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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)

SUPPLEMENTAL ANNOUNCEMENT – DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF NOTES

Reference is made to the announcement made by China Shandong Hi-Speed Financial Group Limited (the “**Company**”) on 2 December 2019 (the “**Announcement**”) in respect of the discloseable transaction relating to the subscription of notes (the “**Subscription**”) in the principal amount of US\$125 million issued by Champion Union Limited. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meaning as those defined in the Announcement. The Company would like to provide further information relating to the Subscription as follows.

FURTHER INFORMATION RELATING TO THE REASONS FOR AND BENEFIT OF THE SUBSCRIPTION

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Borrower is a wholly-owned subsidiary of Kaisa Group Holdings Ltd. (Stock Code: 1638), a company listed on the Main Board of the Stock Exchange (the “**Guarantor**”, together with its subsidiaries referred to as the “**Guarantor Group**”) and which acts as a guarantor for the repayment obligations of the Borrower under the Loan. In assessing the commercial benefits and risks in connection with the Subscription, the Company had also carried out due diligence on the Guarantor Group to assess the potential risks pursuant to the Loan including but not limited to the Borrower’s ability to repay the Loan together with the soundness of the Guarantor Group’s financial positions.

The 7.5% interest rate of the Notes has been determined by reference to market yield rates of senior unsecured bonds with maturity dates of around 1 year issued by the Guarantor Group and other Chinese real estate developers with similar business size, as obtained by the Company from Bloomberg BVAL pricing system.

Having taken into account (additional to those set out in the Announcement) the Guarantor being a company issued with a “B1” credit rating by Moody’s Investors Service Limited in 2019, the Guarantor Group being one of the top 50 real estate developers for the ten months ended 31 October 2019 according to China Real Estate Information Corporation (a real estate big data application service provider in the People’s Republic of China) by value of sales contracts, and the Guarantor Group’s consolidated net asset value as at 30 June 2019 being in excess of RMB40 billion with consolidated net profit for the year ended 31 December 2018 being in excess of RMB3 billion, the Company believes that the entering into of the Subscription Agreement is fair and reasonable and in the interest of the Shareholders and the Company as a whole.

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

Hong Kong, 5 December 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.