

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

DISCLOSEABLE TRANSACTION DISPOSAL OF INTERESTS IN A JOINT VENTURE COMPANY

THE DISPOSAL

ECL, a wholly-owned subsidiary of the Company, entered into the SPA with the Individual Sellers, Buyer and Target Company (in which equity interest is held as to 40% by ECL and as to 60% by the Individual Sellers) on 2 September 2024. Under the SPA, Buyer is to purchase 85.15% shareholdings in the Target Company for a maximum of GBP 22.825 million (of which ECL is entitled to receive GBP 12 million on completion). Following completion of the Disposal, the Group will cease to have any interest in the Target Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and reporting requirements under the Listing Rules.

THE DISPOSAL

ECL, a wholly-owned subsidiary of the Company, entered into the SPA with the Individual Sellers, Buyer and Target Company on 2 September 2024.

The principal terms of the SPA that relates to the Group are as follows:

- Date:** 2 September 2024
- Parties:**
- (1) ECL (as seller)
 - (2) the Individual Sellers (as sellers)
 - (3) Buyer (as buyer)

- (4) Target Company (as the target company), in which equity interest is held as to 40% by the ECL and 60% by the Individual Sellers

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Individual Sellers and the Buyer (and its ultimate beneficial owner, Shanghai Luoman, whose shares are listed on the Shanghai Stock Exchange) are third parties independent of the Company and its connected persons.

Purchase Price:

The Buyer is to pay a maximum of GBP 22.825 million for the 85.15% shareholdings in the Target Company, in respect of which ECL is entitled to receive GBP 12 million in cash on completion.

Conditions precedent and completion:

Completion of the Disposal is subject to the fulfilment or waiver of the following:

- (1) Shanghai Luoman having obtained relevant approvals or certificates for completion of necessary filings or registration with relevant authorities in Mainland China;
- (2) there being no breach of Sellers' warranties or pre-closing covenants that results in a Material Adverse Effect (as defined in the SPA) under the SPA or any pre-closing covenants;
- (3) the Individual Sellers and the Buyer having agreed on the form of disclosure letter to be delivered at closing;
- (4) no action or proceedings (legal or administrative) has been instituted against any Seller in connection with the Disposal; and
- (5) there being no Material Adverse Effect (as defined in the SPA) in the reasonable opinion of the Sellers, the Buyer and the Target Company since the date of the SPA that is continuing as at date of completion.

Completion of the Disposal is to take place on the tenth Business Days after the last date on which the parties to the SPA have been notified of the fulfilment or waiver of the condition precedent (1) above, or at any such time as the Buyer, ECL and Mr. Hetherington may agree upon in writing.

Termination rights:

The SPA may be terminated by mutual written consent of the parties or by either the Sellers or the Buyer if completion of the Disposal has not taken place by 30 September 2024 or such other date as is agreed in writing between the parties to the SPA.

The Company considered the consideration of GBP 12 million for its 40% equity interest in the Target Company to be fair and reasonable after taking into account (i) the unaudited carrying amount of the Group's investment in the Target Company; (ii) unlikely recovery of its investment in the foreseeable future of Holovis having regard to its working capital position; and (iii) losses incurred by the Target Company during the period of the Group's investment.

The Company expects to recognize an accounting gain of approximately GBP1.30 million upon completion of the Disposal, based on the consideration receivable by ECL for the Disposal (i.e GBP 12 million) less the unaudited carrying amount of the Group's investment in the Target Company as at 30 June 2024 (i.e GBP 10.70 million). Following completion of the Disposal, the Group will cease to have any interest in the Target Company and the Target Company is to be owned as to 85.15% by the Buyer and 14.85% by Mr. Hetherington.

INFORMATION ON THE TARGET GROUP AND THE PARTIES TO THE SPA, BASIS OF CONSIDERATION FOR THE DISPOSAL AND THE REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and the Group is principally engaged in property development, investment and asset management businesses in Mainland China and Hong Kong, and the investment in, development, operation and management of toll roads projects in Southeast Asia.

The Buyer is a company incorporated in Hong Kong principally engaged in project investments, international trading, technological services, import and export of technologies and information consultancy businesses. The Buyer's holding company is Shanghai Luoman which is principally engaged in design and installation of urban and regional landscape lighting and professional lighting, management services for night-time economy, and energy management and energy-saving renovation projects.

The Target Company, together with its wholly owned subsidiary Holovis, is principally engaged in the designing and building of complete turn-key multi-sensory transformational immersive and interactive solutions, experiences, and attractions (i.e. the Target Business). The Individual Sellers are the founders and/or senior management of the Target Group's business. ECL (being part of the Group's investment and asset management business segment) invested in the Target Company in 2018 to support potential collaboration between the Group and the Target Group to include entertainment facilities in the Group's commercial property portfolio. Although the Group has initially been collaborating with the Target Group on two projects in the PRC which are located at facilities outside of the Group's property portfolio, there is no collaboration between the Group and the Target Group on the Group's property.

Based on the consolidated financial statements of the Target Company prepared in accordance with the United Kingdom Generally Accepted Accounting Practice for the two years ended 31 December 2022 and 2023, the consolidated net loss (before and after taxation) of the Target Group for the two years ended 31 December 2022 and 2023 were as follows:

| | For the year ended 31 December | |
|--------------------------|---------------------------------------|--------------------|
| | 2022 | 2023 |
| | <i>(audited)</i> | <i>(unaudited)</i> |
| | <i>GBP '000</i> | <i>GBP '000</i> |
| Net loss before taxation | 1,955 | 637 |
| Net loss after taxation | 2,012 | 639 |

The unaudited carrying amount of the Group's investment in the Target Company was GBP 10.70 million as at 30 June 2024.

As a minority and passive investor shareholder of the Target Company, ECL was approached in connection with the Disposal after negotiations between the Buyer (which the Company understands that the Buyer wishes to secure a majority stake in the Target Company) and the Individual Sellers are relatively advanced.

As stated in the Company's annual report 2023, the Group's investment and asset management business has not been performing well and given the continued challenges that the Group's property development business is facing, the Disposal is consistent with the Company's strategy to unwind the Group's investment and asset management business interests where appropriate.

The Board considers that the terms of the Disposal (the Purchase Price payable to the Group) to be fair and reasonable and in the interests of the Group as a whole having taken into account the following factors: (i) cash inflow of GBP 12 million (before expenses associated with the Disposal) which is intended to be re-deployed by the Group as general working capital of the Group; (ii) based on the historical loss making performance of the Target Group, its financial position and the slow recovery of the market in which it operates especially in Mainland China, it is unlikely that ECL can recover its investment in the Target Group; and (iii) if ECL does not proceed with the Disposal, the Target Group will likely continue to need to seek financial support for the development of its business which could lead to dilution of ECL's interest if ECL would not provide further funding support.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and reporting requirements under the Listing Rules.

DEFINITIONS

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

| | |
|-------------------|--|
| “Board” | the board of Directors; |
| “Business Day(s)” | any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business; |

| | |
|-----------------------|--|
| “Buyer” | Luoman Technologies Holding (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability; |
| “Company” | 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); |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Disposal” | the proposed disposal of all its shareholdings in the Target Company by ECL pursuant to the terms of the SPA; |
| “ECL” | Equal Creation Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company; |
| “GBP” | British pound sterling, the lawful currency of the UK; |
| “Group” | the Company and its subsidiaries from time to time; |
| “Holovis” | Holovis International Limited, a company incorporated in England and Wales with limited liability and a wholly owned subsidiary of the Target Company; |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC; |
| “Individual Sellers” | Messrs. Brown, Hetherington and Jurado; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Mainland China” | mainland China of the PRC, and for the purpose of this announcement does not include Hong Kong and Macau Special Administrative Region; |
| “Mr. Brown” | Mr. Andrew Derek Brown; |
| “Mr. Hetherington” | Mr. Stuart Andrew Hetherington; |
| “Mr. Jurado” | Mr. Joseph Sidney Robert Jurado; |
| “Purchase Price” | the price set out in the SPA for the sale and purchase of the Sellers’ 85.15% shareholdings in the Target Company; |
| “PRC” | People’s Republic of China; |

| | |
|-------------------|---|
| “Sellers” | ECL and the Individual Sellers; |
| “Shanghai Luoman” | Shanghai Luoman Technologies Inc. (上海羅曼科技股份有限公司), a joint stock company incorporated in PRC with limited liability whose shares are listed on the main board of the Shanghai Stock Exchange (stock code: 605289); |
| “Shareholder(s)” | shareholders of the Company; |
| “SPA” | the agreement dated 2 September 2024 entered into between the Sellers, the Buyer and the Target Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Target Company” | Predaptive OD Limited, a company incorporated in England and Wales with limited liability; |
| “Target Group” | Target Company and its subsidiaries; |
| “Target Business” | the designing and building of complete turn-key multi-sensory transformational immersive and interactive solutions, experiences, and attractions; |
| “UK” | the United Kingdom of Great Britain and Northern Ireland; |
| “%” | per cent. |

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

Hong Kong, 3 September 2024

As at the date of this announcement, the Board comprises Messrs. Zen Wei Peu, Derek, Fong Shiu Leung, Keter and Ng Fun Hung, Thomas as Executive Directors, Ms. Cai Xun and Mr. Xu Enli as Non-executive Directors and Mr. Wong Wai Ho, Ms. Hui Grace Suk Han, Mr. Cheung Hon Kit and Mr. Ho Tai Wai, David as Independent Non-executive Directors.