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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 SUBSCRIPTION OF NOTES

SUBSCRIPTION OF NOTES

On 12 June 2020, CSH Capital HK (an indirect wholly-owned subsidiary of the Company) as subscriber entered into Subscription Agreement with the Issuer, the Chargor and the Corporate Guarantor, pursuant to which CSH Capital HK has conditionally agreed to subscribe for, and the Issuer has conditionally agreed to issue the Notes in the aggregate principal amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000).

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but all are less than 25%, the Subscription 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 Chapter 14 of the Listing Rules.

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THE TERMS OF THE SUBSCRIPTION

Date:	12 June 2020
Subscriber:	CSH Capital HK
Issuer:	Great Sunrise Limited, an exempted company incorporated in the Cayman Islands with limited liability
Subscription price:	US\$100,000,000 (equivalent to approximately HK\$780,000,000) which shall be an amount equal to the principal amount of the Notes payable in cash

PRINCIPAL TERMS OF THE NOTES

Issue date:	Expected to be on or about 12 June 2020
Principal amount:	US\$100,000,000
Issue price:	100% of the principal amount of the Notes
Interest rate and interest payment date:	A simple interest rate of 7.5% per annum (the “ Interest Rate ”) on the principal amount of the Notes, calculated from and including the Closing Date up to the Maturity Date, payable in arrears every six (6) months from the Closing Date

Maturity Date:	(i) The date falling on three hundred sixty-four (364) days after the Closing Date (the “ First Maturity Date ”); or (ii) the date falling on the seven hundred twenty-eight (728) days after the Closing Date as mutually agreed and extended by the Issuer and the Noteholder, which shall be applied by the Issuer at least thirty (30) days in writing before the First Maturity Date
Long stop date:	The day falling on 30 days from the date of Subscription Agreement or such later date to be agreed by the parties in writing
Redemption upon maturity:	Unless previously redeemed, purchased or cancelled, the Issuer will redeem all of the Notes on the Maturity Date at the applicable redemption amount (the “ Applicable Redemption Amount ”)
Early redemption at the Issuer’s option:	Upon six (6) months after Closing Date, the Issuer may have the right (but not the obligation) to redeem all or any part of any Noteholder’s Notes on any Business Day prior to the Maturity Date at their Applicable Redemption Amount, subject to the written consent of the Noteholder
Applicable Redemption Amount:	The aggregate amount of: <ul style="list-style-type: none"> (i) the principal amount outstanding on that Note; and (ii) the interest on the outstanding principal amount of the Notes at the Interest Rate; and (iii) any other outstanding amount due but unpaid under that Note.

Redemption upon
change of control:

Change of control means the occurrence of any of the following:

- (i) Mr. Zhang and Ms. Bu directly or indirectly holds less than 51% of the Corporate Guarantor;
- (ii) the Corporate Guarantor (a) undergoes merger or acquisition; or (b) its entire or material assets have been sold, transferred or disposed of or contract to do so; or
- (iii) Suning.com ceases to be a subsidiary within the scope of the consolidated statements of the Corporate Guarantor.

At any time and from time to time after the occurrence of change of control, the Noteholder shall have the right (but not the obligation) to demand the Issuer to, and the Issuer shall within 30 days upon such occurrence of change of control, redeem all or such part of the outstanding principal amount of the applicable Note(s) at 101 percent (101%) on the principal amount outstanding under that Note(s).

Redemption upon an
event of default:

At any time and from time to time after the occurrence of an event of default and a noteholder redemption notice is served by the applicable Noteholder to which the Notes relate to the Issuer specifying the event of default, that Noteholder shall have the right (but not the obligation) to demand the Issuer to, and the Issuer shall, redeem all or such part of the outstanding principal amount of the applicable Note(s) at their Applicable Redemption Amount and the default interest (which shall accrue from the Closing Date up to the date of actual payment in full (both days inclusive) at an interest rate that would yield an internal rate of return of twenty-five per cent (25%) per annum on such Notes which remains outstanding) (if any).

Status of the Notes:	The obligations of the Notes constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank pari passu without any preference among themselves.
Guarantor:	Suning Appliance Group Co., Ltd* (蘇寧電器集團有限公司) (i.e. the Corporate Guarantor)
Securities:	An equity interest pledge by the Chargor over all its rights, entitlements, interests and benefits in the 100% of the equity interests of the Charged Company
Chargor:	Suning Real Estate Group Co., Ltd* (蘇寧置業集團有限公司), a company established under the laws of the PRC with limited liability

FUNDING OF THE SUBSCRIPTION

The Group will finance the Subscription 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 ISSUER, THE CHARGOR, THE CORPORATE GUARANTOR AND THE CHARGED COMPANY

The Issuer

The Issuer is an exempted company incorporated under the laws of Cayman Islands with limited liability and is principally engaged in investment holding. The Issuer is indirectly wholly owned by Mr. Zhang.

The Chargor

The Chargor is a company established under the laws of the PRC with limited liability, which is principally engaged in real estate development, operation of hotels and commercial complex. The Chargor is owned by Mr. Zhang as to 75% and the Corporate Guarantor as to 25%.

The Corporate Guarantor

- (1) The Corporate Guarantor is a company established under the laws of the PRC with limited liability and is principally engaged in investment holding and was issued with a “AAA” credit rating by United Credit Ratings Co., Ltd* (聯合信用評級有限公司) in 2019. The Corporate Guarantor is directly owned by Mr. Zhang and Ms. Bu as to 50% and 50%, respectively.
- (2) The Corporate Guarantor directly owns as to 19.99% of Suning.com Group Co., Ltd. (蘇寧易購集團股份有限公司), a company established under the laws of the PRC and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002024.SZ), which is a smart retail conglomerate in the PRC and recorded approximately RMB269.2 billion of revenue and RMB9.3 billion of net profit after tax for the year ended 31 December 2019 and was issued with a credit rating of “AAA” assessed by China Chengxin Securities Rating Co. Ltd.* (中誠信證券評估有限公司) in 2019.
- (3) The Corporate Guarantor also directly owns as to 25% of the Chargor.

The Charged Company

The Charged Company is a company established under the laws of the PRC with limited liability and is principally engaged in real estate development in Wuxi, the PRC.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Issuer, the Chargor and the Corporate Guarantor and their ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The terms of the Subscription were determined based on arm's length negotiations between the Company and the Issuer on normal commercial terms. In assessing the commercial benefits and risks in connection with the Subscription, the Company had also carried out due diligence on the Corporate Guarantor (who acts as a corporate guarantor for the repayment obligations of the Issuer under the Subscription) to assess the potential risks pursuant to the Subscription including but not limited to the Issuer's ability to repay the Notes together with the soundness of the Corporate Guarantor's financial positions, taking into account of the entities owned by the Corporate Guarantor stated in the above.

The determination of the interest rate of the Notes has taken into account the following factors: (i) market yield rate of senior unsecured bonds issued by the Corporate Guarantor Group, as obtained by the Company from Bloomberg BVAL pricing system; and (ii) the securities provided for the Notes.

Having considered (i) the terms of the Subscription; (ii) stable revenue and cashflow expected to be generated by the Notes; (iii) the credit rating of the Corporate Guarantor; (iv) the financial positions of the Corporate Guarantor; and (v) the securities provided for the Notes; the Directors are of the view that entering into of the Subscription Agreement is fair and reasonable and in the interest of the Shareholders and the Company as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but all are less than 25%, the Subscription 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 Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement the following expressions shall have the following meanings, unless the context otherwise requires:

“Business Day”	a day other than a Saturday, Sunday or public holiday on which commercial banks are opened for business in Hong Kong;
“Closing Date”	the date on which the closing takes places, which is expected to be on or about 12 June 2020;
“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;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Charged Company”	Wuxi Suning Real Estate Co., Ltd.* (無錫蘇寧置業有限公司), a company established under the laws of the PRC with limited liability;
“Chargor”	Suning Real Estate Group Co., Ltd.* (蘇寧置業集團有限公司), a company established under the laws of the PRC with limited liability;
“Corporate Guarantor”	Suning Appliance Group Co., Ltd.* (蘇寧電器集團有限公司), a company established under the laws of the PRC with limited liability;
“Corporate Guarantor Group”	the Corporate Guarantor and its subsidiaries;

“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;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issuer”	Great Sunrise Limited, an exempted company incorporated in the Cayman Islands with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	the maturity date of the Notes;
“Mr. Zhang”	Mr. Zhang Jindong (張近東);
“Ms. Bu”	Ms. Bu Yang (卜揚);
“Notes”	the notes in the principal amount of US\$100,000,000 subscribed by CSH Capital HK from the Issuer pursuant to the Subscription Agreement;
“Noteholder(s)”	holder(s) of the Notes;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;

“Shareholders”	holders of the Share(s);
“Share(s)”	ordinary share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Notes pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 12 June 2020 entered into among CSH Capital HK, the Issuer, the Chargor and the Corporate Guarantor;
“Suning.com”	Suning.com Group Co., Ltd. (蘇寧易購集團股份有限公司), a company established under the laws of the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002024.SZ);
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

* *For identification purpose only*

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

Hong Kong, 12 June 2020

As at the date of this announcement, the Company has five executive directors, namely Mr. Wang Xiaodong, Mr. Liu Han, Mr. Liu Honghui, Mr. Liu Zhijie and Mr. Liu Yao; three non-executive directors, namely Liang Zhanhai, Mr. Chen Di, Mr. Gao Guicheng; and four independent non-executive directors, namely Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan.

In this announcement, translation of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.80. The exchange rate has been used, where applicable, for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ were or may have been converted at the above rates or any other rates or at all.