

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.



(Stock Code: 412)

UPDATE ON DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF NOTES

Reference is made to the announcement of China Shandong Hi-Speed Financial Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 16 December 2020 (the “**Announcement**”) in relation to, among others, Global Castle Investments Limited (an indirect wholly-owned subsidiary of the Company, the “**Investor**”) entered into the Subscription Agreement (as defined in the Announcement) with Asia Dynasty Enterprises Limited (an indirect wholly-owned subsidiary of the Guarantor, the “**Issuer**”) and China Aoyuan Group Limited (the “**Guarantor**”, together with its subsidiaries, the “**Guarantor Group**”), pursuant to which the Investor has conditionally agreed to subscribe for, and the Issuer has conditionally agreed to issue the Notes (as defined in the Announcement) in the aggregate principal amount of US\$100,000,000. Unless otherwise stated, capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

On 2 December 2021, the Guarantor published an announcement (the “**Information Update Announcement**”) in relation to, among others, certain non-payments which may trigger the possible acceleration of the repayment in respect of certain offshore financing arrangements of the Guarantor Group, whereby the relevant creditor(s) may have the right to demand payment of the indebtedness and/or take action pursuant to the terms of their respective financing arrangements, and given the liquidity issues faced by the Guarantor Group, there is no guarantee that the Guarantor Group will be able to meet its financial obligations under its other offshore financing arrangements as and when they fall due.

As a result, an event of default has occurred pursuant to the terms of the Notes.

The Group will take relevant measures to recover the principal amount and interest outstanding in relation to the Notes from the Issuer and the Guarantor, including but not limited to:

1. actively seeking legal advice in respect of the default to devise and implement various measures with an aim to recover the outstanding amount as soon as possible; and
2. actively communicating with the Issuer, the Guarantor and/or their financial advisers via means disclosed in the Information Update Announcement to understand the current status and to discuss the recovery arrangements.

The Group will closely monitor the progress of the matter set forth above, and will inform the shareholders and potential investors by making further announcement(s) as and when appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board

China Shandong Hi-Speed Financial Group Limited

Wang Xiaodong

Chairman

Hong Kong, 13 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.