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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)

UPDATE ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF NOTES

Reference is made to the announcement of China Shandong Hi-Speed Financial Group Limited (the “**Company**”) dated 12 June 2020 in relation to, among others, China Shandong Hi-Speed Capital (HK) Limited (an indirect wholly-owned subsidiary of the Company) (“**CSH Capital HK**”) as subscriber entered into a subscription agreement with Great Sunrise Limited as issuer (the “**Issuer**”), Suning Real Estate Group Co., Ltd* (蘇寧置業集團有限公司) as pledger (“**Suning Real Estate Group**”) and Suning Appliance Group Co., Ltd* (蘇寧電器集團有限公司) as corporate guarantor (the “**Corporate Guarantor**”), pursuant to which, CSH Capital HK subscribed for the Notes issued by the Issuer in the aggregate principle amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000) (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

As at the date of this announcement, the guarantees and securities (the “**Guarantees and Securities**”) which have been provided for the due and punctual performance of all obligations of the Issuer under the Notes are as follows:

- (i) a personal guarantee (the “**Personal Guarantee**”) provided by Zhang Kangyang (張康陽) (the “**Personal Guarantor**”) in favour of CSH Capital HK;

- (ii) a corporate guarantee (the “**Corporate Guarantee**”) provided by the Corporate Guarantor in favour of CSH Capital HK;
- (iii) an equity interest pledge (the “**Equity Interest Pledge**”) provided by Suning Real Estate Group in favour of CSH Capital HK over all its rights, entitlements, interests and benefits in 100% of the equity interests in Wuxi Suning Real Estate Co., Ltd.* (無錫蘇寧置業有限公司) (“**Wuxi Suning Real Estate**”), the assets of which mainly include Hyatt Regency Wuxi Hotel. As assessed by an independent valuer, the valuation of the market value of 100% of the equity interests in Wuxi Suning Real Estate is RMB1,148,568,200 as at 31 May 2021;
- (iv) a share charge provided by Great Venus Limited in favour of CSH Capital HK over all its rights, entitlements, interests and benefits in 4% of the issued share capital in Suning Sports Group Limited. To the best knowledge of the Directors, the pre-money valuation of Suning Sports Group Limited and its certain subsidiaries and controlled entities, as agreed by, among others, Great Venus Limited (as the controlling shareholder of Suning Sports Group Limited) and an investor in April 2020 was USD3,500,000,000; and
- (v) a pledge provided by the Corporate Guarantor in favour of CSH Capital HK over 500,000 senior Class B asset-backed securities, the principle amount of which is RMB50,000,000, in “Huatai Jiayue-Suning Yuxin Phase I Asset-Backed Special Program* (華泰佳越—蘇寧雲新一期資產支持專項計劃)” (code: 119448.SZ) held by the Corporate Guarantor.

Since the Issuer’s failure to redeem the Notes upon maturity (10 June 2021), CSH Capital HK has been actively negotiating with the Issuer and received a sum of RMB24,000,000 through one of the Company’s subsidiaries in the PRC as a deposit to secure the Issuer’s payment. As at the date of this announcement, no settlement agreement has been reached between the parties. As such, CSH Capital HK has taken relevant legal measures to claim the principal amount and interest outstanding on the Notes, including but not limited to:

- (i) filing a civil lawsuit on 25 August 2021 against the Issuer in Hong Kong under the Subscription Agreement; and

- (ii) filing civil lawsuit application(s) on 23 August 2021 against the Personal Guarantor, Suning Real Estate Group and the Corporate Guarantor in Nanjing Intermediate People's Court* (南京市中級人民法院) in accordance with the Personal Guarantee, the Equity Interest Pledge and the Corporate Guarantee, respectively.

CSH Capital HK may take further legal measures where necessary.

The Company will closely monitor the progress of the matters set forth above, and will keep the shareholders and potential investors of the Company informed of any further material development by making 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, 25 August 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.