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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**

The Board is pleased to announce that on 22 January 2020 (after trading hours), the Facility Agreement was entered into among CSH Capital HK, an indirect wholly-owned subsidiary of the Company, the Borrower and the Guarantor, pursuant to which CSH Capital HK has conditionally agreed to provide the Facility in the principal amount of US\$50 million (equivalent to approximately HK\$390 million) to the Borrower for a term of 364 days from 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. The Loan is secured by the Guarantee.

### **LISTING RULE IMPLICATIONS**

As one or more of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan are more than 5% but all are less than 25%, the Loan 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.

## PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 22 January 2020 (after trading hours), CSH Capital HK (an indirect wholly-owned subsidiary of the Company) entered into the Facility Agreement with the Borrower and the Guarantor, pursuant to which CSH Capital HK has conditionally agreed to provide the Facility in the principal amount of US\$50 million (equivalent to approximately HK\$390 million) to the Borrower for a term of 364 days from 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.

## FACILITY AGREEMENT

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

Date:	22 January 2020
Lender:	CSH Capital HK (an indirect wholly-owned subsidiary of the Company)
Borrower:	The Borrower
Guarantor:	The Guarantor
Principal amount:	US\$50 million (equivalent to approximately HK\$390 million)
	The Facility will be available for drawdown upon the satisfaction of certain conditions set out in the Facility Agreement
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
Interest rate:	9% per annum, on the basis of a 364-day year

Guarantee (the “**Guarantee**”): Pursuant to the Facility Agreement, the Guarantor irrevocably and unconditionally:

- (i) guarantees to CSH Capital HK punctual performance by the Borrower of all the Borrower’s obligations under the Finance Documents;
- (ii) 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
- (iii) 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.

Payment and repayment: Subject to the Facility Agreement, the Borrower shall repay the Loan in full in one lump sum on the Initial Termination Date or the Extended Termination Date (as 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 the Loan to be prepaid, and upon such notification, the Facility will be immediately cancelled and the Borrower shall, within five Business Days of demand, repay the Loan 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, provided that, in each case, the suspension of which will not adversely affect CSH Capital HK's interest under any Finance Documents);
- (2) the Guarantor ceases to beneficially own all the issued shares in the Borrower;

- (3) the net gearing ratio of the Guarantor Group (“**NGR**”) exceeds 150%. In this context, NGR represents the ratio 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 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 THE LOAN**

The Group will finance the Loan 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 (i) investment in securities; (ii) money lending; (iii) financial leasing; and (iv) financial technology.

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 AND THE GUARANTOR**

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 and property investment and other related services in the PRC and Hong Kong.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Borrower, the Guarantor and their substantial shareholders are third parties independent of the Company and its connected persons.

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

The terms of the Facility Agreement were negotiated on an arm's length basis between CSH Capital HK and the Borrower with reference to the prevailing market practice. The interest rate of the Loan has been determined by reference to market yield rates of senior unsecured bonds with maturity dates of around one year issued by the Guarantor and other Chinese real estate developers with similar credit ratings, as obtained by the Company from Bloomberg BVAL pricing system. The Directors consider that the terms of the Facility Agreement (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 30 June 2019 being in excess of RMB12 billion; (ii) the Guarantor Group's consolidated net profit for the year ended 31 December 2018 being in excess of RMB1 billion; (iii) the Guarantor being a company issued with a "B" credit rating by Fitch Ratings, Inc.; and (iv) that revenue and cash flow from interest income are stable, the Directors are of the view that the terms of the Facility Agreement and the entering into of the Facility Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

No Director has a material interest in the Facility Agreement, and accordingly no Director is required to abstain from voting on the board resolutions approving the Facility Agreement and the transactions contemplated thereunder.

## **LISTING RULE IMPLICATIONS**

The advance of the Loan constitutes financial assistance provided by the Company within the meaning 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 Loan are more than 5% but all are less than 25%, the Loan 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.

## DEFINITIONS

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

“Board”	the board of Directors;
“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 or Sunday) on which licensed banks are open for general 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 364 days from the Initial Termination Date;



“Facility”	a term loan facility in the principal amount of US\$50 million to be made available to the Borrower by CSH Capital HK upon and subject to the terms and conditions of the Facility Agreement;
“Facility Agreement”	the facility agreement dated 22 January 2020 entered into among CSH Capital HK, the Borrower and the Guarantor in respect of the Facility;
“Finance Documents”	the Facility Agreement, any utilisation request in respect of the Loan and any other document designated 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;
“Initial Termination Date”	the date falling 364 days from the Utilisation Date;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan;

“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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules;
“US\$”	United States dollar(s), the lawful currency of the United States of America;
“Utilisation Date”	the date of the utilisation of the Facility, being the date on which the Loan is to be made and drawn down;
“%”	per cent.

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

Hong Kong, 22 January 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, Ms. Liao Jianrong, Mr. Liu Zhijie and Mr. Liu Yao; 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.*