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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE**

### **PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of the Company dated 22 January 2020 in relation to the grant of Facility-1 pursuant to Facility Agreement-1 entered into among CSH Capital HK, an indirect wholly-owned subsidiary of the Company as lender, the Borrower as borrower and the Guarantor as guarantor.

The Board is pleased to announce that on 15 June 2020 (after trading hours), Facility Agreement-2 was entered into among CSH Capital HK as lender, the Borrower as borrower and the Guarantor as guarantor, pursuant to which CSH Capital HK has conditionally agreed to grant Facility-2 in the principal amount of US\$80,000,000 (equivalent to approximately HK\$624,000,000) to the Borrower for a term of 364 days after the Utilisation Date, subject to an extension of further 364 days from the Initial Termination Date if applied by the Borrower and agreed by CSH Capital HK (at CSH Capital HK's sole and absolute discretion).

## **LISTING RULES IMPLICATIONS**

Since Facility Agreement-2 is entered into within 12 months after the entering into of Facility Agreement-1, and the financial assistance thereunder are granted to the same Borrower, the transaction contemplated under Facility Agreement-2 shall be aggregated together with the transaction contemplated under Facility Agreement-1 pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate amount of financial assistance granted to the Borrower are more than 5% but all are less than 25%, the grant of the Facilities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As the aggregate amount of financial assistance granted to the Borrower does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Facilities is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

## **PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of the Company dated 22 January 2020 in relation to the grant of Facility-1 pursuant to Facility Agreement-1 entered into among CSH Capital HK, an indirect wholly-owned subsidiary of the Company as lender, the Borrower as borrower and the Guarantor as guarantor.

The Board is pleased to announce that on 15 June 2020 (after trading hours), CSH Capital HK (an indirect wholly-owned subsidiary of the Company) entered into Facility Agreement-2 with the Borrower and the Guarantor, pursuant to which CSH Capital HK has conditionally agreed to provide Facility-2 in the principal amount of US\$80,000,000 (equivalent to approximately HK\$624,000,000) to the Borrower for a term of 364 days after the Utilisation Date, subject to an extension of further 364 days from the Initial Termination Date if applied by the Borrower and agreed by CSH Capital HK (at CSH Capital HK's sole and absolute discretion).

## FACILITY AGREEMENT-2

The principal terms and conditions of Facility Agreement-2 are set out below:

Date:	15 June 2020
Lender:	China Shandong Hi-Speed Capital (HK) Limited 中國山東高速資本(香港)有限公司 (an indirect wholly-owned subsidiary of the Company)
Borrower:	Thriving Achieve (HK) Limited 臻瓏(香港)有限公司
Guarantor:	LVGEM (China) Real Estate Investment Company Limited 綠景(中國)地產投資有限公司
Principal amount:	US\$80,000,000 (equivalent to approximately HK\$624,000,000)
	Facility-2 will be available for drawdown upon the satisfaction of certain conditions set out in Facility Agreement-2.
Term (the “ <b>Term</b> ”):	364-day period commencing from the Utilisation Date, subject to an extension of a further 364-day period commencing from the Initial Termination Date if applied by the Borrower and agreed by CSH Capital HK (at CSH Capital HK’s sole and absolute discretion)
Interest rate:	10% per annum, on the basis of a 364-day year
Guarantee:	Pursuant to Facility Agreement-2, the Guarantor irrevocably and unconditionally:  (1) guarantees to CSH Capital HK punctual performance by the Borrower of all the Borrower’s obligations under the Finance Documents;

- (2) undertakes with CSH Capital HK that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (3) agrees with CSH Capital HK that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify CSH Capital HK immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due.

Security:

- (1) the Share Charge over the entire issued share capital of Ao Sheng Investments executed by Ao Sheng Holdings in favour of CSH Capital HK; and
- (2) the Note Charge over the Note executed by Ao Sheng Holdings in favour of CSH Capital HK.

Payment and repayment:

Subject to Facility Agreement-2, the Borrower shall repay Loan-2 in full in one lump sum on the Initial Termination Date or the Extended Termination Date (whichever is applicable) and pay the interest every 182 days (or such other period as CSH Capital HK may agree) during the Term.

Prepayment:

At any time following the occurrence of, among other things, the following events, CSH Capital HK may notify the Borrower that it requires Loan-2 to be prepaid, and upon such notification, Facility-2 will be immediately cancelled and the Borrower shall, within five Business Days of demand, repay Loan-2 together with accrued interest and all other amounts accrued under the Finance Documents:

- (1) the shares in the Guarantor are suspended from trading on the Stock Exchange for more than 20 consecutive trading days (other than (a) suspension for purely technical reasons which are beyond the Guarantor's control or (b) suspension pending the issue of an announcement under Chapter 14 or Chapter 14A of the Listing Rules or any announcement to be made pursuant to The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong);
- (2) the Guarantor, directly or indirectly (including through nominee(s)) ceases to beneficially own 100% of the issued shares in the Borrower, Ao Sheng Holdings and Ao Sheng Investments;
- (3) the net gearing ratio of the Guarantor Group ("NGR") exceeds 160%. In this context, NGR shall be determined by the following formula with reference to the latest audited or interim unaudited, whichever is later, consolidated financial statements of the Guarantor Group published on the website of the Stock Exchange at <https://www.hkexnews.hk/>:

$$\text{NGR} = [(\text{IBL} - \text{C})/\text{SE}] \times 100\%$$

where:

"IBL" means the interest-bearing liabilities of the Guarantor Group;

“C” means the cash and cash equivalents of the Guarantor Group, which, for the avoidance of doubt, includes restricted bank deposits and any pledged bank deposits; and

“SE” means the shareholders’ equity of the Guarantor Group.

- (4) the aggregate amount of liability of the Guarantor Group in all the litigations, arbitrations, governmental, regulatory and/or administrative proceedings exceeds 20% of the “net assets” of the Guarantor Group. In this context, the amount of liability should be determined with reference to the latest judgment, declaration, order, determination or binding decision (whether subject to appeal or not) by any court or tribunal of competent jurisdiction or arbitration, governmental, regulatory or administrative body as at the relevant time; and term quoted in quotation marks herein shall have the same meanings given to it in the latest audited or interim unaudited, whichever is later, consolidated financial statements of the Guarantor Group published on the website of the Stock Exchange at <https://www.hkexnews.hk/>; or
- (5) any event or circumstance occurs which has or is reasonably likely to have a material adverse effect on:
  - (a) the business and financial condition of the Guarantor Group taken as a whole;
  - (b) the ability of each of the Borrower, the Guarantor, Ao Sheng Holdings and any other person who is a party to a Finance Document (other than the Lender) to perform its obligations under the Finance Documents; or
  - (c) the validity or enforceability of any of the Finance Documents or the rights or remedies of CSH Capital HK under any of the Finance Documents.

## **FUNDING OF LOAN-2**

The Group will finance Loan-2 by internal resources of the Group.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company incorporated in Bermuda with limited liability and its subsidiaries are principally engaged in various kinds of financial services, including financial leasing, operation of an asset trading platform, investments in securities, money lending, investment holding, online investment and technology-enabled lending services, online new media services and asset management.

CSH Capital HK is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in financial investment.

## **INFORMATION OF THE BORROWER, THE GUARANTOR AND AO SHENG HOLDINGS**

The Borrower is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Guarantor. It is principally engaged in investment holding.

The Guarantor is an investment holding company and is a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 95). The principal activities of the Guarantor Group comprise property development, property investment and other related services in the PRC and Hong Kong.

Ao Sheng Holdings is a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Guarantor. It is principally engaged in investment holding. Ao Sheng Holdings directly owns the entire issued share capital in Ao Sheng Investment, a company incorporated under the laws of Hong Kong with limited liability and principally engaged in investment holding. Ao Sheng Investments, through its Cambodian subsidiary, holds property rights in certain real properties (mainly a 32-storey commercial building) located in Cambodia.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Borrower, the Guarantor and Ao Sheng Holdings and their ultimate beneficial owner(s) are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF FACILITY-2**

The terms of Facility Agreement-2 were negotiated on an arm's length basis between CSH Capital HK and the Borrower with reference to the prevailing market practice. The determination of the interest rate of Facility-2 has taken into account the following factors: (i) the interest rate of Facility-1; (ii) the changes of the finance costs of the Chinese real estate developers since the provision of Facility-1; and (iii) the securities provided for Facility-2. The Directors consider that the terms of Facility Agreement-2 (including the interest rate) were entered into on normal commercial terms.

Having taken into account (i) the Guarantor Group's consolidated net asset value as at 31 December 2019 being in excess of RMB13,000,000,000; (ii) the Guarantor Group's consolidated net profit for the year ended 31 December 2019 being in excess of RMB1,700,000,000; (iii) the Guarantor being a company issued with a "B" credit rating by Fitch Ratings, Inc.; (iv) the revenue and cash flow from interest income expected to be stable; and (v) the securities provided for Facility-2, the Directors are of the view that the terms of Facility Agreement-2 and the entering into of Facility Agreement-2 are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The grant of Facility-2 constitutes financial assistance provided by the Company within the meaning of the Listing Rules.

Since Facility Agreement-2 is entered into within 12 months after the entering into of Facility Agreement-1, and the financial assistance thereunder are granted to the same Borrower, the transaction contemplated under Facility Agreement-2 shall be aggregated together with the transaction contemplated under Facility Agreement-1 pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate amount of financial assistance granted to the Borrower are more than 5% but all are less than 25%, the grant of Facilities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.



As the aggregate amount of financial assistance granted to the Borrower does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Facilities is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the words and expressions below shall have the following meanings when used herein:

- “Ao Sheng Holdings” Ao Sheng Holdings Limited 傲陞控股有限公司, a company incorporated under the laws of British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Guarantor;
- “Ao Sheng Investments” Ao Sheng Investments Limited 傲陞投資有限公司, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of Ao Sheng Holdings;
- “Borrower” Thriving Achieve (HK) Limited 臻瓏(香港)有限公司, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Guarantor;
- “Business Day” a day (other than a Saturday, Sunday and Public Holiday) on which licensed banks are open for business in Hong Kong;
- “Company” China Shandong Hi-Speed Financial Group Limited (中國山東高速金融集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 412);
- “connected person(s)” has the meaning ascribed to it in the Listing Rules;
- “CSH Capital HK” China Shandong Hi-Speed Capital (HK) Limited 中國山東高速資本(香港)有限公司, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;

“Director(s)”	the director(s) of the Company;
“Extended Termination Date”	the day falling 364th day from the Initial Termination Date;
“Facility-1”	a term loan facility in the principal amount of US\$50,000,000 to be made available to the Borrower by CSH Capital HK upon and subject to the terms and conditions of the Facility Agreement-1;
“Facility-2”	a term loan facility in the principal amount of US\$80,000,000 to be made available to the Borrower by CSH Capital HK upon and subject to the terms and conditions of the Facility Agreement-2;
“Facilities”	collectively, Facility-1 and Facility-2;
“Facility Agreement-1”	the facility agreement dated 22 January 2020 entered into among CSH Capital HK, the Borrower and the Guarantor in respect of Facility-1;
“Facility Agreement-2”	the facility agreement dated 15 June 2020 entered into among CSH Capital HK, the Borrower and the Guarantor in respect of Facility-2;
“Finance Document(s)”	Facility Agreement-2, the Share Charge, the Note Charge, any utilisation request in respect of Loan-2 and any other document designated and agreed as such by CSH Capital HK and the Borrower;
“Group”	the Company and its subsidiaries;
“Guarantor”	LVGEM (China) Real Estate Investment Company Limited 綠景(中國)地產投資有限公司, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 95);

“Guarantor Group”	the Guarantor and its subsidiaries from time to time (including the Borrower);
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Initial Termination Date”	the date falling 364th day from the Utilisation Date;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan-2”	a loan made or to be made under Facility-2 or the principal amount outstanding for the time being of that loan;
“Note”	a note in aggregate principal amount of US\$40,000,000 issued by Ao Sheng Investments to Ao Sheng Holdings;
“Note Charge”	the note charge dated 15 June 2020 executed by Ao Sheng Holdings in favour of CSH Capital HK over the Note;
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the Share(s);

“Share(s)”	ordinary share(s) of the Company;
“Share Charge”	the share charge dated 15 June 2020 executed by Ao Sheng Holdings in favour of CSH Capital HK over the entire issued share capital of Ao Sheng Investments;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Utilisation Date”	the date of the utilisation of Facility-2, being the date on which Loan-2 is to be made and drawn down; and
“%”	per cent.

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

Hong Kong, 15 June 2020

*For illustration purpose only, amounts in US\$ in this announcement have been converted into HK\$ at the rate of US\$1=HK\$7.8.*

*As at the date of this announcement, the Company has five executive directors, namely Mr. Wang Xiaodong, Mr. Liu Han, Mr. Liu Honghui, Mr. Liu Zhijie and Mr. Liu Yao; three non-executive directors, namely Mr. Liang Zhanhai, Mr. Chen Di and Mr. Gao Guicheng; and four independent non-executive directors, namely Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan.*