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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)

**TERMINATION AGREEMENT
AND
DISCLOSEABLE TRANSACTION IN RELATION TO
PROVISION OF LOAN FACILITY**

TERMINATION AGREEMENT

References are made to (i) the announcement of the Company dated 2 December 2019 (the “**Announcement**”) regarding the discloseable transaction in relation to the subscription of Notes by CSH Capital (a direct wholly-owned subsidiary of the Company) in the principal amount of US\$125 million to be issued by Champion Union Limited, and (ii) the supplemental announcement of the Company dated 5 December 2019 providing further information relating to the reasons for and benefit of the subscription of the Notes. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specified.

On 18 December 2019, the Arranger, CSH Capital and Champion Union Limited entered into the Termination Agreement to terminate the Subscription Agreement and all agreements and transactions contemplated thereunder with immediate effect.

DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF LOAN FACILITY

The Board announces that on 18 December 2019, CSH Capital (HK) entered into the Loan Facility Agreement with the Borrower and the Guarantor, pursuant to which CSH Capital (HK) has agreed to provide a loan facility of US\$125 million (equivalent to approximately HK\$980 million) for a term of 364 days after the Utilisation Date of the Loan.

The Loan carries an interest rate of 7.5% per annum during the Term. The Loan is guaranteed by the Guarantor.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the Loan Facility Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements.

TERMINATION AGREEMENT

As set out in the Announcement, CSH Capital as a subscriber entered into the Subscription Agreement dated 2 December 2019 with Champion Union Limited as the issuer and BOCOM International Asset Management Limited as the arranger, pursuant to which the Company conditionally agreed to subscribe for, and the issuer conditionally agreed to issue the Notes in a principal amount of US\$125 million. In view of the Arranger's internal decision not to proceed with the Subscription Agreement, CSH Capital (HK) has reached an agreement with the Borrower to instead provide the Loan to the Borrower, the Arranger, CSH Capital and Champion Union Limited entered into the Termination Agreement on 18 December 2019 to terminate the Subscription Agreement and all agreements and transactions contemplated thereunder with immediate effect.

As at the date of the announcement, Champion Union Limited has not issued any Notes and CSH Capital has not subscribed for any Notes pursuant to the Subscription Agreement. Pursuant to the Termination Agreement, the rights and obligations of CSH Capital under the Subscription Agreement have been terminated and discharged. The Board considers that the termination of the Subscription Agreement will have no material adverse impact on the existing business operation and financial position of the Group.

DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF LOAN FACILITY

The Board announces that on 18 December 2019, CSH Capital (HK) entered into the Loan Facility Agreement with the Borrower and the Guarantor, pursuant to which CSH Capital (HK) has agreed to provide a loan facility of US\$125 million (equivalent to approximately HK\$980 million) for a term of 364 days after the Utilisation Date of the Loan.

(a) THE LOAN FACILITY AGREEMENT

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

Date	18 December 2019
Parties	(1) The Borrower, an indirect wholly-owned subsidiary of the Guarantor; and (2) CSH Capital (HK), an indirect wholly-owned subsidiary of the Company.
Principal Amount	US\$125 million (equivalent to approximately HK\$980 million)
Term	A term of 364 days after the Utilisation Date of the Loan
Interest rate	7.5% per annum, for each six-month interest period
Repayment and prepayment arrangements	The Borrower shall repay the Loan in full on or before the expiry date of the Term. The Borrower shall pay accrued interest of the outstanding amount of the Loan on the last day of each six-month period.

The Borrower is entitled to apply for prepayment of the Loan together with accrued interest from the 10th business days after 18 December 2019 by serving prior written notice of not less than five business days (or any such shorter period as CSH Capital (HK) may agree) to CSH Capital (HK). Each early repayment shall not be less than US\$10 million.

CSH Capital (HK) is entitled to cancel immediately the Loan upon giving notification to the Borrower, and the Borrower shall repay the Loan together with accrued interest and any sums owed under other documents designated by CSH Capital (HK) and the Borrower within five business days, if any of the following events of mandatory prepayment take place:

- (i) if the shares of the Guarantor cease to be listed on the Stock Exchange for any reason;
- (ii) the shares in the Guarantor are suspended from trading on the Stock Exchange for more than 30 consecutive trading days, except where the suspension is for purely technical reasons or where the suspension is pending publication of an announcement under Chapter 14 or Chapter 14A of the Listing Rules, and provided that, in each case, the suspension of which will not adversely affect CSH Capital (HK)'s interest);
- (iii) the Guarantor ceases to beneficially own 100% of the entire issued shares in the Borrower; and
- (iv) the controlling shareholder and a substantial shareholder of the Guarantor collectively, directly or indirectly cease to own at least 30% of the total voting shares of the Guarantor.

The final repayment date of the Loan may be extended to the date falling 364 days thereafter, provided that certain conditions are fulfilled, including but not limited to there being no events of default that is continuing or would result from such extension, there being no mandatory prepayment events, and certain representations given by the Borrower are true in all material respects as of the final repayment date of the Loan. CSH Capital (HK) shall have the sole and absolute discretion to impose other conditions for such extension of the final repayment date of the Loan as it thinks fit.

Guarantee

The Guarantor irrevocably and unconditionally (i) guarantees to CSH Capital (HK) punctual performance by the Borrower of all the Borrower's obligations under the Loan Facility Agreement; (ii) undertakes with CSH Capital (HK) that whenever the Borrower does not pay any amount when due, 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 on the date when it would have been due. The aforesaid guarantee given by the Guarantor is a continuing guarantee and will extend to the ultimate balance of sums payable by the Borrower or the Guarantor under the Loan Facility Agreement and any other obligor under other documents designated by CSH Capital (HK) and the Borrower, regardless of any intermediate payment or discharge in whole or in part.

Utilisation conditions

The Borrower may make a request for the utilisation of the Loan provided that on the date of the request for the utilisation of the Loan and the proposed Utilisation Date:

- (i) CSH Capital (HK) has received all of the documents and other evidence as set out in the Loan Facility Agreement in form and substance satisfactory to CSH Capital (HK);
- (ii) there is no event of default that is continuing or would result from the proposed Loan;
- (iii) there is no event triggering the mandatory prepayment of the Loan together with all accrued interest and any other sums owed under other documents designated by CSH Capital (HK) and the Borrower; and
- (iv) the representations to be made by the Borrower are true in all material respects.

Use of the Loan

The Borrower shall apply all amounts borrowed by it under the Loan Facility Agreement towards financing the existing indebtedness and/or capital expenditure of the Guarantor Group and fees, costs, expenses and taxes in relation to the Loan Facility Agreement and any other document designated by CSH Capital (HK) and the Borrower.

The Loan will be funded by the internal resources of the Group.

(b) REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN FACILITY AGREEMENT

The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business of the Group.

The terms of the Loan Facility Agreement were negotiated at arm's length between CSH Capital (HK) and the Borrower with reference to the prevailing commercial practice and the amount of the Loan. Further, in reaching the terms of the Loan Facility Agreement, the Board also took into account the Guarantor being a company issued with a "B1" credit rating by Moody's Investors Service Limited in 2019, the Guarantor Group being one of the top 50 real estate developers for the 11 months ended 30 November 2019 according to China Real Estate Information Corporation (a real estate big data application service provider in the PRC) by value of sales contracts, and the Guarantor Group's consolidated net asset value as at 30 June 2019 of approximately RMB40 billion and consolidated net profit for the year ended 31 December 2018 of approximately RMB3 billion. The Board considers that the terms of the Loan Facility Agreement are fair and reasonable and the provision of the Loan is in the interest of the Shareholders and the Company as a whole.

The interest rate of the Loan has been determined by reference to market yield rates of senior unsecured bonds with maturity dates of around 1 year issued by the Guarantor Group and other Chinese real estate developers with similar business size, as obtained by the Company from Bloomberg BVAL pricing system.

(c) LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the Loan Facility Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

(d) GENERAL INFORMATION OF THE PARTIES TO THE LOAN FACILITY AGREEMENT

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.

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.

The Borrower is an indirect wholly-owned subsidiary of the Guarantor and is principally engaged in investment holding.

The Guarantor is an investment holding company, and its subsidiaries are principally engaged in property development, property investment and property management, and hotel and catering operations and cinema, department store and cultural centre operations, and waterway passenger and cargo transportation in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Borrower and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

DEFINITIONS

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

“Borrower”	Grand Sail Developments Limited (盛帆發展有限公司), an indirect wholly-owned subsidiary of the Guarantor and a company incorporated in the British Virgin Island with limited liability
“CSH Capital (HK)”	China Shandong Hi-speed Capital (HK) Limited (中國山東高速資本(香港)有限公司), an indirect wholly-owned subsidiary of the Company and a company incorporated under the laws of Hong Kong with limited liability
“Guarantor”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands as an exempted company with limited liability and the shares of which are listed on the Stock Exchange (stock code: 1638)
“Guarantor Group”	the Guarantor and its subsidiaries

“Loan”	A loan in the principal amount of US\$125 million (equivalent to approximately HK\$980 million) granted by CSH Capital (HK) to the Borrower pursuant to the Loan Facility Agreement
“Loan Facility Agreement”	A facility agreement dated 18 December 2019 entered into between CHS Capital (HK), the Borrower and the Guarantor in relation to the provision of the Loan
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region of the People’s Republic of China and Taiwan
“substantial shareholder”	has the same meaning as ascribed to this term under the Listing Rules
“Term”	A term of 364 days after the Utilisation Date of the Loan
“Utilisation Date”	the date on which the Loan is to be made

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

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

Hong Kong, 18 December 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.