

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.

This announcement is for information purposes only and does not constitute or form part of and should not be construed as an invitation or a solicitation of an offer to acquire, purchase or subscribe for securities or an inducement to enter into investment activity, or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. This announcement is not an offer of securities for sale in the PRC, Hong Kong, the United States or elsewhere. The New Notes are not available for general subscription in Hong Kong or elsewhere.

This announcement is not, does not form part of and should not be construed as an offer of securities for sale in the United States (including its territories and possessions, any state of the United States and the District of Columbia). Neither this announcement nor any copy hereof may be taken into or distributed, directly or indirectly, in or into the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or laws of any state of the United States or other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. No public offering of securities will be made in the United States.

No PRIIPs KID – No PRIIPs key information document (KID) has been prepared as not available to retail in European Economic Area or in the United Kingdom.

Section 309B(1) Notification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the New Notes Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the securities described herein are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).



ROAD KING INFRASTRUCTURE LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1098)

PROPOSED ISSUANCE OF 6.00% GUARANTEED SENIOR NOTES DUE 2025

PROPOSED ISSUE OF NEW NOTES

On 25 August 2020, the New Notes Issuer, Road King and the other Guarantors entered into the Subscription Agreement with the Joint Lead Managers in relation to the issue of the New Notes. The New Notes will be guaranteed by the Guarantors. China CITIC Bank International, Credit Suisse, DBS Bank Ltd., HSBC, J.P. Morgan, Standard Chartered Bank and UBS (in alphabetical order) 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\$295.5 million. Road King intends to use the net proceeds of the New Notes Issue for refinancing and general corporate purposes (including payments in relation to the Exchange and Tender Offer). For the avoidance of doubt, no cash proceeds will result from the issuance of any Exchange Notes that are issued pursuant to the Exchange and Tender Offer.

Approval-in-principal 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, opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the New Notes are not to be taken as an indication of the merits of the New Notes, the New Notes 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 4 September 2020.

PROPOSED ISSUE OF NEW NOTES

The Directors are pleased to announce that on 25 August 2020, the New Notes Issuer, Road King and the other initial Guarantors entered into the Subscription Agreement with the Joint Lead Managers in relation to the issue of the New Money Notes.

THE SUBSCRIPTION AGREEMENT

Date

25 August 2020

Parties to the Subscription Agreement

- (a) the New Notes Issuer, a wholly-owned subsidiary of Road King
- (b) Road King and the other initial Guarantors, as guarantors of the New Notes Issuer's obligations under the New Notes
- (c) China CITIC Bank International, Credit Suisse, DBS Bank Ltd., HSBC, J.P. Morgan, Standard Chartered Bank and UBS (in alphabetical order), as the Joint Lead Managers

Pursuant to the Subscription Agreement, the Joint Lead Managers will subscribe and pay for, or procure subscribers to subscribe and pay for the New Money Notes.

China CITIC Bank International, Credit Suisse, DBS Bank Ltd., HSBC, J.P. Morgan, Standard Chartered Bank and UBS (in alphabetical order) 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 the Joint Lead Managers is an independent third party not connected with Road King or its connected persons.

The New Notes being issued by the New Notes Issuer 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 an exemption from, or in a transaction not subject to 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.

Principal terms of the New Notes

Notes Offered (Excluding the Exchange Notes)

US\$300 million aggregate principal amount of 6.00% guaranteed senior notes due 2025.

Offering Price

100.00% of the principal amount of the New Notes.

Maturity Date

4 September 2025

Interest

The New Notes will bear interest from and including 4 September 2020 at the rate of 6.00% per annum, payable semi-annually in arrear on 4 March and 4 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 New Notes Issuer and shall at all times rank *pari passu* and without preference or priority among themselves.

The payment obligations of the New Notes 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 New Notes Issuer.

The New Notes and the guarantees by each of Road King and the other Guarantors in respect of the New Notes are effectively subordinated to all of the secured obligations of Road King and the other 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 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 and its 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 New Notes 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 New Notes Issuer may at any time prior to 4 September 2023 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 4 September 2023, the New Notes 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 each period indicated below.

Period	Redemption Price
From 4 September 2023 to 3 September 2024	103.0%
From 4 September 2024 to 3 June 2025	101.5%
On or after 4 June 2025	100.0%

At any time and from time to time prior to 4 September 2023, the New Notes Issuer may redeem up to 35% of the principal amount of the New Notes using proceeds from certain equity offerings at a redemption price of 106.0% of the principal amount of the New Notes plus accrued and unpaid interest, if any, to the redemption date.

The New Notes 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

The Joint Lead Managers may, by notice to the New Notes Issuer given at any time prior to the time designated under the Subscription Agreement for payment of the net subscription moneys for the New Money Notes to the New Notes 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 New Notes Issuer, Road King or the other 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 the Joint Lead Managers; or
- (iii) trading in the securities of the New Notes 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 outbreak or escalation of hostilities, epidemic, pandemic, outbreak of infectious disease or change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the opinion of the Joint Lead Managers is likely to prejudice materially the success of or make it impracticable or inadvisable to proceed with the offering and distribution of the New Money Notes or dealings in them in the secondary market; (b) 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, New York State or United States Federal authorities which would be likely to prejudice materially the success of the offering and distribution of the New Money Notes or dealings in them in the secondary market; (c) 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 (d) 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 are expected to be issued on or about 4 September 2020.

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\$295.5 million. Road King intends to use the net proceeds for refinancing and general corporate purposes (including payments in relation to the Exchange and Tender Offer). For the avoidance of doubt, no cash proceeds will result from the issuance of any Exchange Notes that are issued pursuant to the Exchange and Tender Offer.

For the purposes of refinancing the outstanding Existing Notes, the Offeror has offered to exchange or purchase for cash the outstanding Existing Notes pursuant to the Exchange and Tender Offer which is expected to close contemporaneously with the issue of the New Notes. Initially, not more than US\$100 million in principal amount of Exchange Notes may be issued under the Exchange and Tender Offer, subject to upward or downward adjustments as may be determined by the Offeror provided that not more than US\$300 million in principal amount is issued thereunder. No cash will be received in connection with any issue of the New Exchange Notes under the Exchange and Tender Offer.

As of 30 June 2020, the Group had unaudited consolidated cash and cash equivalents (including pledged deposits) of HK\$15,069.6 million and total borrowings of HK\$34,606.5 million (comprising a total short-term borrowings of HK\$12,727.0 million and a total long-term borrowings of HK\$21,879.5 million). Assuming that New Money Notes in an aggregate principal amount of US\$300 million (equivalent to approximately HK\$2,343.1 million) will be issued, the overall effect of the issue of the New Money Notes will be to increase the total capitalisation of the Group by approximately HK\$2,343.1 million. This does not take into account i) the Exchange and Tender Offer and the repurchase and cancellation of Existing Notes and issuance of any Exchange Notes in relation thereto; ii) payments made in connection with the Group's prior repurchase and cancellation of Existing Notes in the principal amount of US\$15 million; and iii) certain loans (including property development loans) denominated in CNY, HK\$ and US\$, each subsequent to 30 June 2020.

LISTING

Approval-in-principal 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, opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the New Notes are not to be taken as an indication of the merits of the New Notes, the New Notes 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 4 September 2020.

DEFINITIONS

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

“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% 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
“China CITIC Bank International”	China CITIC Bank International Limited
“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
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Directors”	the director of Road King
“Exchange and Tender Offer”	the offer to exchange or purchase for cash exchange of the outstanding Existing Notes
“Exchange Notes”	the New Notes not exceeding the principal amount of US\$300 million that fall to be issued upon valid acceptance of the Exchange Offer pursuant to the terms of the Exchange and Tender Offer
“Existing Notes”	US\$400,000,000 in aggregate principal amount of 7.75% Guaranteed Senior Notes due 2021 (Common Code: 193431135; ISIN Code: XS1934311355) issued by the Existing Notes Issuer and are listed on the SGX-ST, of which US\$385,000,000 remains outstanding as at the date of this announcement
“Existing Notes Issuer”	RKPF Overseas 2019 (B) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Road King
“Group”	Road King and its subsidiaries
“Guarantors”	Road King, the subsidiaries of Road King which are required to guarantee the New Notes 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 New Notes 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
“Joint Lead Managers”	China CITIC Bank International, Credit Suisse, DBS Bank Ltd., HSBC, J.P. Morgan, Standard Chartered Bank and UBS (in alphabetical order)
“J.P. Morgan”	J.P. Morgan Securities plc
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Money Notes”	US\$300 million New Notes to be issued by the New Notes Issuer
“New Notes”	6.0% guaranteed senior notes due 2025 to be issued by the New Notes Issuer pursuant to the Subscription Agreement and the Exchange and Tender Offer
“New Notes Issue”	issue of the New Notes in the aggregate principal amount of US\$300 million pursuant to the Subscription Agreement
“New Notes Issuer”	RKPF Overseas 2019 (A) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Road King
“Offeror”	the New Notes Issuer, the Existing Notes Issuer and Road King
“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% capital stock and voting stock
“Road King Expressway”	Road King Expressway International Holdings Limited, a company incorporated in Bermuda with limited liability 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 August 2020 entered into among the New Notes Issuer, Road King, the other initial Guarantors, the Joint Lead Managers in relation to the New Notes Issue
“UBS”	UBS AG Hong Kong Branch
“United States”	the United States of America, its territories, 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 Peu, Derek
Co-Chairman

Hong Kong, 26 August 2020

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 and Wong Wai Ho as Independent Non-executive Directors.