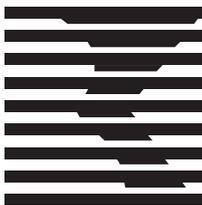


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## **ROAD KING INFRASTRUCTURE LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1098)**

### **MAJOR AND CONNECTED TRANSACTION – PROPOSED TRANSFER INCIDENTAL TO FORMATION OF JOINT VENTURE**

### **POSSIBLE CONNECTED TRANSACTION IN RELATION TO THE BALANCING TRANSACTIONS**

#### **INVESTMENT AGREEMENT**

On 6 October 2022 (after trading hours), Road King, Build King, Shine Precious and Wise Start entered into the Investment Agreement regarding the Project Company for the purpose of the development of the Project.

To form the “joint venture” between Shine Precious and Wise Start in relation to the Project, the Investment Agreement provides that subject to the fulfilment of conditions precedent:

- (i) Shine Precious has agreed to sell and assign, and Wise Start has agreed to purchase and take assignment of, the Sale Shares (which represent 20% of the Project Company’s shares in issue) at the price of HK\$15,700 and the Sale Loans (in the principal amount of HK\$800,000,000) at the face value, at a total Consideration of HK\$800,015,700; and
- (ii) Shine Precious has agreed to provide the RK Commitment, being further shareholder loans from the Road King Group to the Project Company which, when aggregated with existing shareholder loans due to the Road King Group immediately following Completion, shall amount to HK\$3,200,000,000.

In addition, Shine Precious has agreed that Wise Start has the Loan Redemption Right to require the Redemption by the Project Company of all or part of the shareholder loans due to it on certain redemption dates at the Redemption Price calculated by reference to a formula described below, after which Shine Precious shall require certain Balancing Transactions to be effected in order to achieve the intended proportionality between the respective JV Parties' shareholding in, and shareholder loans (including the RK Commitment) to, the Project Company. The Redemption obligation of the Project Company is guaranteed by Road King.

Following Completion, the Project Company will be owned as to 80% by Shine Precious and 20% by Wise Start and will remain a subsidiary of Road King and the results of operations and financial position of the Project Group will continue to be recorded in the Road King Group's consolidated financial statements.

### **IMPLICATIONS UNDER THE LISTING RULES**

Wai Kee is a substantial shareholder of Road King and therefore a connected person of Road King under the Listing Rules. Build King and Wise Start are associates of Wai Kee and connected persons of Road King under the Listing Rules. Accordingly, the transactions contemplated under the Investment Agreement (including the Transfer and the RK Commitment) constitute connected transactions of Road King under the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer (which is incidental to the formation of the "joint venture" with respect to the Project between Shine Precious and Wise Start) are more than 25% but less than 75%, the Transfer contemplated under the Investment Agreement constitutes a major and connected transaction for Road King and is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) for the Balancing Transactions that will be triggered upon the exercise of the Loan Redemption Right by Wise Start are less than 5% and the total consideration is less than HK\$3,000,000, the acquisition of voting rights by Shine Precious pursuant to the Balancing Transactions constitutes a de minimis connected transaction for Road King and is fully exempt from circular and independent shareholders' approval requirements under Rules 14A.76(1) and 14A.79(1) of the Listing Rules. However, Road King will make an appropriate announcement as required under Rule 14A.61 of the Listing Rules following the exercise by Wise Start of the Loan Redemption Right.

A Circular containing, among others, (i) further details of the Investment Agreement; (ii) a property valuation report on the Project; (iii) the advice of Altus Capital Limited, the independent financial adviser to the Independent RK Shareholders; (iv) other information required to be disclosed under the Listing Rules; and (v) a notice of the RK SGM, will be despatched to the shareholders of Road King on or before 23 November 2022 in order to allow sufficient time for Road King to prepare the necessary information to be included in the Circular.

## **INTRODUCTION**

The board of directors of Road King is pleased to announce that after trading hours on 6 October 2022, Road King, Build King, Shine Precious and Wise Start entered into the Investment Agreement regarding the Project Company for the purpose of the development of the Project.

To form the “joint venture” between Shine Precious and Wise Start in relation to the Project, the Investment Agreement provides that subject to the fulfilment of conditions precedent disclosed in this announcement:

- (i) Shine Precious has agreed to sell and assign, and Wise Start has agreed to purchase and take assignment of, the Sale Shares (which represent 20% of the Project Company’s shares in issue) at the price of HK\$15,700 and the Sale Loans (in the principal amount of HK\$800,000,000) at the face value, at a total Consideration of HK\$800,015,700; and
- (ii) Shine Precious has agreed to provide the RK Commitment, being further shareholder loans from the Road King Group to the Project Company which, when aggregated with existing shareholder loans due to the Road King Group immediately following Completion, shall amount to HK\$3,200,000,000.

Following Completion, the Project Company will be owned as to 80% by Shine Precious and 20% by Wise Start and will remain a subsidiary of Road King.

In addition, Shine Precious has agreed that Wise Start has the right to require the redemption by the Project Company of all or part of the shareholder loans due to it on certain redemption dates at the Redemption Price calculated by reference to the formula described below, after which Shine Precious shall require certain Balancing Transactions to be effected in order to achieve the intended proportionality between the respective JV Parties’ shareholding in, and shareholder loans (including the RK Commitment) to, the Project Company. The Redemption obligation of the Project Company is guaranteed by Road King.

## THE INVESTMENT AGREEMENT

The principal terms of the Investment Agreement are set out below:

- Date : 6 October 2022
- Parties : (1) Shine Precious
- (2) Wise Start
- (3) Road King (as guarantor of the obligations of Shine Precious under the Investment Agreement and guarantor of the Redemption obligation of the Project Company)
- (4) Build King (as guarantor of the obligations of Wise Start under the Investment Agreement)

Information on the parties is set out under “Reasons for and the benefits of the entering into the Investment Agreement” below.

Consideration for Transfer : The Consideration is HK\$800,015,700, of which HK\$15,700 is attributable to the Sale Shares (as Cost of Sale Shares) and HK\$800,000,000 is attributable to the Sale Loans. The Consideration is payable in cash on Completion.

The Consideration was arrived at after arm’s length negotiations between the parties to the Investment Agreement. Road King took into account (i) the unaudited consolidated net deficit of the Project Company as at 31 August 2022 attributable to the Sale Shares; (ii) the nominal and paid up capital of the Sale Shares; (iii) the principal amount of the Sale Loans; (iv) no commercial value being attributable by an independent valuer to the Site as the Development Company has not yet obtained valid title of the Site or signed a land grant contract for the Project given that the Project is still in its resettlement and demolition phase; (v) the development plan of the Project (including its projected funding requirements) as described in “Information of the Project Group and the Project” below; and (vi) the intended 80:20 equity interests of the Road King Group and the Build King Group in the Project Company following Completion. The Consideration is expected to be utilized for working capital purposes of the Road King Group.

- Conditions Precedent for Transfer : The obligations of the parties to the Investment Agreement to proceed to Completion are conditional upon the following conditions being satisfied:
- (a) resolutions being passed by the Independent RK Shareholders in the RK SGM to approve the transactions contemplated under the Investment Agreement as required by the Listing Rules;
  - (b) resolutions being passed by the Independent BK Shareholders in the BK SGM to approve the transactions contemplated under the Investment Agreement as required by the Listing Rules;
  - (c) resolutions being passed by the shareholders of Wai Kee in the WK SGM to approve the transactions contemplated under the Investment Agreement as required by the Listing Rules; and
  - (d) the delivery of a fairness opinion to the trustee(s) of the Bonds and Perpetual Securities to the extent required under their terms and conditions.
- Completion of Transfer : Completion is to take place on the third business day following the day on which the conditions precedent are fulfilled (or such later date as the parties may agree in writing).
- Business of the Project Company : The development of the Project (including the demolition of buildings on the Site and the resettlement of owners of land and/or buildings on the Site), the sale of units on the Site and the management of the completed development and other activities that are wholly incidental thereto, unless otherwise agreed between the JV Parties.
- Funding of the Project Company and the RK Commitment : The JV Parties agree that working capital requirements of the Project Company are to be met first, to the extent practicable, by way of external borrowings or financing to be sought from banks or financial institutions.

Shine Precious has agreed, subject to Completion taking place, to provide further shareholder loans to the Project Company, as the board of the Project Company may from time to time require for any of the following purposes:

- (a) to fund working capital of the Project Group;
- (b) to fund any Redemption; and/or
- (c) to ensure that shareholder loans outstanding immediately prior to any repayment of the same (except for the purpose of any Redemption) is proportionate to the then shareholding of the JV Parties in the Project Company.

Such additional loans, when aggregated with all shareholder loans due to the Road King Group from the Project Company immediately following Completion, shall amount to the RK Commitment.

The RK Commitment was determined after arm's length negotiations between the parties with reference to the development plan of the Project (including its projected funding requirements) as described in "Information of the Project Group and the Project" below, the principal amount of Sale Loans and the amount of additional advances that Shine Precious would need to make so that the total amount of shareholder loans provided by the respective JV Parties will become proportionate to the shareholding of the JV Parties in the Project Company immediately following Completion.

Loan Redemption Right : Wise Start has the Loan Redemption Right to require the Project Company to repay (i) up to 50% of the principal amount of the Sale Loans due to Wise Start on the day immediately preceding the first anniversary of Completion; and (ii) up to the balance of shareholder loans due to Wise Start on 28 February 2025 (or if any of these two days is not a business day, the next following business day).

The Redemption Price is to be an amount calculated using the following formula:

$$P + [P/L \times (E - S) \times 20\%]$$

where

P = the principal amount of the Sale Loans being redeemed pursuant to the exercise of the Loan Redemption Right

L = the principal amount of the Sale Loans

E = the consolidated net asset value of the Project Company as at a date that falls within 3 calendar months prior to the date of the relevant redemption notice delivered in accordance with the terms of the Investment Agreement with the inventory of properties comprised in the Project marked to market value as at the same date. The “market value” of such properties shall be the amount specified in a valuation report issued by an independent property valuer for this purpose and includes, if valid title to the Site has not then been obtained by the Project Group, the indicative market value of such properties based on assumptions no more favourable than those adopted in the valuation report of the Site to be included in the Circulars;

S = the consolidated net asset value of the Project Company as at 31 August 2022 as shown in the accountants report on the Project Company to be included in the Circular to be despatched to the shareholders of Build King

provided, where (E – S) is an amount less than zero, then it shall be deemed to be zero.

The Redemption Price is to be payable within five business days after determination of the Redemption Price, subject to extension to such longer period as a JV Party may specify in writing to the other JV Party for the purpose of allowing Road King, Build King and/or Wai Kee a reasonable time to comply with the applicable requirements of the Listing Rules.

- Balancing Transactions : At any time following a Redemption, Shine Precious shall effect the Balancing Transactions by (i) requiring Wise Start to transfer to Shine Precious some or all of its shares in the Project Company at Cost of Sale Shares attributable to each share; or (ii) (if Wise Start fails promptly (and in any event within five business days) to effect such transfer in accordance with the request of Shine Precious) requiring the Project Company to issue to Shine Precious additional shares at nominal value, in each case, such that Wise Start's shareholding interest in the Project Company is reduced to such proportion as the principal amount of Wise Start's shareholder loans then outstanding bears to HK\$4,000,000,000 (being the aggregate of the Sale Loans and RK Commitment).
- Investor rights : For so long as (i) Wise Start's shareholder loans to the Project Company represents no less than 20% of the total amount of shareholder loans then outstanding; and (ii) Wise Start remains a subsidiary of Build King, amongst other things:
- (a) Wise Start shall be entitled to appoint and remove one director to the board of the Project Company (where such board will comprise not less than five directors); and
  - (b) Wise Start will have customary information rights on the Project Group, and veto rights for changes to the share capital of or issue of shares by the Project Company (except for a Balancing Transaction), disposal of any interest in any member of the Project Group or the Project and/or any borrowings or encumbrances (except for any Subsisting Guarantees, any Project Financing and encumbrances granted in connection with such Project Financing and/or disposals in connection with the sale or pre-sale of units developed), any change of the business of the Project Company, its constitutional documents, liquidation of any member of the Project Group, and non-arm's length related party transactions.

- Distribution and Proportionality of Shareholder Loans : The Project Company shall not make any distribution by way of dividends or otherwise unless no shareholder loan remains outstanding. Unless otherwise agreed between the JV Parties and save to the extent of the RK Commitment, no advances shall be made other than by way of shareholder loans the principal amount of which shall be proportionate to the shareholding of the JV Parties in the Project Company.
- Transfer of shareholding interest : Wise Start may not transfer any shares of the Project Company held by it without the consent of Shine Precious.
- In addition, any transfer of shares in the Project Company by a JV Party will be subject to the right of first refusal of the other JV Party, and customary tag-along and drag-along rights. Any such transfers will be subject to the compliance with Listing Rules applicable at the time to Road King, Wai Kee and/or Build King (as the case may be).
- Termination : Prior to Completion, (i) if any of the conditions precedent are not fulfilled by a JV Party on or before 23 December 2022 (or such later date as the JV Parties may agree in writing), the Investment Agreement will terminate at the end of that day; or (ii) if any JV Party fails to comply with its Completion obligations, or if there is a material breach by a JV Party of the representations and warranties given in the Investment Agreement, the other JV Party may, by notice in writing to such JV Party, terminate the Investment Agreement.
- Following Completion, if a JV Party is liquidated, dissolved, becomes bankrupt or insolvent, enters into any composition, reconstruction or arrangement with its creditors in respect of a significant proportion of its assets, is in material breach of its obligations under the Investment Agreement, or (in the case of Shine Precious only) the Subsisting Guarantees are enforced against the Project Group, the other JV Party may terminate the Investment Agreement by giving 30 days' written notice. In addition, the non-defaulting JV Party has the right to:
- (a) (if Wise Start is in default) Shine Precious may require Wise Start to sell its shares in the Project Company and to assign its shareholder loans in the Project Company to Shine Precious at the Cost of Sale Shares attributable to the relevant shares held by Wise Start and the principal amount of the shareholder loans due from the Project Company to Wise Start at the relevant time; or

- (b) (if Shine Precious is in default) Wise Start may require Shine Precious to buy Wise Start's shares in the Project Company and to assign its shareholder loans to Shine Precious at the Cost of Sale Shares and Redemption Price attributable to those shares and shareholder loans at the relevant time.

Any such transfers will be subject to the compliance with Listing Rules applicable at the time to Road King, Wai Kee and/or Build King (as the case may be).

The Investment Agreement will also terminate on the date when either JV Party ceases to hold any shares of the Project Company, or if a resolution is passed to wind up the Project Company or a liquidator is otherwise appointed.

Upon termination of the Investment Agreement, no JV Party will have any obligation towards the other save for antecedent breaches and (in the case of a termination after Completion) the rights of the parties in relation to the sale and purchase of shares and shareholder loan described above.

## **INFORMATION OF THE PROJECT GROUP AND THE PROJECT**

The Project Company is an investment holding company incorporated in the British Virgin Islands. Through its wholly-owned subsidiaries, it wholly-owns the Development Company which is the developer of the Project and is the 100% holding company of the Management Company.

The Development Company was established to engage in the development of the Site. Its registered capital is RMB50 million, all of which has been fully paid up. The Road King Group acquired the Development Company in stages since April 2014. The Development Company was accounted for as a wholly-owned subsidiary of Road King since 2019. The sellers of the Development Company were independent third parties that are not connected persons of Road King. The original acquisition cost of the Development Company to the Road King Group was RMB550 million. The Management Company was established for and its current business is the management of the current residential development (to be demolished) on the Site. Save for the Development Company and the Management Company, other members of the Project Group are investment holding companies.

The Project is an urban renewal project referred to as Haitao Garden at the Site located at Haitao Garden, 58 Haitao Road, Yantian District, Shenzhen, the PRC and was built in the 1980s. It involves the demolition and resettlement of a total of 58 residential buildings with some commercial facilities, covering a development site area of 44,339.4 sq.m. (with planned gross floor area of 242,980 sq.m.), and the re-development of the Site thereafter. Under the current development plan, subject to the relevant regulatory approvals being obtained, the Project entails a new property development project that has 223,780 sq.m. gross floor area for residential use, 12,600 sq.m. gross floor area for commercial use and 6,600 sq.m. gross floor area for ancillary public facilities.

As at 15 August 2022, the Development Company has either resettled or contracted to resettle well over 95% of the 1,281 owners on the Site covering over 95% of the gross floor area. This entitles the Development Company to local district government-assisted mediation of resettlement terms with the remaining owners or, failing which, the exercise of resumption rights by the local government and on-sale of resumption properties to the Development Company. After the Development Company has acquired the property interests of all the owners of the existing properties on the Site (and subject to its urban renewal proposal remaining valid and the renewal project remaining part of the Shenzhen Municipal Bureau of Urban Planning and Land Resources' development plan), it can then apply to become the developer of the Project (實施主體). Following the demolition of the existing buildings on the Site and the cancellation of the property registration of those buildings, the developer of the Project can then formally apply for the relevant planning and construction approvals for the Project and enter into land use rights grant contract with the relevant state-owned land authority in which the land premium payable for proposed development (including the increase in plot ratio) will be specified. Once the land use rights grant contract has been entered into and the land premium has been paid in accordance with the requirements thereunder, the Development Company will become the owner of the land use rights to the Site. The Project Group plans to commence demolition and construction works by the end of 2023 and pre-sales of the residential Project units in 2025.

The Site is well located with seafront at its South-eastern side and park facilities across the street at the Western boundary of the Site. The Site is within walking distance from a shopping centre, five star hotel, retail shops, schools and hospitals, and the Sha Tau Kok border crossing between mainland China and Hong Kong. It also has access to the public transportation network such as buses and subway to the central business districts in Shenzhen, Luohu and Hong Kong. Other urban renewal projects in the vicinity are also expected to contribute to the gentrification and attractiveness of this area and the population of this area is expected to increase.

The unaudited consolidated net loss of the Project Group before and after taxation for each of the years ended 31 December 2020 and 2021 were as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2020</b>	<b>2021</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net loss before taxation	(4.6)	(3.1)
Net loss after taxation <sup>1</sup>	(4.6)	(0.7)

*Note 1:* The reduced losses in the year ended 31 December 2021 was mainly attributable to interest income receivable on funds advanced by the Development Company to owners of existing properties on the Site in order to secure the release of mortgages of those properties, to facilitate completion of the transfer of those properties to the Development Company in the year ended 31 December 2021.

The unaudited consolidated net deficit of the Project Company as at 31 August 2022 was approximately HK\$8.6 million and the Project is booked at cost. As at 31 August 2022, the Road King Group has advanced shareholder loan in the principal amount of approximately HK\$2,134 million to the Project Group. To fund completion of re-settlement and demolition works and subsequent development works, the Road King Group has budgetted total financing for the Project Group (inclusive of external financing) of approximately HK\$4,500 million and HK\$5,900 million up to the end of December 2023 and February 2025, respectively.

## **REASONS FOR AND THE BENEFITS OF THE ENTERING INTO THE INVESTMENT AGREEMENT**

Road King is an investment holding company and the Road King Group is principally engaged in property development and investment in the PRC and Hong Kong, with a focus on residential developments, investment and asset management businesses, and development, operation and management of toll roads through infrastructure joint ventures in the PRC and Indonesia. Shine Precious is principally engaged in investment holding.

Build King is an investment holding company and its group companies are principally engaged in the undertaking of construction projects in Hong Kong and the PRC and are also engaged in environmental and waste management and marine engineering. Wise Start is principally engaged in investment holding.

The Transfer under the Investment Agreement would allow the Road King Group to release cash value in respect of 20% of its interest in the Project on normal commercial terms or better, which cash can be deployed in and towards the working capital of the Road King Group. Given that the Project Group is currently wholly-owned by Road King, the RK Commitment does not increase the Road King Group's expected funding requirements for the Project.

Under the Investment Agreement, apart from the need to share with Wise Start the pro rata portion of the change in value or return generated by the Project (depending on whether Wise Start elects to exercise the Loan Redemption Right or continue to hold its initial investment to the completion of the Project), the Road King Group need not relinquish any substantive control over its interest in and the development of the Project, which Road King considers to be more favourable to Road King than having to debt finance a comparable portion of its investment in the Project or to seek other joint venture partners (which would likely be a potential competitor of the Road King Group). The Balancing Transactions ensure that proportionality between the JV Parties' shareholding and shareholder loans (including the RK Commitment) can be maintained after any redemption of the Sale Loans pursuant to an exercise of Loan Redemption Right.

Road King estimates that, in connection with the Transfer, it will not recognise any material gain or loss in its consolidated income statement but will recognise a surplus in its consolidated reserves that is not material in the context of the consolidated net assets of the Road King Group. Following Completion, the Project Company will be an 80% owned subsidiary of Road King and the results of operations and financial position of the Project Group will continue to be recorded in the Road King Group's consolidated financial statements.

The directors of Road King (other than its independent non-executive directors whose views will be included in the Circular to be despatched to the shareholders of Road King in relation to the Investment Agreement) are of the view that the terms of the Investment Agreement (including but not limited to the terms of the Transfer, RK Commitment, Loan Redemption Right and Balancing Transactions) are on normal commercial terms, and such terms are fair and reasonable and in the interests of Road King and its shareholders as a whole.

Mr. Zen Wei Peu, Derek is the chairman of the board of directors, an executive director and a shareholder of Road King. Mr. Zen Wei Peu, Derek is also the vice chairman of the board of directors, chief executive officer, an executive director and a controlling shareholder of Wai Kee, and the chairman of the board of directors, chief executive officer, managing director and shareholder of Build King. Accordingly, Mr. Zen Wei Peu, Derek has abstained from voting on the board resolutions of Road King approving the terms of the Investment Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Wai Kee (through its subsidiaries) is interested in 336,608,428 shares of Road King, representing approximately 44.92% of Road King's shares in issue. Accordingly, Wai Kee is a substantial shareholder of Road King and therefore a connected person of Road King under the Listing Rules. As at the date of this announcement, Wai Kee (through its subsidiaries) is interested in 704,945,033 shares of Build King, representing approximately 56.76% of Build King's shares in issue. Build King and Wise Start are therefore associates of Wai Kee and connected persons of Road King under the Listing Rules. Accordingly, the transactions contemplated under the Investment Agreement (including the Transfer and the RK Commitment) constitute connected transactions of Road King under the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer (which is incidental to the formation of the “joint venture” with respect to the Project between Shine Precious and Wise Start) are more than 25% but less than 75%, the Transfer contemplated under the Investment Agreement constitutes a major and connected transaction for Road King and is therefore subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) for the Balancing Transactions that will be triggered upon the exercise of the Loan Redemption Right by Wise Start are less than 5% and the total consideration is less than HK\$3,000,000, the acquisition of voting rights by Shine Precious pursuant to the Balancing Transactions constitutes a de minimis connected transaction for Road King and is fully exempt from circular and independent shareholders’ approval requirements under Rules 14A.76(1) and 14A.79(1) of the Listing Rules. However, Road King will make an appropriate announcement as required under Rule 14A.61 of the Listing Rules following the exercise by Wise Start of the Loan Redemption Right.

A Circular containing, among others, (i) further details of the Investment Agreement; (ii) a property valuation report on the Project; (iii) the advice of Altus Capital Limited, the independent financial adviser to the Independent RK Shareholders; (iv) other information required to be disclosed under the Listing Rules; and (v) a notice of the RK SGM, will be despatched to the shareholders of Road King on or before 23 November 2022 in order to allow sufficient time for Road King to prepare the necessary information to be included in the Circular.

Wai Kee and its associates will abstain from voting at the RK SGM on the resolution for approving the transactions contemplated under the Investment Agreement. As Mr. Zen Wei Peu, Derek holds, as at the date of this announcement, 23,649,000 shares of Road King (being approximately 3.16% of Road King’s shares in issue), 249,424,078 shares of Wai Kee (being approximately 31.45% of Wai Kee’s shares in issue) and 123,725,228 shares of Build King (being approximately 9.96% of Build King’s shares in issue), he will also abstain from voting at the RK SGM on the resolution to approve the transactions contemplated under the Investment Agreement pursuant to Rule 2.15 of the Listing Rules.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Balancing Transaction(s)”	the transfer of shares of the Project Company from Wise Start to Shine Precious and/or the issue of shares of the Project Company to Shine Precious such that the shareholding by the JV Parties in the Project Company after the exercise of the Loan Redemption Right by Wise Start is proportionate to the shareholder loans due from the Project Company to the respective JV Parties (on the basis that Shine Precious has advanced shareholder loans up to the RK Commitment)

“BK SGM”	means the special general meeting of Build King to be convened and held to consider and, if thought fit, to approve the transactions contemplated under the Investment Agreement
“Bonds and Perpetual Securities”	the various senior guaranteed notes and senior guaranteed perpetual capital securities, all listed on the Singapore Exchange, issued by RKP Overseas Finance 2016 (A) Limited, RKI Overseas Finance 2017 (A) Limited, RKPF Overseas 2019 (A) Limited, RKPF Overseas 2019 (E) Limited, RKPF Overseas 2020 (A) Limited and guaranteed by Road King
“Build King”	Build King Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 240)
“Build King Group”	Build King and its subsidiaries
“Circular(s)”	shareholders circulars to be despatched by Road King and Build King and Wai Kee respectively in connection with the transactions contemplated under the Investment Agreement or that one of them as the context may require
“Completion”	completion of the Transfer
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by Wise Start to Shine Precious for the Transfer
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Cost of Sale Shares”	HK\$15,700, being the consideration ascribed to the Sale Shares
“Development Company”	深圳市盛世盈豐投資發展有限公司, a company established in the PRC which is the developer of the Project and is indirectly wholly-owned by the Project Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent BK Shareholders”	the shareholders of Build King other than Wai Kee and Mr. Zen Wei Peu, Derek and its/his associates who are required by the Listing Rules to abstain from voting on the resolutions approving the Investment Agreement and the transactions contemplated thereunder

“Independent RK Shareholders”	the shareholders of Road King other than Wai Kee and Mr. Zen Wei Peu, Derek and its/his associates who are required by the Listing Rules to abstain from voting on the resolutions approving the Investment Agreement and the transactions contemplated thereunder
“Investment Agreement”	the Investment Agreement regarding the Project Company dated 6 October 2022 entered into between Shine Precious, Wise Start, Road King and Build King
“JV Parties”	collectively, Shine Precious and Wise Start, and each a “JV Party”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Redemption Right”	the right granted to Wise Start under the Investment Agreement to require the Project Company to repay the shareholder loans (or part thereof) due to Wise Start on specified redemption dates
“Management Company”	深圳市盛世盈豐物業管理有限公司, a company established in the PRC which manages the residential development on the Site and is wholly-owned by the Development Company
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purposes of this announcement does not include Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan
“Project”	an urban renewal project involving the demolition and resettlement and re-development of the Site
“Project Company”	Rainbow Triumph Limited (彩喜有限公司), an investment-holding company incorporated in the British Virgin Islands which indirectly wholly-owns the Development Company
“Project Financing”	from time to time, the borrowings and financing sought from banks or other financial institutions to finance the development of the Project
“Project Group”	Project Company and its subsidiaries
“Redemption”	the redemption of all or part of the Sale Loans pursuant to exercise of the Loan Redemption Right by Wise Start

“Redemption Price”	the price at which the relevant amount of the Sale Loans will be repaid to Wise Start upon exercise of the Loan Redemption Right by Wise Start
“RK Commitment”	further shareholder loans from the Road King Group that Shine Precious commits to advance to the Project Company which, when aggregated with existing shareholder loans due to the Road King Group immediately following Completion, shall amount to HK\$3,200,000,000
“RK SGM”	means the special general meeting of Road King to be convened and held to consider and, if thought fit, to approve the transactions contemplated under the Investment Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Road King”	Road King Infrastructure Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1098)
“Road King Group”	Road King and its subsidiaries
“Sale Loans”	shareholder loans due from the Project Company to Shine Precious, in the principal amount of HK\$800,000,000
“Sale Shares”	2,000 shares of the Project Company, representing 20% of the issued shares of the Project Company as at the date of the Investment Agreement
“Shine Precious”	Shine Precious Limited (耀貴有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Road King
“Site”	the site at which the Project is situated, located at Haitao Garden, 58 Haitao Road, Yantian District, Shenzhen, the PRC with a development site area of approximately 44,339.4 sq.m.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsisting Guarantees”	the subsisting guarantees given by any member of the Project Group in respect of the Bonds and Perpetual Securities or other bonds and perpetual securities issued by the Road King Group
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Transfer”	the sale and purchase of the Sale Shares, and the assignment of the Sale Loans on the terms of the Investment Agreement
“Wai Kee”	Wai Kee Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 610)
“Wai Kee Group”	Wai Kee and its subsidiaries
“Wise Start”	Wise Start Global Limited (啟智環球有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Build King
“WK SGM”	means the special general meeting of Wai Kee to be convened and held to consider and, if thought fit, to approve the transactions contemplated under the Investment Agreement
“%”	per cent.
“sq.m.”	square meter(s)

By Order of the Board  
**Road King Infrastructure Limited**  
**Zen Wei Peu, Derek**  
*Chairman*

Hong Kong, 6 October 2022

*As at the date of this announcement, the Board of Directors of Road King comprises Messrs. Zen Wei Peu, Derek, Ko Yuk Bing, Fong Shiu Leung, Keter and Ng Fun Hung, Thomas as Executive Directors, Ms. Cai Xun and Mr. Xu Enli as Non-executive Directors and Messrs. Lau Sai Yung, Tse Chee On, Raymond, Wong Wai Ho and Ms. Hui Grace Suk Han as Independent Non-executive Directors.*