

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ACQUISITION OF NOTE

THE ACQUISITION

The Board announces that on 26 August 2019, CSCL, a direct wholly-owned subsidiary of the Company, executed a trade order to acquire the Note in the principal amount of US\$20 million (equivalent to approximately HK\$156.8 million) from the Seller at a consideration of approximately US\$20.9 million (equivalent to approximately HK\$163.9 million).

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

On 26 August 2019, CSCL, a direct wholly-owned subsidiary of the Company, executed a trade order to acquire the Note in the principal amount of US\$20 million (equivalent to approximately HK\$156.8 million) from the Seller at a consideration of approximately US\$20.9 million (equivalent to approximately HK\$163.9 million). A summary of the principal terms of the Acquisition and the subject Note is set out below.

THE TERMS OF THE ACQUISITION

Date: 26 August 2019

Purchaser of the Note: CSCL, a direct wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding.

Seller of the Note: Guotai Junan Financial Products Limited, a company incorporated in Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate beneficial owners are Independent Third Parties.

Consideration: US\$20,898,566.67 (equivalent to approximately HK\$163,844,763), which is payable in cash upon settlement. The Consideration for the Acquisition was determined by reference to the prevailing market price of the Note, and coupon accrued thereon since the last coupon payment date.

The consideration was funded by internal resources of the Group.

THE NOTE

- Issuer:** Zhenro Properties Group Limited, a company incorporated in the Cayman Islands with limited liability and is an Independent Third Party.
- Principal amount of the Note acquired:** US\$20 million (equivalent to approximately HK\$156.8 million)
- Maturity date:** 28 June 2020, subject to early redemption provisions as set out in the terms of the Note
- Coupon rate:** 10.5% per annum payable semi-annually in arrears
- Ranking of the Note:** The Note constitutes (1) general obligations of the Issuer; (2) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Note; (3) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the certain subsidiaries of the Issuer (“**Subsidiary Guarantors**”) and certain other subsidiaries of the Issuer which will provide limited recourse guarantees (“**JV Subsidiary Guarantors**”), if any, on a senior basis, subject to certain limitations; (5) effectively subordinated to the other secured obligations (if any) of the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer which are not providing guarantees under the Note.

**Optional
redemption:**

The Note may be early redeemed in the following circumstances:

- (i) at any time and from time to time prior to 28 June 2020, the Issuer may at its option redeem the Note, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Note redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (ii) at any time and from time to time prior to 28 June 2020, the Issuer may redeem up to 35% of the aggregate principal amount of the series of notes (in which the Note forms part) with the net cash proceeds of one or more sales of common stock of the Issuer in an equity offering at a redemption price of 110.5% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of series of notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The Issuer will give not less than 30 days' nor more than 60 days' notice of any redemption.

Events of default: The Note contain certain events of default, including but not limited to default in the payment of principal, or of any coupon on the Note, when such payments become due, default in payment of interest which continues for 30 consecutive days, breaches of covenants, judgment for payment of money being rendered and not discharged, invalidity of the obligations of any Subsidiary Guarantor or JV Subsidiary Guarantor, and insolvency events.

Listing: The Note is listed on the Stock Exchange

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability and its subsidiaries are principally engaged in the provision of financial services, including (i) financial leasing; (ii) investment in securities; (iii) money lending business; (iv) financial technology and related financial services; and (v) operation of an asset trading platform.

CSCL is incorporated in the British Virgin Islands with limited liability and it is principally engaged in investment holding.

INFORMATION ON THE SELLER

The Seller is incorporated in Hong Kong and is principally engaged in investment and trading.

INFORMATION ON THE ISSUER

The Issuer is incorporated in the Cayman Islands with limited liability and is an Independent Third Party. The Issuer is a large comprehensive property developer in the PRC focusing on the development of residential properties and the development, operation and management of commercial and mixed-use properties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition forms part of the Group's ordinary course of treasury activities in managing its financial assets portfolio. In light of the terms of the Note including the Acquisition price, the coupon rate, the maturity date and the credit rating of the Note, the Directors (including independent non-executive Directors) are of the view that the terms of the Note are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Note in the principal amount of US\$20 million (equivalent to approximately HK\$156.8 million) by CSCL for a total consideration of approximately US\$20.9 million (equivalent to approximately HK\$163.9 million) pursuant to a trade order executed on 26 August 2019
“Board”	the Board of Directors
“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 under the laws of Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00412)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules

“CSCL”	China Shandong Hi-Speed Capital Limited, a direct wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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)”	person(s) who are independent from the Company and its connected persons
“Issuer”	Zhenro Properties Group Limited, a company incorporated in the Cayman Islands with limited liability and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Note”	10.5% Senior Note due 28 June 2020 in the principal amount of US\$20,000,000 issued by the Issuer
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Seller”	Guotai Junan Financial Products Limited, a company incorporated in Hong Kong and an Independent Third Party

“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.00025 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.84.

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

Hong Kong, 26 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.