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中國山東高速金融集團有限公司
CHINA SHANDONG HI-SPEED FINANCIAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 412)

**FURTHER ANNOUNCEMENT
IN RELATION TO
THE LOAN AGREEMENT
IN THE PRINCIPAL AMOUNT OF HK\$200,000,000**

Reference is made to the announcements of China Shandong Hi-Speed Financial Group Limited (the “**Company**”) dated 22 March 2018, 9 April 2018 and 13 August 2019 (the “**Announcements**”) in relation to the provision of financial assistance in the principal amount of HK\$200,000,000. Unless otherwise defined, capitalized terms used in this announcement shall have the meanings as those defined in the Announcements.

On 19 August 2019, CIF Finance and the Borrower entered into a settlement agreement (the “**Borrower Settlement Agreement**”) with regards to CIF Finance’s claim against the Borrower in the Action.

Pursuant to the Borrower Settlement Agreement, the Borrower has agreed to, among other things:

- (a) pay the following sums to CIF Finance as settlement of the outstanding Loan:
 - (i) HK\$30,000,000 (the “**First Payment**”) to be paid to CIF Finance on 19 August 2019, as partial settlement of the outstanding principal amount of HK\$184,250,000 owed by the Borrower to CIF Finance under the Loan Agreement;

- (ii) HK\$166,082,944 together with the interests accrued on the balance of the outstanding principal (i.e. HK\$154,250,000) between 25 March 2019 and the actual full repayment date at the rate of 12% per annum, to be paid to CIF Finance on or before 19 December 2019;
- (b) procure his wife to execute a share charge (the “**Additional Share Charge**”) in respect of 49% of the issued share capital of a corporate vehicle incorporated in the British Virgin Islands (the “**Charged Entity**”) in favour of CIF Finance as security for the Borrower’s obligations under the Borrower Settlement Agreement; and
- (c) procure the Guarantor to execute a guarantee (the “**Additional Guarantee**”) in favour of CIF Finance to guarantee the Borrower’s obligations under the Borrower Settlement Agreement.

As at the date hereof, the First Payment has been paid to CIF Finance and the Additional Share Charge and the Additional Guarantee have been executed. Following execution of the Additional Share Charge, 100% of the issued share capital of the Charged Entity has been charged in favour of CIF Finance by the Borrower and his wife, of which 51% of the issued share capital of the Charged Entity had already been charged by the Borrower pursuant to the Loan Agreement.

On 19 August 2019, CIF Finance filed a notice of discontinuance to the High Court of Hong Kong with regards to its claim against the Borrower in the Action with no order as to costs. Pursuant to the Borrower Settlement Agreement, CIF Finance has agreed to, within 14 days after receipt of the First Payment, the Additional Share Charge and the Additional Guarantee, execute a deed of release in respect of the 5 existing share charges executed in favour of CIF Finance under the Loan Agreement and the supplemental agreement entered into on 3 April 2018, except for the share charge executed by the Borrower in respect of 51% of the issued share capital of the Charged Entity.

The Company reserves all its rights, entitlements and/or interests against the Borrower and/or the Guarantor. In particular, if the Borrower defaults on any amounts under the Borrower Settlement Agreement as disclosed above, CIF Finance shall be at liberty to exercise any powers or rights incidental to the Borrower Settlement Agreement, the Loan Agreement, the Undertaking and/or the share charges in respect of the entire issued share capital of the Charged Entity.

The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

By Order of the Board
China Shandong Hi-Speed Financial Group Limited
Wang Xiaodong
Chairman

Hong Kong, 19 August 2019

As at the date of this announcement, the Company has five executive directors, namely Mr. Wang Xiaodong, Mr. Liu Han, Mr. Liu Zhijie, Mr. Liu Yao and Ms. Liao Jianrong; three non-executive directors, namely Dr. Lam Lee G., Mr. Qiu Jianyang and Mr. Lo Man Tuen; and four independent non-executive directors, namely Mr. To Shing Chuen, Mr. Cheung Wing Ping, Mr. Guan Huanfei and Mr. Tan Yuexin.