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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 and 9 April 2018 (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.

The Loan was fully drawn down on 26 March 2018. Pursuant to the Loan Agreement, the Loan shall be repaid upon the expiry of 6-months after the Drawdown Date (the “**Original Maturity Date**”). The Borrower failed to repay the Loan on the Original Maturity Date. Demand letters have been issued to the Borrower demanding immediate repayment of the Loan and the interest accrued thereon. On 9 November 2018, the Borrower paid HK\$20,000,000 to CIF Finance for part settlement of the outstanding principal and interest accrued on the Loan. On 8 March 2019, the Borrower executed a deed of undertaking in favour of CIF Finance (the “**Undertaking**”) whereby, the Borrower undertook, among other things, to fully repay the Loan and all interest accrued thereon on 25 March 2019, and to pay all unpaid interest accrued at the rate of 17% per annum during the period between the Original Maturity Date and the proposed repayment date of 25 March 2019. The Borrower again failed to repay the Loan and interest on 25 March 2019.

On 7 August 2019, CIF Finance filed a writ at the High Court of Hong Kong to claim against the Borrower and the Guarantor repayment of the outstanding principal and interest accrued on the Loan (the “**Action**”). As at 7 August 2019, the amount owed by the Borrower to CIF Finance under the Loan Agreement and the Undertaking was HK\$196,082,944, not including the interest accrued on the Loan.

On 8 August 2019, CIF Finance and the Guarantor entered into a settlement agreement (the “**Settlement Agreement**”), pursuant to which, among other things, the Guarantor has agreed to settle the outstanding Loan for the Borrower by paying the following sums to CIF Finance in the following manner:

- (a) HK\$20,000,000 on or before 12 August 2019;
- (b) HK\$80,000,000 on or before 10 October 2019; and
- (c) HK\$96,200,000 on or before 10 January 2020.

On 9 August 2019, CIF Finance filed a notice of discontinuance to the High Court of Hong Kong with regards to its claim against the Guarantor in the Action with no order as to costs. As at the date hereof, the Guarantor had paid HK\$20,000,000 to CIF Finance.

Separately, the Borrower and CIF Finance have just commenced negotiations in relation to settlement of the Action. No agreement has been reached as at the date hereof.

The Company reserves all its rights, entitlements and/or interests against the Borrower and/or the Guarantor. In particular, if the Guarantor defaults in payment of any of the amounts in accordance with the Settlement Agreement as disclosed above, CIF Finance shall be at liberty to exercise any powers or rights incidental to the Settlement Agreement, the Loan Agreement and/or the personal guarantee given by the Guarantor in connection with the Loan.

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, 13 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.