 24 October 2014, the Project Company was incorporated in the PRC, which was principally engaged in the development of the Land. The Project Company has a registered capital of RMB100 million, and is owned by Shanghai Junhe and Shanghai International Autocity, a joint venture partner for development of the Land, as to 90% and 10%, respectively.

Shanghai Junhe, an indirect wholly-owned subsidiary of the Company, was incorporated in the PRC on 23 July 2014. The registered capital of Shanghai Junhe was RMB10 million, which was contributed by Shanghai Junxiang, an indirect wholly-owned subsidiary of the Company. Following to the successful bid of the land use right of the Land by the Group and Shanghai International Autocity at a price of RMB1,205 million on 11 September 2014, 50% of the land premium of the Land has been paid by the Group (through an interest bearing shareholder's loan of RMB532.25 million to Shanghai Junhe) and Shanghai International Autocity at an amount pro-rata to each of their respective equity holding in the Project Company. The remaining 50% share of the land premium of the Land, being RMB602.5 million, will be payable by the Project Company in early 2015. As at 30 September 2014, the unaudited consolidated net asset value of Shanghai Junhe was approximately RMB10 million. As Shanghai Junhe was incorporated only this year, it does not have any financial results for the two years ended 31 December 2013.

The Company is pleased to announce that it has secured, subject to the fulfilment of certain conditions precedent, funding of RMB300 million under the Capital Contribution Agreement to further finance the acquisition and development of the Land.

## **PRINCIPAL TERMS OF THE CAPITAL CONTRIBUTION AGREEMENT**

### **Date:**

28 November 2014

### **Parties:**

Shanghai Junxiang is a company established in the PRC. The principal business of Shanghai Junxiang is to develop residential properties in the PRC.

Shanghai Junhe is a company established in the PRC. The principal business of Shanghai Junhe is to act as investment holding company.

ZRITC, as far as the Company is aware and after making reasonable enquiries, is a trust company established under the laws of the PRC which is principally engaged in operation of the trust business.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, ZRITC and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as at the date of this announcement.

### **Capital Injection**

ZRITC agreed to deploy senior trust funding raised under the Trust Program to make capital contributions in a total of RMB300 million to Shanghai Junhe by instalments. The initial capital contribution will be in the sum of RMB100 million, among which RMB10.41 million will be contributed to the registered capital of Shanghai Junhe and the remaining RMB89.59 million will be contributed to the capital reserve of Shanghai Junhe. The subsequent contributions in the aggregate of RMB200 million will be contributed to the capital reserve of Shanghai Junhe. The capital injected is for the development of the Land held by the Project Company. In order to maintain the proportion of capital reserves of Shanghai Junhe contributed by Shanghai Junxiang and ZRITC in accordance with their percentage of interests in the registered capital of Shanghai Junhe, upon subsequent contributions towards capital reserves made by ZRITC under the Capital Increase, a pro-rata amount of the shareholder's loan to Shanghai Junhe will be converted into capital reserves by Shanghai Junxiang.

Together with the existing registered capital of Shanghai Junhe of RMB10 million, upon completion of the initial capital injection of RMB100 million by ZRITC comprised in the Capital Increase, Shanghai Junhe will have an enlarged registered capital of RMB20.41 million, and its equity interest will be owned as to 49% and 51% by Shanghai Junxiang and ZRITC, respectively. Accordingly, Shanghai Junhe will then cease to be a subsidiary of the Company. Further contributions towards the Capital Increase will not result in any additional dilution to the Group's interest in Shanghai Junhe.

### **Conditions Precedent**

ZRITC shall make the initial capital contribution within five business days after the satisfaction of the following major conditions (or waiver thereof by ZRITC):

- (i) the Trust Program has been established and effective;
- (ii) Shanghai Junhe and Shanghai Junxiang have obtained or completed (as the case may be) all necessary approvals, consents, permissions, licenses, shareholders' resolutions and board resolutions relating to the execution and performance of the Capital Contribution Agreement and its related documentation;
- (iii) there is no material adverse change in relation to certain aspects of Shanghai Junhe, such as any business operations, financial status or properties of Shanghai Junhe after execution of the definitive documents;

- (iv) Shanghai Junhe and Shanghai Junxiang have fully and timely performed each of their respective obligations under the Capital Contribution Agreement and other definitive documents, and that there have been no occurrence of any event of default as stipulated in any of the definitive documents which have been signed and executed by each of them, nor any circumstances which may have compromised the safety of the trust properties or prejudiced any rights of ZRITC under any of the definitive documents; and
- (v) none of the PRC laws, regulations, regulatory rules and legal proceedings prevent the the implementation of the Capital Contribution Agreement.

### **The Board of Directors of Shanghai Junhe**

Upon completion of the initial capital contribution of RMB100 million by ZRITC comprised in the Capital Increase, the board of directors of Shanghai Junhe shall comprise three directors, of which two directors shall be nominated by ZRITC and one director shall be nominated by Shanghai Junxiang. The appointment of chairman of the board, the change of directors, the change of registered capital, the issue of debt instruments and, among other things, the transfer of equity interest to a person other than shareholders (subject to the transfer restrictions stated in the section “Transfer Restrictions” below) of Shanghai Junhe shall be decided by the unanimous approval of Shanghai Junxiang and ZRITC.

### **Transfer Restrictions**

From the time when the initial capital contribution is made by ZRITC to the date on which the equity interest held by ZRITC in Shanghai Junhe are transferred, Shanghai Junxiang shall not transfer all or part of its equity interest in Shanghai Junhe to any other person without the written consent of ZRITC.

### **SUPERVISION AGREEMENT**

In conjunction with the Capital Contribution Agreement, Shanghai Junxiang, Shanghai Junhe, ZRITC, Shanghai International Autocity and the Project Company have entered into a supervision agreement under which management of the Project Company including the development of the Land will be done by the joint supervision of Shanghai Junxiang and Shanghai International Autocity, subject to certain veto rights of and administrative fee payable to ZRITC.

### **REASONS AND BENEFITS OF ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT**

The total amount of capital contribution of RMB300 million payable by ZRITC from the Trust Program under the Capital Contribution Agreement is, as mentioned above, to fund part of the purchase price of the Land payable by the Project Company. It will be provided by Shanghai Junhe to the Project Company either by way of an increase of registered capital of, or shareholder’s loan to, the Project Company.

The terms of the Capital Contribution Agreement including the amount of capital contribution of RMB300 million payable by ZRITC and the equity interest it will hold in Shanghai Junhe was determined based on the arm's length negotiations between the parties with reference to (i) the consolidated net asset value of Shanghai Junhe (after taking into account market price of the Land); (ii) the cost of funding to the Group and the interest payable by Shanghai Junhe to the Group in respect of shareholder's loan advanced; and (iii) the Group's plans for the development and sale of the Land.

The Company believes that the transactions contemplated under the Capital Contribution Agreement are beneficial to the Company and its shareholders as a whole as the Group will then effectively have secured a passive investor that provides its pro rata share of acquisition cost for the Land while allowing the Group management control, subject to veto rights, over the development of the Land.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Contribution Agreement are on normal commercial terms, which are fair and reasonable and are in the best interest of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Capital Contribution Agreement and is required to abstain from voting from the Board resolutions for considering and approving the Capital Contribution Agreement pursuant to the bye-laws of the Company and applicable laws and regulations.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in property development and property investment in the PRC. The development of real estate property through joint venture is considered by the Company to be in its ordinary and usual course of business.

## **LISTING RULES IMPLICATIONS**

Upon completion of the initial capital contribution of RMB100 million by ZRITC comprised in the Capital Increase, the equity interest of Shanghai Junxiang in Shanghai Junhe would decrease from 100% to 49%, which constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Capital Increase exceeds 5% but is below 25%, the entering into the Capital Contribution Agreement constitutes a discloseable transaction for the Company, which is subject to the announcement requirement but exempt from shareholders' approval requirement under the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Capital Contribution Agreement”	the agreement dated 28 November 2014 entered into among Shanghai Junxiang, Shanghai Junhe and ZRITC in relation to the Capital Increase
“Capital Increase”	the capital increase by ZRITC to Shanghai Junhe in the amount of RMB300 million pursuant to the Capital Contribution Agreement
“Company”	Road King Infrastructure Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Land”	a piece of land of 72,378.10 square metres in Jiading District, Shanghai, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Project Company”	上海雋達置業有限公司 (Shanghai Junda Real Estate Ltd.*), a single-purpose joint venture company established in the PRC, which are owned as to 90% and 10% by Shanghai Junhe and Shanghai International Autocity, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai International Autocity”	上海國際汽車城(集團)有限公司 (Shanghai International Autocity (Group) Co., Ltd.*), a substantial shareholder of 上海雋安置業有限公司 (Shanghai Junan Real Estate Ltd.*) (a non wholly-owned subsidiary of the Company)

“Shanghai Junhe”	上海雋合置業有限公司 (Shanghai Junhe Real Estate Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Shanghai Junxiang”	上海雋翔房地產開發有限公司 (Shanghai Junxiang Properties Development Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Program”	中融－融盈安泰7號集合資金信託計劃 (Zhongrong-Rong Ying An Tai No. 7 Collective Fund Trust Scheme*), a scheme of trust of collective funds proposed to be established by ZRITC, under which, ZRITC, as the trustee of the Trust Program, will collect funds for the Capital Increase
“ZRITC”	中融國際信託有限公司 (Zhongrong International Trust Co., Ltd.*), a trust company established in the PRC and a third party independent of the Company and its connected persons as at the date of this announcement
“%”	per cent

By order of the Board  
**ROAD KING INFRASTRUCTURE LIMITED**  
**Zen Wei Pao, William**  
*Chairman*

Hong Kong, 28 November 2014

*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, Zen Wei Peu, Derek and Xu Ruxin as Executive Directors, Messrs. Lu Hua, Lam Wai Hon, Patrick and Gao Shengyuan as Non-executive Directors and Mr. Lau Sai Yung, Dr. Chow Ming Kuen, Joseph, Mr. Tse Chee On, Raymond and Mr. Wong Wai Ho as Independent Non-executive Directors.*

\* for identification purpose only