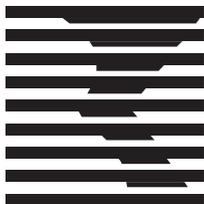


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ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

DISCLOSEABLE TRANSACTION DEEMED DISPOSAL OF INTEREST IN A SUBSIDIARY

On 2 August 2018, the Investor, the Company and RKE entered into the Subscription Agreement, pursuant to which RKE has agreed to allot and issue, and the Investor has agreed to subscribe for the Subscription Shares at the Subscription Price of US Dollars equivalent of HK\$2,000,000,000 (subject to adjustment). The Subscription Shares represent 25% of the total number of shares of RKE in issue (as enlarged by the allotment and issue of the Subscription Shares, assuming there is no change in the issued share capital of RKE up to Completion).

Upon Completion, RKE will cease to be an indirect wholly-owned subsidiary of the Company, but will remain as a subsidiary of the Company and the financial information of RKE Group will continue to be consolidated to the Company's consolidated financial statements.

The Subscription constitutes a deemed disposal by the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios for the Subscription under Rule 14.07 of the Listing Rules exceeds 5% but all applicable percentage ratios are below 25%, the Subscription by the Investor constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

SUBSCRIPTION AGREEMENT

Date: 2 August 2018

Parties: (1) The Investor;
(2) The Company; and
(3) RKE

The Investor is an exempted company incorporated in the Cayman Islands with limited liability whose principal business is investment holding. The Investor is ultimately held by CVC Asia Fund IV. CVC Capital Partners is a leading private equity and investment advisory firm that has a network of offices located throughout Europe, Asia and the US. CVC Capital Partners had secured commitments of over US\$110 billion across its private equity and credit strategies as of 17 June 2018. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Investor, CVC Asia Fund IV and its general partner is a third party independent of the Company and its connected person (as defined in the Listing Rules).

The Subscription

Pursuant to and subject to the terms of the Subscription Agreement, RKE has agreed to (and the Company has agreed to procure RKE to) allot and issue, and the Investor has agreed to subscribe for 166,666,667 Subscription Shares.

The Subscription Shares represent 25% of the total number of shares of RKE in issue as enlarged by the allotment and issue of the Subscription Shares, assuming there is no change in the issued share capital of RKE up to Completion.

Subscription Price

The aggregate Subscription Price is the US Dollars equivalent of HK\$2,000,000,000 (subject to adjustment stated below). It is to be paid by the Investor to RKE in cash on the Completion Date.

If:–

- (a) the actual net debt of RKE Group immediately prior to Completion (“**Actual Net Debt**”) exceeds HK\$1.3 billion (the “**Estimated Net Debt**”, being an estimate of the aggregate net debt of RKE Group as at the Completion Date), RKE will declare a dividend for an amount equal to the excess and the Company will waive in favour of the Investor the Company's entitlement to such dividend; or
- (b) the Actual Net Debt is less than the Estimated Net Debt, RKE will declare a dividend for an amount equal to the shortfall and the Investor will waive in favour of the Company the Investor's entitlement to such dividend,

in each case, the Company and the Investor (to the extent it is able) will procure that RKE pays the amount waived to the beneficiary of such waiver.

The Subscription Price is to be used by RKE, and the Company will procure the Subscription Price to be used by RKE, to finance RKE Group's potential mergers and acquisitions, operating expenses for its day-to-day business development, preparation for RKE or its affiliates' future listing or such other purposes as may be approved by RKE Board.

The consideration for the Subscription was arrived at after arm's length negotiations and the Company took into account the unaudited consolidated net asset value and net profit after taxation of the RKE Group as at, and for the year ended, 31 December 2017, the market valuation of other Hong Kong listed toll road operators and the price/earnings multiple implied by the Subscription consideration.

Conditions Precedent

Completion is conditional upon the fulfilment or (where applicable) waiver of the following conditions:

- (a) each of the warranties given by RKE and the Company pursuant to the Subscription Agreement being true, accurate and not misleading in all material respects as at Completion;
- (b) all regulatory consents, approvals, permits, filings or clearances (as the case may be) pursuant to applicable law which are: (i) required for the parties to consummate the transactions contemplated under the Subscription Agreement at Completion and (ii) necessary for the continuing operations of the business of RKE Group in the ordinary course of business, having been obtained and not having been revoked or withdrawn, including but not limited to the approval from the State Administration for Market Regulation ("SAMR") pursuant to the PRC Anti-Monopoly Law or no objection having been raised or qualifications or requirements being imposed by SAMR pursuant to the statutory clearance period under the PRC Anti-Monopoly Law;
- (c) approval being granted by the Bermuda Monetary Authority for the allotment of the Subscription Shares to the Investor;
- (d) no material adverse change having occurred from the date of the Subscription Agreement until the Completion Date;
- (e) the audited consolidated financial statements of RKE for the financial year ended 31 December 2017 being provided to the Investor;
- (f) the half-yearly financial statements of RKE for the period started on 1 January 2018 and ended on 30 June 2018 being provided to the Investor;

- (g) no enforcement of (i) any guarantee provided by any RKE Group Company in favour of the Company or affiliates of the Company (other than a RKE Group Company) under a loan facility (the “**Loan**”); or (ii) any guarantee (the “**Subsidiary Guarantee(s)**”) provided by any RKE Group Company in respect of any series of notes and perpetual capital securities issued by the indirect subsidiaries of the Company (the “**Notes and Perpetuals**”) against a RKE Group Company nor any breach under any series of the Notes and Perpetuals or the Loan having occurred to the satisfaction of the Investor;
- (h) the relevant RKE Group Companies having been designated as and remaining unrestricted subsidiaries under each series of the Notes and Perpetuals; and
- (i) all Subsidiary Guarantees having been and remaining released.

If any of the above conditions is either not satisfied or waived (as the case may be) by 12:00 noon on 31 December 2018, the Subscription Agreement will automatically terminate with immediate effect.

Completion

Completion will take place on the tenth business day after the date on which the last of the approvals from the SAMR and Bermuda Monetary Authority mentioned in the paragraph headed “Conditions Precedent” above are issued or granted (provided that if such date is not the last business day of a calendar month, Completion will take place on the last day of that month) (the “**Completion Date**”), subject to the other conditions being satisfied (to the extent not waived) at Completion, or such other date as may be agreed between the parties.

SHAREHOLDERS AGREEMENT

At Completion, New Select (a wholly-owned subsidiary of the Company), the Company (as guarantor of New Select), the Investor and RKE will enter into the Shareholders Agreement which will regulate the respective rights and responsibilities in respect of the operation and management of the business and affairs of RKE Group.

Certain principal terms of the Shareholders Agreement are summarised as follows:

Scope of Business

The business of RKE Group is the investment in, and the development, operation and management of, toll road projects, and related land development and advertising, and such other business or activities as may be approved in accordance with the terms of the Shareholders Agreement.

Board Composition

The RKE Board will comprise four directors. As long as the Investor or its affiliates hold at least 10% of the issued RKE Shares, the Investor is entitled to appoint one non-executive director and one observer and New Select is entitled to appoint three directors to RKE Board.

The quorum for RKE Board meeting is two directors and save for the reserved matters stated below, any board resolution has to be passed by a simple majority of the attending directors.

So long as the Investor or its affiliates hold at least 10% of the issued RKE Shares and unless otherwise restricted by applicable laws and/or other arrangements, the Investor will have the right to nominate such number of director to the board of directors of any RKE Group Company which represents its shareholding in RKE and RKE's shareholding in the relevant RKE Group Company.

Reserved Matters

So long as the Investor or its affiliates hold at least 5% of the issued RKE Shares, any matter relating to (among other things) alteration of constitutional documents, liquidation, listing, alteration of share capital, declaration of dividend, material acquisition or disposal, formation of or withdrawal from partnership or joint venture, corporate restructuring, adoption of business plan or budget, changing the nature or suspension of business, making of additional material commitment not contemplated and approved in the business plan and budget, entering into related party transaction outside ordinary course of business or not on arm's length terms, settlement of litigation, material variation of insurance policy or terms of bonus or share option, appointment or removal of chief executive officer, chief financial officer or auditors, incurring material indebtedness, creation of charge, material change to accounting policies by any RKE Group Company require the prior written consent of the Investor or a director appointed by the Investor. Such veto rights will terminate upon the listing of RKE Shares or the shares of any RKE Group Company on a recognised stock exchange, at which time the Shareholders Agreement will terminate.

Distributions

The parties agree that RKE will promptly declare a cash dividend, of which New Select's entitlement will amount to HK\$800,000,000.

Unless otherwise agreed by the Investor and permitted under relevant laws, shareholders of RKE will agree to procure RKE (subject to availability of funding) to declare and distribute interim and final dividends aggregating not less than 90% distributable income of RKE Group (to be calculated in accordance with the Shareholders Agreement, and for the financial year ending 31 December 2018, the relevant pro-rated amount) to its shareholders for each full financial year, provided that RKE Board may consider reducing such dividend threshold level if RKE Group has undertaken, or is expected to invest in projects, provided that such dividend threshold level will in no event be less than 50% of such distributable income of RKE Group for such financial year.

Non-competition

Pursuant to the Shareholders' Agreement, New Select will undertake to RKE and the Investor that save for certain exceptions specified in the Shareholders Agreement, it will not and will procure that none of its affiliates will, for so long as the Investor holds at least 5% of the issued RKE Shares, without the prior written consent of the Investor, either alone or jointly with, through (which includes by ownership of any share or any other means of direct or indirect control) or on behalf of (whether as director, partner, consultant, manager, adviser, employee, agent or otherwise) any person directly or indirectly (a) carry on, engaged or be interested in any business carried on by any RKE Group Company at the relevant time or at any time in the 12 months prior to the such time, in any territory in which such business is carried on; or (b) solicit the engagement or employment of any key employee or any employee who holds an equivalent position and who was engaged or employed by a RKE Group Company at any time on or after the date of the Subscription Agreement.

Lock-up and Restrictions on Share Transfer

Prior to the earlier of (a) the listing of the RKE Shares or the shares of any other RKE Group Company on a recognised stock exchange or (b) the Investor ceasing to hold at least 10% of the issued RKE Shares, New Select will not, without the prior written consent of the Investor, transfer any RKE Shares which will result in New Select ceasing to control RKE and/or RKE Group. Furthermore, New Select will not, without the Investor's prior written consent, transfer any RKE Share at a per RKE Share valuation less than the Subscription Price per Subscription Share prior to completion of the listing of the RKE Shares or the shares of any other RKE Group Company on a recognised stock exchange.

If New Select or the Investor intends to transfer any of its RKE Shares, the other party will have first right of offer to purchase such RKE Shares.

Guarantees given by RKE Group Companies

New Select will procure that (a) no RKE Group Company will provide any guarantee nor be designated as a restricted subsidiary under any series of the Notes and Perpetuals, and (b) save as specified in the Shareholders Agreement, RKE Group be excluded from (and/or otherwise not bound by) any covenants and other obligations pursuant to or in respect of any loan, bond, note, other financial instrument or agreement of New Select or its affiliates.

INFORMATION OF RKE

RKE is a company incorporated in Bermuda and an indirect wholly-owned subsidiary of the Company prior to Completion. All of the Group's interests in expressway joint ventures and related operations are held through RKE and its subsidiaries.

The unaudited consolidated net asset value of RKE Group as at 31 December 2017 was approximately HK\$4,400 million. The audited and unaudited consolidated net profit before and after taxation of RKE Group for the two years ended 31 December 2016 and 2017 (subject to Note 1 below) were as follows:

	Year ended 31 December 2016	Year ended 31 December 2017
	<i>HK\$ million</i> (audited)	<i>HK\$ million</i> (unaudited)
Net profit before taxation (<i>Note 1</i>)	412	479
Net profit after taxation (<i>Note 1</i>)	388	452

Note 1: Exclude the results of discontinued operations of the RKE Group (comprising companies that held the highway business).

Upon Completion, RKE will cease to be a wholly-owned subsidiary of the Company, but will remain as a subsidiary of the Company and the financial information of RKE Group will continue to be consolidated to the Company's consolidated financial statements.

Upon Completion, the Company expects to recognise a surplus resulting from the Subscription of approximately HK\$400 million. Given that RKE will remain a subsidiary of the Company following Completion, any increase in surplus will be recognised as reserve movements of the Company and the net assets (after deducting minority interests) of the Group are therefore expected to increase by the same amount.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in investment in, and development, operation and management of, property development in the PRC and Hong Kong, with a focus in residential developments, and is evaluating increased investment in developing commercial properties. The Group also invests in, and manages, through joint ventures, expressways in the PRC and possibly elsewhere in South East Asia should suitable opportunities arise.

As disclosed in the Company's 2017 annual report, the Group will continue to explore and invest in expressway projects located in Mainland China and "One Belt One Road" countries with reasonable returns. The Subscription by the Investor provides additional capital for the RKE Group to finance mergers and acquisition for toll road projects when suitable opportunities arise, amongst other things, at a good implied valuation to be reflected in the surplus that is to be recognised upon Completion.

In view of the above, the Directors are of the view that the terms of the Subscription Agreement and the Shareholders Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Subscription constitutes a deemed disposal by the Company under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios for the Subscription under Rule 14.07 of the Listing Rules exceeds 5% but all applicable percentage ratios are below 25%, the Subscription by the Investor constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings ascribed to them below:

“Board”	the board of Directors
“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
“Completion”	completion of the Subscription
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Investor”	Asia Belt and Road Expressway Company Limited, an exempted company incorporated in the Cayman Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Select”	New Select Global Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RKE”	RKE International Holdings Limited, a company incorporated in Bermuda with limited liability and an indirect wholly-owned subsidiary of the Company prior to Completion
“RKE Board”	the board of directors of RKE

“RKE Group Companies” or “RKE Group”	RKE, subsidiaries of RKE and certain joint ventures which are not controlled, directly or indirectly, by RKE and not consolidated to the accounts of RKE as set out in the Subscription Agreement
“RKE Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of RKE
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders Agreement”	the shareholders agreement to be entered into between New Select, the Company, the Investor and RKE at Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Investor pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 2 August 2018 entered into between the Investor, the Company and RKE in relation to the Subscription
“Subscription Price”	US Dollars equivalent of HK\$2,000,000,000 (subject to adjustment)
“Subscription Shares”	166,666,667 RKE Shares to be subscribed by the Investor
“US Dollars”	United States dollars, the lawful currency of United States of America
“%”	per cent.

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

Hong Kong, 2 August 2018

As at the date of this announcement, the Board comprises Messrs. Zen Wei Pao, William, Zen Wei Peu, Derek, Ko Yuk Bing and Fong Shiu Leung, Keter as Executive Directors, Messrs. Mou Yong and Dong Fang as Non-executive Directors and Mr. Lau Sai Yung, Dr. Chow Ming Kuen, Joseph, Mr. Tse Chee On, Raymond, Mr. Wong Wai Ho and Mr. Zhang Yongliang as Independent Non-executive Directors.