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## **ROAD KING INFRASTRUCTURE LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1098)**

### **PROPOSED ISSUANCE OF US\$480 MILLION 6.7% GUARANTEED SENIOR NOTES DUE 2024**

#### **PROPOSED ISSUE OF NEW NOTES**

On 25 September 2019, the Issuer, Road King and the Guarantors entered into the Subscription Agreement with J.P. Morgan, HSBC and DBS in relation to the issue of the New Notes. The New Notes will be guaranteed by Road King and the Guarantors. J.P. Morgan, HSBC and DBS are the joint global coordinators, joint book-runners and joint lead managers in relation to the New Notes Issue.

The estimated net proceeds of the New Notes Issue will be approximately US\$472.8 million. Road King intends to use the net proceeds of the New Notes Issue for acquisition of or investment in property projects or general corporate purposes.

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the New Notes is not to be taken as an indication of the merits of the New Notes, the Issuer, the Guarantors, Road King, its subsidiaries and its associated companies. No listing of the New Notes has been sought in Hong Kong.

The New Notes are expected to be issued on or about 30 September 2019.

The Directors are pleased to announce that on 25 September 2019, the Issuer, Road King and the Guarantors entered into the Subscription Agreement with J.P. Morgan, HSBC and DBS in relation to the issue of the New Notes.

## **PROPOSED ISSUE OF NEW NOTES**

### **THE SUBSCRIPTION AGREEMENT**

#### **Date**

25 September 2019

#### **Parties to the Subscription Agreement**

- (a) the Issuer, a wholly-owned subsidiary of Road King
- (b) the initial Guarantors, as guarantors of the Issuer's obligations under the New Notes
- (c) J.P. Morgan, HSBC and DBS, as the joint lead managers

Pursuant to the Subscription Agreement, J.P. Morgan, HSBC and DBS will subscribe and pay for, or procure subscribers to subscribe and pay for the New Notes.

J.P. Morgan, HSBC and DBS are the joint global coordinators, joint book-runners and joint lead managers in relation to the New Notes Issue. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of J.P. Morgan, HSBC and DBS is an independent third party not connected with Road King or its connected persons.

The securities being issued pursuant to the Subscription Agreement have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to registration or in certain transactions exempt from the registration requirements of the Securities Act. They will be offered and sold outside of the United States in reliance on Regulation S under the Securities Act. None of such securities will be offered to the public in Hong Kong or elsewhere and none of such securities will be placed to any connected person of Road King.

## **Principal terms of the New Notes**

### ***Notes Offered***

US\$480 million aggregate principal amount of 6.7% guaranteed senior notes due 2024.

### ***Offering Price***

100% of the principal amount of the New Notes.

### ***Maturity Date***

30 September 2024

### ***Interest***

The New Notes will bear interest from and including the date of issue at the rate of 6.7% per annum, payable semi-annually in arrear on 30 March and 30 September in each year.

### ***Ranking of the New Notes***

The New Notes constitute direct, unsubordinated, unconditional and (subject to certain exceptions) unsecured obligations of the Issuer and shall at all times rank pari passu and without preference or priority among themselves.

The payment obligations of the Issuer under the New Notes will, save for certain exceptions, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

The New Notes and the guarantees by each of Road King and the Guarantors in respect of the New Notes are effectively subordinated to all of the secured obligations of Road King and the Guarantors, to the extent of the value of the assets serving as security therefor; and the New Notes are effectively subordinated to all existing and future obligations of subsidiaries of Road King which are not Guarantors.

### ***Guarantees***

Each of Road King and the Guarantors will jointly and severally guarantee the due and punctual payment obligations under the New Notes. The initial Guarantors will consist of Road King's existing subsidiaries other than Road King Expressway and all of its subsidiaries, its subsidiaries organized under the laws of the PRC, special purpose vehicle subsidiaries incorporated for financing purposes, designated unrestricted subsidiaries, certain specified restricted subsidiaries and subsidiaries whose guarantees are otherwise released.

### ***Covenants***

Pursuant to the terms of the New Notes, the Issuer, Road King and its restricted subsidiaries under the terms and conditions of the New Notes are subject to certain restrictions in respect of, among other things, declaring dividends, incurring further indebtedness, selling assets, issuing shares or selling shares in the restricted subsidiaries.

## ***Redemption***

The Issuer may at any time prior to 30 September 2022 redeem the New Notes, in whole and not in part, at a redemption price equal to 100% of their principal amount plus the applicable premium and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time on or after 30 September 2022, the Issuer may redeem the New Notes, in whole or in part, upon not less than 15 nor more than 30 days' notice, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on 30 September of each of the years indicated below.

<b>Period</b>	<b>Redemption Price</b>
2022	103.350%
2023 and thereafter	101.675%

At any time and from time to time prior to 30 September 2022, the Issuer may redeem the New Notes using proceeds from certain equity offerings at a redemption price of 106.7% of the principal amount of the New Notes plus accrued and unpaid interest, if any, to the redemption date provided that at least 65% of the aggregate principal amount of the New Notes originally issued remain outstanding after each such redemption.

The Issuer will be obliged to make an offer to repurchase all the New Notes then outstanding at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to (but not including) the date of repurchase upon the occurrence of a Change of Control and a Rating Decline (as defined in the terms and conditions of the New Notes).

## **Termination of the Subscription Agreement**

J.P. Morgan, HSBC and DBS may, by notice to the Issuer given at any time prior to the time designated under the Subscription Agreement for payment of the net subscription moneys for the New Notes to the Issuer, terminate the Subscription Agreement in circumstances specified in the Subscription Agreement including in brief:

- (i) any breach of any of the warranties and representations under the Subscription Agreement or any failure by any of the Issuer, Road King or the Guarantors to perform any covenants or agreements in the Subscription Agreement; or
- (ii) if the conditions under the Subscription Agreement have not been satisfied or waived by J.P. Morgan, HSBC and DBS; or
- (iii) trading in the securities of the Issuer, Road King or any member of the Group has been suspended or materially limited by any exchange or over-the-counter market; or

(iv) the occurrence of certain events, including (a) any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls or any general moratorium on, or disruption in, commercial banking activities in the jurisdiction of incorporation of companies forming the Group (the “relevant jurisdictions”), the United Kingdom, the United States, or by any authorities in the relevant jurisdictions or any United Kingdom, and the New York State or United States Federal authorities, in each case that in the opinion of J.P. Morgan, HSBC and DBS is likely to prejudice materially the success of the offering and distribution of the New Notes or dealings in them in the secondary market; (b) trading generally on certain major stock exchanges including the Stock Exchange has been suspended or limited or trading prices have been fixed or limited; or (c) a material disruption has occurred in the commercial banking or securities settlement or clearance services in the United States, Europe or Hong Kong.

Subject to the foregoing, the closing of the Subscription Agreement is expected to take place and the New Notes to be issued on or about 30 September 2019.

## **USE OF PROCEEDS AND EFFECT OF THE PROPOSED ISSUE OF THE NEW NOTES**

The net proceeds of the offering of the New Notes Issue after deducting the underwriting commission and other estimated expenses will be approximately US\$472.8 million. Road King intends to use the net proceeds for acquisition of or investment in property projects or general corporate purposes.

As of 30 June 2019, the Group had unaudited consolidated cash and cash equivalents (including pledged deposits) of HK\$14,039.6 million and total borrowings of HK\$27,210.5 million (comprising a total short-term borrowings of HK\$12,222.4 million and a total long-term borrowings of HK\$14,988.1 million). Assuming that New Notes in an aggregate principal amount of US\$480 million (equivalent to approximately HK\$3,748.9 million) will be issued, the overall effect of the issue of the New Notes will be to increase the total capitalisation of the Group by approximately HK\$3,748.9 million. This does not take into account any payments to refinance our existing indebtedness, interest payments made after 30 June 2019, certain loans (including property development loans) denominated in CNY, HK\$ and US\$, redeemed the outstanding 2016 Guaranteed Notes in the aggregate principal amount of US\$225,257,000, fully redeemed First Tranche Domestic Bonds and issued 2019 Domestic Bonds.

## **LISTING**

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the New Notes is not to be taken as an indication of the merits of the New Notes, the Issuer, the Guarantors, Road King, its subsidiaries and its associated companies. No listing of the New Notes has been sought in Hong Kong.

The New Notes are expected to be issued on or about 30 September 2019.

## DEFINITIONS

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

“2016 Guaranteed Notes”	US\$450,000,000 in aggregate principal amount of 5% guaranteed senior notes due 2019, issued by RKI Overseas Finance 2016 (A) Limited and guaranteed by the Group in August 2016
“2019 Domestic Bonds”	CNY1,500,000,000 7% domestic bonds due 2021 issued by 北京路勁雋御房地產開發有限公司(Beijing RK Junyu Properties Developments Ltd.*) in September 2019
“Board”	the board of Directors
“Change of Control”	includes any of the following: (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Road King and its restricted subsidiaries, taken as a whole, to any “person” (as defined in the Exchange Act), other than one or more Permitted Holders; (ii) Road King consolidates with, or merges with or into, any person (other than one or more Permitted Holders), or any person consolidates with, or merges with or into, Road King, in any such event pursuant to a transaction in which any of the outstanding capital stock carrying voting rights (“voting stock”) of Road King or such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where (a) the outstanding voting stock of Road King is reclassified into or exchanged for other voting stock of Road King or for voting stock of the surviving corporation; and (b) the holders of the voting stock of Road King immediately prior to such transaction own, directly or indirectly, not less than a majority of the voting stock of Road King or the surviving corporation immediately after such transaction and in substantially the same proportion as before the transaction; (iii) the Permitted Holders are collectively the beneficial owners of less than 30.0% voting power of the voting stock in Road King; (iv) any “person” or “group” (as defined in the Exchange Act) is or becomes the “beneficial owner” (as defined in the Exchange Act) directly or indirectly, of total voting power of the voting stock of Road King greater than such total voting power held beneficially by the Permitted Holders; (v) the individuals who on the original issue date of the New Notes constituted the Board, together with any new Directors approved by the majority of the Directors then in office, cease for any reason to constitute a majority of the Board; or (vi) the adoption of a plan relating to the liquidation or dissolution of Road King

“China” or “PRC”	the People’s Republic of China. Except where the context requires, geographical references in this announcement to the PRC or China exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“CNY”	Renminbi, the lawful currency of the PRC
“Company” or “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
“Connected person”	has the meaning ascribed to it under the Listing Rules
“DBS”	DBS Bank Ltd., a company incorporated in Singapore with limited liability
“Directors”	the directors of Road King
“Exchange Act”	the United States Securities Exchange Act of 1934, as amended
“First Tranche Domestic Bonds”	CNY1,500,000,000 4.5% first tranche domestic bonds due 2019 issued by 北京路勁雋御房地產開發有限公司(Beijing RK Junyu Properties Developments Ltd.*) in September 2016
“Group”	Road King and its subsidiaries
“Guarantors”	Road King, the subsidiaries of Road King which are required to guarantee the Issuer’s payment obligations under the New Notes, being all of the subsidiaries of Road King (other than Road King Expressway and all of its subsidiaries, those established under the laws of the PRC, special purpose vehicle subsidiaries incorporated for financing purposes except for the Issuer and certain specified restricted subsidiaries (which may subsequently be required under the terms and conditions of the New Notes to become subsidiary guarantors)) and including those subsidiaries who may in the future provide limited recourse guarantees in those circumstances and conditions permitted under the terms and conditions of the New Notes

“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Issuer”	RKPF Overseas 2019 (A) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Road King
“J.P. Morgan”	J.P. Morgan Securities plc
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Notes”	US\$480 million 6.7% guaranteed senior notes due 2024 to be issued by the Issuer
“New Notes Issue”	proposed issue of the New Notes under the Subscription Agreement
“Permitted Holders”	Wai Kee Holdings Limited (the controlling shareholder of Road King), its affiliates (being entities directly or indirectly controlling, controlled by, or under direct or indirect common control with, Wai Kee Holdings Limited) and any person in which Wai Kee Holdings Limited and its affiliates own more than 80.0% capital stock and voting stock
“Road King Expressway”	Road King Expressway International Holdings Limited (formerly known as RKE International Holdings Limited), a company incorporated in Bermuda and a non-wholly owned subsidiary of the Company
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Subscription Agreement”	the subscription agreement dated 25 September 2019 entered into among the Issuer, Road King, the initial Guarantors, J.P. Morgan, HSBC and DBS in relation to the New Notes Issue
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States Dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 25 September 2019

*In this announcement, exchange rate of US\$1: HK\$7.8103 has been used for illustration purposes. No assurance is given that these currencies may be exchanged at such rate or at all.*

*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*