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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 TRANSACTIONS**

- (1) ACQUISITION OF THE SALE SHARE AND SALE LOANS AND SET-OFF;**
- (2) TERMINATION OF DISCLOSEABLE TRANSACTION IN RELATION TO TOTAL RETURN SWAP AND NOVATION OF LOAN;**
- (3) EXTENSION AND AMENDMENTS TO THE CSFG FACILITY AGREEMENT; AND**
- (4) AMENDMENT TO THE NOTES**

### **(1) ASCEND DELIGHT ACQUISITION, SET-OFF AND REPURCHASE ARRANGEMENT**

Reference is made to the Company's announcement dated 18 December 2019 in relation to the CSFG Facility Agreement entered into between the Purchaser, Grand Sail and Kaisa Group, pursuant to which the Purchaser agreed to provide a loan facility of USD125,000,000 (equivalent to approximately HKD980,000,000) to Grand Sail, with Kaisa Group acting as guarantor with obligations set out under the CSFG Facility Agreement.

On 5 December 2021, the Purchaser entered into the Ascend Delight SPA with Kaisa Group, Grand Sail and the Vendor, pursuant to which, subject to the fulfilment or waiver (if applicable) of the Ascend Delight Conditions Precedent (which include, among others, the condition of the Purchaser being satisfied with the results of the due diligence at its sole discretion), the Purchaser agreed to purchase, and the Vendor agreed to sell, the Sale Share (Ascend Delight) and the Sale Loans (Ascend Delight) at the Consideration (Ascend Delight) of at most HKD186,389,227, subject to the possible downward adjustment pursuant to the terms under the Ascend Delight SPA. The Consideration (Ascend Delight) shall be settled by the Purchaser through setting off the equivalent amount against part of the Outstanding Sum under the CSFG Facility Agreement. Pursuant to the terms under the Ascend Delight SPA, among others, Kaisa Group irrevocably and unconditionally undertakes to the Purchaser to conduct the Repurchase (Ascend Delight) upon the fulfilment of certain conditions as set out under the Ascend Delight SPA.

Ascend Delight's indirect wholly-owned subsidiary, namely The Center (38) Limited, is the sole legal and beneficial owner of the Property (Ascend Delight) (i.e. 38th floor of THE CENTER (中環中心), 99 Queen's Road Central, Hong Kong).

### **Listing Rules Implications**

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Ascend Delight Acquisition are more than 5% but less than 25%, the Ascend Delight Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and therefore is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

## **(2) TERMINATION OF DISCLOSEABLE TRANSACTION IN RELATION TO TOTAL RETURN SWAP AND NOVATION OF LOAN**

References is made to the TRS Announcements in relation to (i) the novation of loan under the CSFG Facility Agreement pursuant to the Amendment Agreement (GS); and (ii) the total return swap transaction pursuant to the TRS Agreement (GS).

The Board announces that on 3 December 2021, the Purchaser sent an irrevocable written confirmation to Nomura Singapore requesting the Termination of the TRS Agreement (GS) and was accepted by Nomura Singapore.

Pursuant to the TRS Agreement (GS), the Purchaser shall pay Nomura Singapore (A) USD68,750,000 (being approximately HKD539,000,000), which is an amount equals to 55% times the notional amount of the Reference Facility-Backed Note; plus (B) USD85,555.56 (equivalent to approximately HKD670,756) unwind cost; plus (C) USD1,067,980.65 (equivalent to approximately HKD8,372,968) accrued but unpaid Floating Rate Payment by the Purchaser, and Nomura Singapore shall deliver, novate, transfer, assign or sell to the Purchaser the Reference Facility-Backed Note.

The Termination of the TRS Agreement (GS) is expected to take effect immediately after the Purchaser is in receipt of the Reference Facility-Backed Note.

Upon receipt of the Reference Facility-Backed Note, the Purchaser as noteholder shall have right to redeem the Reference Facility-Backed Note from the Reference Asset Issuer by transfer of the Charged Asset (as defined below) to the Purchaser.

For the purpose of Loan Novation, the Purchaser, Grand Sail, Kaisa Group and the Reference Asset Issuer shall, within around ten Business Days from the Termination of the TRS Agreement (GS), enter into the Transfer Certificate pursuant to which the parties shall acknowledge that the Purchaser shall take up the CSFG Facility Agreement in the place of the Reference Asset Issuer, assuming all the rights, duties and obligations of the Reference Asset Issuer under the CSFG Facility Agreement and other finance documents in relation thereto.

Upon completion of the Loan Novation, the Reference Asset Issuer is released from any further obligations under the CSFG Facility Agreement and other finance documents in relation thereto, and the Purchaser shall assume all the rights and obligations of the lender under the CSFG Facility Agreement and other finance documents in relation thereto.

### **Listing Rules Implications**

Reference is made to the Company's announcement dated 3 October 2021 (the "**October Announcement**") in relation to, among others, the Subscription by Safe Castle of the Notes issued by Ye Chang in the aggregate principal amount of up to USD120,000,000 (equivalent to approximately HKD940,800,000) pursuant to the Subscription Agreement.

As both Safe Castle and the Purchaser are indirect subsidiaries of the Company, and both Grand Sail and Ye Chang are indirect subsidiaries of Kaisa Group, the Subscription and the Loan Novation shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Loan Novation when aggregated with the Subscription exceeds 5% but is less than 25%, the Loan Novation together with the Subscription constitutes discloseable transactions for the Company under the Listing Rules and are subject to the reporting and announcement requirements.

### **(3) EXTENSION OF PART OF LOAN AND AMENDMENTS TO THE CSFG FACILITY AGREEMENT**

Reference is made to (i) the Company's announcement dated 18 December 2019 in relation to the CSFG Facility Agreement; and (ii) the October Announcement in relation to, among others, the Subscription by Safe Castle of the Notes issued by Ye Chang in the aggregate principal amount of up to USD120,000,000 (equivalent to approximately HKD940,800,000) pursuant to the Subscription Agreement and the entering into the Security Agreement. Pursuant to the Security Agreement, among others, (i) Ye Chang as primary obligor covenants that it will on demand pay the secured liabilities which include, among others, all present and future payment obligations and liabilities in respect of financial indebtedness owed by any member of Kaisa Group and its subsidiaries to the Company or any of its subsidiaries from time to time; and (ii) all of the rights, title and interest to or relating to the Collateral Account (as defined in the October Announcement), including 103,530,000 shares in Kaisa Prosperity Holdings Limited and any additional shares further pledged by Ye Chang, have been charged as continuing security for the payment of the secured liabilities.

On 5 December 2021, the Purchaser, Grand Sail, Kaisa Group and Ye Chang entered into the Supplemental Deed (CSFG Facility Agreement) to amend and supplement the CSFG Facility Agreement for, among others, the Extension of the repayment date of the loan (after setting-off according to the Ascend Delight SPA) under the CSFG Facility Agreement to 2 October 2022 and the amendment of interest rate under the CSFG Facility Agreement to 14% per annum, subject to the fulfilment or waiver of certain condition precedents which include but not limited to the Ascend Delight Completion having taken place. The Purchaser shall have the rights to, among others, take enforcement action pursuant to the CSFG Facility Agreement in the occurrence of event of default (including but not limited to the cross default event under the Security Agreement).

#### **Listing Rules Implications**

As both Safe Castle and the Purchaser are indirect subsidiaries of the Company, and both Grand Sail and Ye Chang are indirect subsidiaries of Kaisa Group, the Subscription and the Extension shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription and the Extension (on an aggregated basis) are more than 5% but less than 25%, the Subscription and the Extension in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and therefore are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

#### **(4) AMENDMENT TO THE NOTES**

Reference is made to the October Announcement in relation to the Subscription by Safe Castle of the Notes.

On 5 December 2021, Safe Castle and Ye Chang entered into the Supplemental Deed (Notes), pursuant to which, Safe Castle and Ye Chang agreed to amend the interest rate under the Notes to 14% per annum, subject to the Ascend Delight Completion having taken place.

##### **Listing Rules Implications**

As both Safe Castle and the Purchaser are indirect subsidiaries of the Company, and both Grand Sail and Ye Chang are indirect subsidiaries of Kaisa Group, the Subscription and the Extension shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription (as amended by the Supplemental Deed (Notes)) and the Extension (on an aggregated basis) are more than 5% but less than 25%, the Subscription (as amended by the Supplemental Deed (Notes)) and the Extension in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and therefore are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that the completion of the Ascend Delight Acquisition and the Extension is subject to the fulfilment (or waiver, if applicable) of certain conditions and therefore the such completions may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **(1) ASCEND DELIGHT ACQUISITION, SET OFF AND REPURCHASE ARRANGEMENT**

Reference is made to the Company's announcement dated 18 December 2019 in relation to, among others, the CSFG Facility Agreement entered into by the Purchaser, Grand Sail and Kaisa Group, pursuant to which the Purchaser has agreed to provide a loan facility of USD125,000,000 (equivalent to approximately HKD980,000,000) to Grand Sail, with Kaisa Group acting as guarantor with obligations set out under the CSFG Facility Agreement. As at the date of this announcement, the outstanding principal due from Grand Sail to the Purchaser under the CSFG Facility Agreement amounted to approximately USD125,000,000 (equivalent to approximately HKD980,000,000).

### **ASCEND DELIGHT SPA**

On 5 December 2021, the Purchaser entered into the Ascend Delight SPA with Kaisa Group, Grand Sail and the Vendor, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Share (Ascend Delight) and the Sale Loans (Ascend Delight) at the Consideration (Ascend Delight) of at most HKD186,389,227, subject to the possible downward adjustment pursuant to the terms under the Ascend Delight SPA. The Consideration (Ascend Delight) shall be settled by the Purchaser through setting off the equivalent amount against part of the Outstanding Sum under the CSFG Facility Agreement. The principal terms of the Ascend Delight SPA are summarized below:

**Date:** 5 December 2021

**Parties:**

- (i) the Purchaser (as purchaser);
- (ii) the Vendor (as vendor);
- (iii) Kaisa Group; and
- (iv) Grand Sail

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor, Kaisa Group, Grand Sail and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

**Assets to be acquired:**

- (i) One ordinary share in the share capital of Ascend Delight, representing the entire issued share capital of Ascend Delight; and
- (ii) the Sale Loans (Ascend Delight).

As at the date of this announcement, Ascend Delight holds the entire issued share capital of Happy Sino which in turn holds the entire issued share capital of The Center (38) Limited. The Center (38) Limited is the sole legal and beneficial owner of the Property (Ascend Delight).

**Consideration  
(Ascend Delight)  
and set-off:**

The Consideration (Ascend Delight) shall be determined according to the following formula:

$$A = B - C - D$$

“A” means the Consideration (Ascend Delight) for the sale and purchase of the Sale Share (Ascend Delight) and Sale Loans (Ascend Delight).

“B” means HKD186,389,227 (the “**Ascend Delight Reference Value**”), being HK750,000,000 (being the estimated value of the Property (Ascend Delight), plus the cash held by the Ascend Delight Group in the amount of HKD7,700,000, minus the outstanding principal amount of HKD569,780,000 and the accrued interest of HKD1,530,773 under the Bank Facility Agreement (Ascend Delight) as at the Completion Date, representing the maximum amount of Consideration (Ascend Delight) agreed by the contracting parties to the Ascend Delight SPA.

“C” means all debts and liabilities of the Ascend Delight Group (excluding debts and liabilities between members of the Ascend Delight Group and the Sale Loans (Ascend Delight)) as at the Ascend Delight Completion Date which are not being disclosed by the Vendor under the Ascend Delight SPA but revealed through the Purchaser’s due diligence after the date of the Ascend Delight SPA and before the Ascend Delight Completion.

“D” means the amount of the shortfall between the amount disclosed in the Ascend Delight SPA and the actual amount of cash that the Ascend Delight Group holds as at the Ascend Delight Completion Date. For the avoidance of doubt, if the actual amount of cash that the Ascend Delight Group holds as at the Ascend Delight Completion Date is a greater number, “D” shall be equal to zero.



The Consideration (Ascend Delight) shall be no more than the Ascend Delight Reference Value and be settled by the Purchaser through setting off the equivalent amount against the Outstanding Sum under the CSFG Facility Agreement.

The Consideration (Ascend Delight) was determined after arm's length negotiations between the Purchaser, the Vendor, Kaisa Group and Grand Sail, on normal commercial terms taking into account of, among other things, (i) the estimated market value of the Property (Ascend Delight) of HKD750 million; (ii) the prevailing market price of similar properties; and (iii) the cash, debt and liability position of the Ascend Delight Group. The Board considers that the Consideration (Ascend Delight) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Conditions Precedent:**

The Ascend Delight Acquisition shall be subject to and conditional upon the fulfillment or waiver (if applicable) of the following conditions (the “**Ascend Delight Conditions Precedent**”):

- (a) the Bank (Hang Seng) having irrevocably and unconditionally (i) released and discharged or agreed to so release and discharge all the security, guarantees and undertakings given by Kaisa Group and/or any of its Affiliates (other than the members of the Ascend Delight Group) under the Finance Documents (as defined in the Bank Facility Agreement (Ascend Delight)), including but not limited to the guarantee given by Kaisa Group under the Bank Facility Agreement(Ascend Delight); and (ii) granted all necessary consent, approval or waiver under the Bank Facility Agreement (Ascend Delight) and/or the Finance Documents (as defined in the Bank Facility Agreement(Ascend Delight)) or agreed to grant the same on or before Ascend Delight Completion in respect of the transfer of share and change of control in Ascend Delight pursuant to the transaction contemplated under Ascend Delight SPA, provided that the above arrangement is agreed by the Purchaser and the Vendor;
  
- (b) the Purchaser is, at its sole discretion, satisfied with the result of the due diligence on, among others, the Sale Share (Ascend Delight), Sale Loans (Ascend Delight), the assets and liabilities of the Ascend Delight Group and the Property (Ascend Delight); and
  
- (c) the Supplemental Deed and the Notes Amendment Documents having been duly executed on or about the date of the Ascend Delight SPA to the effect that, among others, the interest rates under each of the CSFG Facility Agreement and the Notes shall be 14% per annum.

In the event that the above conditions are not fulfilled (or waived if applicable) on or before the Ascend Delight Completion Date, the Ascend Delight SPA shall be capable of being terminated by either the Vendor or the Purchaser forthwith on written notice to the other.

**Completion:**

The Ascend Delight Completion will take place on the Ascend Delight Completion Date, only when all completion obligations stated under the Ascend Delight SPA are satisfied.

Immediately after the Ascend Delight Completion, Ascend Delight will become an indirect wholly-owned subsidiary of the Company and the financial results of Ascend Delight will be consolidated into the financial statements of the Group.

**Undertakings of the  
Vendor and Kaisa  
Group:**

*Undertaking to Repurchase (Ascend Delight)*

The Vendor and Kaisa Group agree and jointly and severally undertake to the Purchaser that, on the conditions that (i) all repayment obligations of Grand Sail under the CSFG Facility Agreement having been satisfied on or before 2 October 2022 (or other day as agreed by the Purchaser); (ii) the Notes having been fully redeemed by Ye Chang on or before 2 October 2022 (or other day as agreed by Safe Castle); and (iii) Kaisa Group has the ability to conduct the Repurchase (Ascend Delight) in the capacity of the purchaser of the Repurchase (Ascend Delight) (for the avoidance of doubt, should the latest annual report or interim report of Kaisa Group shows that Kaisa Group has sufficient financial resources to cover the total consideration for the Repurchase (Ascend Delight), the Vendor and Kaisa Group shall be deemed to have the ability to conduct the Repurchase (Ascend Delight)), the Purchaser shall, during the period of 120 calendar days after satisfaction of the conditions in (i) and (ii) above, have the right to require the Vendor and/or Kaisa Group to purchase from the Purchaser (i) the Sale Share (Ascend Delight); and (ii) all loans and other amounts (whether principal, interest, arising from guaranteed obligations or otherwise) due from the Ascend Delight Group to the Company or any or its Affiliates or direct and indirect subsidiaries (the “**Repurchase Sale Loans (Ascend Delight)**”) as at the date of completion of the Repurchase (Ascend Delight) (provided that the Purchaser shall only have the right to require the the Vendor and/or Kaisa Group to purchase any Repurchase Sale Loans (Ascend Delight) incurred by the Ascend Delight Group after the Ascend Delight Completion Date if such Repurchase Sale Loans (Ascend Delight) are reasonably incurred by the Ascend Delight Group in connection with the Property (Ascend Delight)) in the manner as instructed by the Purchaser upon serving a

written notice to the Vendor and/or Kaisa Group by the Purchaser (the “**Repurchase (Ascend Delight)**”). The total consideration for the Repurchase (Ascend Delight) shall be the aggregate of (I) the amount equivalent to the Consideration (Ascend Delight); (II) the amount of interest payable derived from the interest rate of 10% per annum applied to the amount equivalent to the Consideration (Ascend Delight), accrued from the Ascend Delight Completion Date to the date of completion of the Repurchase (Ascend Delight) (both days inclusive); and (III) the amount of the portion of Repurchase Sale Loans (Ascend Delight) which are reasonably incurred by the Ascend Delight Group in connection with the Property (Ascend Delight) after the Ascend Delight Completion Date.

*Other Undertakings*

Kaisa Group irrevocably and unconditionally undertakes to the Purchaser that:

- (a) subject to the Ascend Delight Completion having taken place, it shall, and shall procure all of its Affiliates and direct and indirect subsidiaries to, waive and renounce all their respective rights to any receivables or claims for repayments arising from or in connection with all loans and other amounts (whether principal, interest, arising from guaranteed obligations or otherwise) owing by any member of the Ascend Delight Group to Kaisa Group or its subsidiaries or Affiliates as at the Ascend Delight Completion Date, to the extent not disclosed under the Ascend Delight SPA and not assigned by the Vendor to the Purchaser upon the Ascend Delight Completion;

- (b) subject to the Ascend Delight Completion having taken place, it shall be liable to all debts and liabilities of the Ascend Delight Group (including financial guarantees provided by the Ascend Delight Group) as at the Ascend Delight Completion Date (the “**Undisclosed Debts (Ascend Delight)**”) not being disclosed to the Purchaser in writing upon or before the Ascend Delight Completion. Other than any part of the Undisclosed Debts (Ascend Delight) which is set off against the Outstanding Sum according to the Deed of Set Off (Ascend Delight), Kaisa Group shall pay to the Purchaser an amount equivalent to such Undisclosed Debts (Ascend Delight) within 5 Business Days from the date of the Purchaser’s written notice to Kaisa Group for the payment request; and
  
- (c) before the Ascend Delight Completion, it shall and shall procure all its Affiliates and direct and indirect subsidiaries to transfer all Sale Loans (Ascend Delight) to the Vendor.

**Undertakings of the  
Purchaser:**

Subject to Grand Sail and Kaisa Group having executed the Transfer Certificate, the Purchaser undertakes to the Vendor and Kaisa Group to procure completion of the Loan Novation. Subject to completion of the Loan Novation, the Purchaser undertakes to the Vendor and Kaisa Group to ratify or cause the effective date of the Supplemental Deed be the date of Ascend Delight Completion.

## **INFORMATION OF THE PURCHASER**

The Company is an investment holding company incorporated in Bermuda with limited liability and its subsidiaries are principally engaged in financial leasing, operation of an asset trading platform, investments in securities, money lending, investment holding and asset management.

The Purchaser 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 KAISA GROUP, THE VENDOR, GRAND SAIL AND ASCEND DELIGHT**

Kaisa Group is a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1638), principally engaged in investment holding and its subsidiaries are mainly engaged in property development in the Mainland China.

The Vendor is a company incorporated in the British Virgin Islands with limited liability, principally engaged in the business of investment holding. It is a direct wholly-owned subsidiary of Kaisa Group.

Grand Sail is a company incorporated in the British Virgin Islands with limited liability, principally engaged in the business of investment holding. As at the date of this announcement, it is an indirect wholly-owned subsidiary of Kaisa Group.

Ascend Delight is a company incorporated in the British Virgin Islands with limited liability, principally engaged in the business of investment holding. As at the date of this announcement, (i) the Vendor holds the entire issued share capital of Ascend Delight; and (ii) Ascend Delight holds the entire issued share capital of Happy Sino which in turn holds the entire issued share capital of The Center (38) Limited. The Center (38) Limited is the sole legal and beneficial owner of the Property (Ascend Delight).

As at 30 November 2021, the unaudited net liability of Ascend Delight Group was HKD42,341,914. Based on the information currently available to the Company, (i) Ascend Delight acquired the entire issued share capital of Happy Sino (which owned the entire issued capital of The Center (38) Limited, the legal and beneficial owner of the Property (Ascend Delight)) in July 2021; and (ii) before that, Ascend Delight recorded no net profit for the two financial years ended 31 December 2020. The unaudited net loss of Ascend Delight Group for the eleven months ended 30 November 2021 are as follows:

**For the eleven  
months ended  
30 November  
2021**  
*(HKD'000)*  
(Unaudited)

Consolidated net loss (before taxation and extraordinary items)	7,037.3
Consolidated net loss (after taxation and extraordinary items)	7,037.3

#### **REASONS FOR AND BENEFITS OF THE ASCEND DELIGHT ACQUISITION**

As at the date of this announcement, the outstanding principal due from Grand Sail to the Purchaser under the CSFG Facility Agreement amounted to approximately USD125,000,000 (equivalent to approximately HKD980,000,000). Having considered (i) the recent financial status and repayment capabilities of Kaisa Group and Grand Sail (which is an indirect wholly-owned subsidiary of Kaisa Group); (ii) estimated property value of the Property (Ascend Delight); (iii) the set-off mechanism for the settlement of the Consideration (Ascend Delight) pursuant to the terms of the Ascend Delight SPA; and (iv) the investment potential of and the rental income derivable from the Property (Ascend Delight), the Directors are of the view that the terms of the Ascend Delight SPA are fair and reasonable and in the interest of the Shareholders and the Company as a whole.



## LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Ascend Delight Acquisition are more than 5% but less than 25%, the Ascend Delight Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and therefore is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

### (2) TERMINATION OF DISCLOSEABLE TRANSACTION IN RELATION TO TOTAL RETURN SWAP AND NOVATION OF LOAN

References is made to the TRS Announcements in relation to (i) the novation of loan under the CSFG Facility Agreement pursuant to the Amendment Agreement (GS); and (ii) the total return swap transaction pursuant to the TRS Agreement (GS).

The Board announces that on 3 December 2021, the Purchaser sent an irrevocable written confirmation to Nomura Singapore requesting the Termination of the TRS Agreement (GS) and was accepted by Nomura Singapore.

Pursuant to the TRS Agreement (GS), the Purchaser shall pay Nomura Singapore (A) USD68,750,000 (being approximately HKD539,000,000), which is an amount equals to 55% times the notional amount of the Reference Facility-Backed Note; plus (B) USD85,555.56 (equivalent to approximately HKD670,756) unwind cost; plus (C) USD1,067,980.65 (equivalent to approximately HKD8,372,968) accrued but unpaid Floating Rate Payment by the Purchaser, and Nomura Singapore shall deliver, novate, transfer, assign or sell to the Purchaser the Reference Facility-Backed Note.

The Termination of the TRS Agreement (GS) is expected to take effect immediately after the Purchaser is in receipt of the Reference Facility-Backed Note (the “**TRS Termination Date**”).

Upon receipt of the Reference Facility-Backed Note, the Purchaser as noteholder shall have right to redeem the Reference Facility-Backed Note from the Reference Asset Issuer by transfer of the Charged Asset (as defined below) to the Purchaser.

For the purpose of Loan Novation, the Purchaser, Grand Sail, Kaisa Group and the Reference Asset Issuer shall, within around ten Business Days from the TRS Termination Date, enter into the Transfer Certificate pursuant to which the parties shall acknowledge that the Purchaser shall take up the CSFG Facility Agreement in the place of the Reference Asset Issuer, assuming all the rights, duties and obligations of the Reference Asset Issuer under the CSFG Facility Agreement and other finance documents in relation thereto.

A summary of the principal terms of the Transfer Certificate is set out as follows:

<b>Parties:</b>	(1) the Reference Asset Issuer (as existing lender); (2) Grand Sail (as borrower); (3) Kaisa Group (as guarantor); and (4) the Purchaser (as new lender).
<b>Transferred loan commitment:</b>	USD125,000,000 (being approximately HKD980,000,000), being the existing lender's total loan commitment and the outstanding principal amount of the loan under the CSFG Facility Agreement (" <b>Transferred Loan Commitment</b> ").
<b>Assets to be novated ("<b>Charged Asset</b>"):</b>	all of the existing lender's rights and obligations under the CSFG Facility Agreement and other finance documents which relate to the Transferred Loan Commitment.

Upon completion of the Loan Novation, the Reference Asset Issuer is released from any further obligations under the CSFG Facility Agreement and other finance documents in relation thereto, and the Purchaser shall assume all the rights and obligations of the lender under the CSFG Facility Agreement and other finance documents in relation thereto.

The Board considers that the Termination of the TRS Agreement (GS) and the entry into of the Transfer Certificate will have no material adverse impact on the existing business operation and financial position of the Group.

## **INFORMATION OF NOMURA SINGAPORE AND REFERENCE ASSET ISSUER**

Nomura Singapore is a company established under the laws of Singapore, regulated by the Monetary Authority of Singapore, and an indirect wholly-owned subsidiary of Nomura Holdings, Inc.. It is principally engaged in a full range of financial services to institutional and private clients.

The Reference Asset Issuer is a special purpose vehicle incorporated under the laws of the Cayman Islands wholly-owned by Intertrust SPV (Cayman) Limited (the “**Share Trustee**”) pursuant to the terms of a declaration of trust, under which the Share Trustee holds the benefit of the shares on trust for charitable purpose. It is principally engaged in the issuance of asset backed debt obligations. As one of the issuers to the Programme arranged by Nomura Singapore, the Reference Asset Issuer may from time to time offer notes pursuant to the offer documents under the Programme.

The Share Trustee is a wholly-owned subsidiary of Intertrust N.V., a company incorporated under the laws of the Netherlands, the shares of which are listed on Euronext Amsterdam. The Share Trustee holds the shares of the Reference Asset Issuer upon trusts (i) during the Relevant Term exclusively for the benefit of the person to whom the Reference Asset Issuer is from time to time indebted or otherwise obligated under the terms of the Transaction Documents; and (ii) from the conclusion of the Relevant Term exclusively for the benefit of charitable institution, which at the time of this announcement, means Intertrust Charitable Foundation.

For information of the Purchaser, Grand Sail and Kaisa Group, please refer to the sections headed “INFORMATION OF THE PURCHASER” and “INFORMATION OF KAISA GROUP, THE VENDOR, GRAND SAIL AND ASCEND DELIGHT” above.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Reference Asset Issuer, Nomura Singapore, Grand Sail, Kaisa Group and their respective ultimate beneficial owner(s) (if any) are third parties independent of the Company and its connected persons as at the date of this announcement.

## **INFORMATION ABOUT THE CHARGED ASSET**

Pursuant to the CSFG Facility Agreement, a principal amount of USD125,000,000 (being approximately HKD980,000,000) was advanced by the Purchaser to Grand Sail and is guaranteed by Kaisa Group. As at the date of this announcement, the outstanding principal amount under the CSFG Facility Agreement remained to be USD125,000,000 (being approximately HKD980,000,000).

## **REASONS FOR AND BENEFITS OF THE TERMINATION AND THE LOAN NOVATION**

The Directors considered that it is in the interest of the Group to proceed with the Termination and the Loan Novation, so that the Group shall assume all the rights and obligations of the lender under the CSFG Facility Agreement and be able to set off the Consideration (Ascend Delight) and the Extension. For details of the reasons for and benefits of the Ascend Delight Acquisition and the Extension, please refer to the sections headed “REASONS FOR AND BENEFITS OF THE ASCEND DELIGHT ACQUISITION” and “REASONS FOR AND BENEFITS OF THE EXTENSION”.

The terms of the Termination and Loan Novation were determined after arm’s length negotiation between the Purchaser, Reference Asset Issuer, Grand Sail, Kaisa Group and Nomura Singapore having considered the reasons and benefits above. The Directors consider the terms of the Termination and Loan Novation are on normal commercial terms and are fair and reasonable and the Termination and Loan Novation is in the interests of the Group and its shareholders as a whole.

Any amount payable by the Purchaser under the Termination and Loan Novation will be satisfied by the internal resources of the Group.

## **LISTING RULES IMPLICATIONS**

Reference is made to the October Announcement in relation to, among others, the Subscription by Safe Castle of the Notes issued by Ye Chang in the aggregate principal amount of up to USD120,000,000 (equivalent to approximately HKD940,800,000) pursuant to the Subscription Agreement.

As both Safe Castle and the Purchaser are indirect subsidiaries of the Company, and both Grand Sail and Ye Chang are indirect subsidiaries of Kaisa Group, the Subscription and the Loan Novation shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Loan Novation when aggregated with the Subscription exceeds 5% but is less than 25%, the Loan Novation together with the Subscription constitutes discloseable transactions for the Company under the Listing Rules and are subject to the reporting and announcement requirements.

### **(3) EXTENSION OF PART OF LOAN AND AMENDMENTS TO THE CSFG FACILITY AGREEMENT**

Reference is made to (i) the Company's announcement dated 18 December 2019 in relation to the CSFG Facility Agreement; and (ii) the October Announcement in relation to, among others, the Subscription by Safe Castle of the Notes issued by Ye Chang in the aggregate principal amount of up to USD120,000,000 (equivalent to approximately HKD940,800,000) pursuant to the Subscription Agreement and the entering into the Security Agreement. Pursuant to the Security Agreement, among others, (i) Ye Chang as primary obligor covenants that it will on demand pay the secured liabilities which include, among others, all present and future payment obligations and liabilities in respect of financial indebtedness owed by any member of Kaisa Group and its subsidiaries to the Company or any of its subsidiaries from time to time; and (ii) all of the rights, title and interest to or relating to the Collateral Account (as defined in the October Announcement), including 103,530,000 shares in Kaisa Prosperity Holdings Limited and any additional shares further pledged by Ye Chang, have been charged as continuing security for the payment of the secured liabilities.

On 5 December 2021, the Purchaser, Grand Sail, Kaisa Group and Ye Chang entered into the Supplemental Deed (CSFG Facility Agreement) to amend and supplement the CSFG Facility Agreement for, among others, the Extension of the repayment date of the loan (after setting-off according to the Ascend Delight SPA) under the CSFG Facility Agreement to 2 October 2022 and the amendment of interest rate under the CSFG Facility Agreement to 14% per annum. The Purchaser shall have the rights to, among others, take enforcement action pursuant to the CSFG Facility Agreement in the occurrence of event of default (including but not limited to the cross default of Ye Chang under the Security Agreement).

The amendments to the CSFG Facility Agreement shall be conditional upon the fulfilment (or waiver by the Purchaser) of the following conditions precedent:

- (1) the delivery to the Purchaser of the resolutions of the board of directors of each of Kaisa Group and Grand Sail approving the terms and execution and delivery of the Supplemental Deed (CSFG Facility Agreement);
- (2) the Ascend Delight Completion having taken place; and
- (3) the completion under the Loan Novation having taken place.

If the conditions set out in (1) and (2) above have not been fulfilled or waived on or before 7 December 2021 (or such later date as may be agreed by the contracting parties to the Supplemental Deed (CSFG Facility Agreement)), then the Supplemental Deed (CSFG Facility Agreement) shall lapse immediately thereafter and be of no further effect except for certain surviving provisions.

## **REASONS FOR AND BENEFITS OF THE EXTENSION**

The terms of the CSFG Facility Agreement (as amended and supplemented by the Supplemental Deed (CSFG Facility Agreement)) were negotiated on arm's length basis between the contracting parties thereto and were on normal commercial terms. Taking into account (i) part of the Outstanding Sum would be repaid through setting off the Consideration (Ascend Delight); (ii) the securities provided for the loan; (iii) the financial status and repayment abilities of Ye Chang, Grand Sail and Kaisa Group; and (iv) the interest income expected to be generated from the CSFG Facility Agreement (as amended and supplemented by the Supplemental Deed (CSFG Facility Agreement)), the Directors consider that the terms of the Supplemental Deed (CSFG Facility Agreement) are fair and reasonable and the entering into the Supplemental Deed (CSFG Facility Agreement) is in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF YE CHANG**

Ye Chang is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the business of investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Ye Chang, Kaisa Group and their ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

For information of the Purchaser, Grand Sail and Kaisa Group, please refer to the sections headed "INFORMATION OF THE PURCHASER" and "INFORMATION OF KAISA GROUP, THE VENDOR, GRAND SAIL AND ASCEND DELIGHT" above.

## **LISTING RULES IMPLICATIONS**

As both Safe Castle and the Purchaser are indirect subsidiaries of the Company, and both Grand Sail and Ye Chang are indirect subsidiaries of Kaisa Group, the Subscription and the Extension shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription and the Extension (on an aggregated basis) are more than 5% but less than 25%, the Subscription and the Extension in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and therefore are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

#### **(4) AMENDMENT TO THE NOTES**

Reference is made to the October Announcement in relation to the Subscription by Safe Castle of the Notes.

On 5 December 2021, Safe Castle and Ye Chang entered into the Supplemental Deed (Notes), pursuant to which, Safe Castle and Ye Chang agreed to amend the interest rate under the Notes to 14% per annum, subject to the Ascend Delight Completion having taken place.

Save as disclosed above, all other terms and provisions of the Subscription Agreement remain the same as disclosed in the October Announcement. The Directors are of the view that the terms of Supplemental Deed (Notes) are fair and reasonable and in the interest of the Shareholders and the Company as a whole. Please refer to the October Announcement for the details of the parties to this Supplemental Deed (Notes).

#### **Listing Rules Implications**

As both Safe Castle and the Purchaser are indirect subsidiaries of the Company, and both Grand Sail and Ye Chang are indirect subsidiaries of Kaisa Group, the Subscription and the Extension shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription (as amended by the Supplemental Deed (Notes)) and the Extension (on an aggregated basis) are more than 5% but less than 25%, the Subscription (as amended by the Supplemental Deed (Notes)) and the Extension in aggregate constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, and therefore are subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.



## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Affiliate(s)”	with respect to a party, such party’s subsidiary undertakings and parent undertakings and the subsidiary undertakings of any such parent undertakings together with the directors (or equivalent) of any such subsidiary undertakings and parent undertakings;
“Amendment Agreement (GS)”	(i) the order; and (ii) the amendment agreement relating to the CSFG Facility Agreement entered into among the Purchaser, Grand Sail, Kaisa Group and the Reference Asset Issuer on or around 20 May 2021. For more information, please refer to the TRS Announcements;
“Ascend Delight”	Ascend Delight Limited (愉昇有限公司), a company incorporated under the laws of the British Virgin Islands and a direct wholly-owned subsidiary of the Vendor;
“Ascend Delight Acquisition”	the acquisition of the Sale Share (Ascend Delight) and the Sale Loans (Ascend Delight) pursuant to the terms of the Ascend Delight SPA;
“Ascend Delight Completion”	completion of the Ascend Delight Acquisition pursuant to the Ascend Delight SPA;
“Ascend Delight Completion Date”	means 7 December 2021 or such other date as may be agreed between the Purchaser and the Vendor in writing;
“Ascend Delight Group”	collectively, Ascend Delight and all its direct and indirect subsidiaries, namely Happy Sino and The Center (38) Limited;

“Ascend Delight SPA”	the sale and purchase agreement dated 5 December 2021 entered into between the Vendor, the Purchaser, Kaisa Group and Grand Sail in respect of the Ascend Delight Acquisition;
“Bank (Hang Seng)”	Hang Seng Bank Limited;
“Bank Facility Agreement (Ascend Delight)”	the facility agreement dated 30 June 2021 in respect of the HKD575,000,000 term loan facilities for Ascend Delight as borrower and Kaisa Group as guarantor with the Bank (Hang Seng) as lender;
“Board”	the board of Directors;
“Business Day”	a day on which commercial banks are open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and any weekday on which Typhoon Signal No. 8 or higher is hoisted or a black rain storm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.);
“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 under the Listing Rules;
“Consideration (Ascend Delight)”	the amount of consideration for Ascend Delight Acquisition, which shall be at most HKD186,389,227, subject to the possible downward adjustment pursuant to the terms under the Ascend Delight SPA;

“CSFG Facility Agreement”	means the facility agreement dated 18 December 2019 entered into by the Purchaser, Grand Sail and Kaisa Group, pursuant to which, among others, the Purchaser has agreed to provide a loan facility of USD125,000,000 (equivalent to approximately HKD980,000,000) to Grand Sail for an extendable term of 364 days after its utilization (which was extended by the parties thereto for another 364 days to 16 December 2021), with Kaisa Group acting as guarantor with obligations set out under the CSFG Facility Agreement;
“Deed of Set Off (Ascend Delight)”	the deed of set off to be executed by the Purchaser, the Vendor, Kaisa Group and Grand Sail by the Ascend Delight Completion Date in relation to the mechanism for setting off the amount of Consideration (Ascend Delight) against the Outstanding Sum;
“Director(s)”	the director(s) of the Company;
“Extension”	the extension of the repayment date of the loan under the CSFG Facility Agreement to 2 October 2022 pursuant to the Supplemental Deed (CSFG Facility Agreement);
“Existing TRS Documents”	the 2002 ISDA Master Agreement and the schedule and annex thereto dated 12 August 2020 and a trade confirmation dated 13 May 2021 between the Purchaser and Nomura Singapore (as amended, supplemented and confirmed from time to time) in relation to the Reference Facility-Backed Notes;
“Floating Rate Payment by the Purchaser”	has the meaning ascribed to the term “Floating Rate Payment by CSH Capital HK” in the announcement of the Company dated 13 May 2021;
“Grand Sail”	Grand Sail Developments Limited (盛帆發展有限公司), an indirect wholly-owned subsidiary of Kaisa Group and a company incorporated in the British Virgin Island with limited liability;

“Group”	the Company and its subsidiaries;
“Kaisa Group”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1638);
“Happy Sino”	Happy Sino Global Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of Ascend Delight;
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Novation”	the proposed novation of all the Reference Asset Issuer’s rights and obligations under the CSFG Facility Agreement and other finance documents in relation thereto to the Purchaser pursuant to the terms and conditions under the Transfer Certificate;
“Nomura Singapore”	Nomura Singapore Limited, a company established under the laws of Singapore, regulated by the Monetary Authority of Singapore, and an indirect wholly-owned subsidiary of Nomura Holdings, Inc.;
“Notes”	the guaranteed and secured notes in the aggregate principal amount of up to USD120,000,000 subscribed by Safe Castle from Ye Chang pursuant to the Subscription Agreement;

“Notes Amendment Documents”	the documents executed by Safe Castle on 5 December 2021 in connection with the amendments of the interest rate of the Notes to 14%, which included the related written resolutions of Safe Castle and the Supplemental Deed (Notes);
“Outstanding Sum”	the outstanding amount due from Grand Sail to the Purchaser under the CSFG Facility Agreement (which outstanding principal amounted to USD125,000,000 (equivalent to approximately HKD980,000,000) as at the date of this announcement) upon the termination of the Existing TRS Documents and the completion of the Loan Novation;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Programme”	the structured issuance programme arranged by Nomura Singapore;
“Property (Ascend Delight)”	all those 1,846 equal undivided 172,379th parts or shares of and in all that piece and parcel of ground registered in the land registry as inland lot no. 8827 and of and in the messuages, erections and buildings construed thereon now known as “THE CENTER (中環中心)” no. 99 Queen’s Road Central, Hong Kong together with the sole and exclusive right and privilege to hold, use, occupy and enjoy all that 38th floor of THE CENTER together with all existing fixtures and built-in fittings and furniture therein;
“Purchaser”	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, an indirect wholly-owned subsidiary of the Company;

“Reference Asset Issuer”	Lani Finance Limited, a special purpose vehicle incorporated under the laws of the Cayman Islands wholly-owned by Intertrust SPV (Cayman) Limited, being the issuer of the Reference Facility-Backed Note, and any of its successor;
“Reference Facility-Backed Note”	The series 2021 facility agreement-backed notes in the principal amount of USD125,000,000 (being approximately HKD980,000,000) issued by the Reference Asset Issuer. For more information on the Reference Facility-Backed Note, please refer to the TRS Announcements;
“Relevant Term”	the signing date of the Transaction Documents till the date on which all obligations of the Reference Asset Issuer under the Transaction Documents are discharged;
“Safe Castle”	Safe Castle Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Sale Loans (Ascend Delight)”	all loans and other amounts (whether principal, interest or otherwise) due from any members of the Ascend Delight Group to Kaisa Group or any of its Affiliates as at the Ascend Delight Completion, which shall amount to HKD347,863,495;
“Sale Share (Ascend Delight)”	one (1) ordinary share in the share capital of Ascend Delight, representing the entire issued share capital thereof;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Notes pursuant to the Subscription Agreement;

“Subscription Agreement”	the subscription agreement dated 30 September 2021 entered into between Ye Chang and Safe Castle, pursuant to which, among others, Safe Castle agreed to subscribe for and Ye Chang agreed to issue the guaranteed and secured notes in the aggregate principal amount of up to USD120,000,000;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Sunship Group”	Sunship Group Limited, a company incorporated under the laws of British Virgin Islands, which owns all the issued share capital of Bloom Wise;
“Supplemental Deed (CSFG Facility Agreement)”	the supplemental deed dated 5 December 2021 entered into among the Purchaser, Grand Sail, Kaisa Group and Ye Chang to amend and supplement the CSFG Facility Agreement;
“Supplemental Deed (Notes)”	the supplement deed dated 5 December 2021 entered into by Safe Castle and Ye Chang, pursuant to which Safe Castle and Ye Chang agreed to amend the interest rate under the Notes to 14% per annum, subject to the Ascend Delight Completion having taken place;
“Termination”	the termination of TRS Agreement (GS);
“Transaction Documents”	transaction documents relating to the Programme;
“Transfer Certificate”	the transfer certificate to be executed by the Reference Asset Issuer and the Purchaser and delivered to Grand Sail and Kaisa Group in relation to the Loan Novation;
“TRS Agreement (GS)”	(i) the 2002 ISDA Master Agreement and the schedule and annex thereto dated 12 August 2020 (as amended and supplemented from time to time); (ii) the order; and (iii) a trade confirmation dated 13 May 2021 entered into between the Purchaser and Nomura Singapore. For more information, please refer to the TRS Announcements;

“TRS Announcements”	collectively, the announcements of the Company dated 13 May 2021 and 16 June 2021;
“USD”	United States dollar, the lawful currency of the United States of America;
“Vendor”	Kaisa Ventures Limited (佳兆業創投有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of Kaisa Group;
“Ye Chang”	Ye Chang Investment Company Limited (葉昌投資有限公司), a company incorporated in the British Virgin Islands and is wholly-owned by Kaisa Group;

For illustration purpose only, amounts in USD in this announcement have been translated into HKD at the rate of USD1=HKD7.84.

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

Hong Kong, 5 December 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 Wai Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan.*