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(Stock Code: 412)

UPDATE ON DISCLOSEABLE TRANSACTIONS IN RELATION TO ACQUISITION OF BOND

This announcement is made by China Shandong Hi-Speed Financial Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide its shareholders and potential investors with information regarding the subsequent development of a bond acquired by the Group as disclosed below.

PARTICIPATION IN THE CONSENT SOLICITATION

Reference is made to (i) the announcement of the Company dated 15 August 2019 in relation to, among others, a trade order executed by Safe Castle Limited (“**Safe Castle**”), an indirect wholly-owned subsidiary of the Company, to acquire the 7.95% guaranteed bond due 15 August 2021 (the “**Bond**”) in the principal amount of US\$30,000,000 issued by Tuspark Forward Ltd. (the “**Issuer**”) from Haitong International Financial Solutions Limited at a consideration of US\$29,571,000; and (ii) the announcement of the Company dated 9 July 2021 in relation to the Issuer’s default in interest payment under a separate guaranteed bond due 2022 which constituted an event of default of the Bond as a result of cross-default (the “**Default**”). The Bond is a part of a series of 7.95% guaranteed bonds due 2021 issued by the Issuer with an aggregated principal amount of US\$400,000,000 (the “**2021 Bonds Principal Amount**”) listed on The Stock Exchange of Hong Kong Limited (stock code: 5143) (the “**2021 Bonds**”). The Bond has been internally transferred within the Group from Safe Castle to China Shandong Hi-Speed Capital Limited (the “**CSH-Capital**”), a wholly-owned subsidiary of the Company.

On 22 July 2021, against the backdrop of the Default, the Issuer published an announcement (the “**Consent Solicitation Announcement**”) setting out details of its issued consent solicitation memorandum (the “**Consent Solicitation Memorandum**”) for the solicitation of consents (the “**Consent Solicitation**”) from the holders of the 2021 Bonds (the “**2021 Bondholders**”) to, among others, vote in favour of the proposed amendments and waivers relating to the 2021 Bonds (including but not limited to the proposed extension of the maturity of the 2021 Bonds, the proposed entering into custody and security arrangements over certain assets and rights and the proposed procurement of additional guarantees to be given by the Issuer’s group to facilitate the repayment of, among others, the 2021 Bonds) (the “**Proposed Waivers and Amendments**”) through approval by extraordinary resolutions (the “**Extraordinary Resolutions**”) of the 2021 Bondholders.

Pursuant to the Consent Solicitation Announcement, where 2021 Bondholders submit consent instructions to vote in favour of the Extraordinary Resolutions in accordance with the terms of the Consent Solicitation Memorandum before a prescribed early deadline (i.e. 4:00 p.m. of 4 August 2021) (the “**Early Consent Fee Deadline**”), provided that the Extraordinary Resolutions are passed and all other required conditions are satisfied, the 2021 Bondholders who vote in favour of the Extraordinary Resolutions would be eligible to receive payment of an amount equal to 2.00 per cent. of the outstanding principal amount of the 2021 Bonds that are the subject of their respective consent instructions (the “**Early Consent Fee**”).

CSH-Capital, as one of the 2021 Bondholders, participated in the Consent Solicitation and voted in favour of the Extraordinary Resolutions in accordance with the terms of the Consent Solicitation Memorandum before the Early Consent Fee Deadline.

RESULT OF THE CONSENT SOLICITATION

Pursuant to an announcement of the Issuer published on 15 August 2021, the Extraordinary Resolutions were duly passed and the Proposed Waiver and Amendments became effective on 15 August 2021 (the “**Effective Date**”). As a result, according to the Consent Solicitation Memorandum and the Proposed Waivers and Amendments, among others:

- (1) 50% of the Early Consent Fee shall be payable by the Issuer on a date no later than 20 August 2021 (the “**First Payment of Early Consent Fee**”), and another 50% of which shall be payable by the Issuer on a date no later than 13 October 2021;
- (2) The maturity date of the 2021 Bonds (including the Bond) shall be extended to a date falling 33 months after the Effective Date (the “**New Maturity Date**”);

- (3) 5% of the 2021 Bonds Principal Amount shall be repaid by the Issuer by 31 August 2021 (the “**Upfront Principal Payment**”) (for the avoidance of doubt, no interest shall accrue on the amount of the Upfront Principal Payment provided that it was repaid by 31 August 2021);
- (4) Principal repayments under the 2021 Bonds to reduce the outstanding principal amount of the outstanding 2021 Bonds Principal Amount shall be made as follows:
- A. repayment(s) to be made such that on or prior to the date falling 12 months after the Effective Date, no more than 65% of the 2021 Bonds Principal Amount shall remain outstanding;
 - B. repayment(s) to be made such that on or prior to the date falling 24 months after the Effective Date, no more than 35% of the 2021 Bonds Principal Amount shall remain outstanding; and
 - C. repayment of any outstanding principal amount to be made on or before the New Maturity Date.
- (5) Interest accrued up to but excluding the Effective Date in respect of the 2021 Bonds shall be paid on or before 31 August 2021 (the “**Interest Payment**”). Interest shall continue to be payable semi-annually in arrears.

CSH-Capital has received its entitled proportion of the First Payment of Early Consent Fee, the Upfront Principal Repayment and the Interest Payment by the respective deadlines set out above. Further details of the Consent Solicitation Memorandum and the Proposed Waivers and Amendments are set out in the Consent Solicitation Announcement.

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

Hong Kong, 9 September 2021

As at the date of this announcement, the Company has three executive directors, namely Mr. Wang Xiaodong, Mr. Liu Zhijie and Mr. Liu Yao; four non-executive directors, namely Mr. Zhu Jianbiao, Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo; and four independent non-executive directors, namely Mr. Guan Huanfei, Mr. Chan Wei Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan.