

*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)**

### **SUCCESSFUL BID OF LAND USE RIGHT IN SHANGHAI, THE PRC AND CONNECTED TRANSACTION IN RELATION TO A JOINT VENTURE**

On 12 July 2019, a Joint Venture (in which the Company and the JV Partner is effectively interested in 75% and 25% equity interest respectively) was successful in its bid for the land use right of a piece of land of 35,893.60 square metres in Jiading District, Shanghai, the PRC for residential use through a listing for sale process. The land will be developed by the single-purpose Joint Venture pursuant to the terms of the Memorandum of Understanding.

The Maximum Commitment of the Company to the Joint Venture is HK\$1,450.00 million including the land premium for the land, the estimated development costs and the expected finance, selling and administrative costs.

#### **LISTING RULES IMPLICATIONS**

The JV Partner and its associate is respectively a substantial shareholder of 上海雋安置業有限公司 (Shanghai Junan Real Estate Ltd.\* ) and 上海雋城置業有限公司 (Shanghai Juncheng Real Estate Ltd.\* ), both are the non wholly-owned subsidiaries of the Company. As the JV Partner is a connected person of the Company at the subsidiary level within the meaning of Chapter 14A of the Listing Rules, the formation of the Joint Venture constitutes a connected transaction of the Company. The Board has approved the Memorandum of Understanding and the Maximum Commitment of the Company to the Joint Venture, and the Directors (including the Independent Non-executive Directors) are of the view that the terms of the Memorandum of Understanding and the Maximum Commitment of the Company to the Joint Venture are on normal commercial terms and fair and reasonable and is in the interests of the Company and its Shareholders as a whole. Therefore, the formation of the Joint Venture and the Maximum Commitment of the Company to the Joint Venture is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

On 12 July 2019, a Joint Venture (in which the Company and the JV Partner is effectively interested in 75% and 25% equity interest respectively) was successful in its bid for the land use right of a piece of land of 35,893.60 square metres in Jiading District, Shanghai, the PRC for residential use through a listing for sale process. The land will be developed by the single-purpose Joint Venture pursuant to the terms of the Memorandum of Understanding.

The Maximum Commitment of the Company to the Joint Venture is HK\$1,450.00 million including the land premium for the land, the estimated development costs and the expected finance, selling and administrative costs.

## **INFORMATION ON THE JOINT VENTURE**

The Company and the JV Partner is effectively interested in 75% and 25% equity interest of the Joint Venture respectively.

The purpose of the Joint Venture is the development of a piece of governmental land located in Jiading District, Shanghai, the PRC with an area of 35,893.60 square metres and upon completion of the development, sale of the properties thereon, unless otherwise agreed.

### **Capital contribution**

The capital needs of the Joint Venture will be funded by the Company and the JV Partner, or to the extent practicable, by external financing.

### **Board composition**

Majority board representation in the Joint Venture will be nominated by the Company.

### **Shareholder's rights**

The following events involving the Joint Venture and/or its subsidiary(ies), if any, are subject to the unanimous approval:

- (i) changes to shareholding or capital structure (including increase of capital, issuance and repurchase of shares);
- (ii) winding up and dissolution; and
- (iii) acquisition, disposal and other dealings as regards significant assets (including the subject land parcel under the present bid).

Any transfer of equity interest in the Joint Venture by any shareholder is subject to the right of first refusal exercisable by the other shareholder.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE**

The Directors consider that the relevant land is well-located and in proximity to other property projects of the Group and the consideration for the land is fair and reasonable after taking into account the minimum bid price, current market conditions, location of the land, and land price in the surrounding area. Taking into account that the JV Partner and its associate are also engaged in the property development sector in Shanghai and have cooperated well with the Group on other projects, the Directors consider that the joint venture arrangement allows the Group to leverage the expertise of the JV Partner in the development and sale of quality real estate projects in Shanghai. Further, the JV Partner is contributing towards the capital required for the project and therefore sharing in the associated investment risks.

In view of the above, the Directors (including the Independent Non-executive Directors) are of the view that the terms of the Memorandum of Understanding and the Maximum Commitment of the Company to the Joint Venture are on normal commercial terms and fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

## **GENERAL INFORMATION AND LISTING RULES IMPLICATIONS**

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. The Company is of the view that developing properties through investing in joint venture is within its ordinary and usual course of business.

The JV Partner is principally engaged in municipal construction, industrial investment, assets management and consultation, real estate development and operation, property management, exhibition services, building decoration, advertisement design and production and the provision of advertisement agency services.

The JV Partner and its associate is respectively a substantial shareholder of 上海雋安置業有限公司 (Shanghai Junan Real Estate Ltd.\*<sup>1</sup>) and 上海雋城置業有限公司 (Shanghai Juncheng Real Estate Ltd.\*<sup>2</sup>), both are the non wholly-owned subsidiaries of the Company. As the JV Partner is a connected person of the Company at the subsidiary level within the meaning of Chapter 14A of the Listing Rules, the formation of the Joint Venture constitutes a connected transaction of the Company. The Board has approved the Memorandum of Understanding and the Maximum Commitment of the Company to the Joint Venture, and the Directors (including the Independent Non-executive Directors) are of the view that the terms of the Memorandum of Understanding and the Maximum Commitment of the Company to the Joint Venture are on normal commercial terms and fair and reasonable and is in the interests of the Company and its Shareholders as a whole. Therefore, the formation of the Joint Venture and the Maximum Commitment of the Company to the Joint Venture is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the other Directors has any material interest in the transactions contemplated under the Memorandum of Understanding and is therefore required to abstain from voting on the relevant board resolutions approving the transactions contemplated under the Memorandum of Understanding.

## **DEFINITIONS**

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

“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
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Joint Venture”	a single-purpose joint venture in the PRC established pursuant to the terms of the Memorandum of Understanding
“JV Partner”	上海國際汽車城（集團）有限公司 (Shanghai International Autocity (Group) Co., Ltd.*), is 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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum Commitment”	maximum capital commitment of the Group (whether by way of shareholder’s loan or other form of financial assistance including but not limited to guarantee) amounting to HK\$1,450.00 million
“Memorandum of Understanding”	the Memorandum of Understanding dated 29 June 2019 setting out key terms on the cooperation of development of a piece of the land in Jiading District, Shanghai, the PRC
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

*For convenience only and unless otherwise noted, all translations from RMB into HK\$ in this announcement were made at the rate of RMB87.50 to HK\$100.00. No representation is made that the HK\$ or RMB amounts referred to in this announcement could have been or could be converted into RMB or HK\$, as the case may be, at any particular rate or at all.*

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

Hong Kong, 15 July 2019

*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 Messrs. Lau Sai Yung, Tse Chee On, Raymond, Wong Wai Ho and Zhang Yongliang as Independent Non-executive Directors.*

\* For identification purpose only