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ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in the Bermuda with limited liability)

(Stock Code: 1098)

(1) MAJOR DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE EXPRESSWAY BUSINESS OF THE GROUP ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

(2) DESPATCH OF CIRCULAR

(3) CLOSURE OF REGISTER OF MEMBERS

THE PROPOSED SPIN-OFF

Reference is made to the announcement of the Company on 7 April 2017 in respect of the Proposed Spin-off.

The final structure of the Proposed Spin-off, including the size of the Global Offering and the exact apportionment between the Hong Kong Public Offering and the International Offering will be decided by the Board and the board of directors of RKE. Taking into account the unaudited combined net assets of the RKE Group as at 31 December 2016 of approximately HK\$4,501.3 million and a dividend of HK\$740 million that is expected to be declared by RKC as part of the reorganisation to facilitate the set off against net amounts due from the Remaining RKI Group to the RKE Group, the Directors intend to proceed with the Proposed Spin-off only if the market capitalisation of RKE immediately upon the Proposed Listing will exceed approximately HK\$5.0 billion.

Subject to RKE raising a minimum of US\$200 million gross proceeds, the Global Offering is expected to comprise a proportion of sale shares from the Remaining RKI Group which is expected not to exceed approximately 35.7% of the total number of RKE Shares being made available under the Global Offering before the exercise of the Over-allotment Option. The proportion of RKE Shares being offered for subscription by RKE and those being offered for sale by the Remaining RKI Group will be decided by the Board and the board of RKE when the size of the Global Offering is determined.

PREFERENTIAL OFFERING

In order to enable the Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the listing of, and permission to deal in, the RKE Shares on the Main Board of the Stock Exchange and such approval not having been withdrawn and the Global Offering becoming unconditional, it is expected that an aggregate of 10% of the RKE Shares initially available under the Global Offering (assuming that the Over-allotment Option is not exercised), will be offered to RKI Qualifying Shareholders as an Assured Entitlement. The Reserved Shares are expected to be offered out of the International Offer Shares under the International Offering and are not subject to reallocation.

RKI Qualifying Shareholders should note that their Assured Entitlement to Reserved Shares may not represent a number of a full board lot of 1,000 RKE Shares. No odd lot matching services will be provided. Furthermore, the Reserved Shares allocated to each RKI Qualifying Shareholder will be rounded down to the closest whole number if required, and dealings in odd lots of the Shares may be at a price below the prevailing market price for full board lots.

Further announcement on the timing and further information on the Preferential Offering and Assured Entitlement will be made by the Company separately.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company will be closed from Friday, 2 June 2017 to Wednesday, 7 June 2017 (both days inclusive) for the purpose of determining the eligibility of Shareholders to attend and vote at the SGM to be held at 10:30 a.m. on Wednesday, 7 June 2017, during which time no transfer of Shares will be effected.

CIRCULAR

The circular which contains, among other things, further details of the Proposed Spin-off and its effect on the Company, the RKE Share Option Scheme proposed to be adopted by RKE, together with (i) the opinion of the Independent Board Committee on the terms of the Proposed Spin-off, (ii) the letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Shareholder(s) regarding the terms of the Proposed Spin-off; and (iii) a notice of the SGM to be convened by the Company to approve the Proposed Spin-off and the RKE Share Option Scheme, will be despatched to the Shareholders on 18 May 2017.

The implementation of the Proposed Spin-off and the Proposed Listing is dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied, including the approval of the Stock Exchange and the final decision of the Board, market conditions and other considerations. There is no certainty as to whether, and if so when, the Proposed Spin-off and the Proposed Listing will take place. Accordingly, Shareholders, holders of other securities of the Group and potential investors in the Shares and other securities of the Group should exercise caution when dealing in or investing in the Shares or other securities of the Group and are recommended to consult their professional advisers if they are in any doubt about their positions.

Reference is made to the announcement of the Company on 7 April 2017 in respect of the Proposed Spin-off (“**Announcement**”). Terms defined in the Announcement shall have the same meanings when used herein.

THE PROPOSED SPIN-OFF

The final structure of the Proposed Spin-off, including the size of the global offering and the exact apportionment between the Hong Kong Public Offering and the International Offering will be decided by the Board and the board of directors of RKE.

Taking into account the unaudited combined net assets of the RKE Group as at 31 December 2016 of approximately HK\$4,501.3 million and a dividend of HK\$740 million that is expected to be declared by RKC as part of the reorganisation to facilitate the set off against net amounts due from the Remaining RKI Group to the RKE Group, the Directors intend to proceed with the Proposed Spin-off only if the market capitalisation of RKE immediately upon the Proposed Listing will exceed approximately HK\$5.0 billion.

Subject to RKE raising a minimum of US\$200 million gross proceeds, the Global Offering is expected to comprise a proportion of sale shares from the Remaining RKI Group which is expected not to exceed approximately 35.7% of the total number of RKE Shares being made available under the Global Offering before the exercise of the Over-allotment Option. The proportion of RKE Shares being offered for subscription by RKE and those being offered for sale by the Remaining RKI Group will be decided by the Board and the board of RKE when the size of the Global Offering is determined.

PREFERENTIAL OFFERING

In order to enable the Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the listing of, and permission to deal in, the RKE Shares on the Main Board of the Stock Exchange and such approval not having been withdrawn and the Global Offering becoming unconditional, it is expected that an aggregate of 10% of the RKE Shares initially available under the Global Offering (assuming that the Over-allotment Option is not exercised), will be offered to RKI Qualifying Shareholders as an Assured Entitlement. The Reserved Shares are expected to be offered out of the International Offer Shares under the International Offering and are not subject to reallocation.

RKI Qualifying Shareholders should note that their Assured Entitlement to Reserved Shares may not represent a number of a full board lot of 1,000 RKE Shares. No odd lot matching services will be provided. Furthermore, the Reserved Shares allocated to each RKI Qualifying Shareholder will be rounded down to the closest whole number if required, and dealings in odd lots of the Shares may be at a price below the prevailing market price for full board lots.

Only Shareholders whose names appear on the register of members of the Company on the Record Date and who are not RKI Non-Qualifying Shareholders will be entitled to subscribe for the Reserved Shares under the Preferential Offering.

RKI Qualifying Shareholders, RKI Non-Qualifying Shareholders and Beneficial RKI Shareholders

RKI Non-Qualifying Shareholders are those Shareholders with registered addresses in jurisdictions outside Hong Kong on the Record Date who the directors of the Company and RKE, based on the enquiries made by them, consider it necessary or expedient to exclude from the Preferential Offering on account either of the legal restrictions under the laws of the relevant jurisdiction in which the relevant Shareholder is located or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

The directors of the Company and RKE will make enquiries regarding the legal restrictions under the applicable securities legislation of relevant jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Reserved Shares to the Shareholders in the relevant jurisdictions. Having considered the circumstances, the Directors will consider whether it is necessary or expedient to restrict the ability of the Shareholders in the relevant jurisdictions to take up their Assured Entitlement to the Reserved Shares under the Preferential Offering due to the time and costs involved in the registration or filing of the Prospectus and/or approval required by the relevant authorities in those territories and/or additional steps which RKE and/or the Shareholders in the relevant jurisdictions would need to take to comply with the local legal and/or other requirements which would need to be satisfied in order to comply with the relevant local or regulatory requirements in those territories.

Without limiting the foregoing, the Reserved Shares may not be offered or sold in the United States or Canada or to any “U.S. person” (as defined in Regulation S) under the Preferential Offering. Accordingly, no Shareholders (including Beneficial RKI Shareholder(s)) which reside in the United States or otherwise are a U.S. person or which reside in Canada will be entitled or permitted to apply and subscribe for the Reserved Shares under the Preferential Offering, nor may any RKI Qualifying Shareholder or other party apply and subscribe for the Reserved Shares under the Preferential Offering for the account or benefit of any person which resides in the United States or otherwise is a U.S. person or which resides in Canada.

The Reserved Shares may not be offered within any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) except to professional investors in that Relevant Member State under the following exemptions under the Prospectus Directive:

- to legal entities which are qualified investors as defined in the Prospectus Directive; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Reserved Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive, and each person who initially acquires Reserved Shares or to whom any offer is made will be deemed to have represented, warranted to and agreed with RKE that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

In the case of any Reserved Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, warranted, acknowledged and agreed with RKE that the Reserved Shares subscribed by it in the Preferential Offering have not been subscribed on a non-discretionary basis on behalf of, nor have they been subscribed with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Reserved Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined.

For the purposes of the above provisions, “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto) and includes any relevant implementing measure in each Relevant Member State.

Notwithstanding any other provision in the Prospectus or the BLUE Application Form, RKE reserves the right to permit any Shareholder to take up his/her/its Assured Entitlement to the Reserved Shares if RKE, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions described above. Further, notwithstanding any other provision in the Prospectus or the BLUE Application Form, RKE reserves the right not to allot any Reserved Shares if it believes that by accepting the application, RKE would violate the applicable securities or other laws, rules or regulations of the jurisdictions (i) where the BLUE Application Form is received; or (ii) where the applicant or the Beneficial RKI Shareholder on whose behalf the applicant is making the application under the Preferential Offering is situated at.

Terms and conditions of the Preferential Offering

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for Offer Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying BLUE Application Forms to be sent to RKI Qualifying Shareholders for the subscription of Reserved Shares pursuant to the Preferential Offering.

Further announcement on the timing and further information on the Preferential Offering and Assured Entitlement will be made by the Company separately.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company will be closed from Friday, 2 June 2017 to Wednesday, 7 June 2017 (both days inclusive) for the purpose of determining the eligibility of Shareholders to attend and vote at the SGM to be held at 10:30 a.m. on Wednesday, 7 June 2017, during which time no transfer of Shares will be effected.

In order for Shareholders to be eligible for attending and voting at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong by no later than 4:30 p.m. on Thursday, 1 June 2017 (or such later date as the Board may determine and announce) and all documents for the exercise of share options under the share option scheme of the Company duly accompanied by the relevant exercise notices must be lodged with the Company by no later than 4:30 p.m. on Thursday, 1 June 2017 (or such later date as the Board may determine and announce).

CIRCULAR

The circular which contains, among other things, further details of the Proposed Spin-off and its effect on the Company, the RKE Share Option Scheme proposed to be adopted by RKE, together with (i) the opinion of the Independent Board Committee on the terms of the Proposed Spin-off, (ii) the letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Shareholders regarding the terms of the Proposed Spin-off; and (iii) a notice of the SGM to be convened by the Company to approve the Proposed Spin-off and the RKE Share Option Scheme, will be despatched to the Shareholders on 18 May 2017.

GENERAL

The implementation of the Proposed Spin-off and the Proposed Listing is dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied, including the approval of the Stock Exchange and the final decision of the Board, market conditions and other considerations. There is no certainty as to whether, and if so when, the Proposed Spin-off and the Proposed Listing will take place. Accordingly, Shareholders, holders of other securities of the Group and potential investors in the Shares and other securities of the Group should exercise caution when dealing in or investing in the Shares or other securities of the Group and are recommended to consult their professional advisers if they are in any doubt about their positions.

The Company will make further announcement(s) in relation to the Proposed Spin-off and the Proposed Listing in accordance with the requirements of the Listing Rules as and when appropriate.

DEFINITIONS

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

- “Assured Entitlement” means the entitlement of the RKI Qualifying Shareholders to apply for the Reserved Shares on an assured basis pursuant to the Preferential Offering determined on the basis of their respective shareholdings in the Company on the Record Date;
- “BLUE Application Form(s)” means the application form(s) to be issued and sent to RKI Qualifying Shareholders to subscribe for the Reserved Shares pursuant to the Preferential Offering;
- “Business Day(s)” means a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, a Sunday or a public holiday in Hong Kong;
- “Company” means 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”	means directors of the Company;
“Global Offering”	means the Hong Kong Public Offering and the International Offering (including the Preferential Offering);
“Hong Kong Offer Shares”	means the RKE Shares to be initially offered by RKE for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to adjustment as described in the Prospectus);
“Hong Kong Public Offering”	means the offer of Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustment as described in the Prospectus) at the Offer Price, on and subject to the terms and conditions described in the Prospectus and on the relevant application forms;
“Independent Board Committee”	means the independent board committee, comprising Messrs. Lau Sai Yung, Tse Chee On, Raymond and Zhang Yongliang, all being Independent Non-executive Directors, constituted in accordance with the Listing Rules for the purposes described in this announcement;
“Independent Financial Advisor”	means Altus Capital Limited, a corporation licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off;
“International Offer Shares”	means the RKE Shares to be offered by RKE for subscription and offered by the Selling Shareholder for sale pursuant to the International Offering together with, where relevant, any additional RKE Shares which may be delivered pursuant to the exercise of the Over-allotment Option (subject to adjustment as described in the Prospectus);
“International Offering”	means the offer of the International Offer Shares (a) in the United States or to U.S. persons outside the United States, in each case, only to persons who are both qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act (QIBs) and qualified purchasers as defined in Section 2(a)(51) of the U.S. Investment Company Act (QPs) or (b) outside the United States and to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act, for subscription or purchase (as the case may be) at the Offer Price;
“Offer Price”	means the final offer price per RKE Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee) at which the RKE Shares are to be subscribed or purchased pursuant to the Global Offering, as described in the Prospectus;

“Over-allotment Option”	means the option which is expected to be granted to the international underwriters under the International Offering under which the joint global coordinators (on behalf of the international underwriters) may require the delivery of additional shares in aggregate of up to approximately 15% of the number of RKE Shares to be initially offered under the Global Offering;
“Preferential Offering”	means the preferential offer to the RKI Qualifying Shareholders of the Reserved Shares as an Assured Entitlement out of the RKE Shares being offered under the International Offering at the Offer Price, subject to and in accordance with the terms and conditions of the Prospectus and the BLUE Application Form;
“Prospectus”	means the prospectus to be issued by RKE in relation to the Global Offering;
“Record Date”	means any Business Day determined and announced by the Company, being the record date for ascertaining Assured Entitlement;
“Regulation S”	means Regulation S under the U.S. Securities Act;
“Reserved Shares”	means the RKE Shares available under the Global Offering being offered pursuant to the Preferential Offering, subject to re-allocation to the International Offering as described in the Prospectus;
“RKC”	means Road King (China) Infrastructure Limited, a company incorporated in the BVI with limited liability;
“RKI Non-Qualifying Shareholder(s)”	means Shareholder(s) of the Company whose names appear on the register of members of the Company on the Record Date and whose addresses as shown in such register are, in respect of the Preferential Offering, in any such territory or territories which the Directors consider it necessary or expedient to exclude from the Preferential Offering on account of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction;
“RKI Qualifying Shareholder(s)”	means Shareholder(s) of the Company, other than RKI Non-qualifying Shareholder(s), whose names appear on the register of members of the Company on the Record Date;
“SFO”	means Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	means the special general meeting of the Company to be held at 10:30 a.m. on Wednesday, 7 June 2017 by the Company to consider, and if thought fit, approve, among other things, the Proposed Spin-off and the adoption of the RKE Share Option Scheme;

“U.S. Investment
Company Act”

means the United States Investment Company Act of 1940; and

“U.S. Securities Act”

means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

By order of the Board
Road King Infrastructure Limited
Zen Wei Pao, William
Chairman

Hong Kong, 17 May 2017

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. Lam Wai Hon, Patrick, 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.