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## **UPDATE ON DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF NOTES AND PROFIT WARNING**

This announcement is made by Shandong Hi-Speed Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

### **A. UPDATE ON DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF NOTES**

References are made to (i) the announcement of the Company dated 12 June 2020 (the “**Subscription Announcement**”) regarding the discloseable transaction in relation to subscription of notes (“**Notes**”) in the aggregate principle amount of US\$100,000,000 by China Shandong Hi-Speed Capital (HK) Limited (an indirect wholly-owned subsidiary of the Company) (“**CSH Capital HK**”) as subscriber from Great Sunrise Limited as issuer (the “**Subscription**”); and (ii) the Company’s announcement dated 25 August 2021 (the “**Update Announcement**”) in relation to, among other matters, update on the status of the Subscription and the legal measures taken by CSH Capital HK to claim the principal amount of and interest outstanding on the Notes. Unless otherwise stated, capitalised terms used herein shall have the same meaning ascribed to them in the Subscription Announcement and the Update Announcement.

As disclosed in the Update Announcement, in order to claim the principal amount of and interest outstanding on the Notes as a result of the Issuer's failure to redeem the Notes upon maturity, (i) a civil lawsuit was filed on 25 August 2021 against the Issuer in Hong Kong under the Subscription Agreement (the "**HK Lawsuit**"); and (ii) civil lawsuit applications were filed on 23 August 2021 against the Personal Guarantor, the Chargor and the Corporate Guarantor in the Nanjing Intermediate People's Court\* (南京市中級人民法院) ("**Nanjing Intermediate People's Court**") in accordance with the Personal Guarantee, the Equity Interest Pledge and the Corporate Guarantee, respectively (the "**PRC Lawsuit**").

The board of directors of the Company (the "**Board**") wishes to provide updates on the status of the aforesaid lawsuits as follows:

- (i) Regarding the HK Lawsuit, on 24 February 2022, The High Court of Hong Kong issued a judgment (the "**HK Judgment**") ordering the Issuer to pay CSH Capital HK the principal amount of and interest accrued on the Notes in the sum of US\$103,750,000, together with additional interest calculated at a rate of 25% per annum accrued for the period from 16 June 2020 to 24 February 2022 (i.e. the date of the HK Judgment) in the sum of US\$40,917,153.886, as well as judgment interest on the aforesaid outstanding amounts calculated at the judgment interest rate of 8% per annum accrued from the date of the HK Judgment until the full settlement date.
- (ii) Regarding the PRC Lawsuit, as the Supreme People's Court of the People's Republic of China designated the Nanjing Intermediate People's Court to have the centralised jurisdiction over lawsuits involving the Corporate Guarantor and other related entities (the "**Centralised Jurisdiction Measure**"), relevant cases were transferred to the Nanjing Intermediate People's Court and the first-instance civil judgment on the PRC Lawsuit was delayed and only handed down by the Nanjing Intermediate People's Court on 28 August 2025 (the "**PRC Judgment**"), which rules, among others, that (a) the Corporate Guarantor is jointly and severally liable with the Issuer to CSH Capital HK for a sum up to RMB964,851,863.77 (the "**PRC Judgment Debt**") under the Corporate Guarantee; (b) the Personal Guarantor is jointly and severally liable with the Issuer to CSH Capital HK for a sum of RMB795,055,242.11 (comprising (i) RMB717,050,000 as principal, (ii) RMB400,514.05 as interest and (iii) RMB77,604,728.06 as default interest) as well as overdue interest at a rate of 8% per annum accrued on the sum of RMB717,450,514.05 and for the period from 25 February 2022 until the actual settlement date; and (c) CSH Capital HK is confirmed with its

priority right in receiving payment from the proceeds of sales, auction or disposal of the 100% equity interest in Wuxi Suning Real Estate pledged by the Chargor under the Equity Interest Pledge to the extent to recover the PRC Judgment Debt. Subsequently, on 3 November 2025, the Jiangsu Provincial Higher People's Court\* (江蘇省高級人民法院) accepted the Personal Guarantor's appeal against the legal costs of the PRC Judgment and a hearing was held on 17 March 2026. As at the date of this announcement, a judgment in relation to such appeal has yet to be rendered.

Notwithstanding the Group's endeavours to take legal measures to claim the principal amount of and interest outstanding on the Notes in a timely manner, and to confirm its security right in enforcing the Equity Interest Pledge as mentioned above, as advised by our PRC legal advisers, it is impracticable for CSH Capital HK to enforce the Equity Interest Pledge for the following reasons:–

- (i) Despite the PRC Lawsuit was initiated and accepted by the Nanjing Intermediate People's Court in August 2021, the trial process of the PRC Lawsuit experienced severe delays due to the impact of the Centralised Jurisdiction Measure. In particular, the hearing date was exceptionally postponed to 20 November 2024, and the PRC Judgment was only handed down on 28 August 2025. Such prolonged delay in trial process renders CSH Capital HK unable to enforce its rights under the Equity Interest Pledge in a timely manner.
- (ii) On 26 January 2025, the Nanjing Intermediate People's Court rendered separate orders in respect of the restructuring applications filed by creditors against, among others, the Corporate Guarantor and the Chargor, respectively. On 8 April 2025, the Nanjing Intermediate People's Court rendered an order for the substantive consolidated restructuring of 38 companies including the Corporate Guarantor (the “**Corporate Guarantor Group**”). Pursuant to the Enterprise Bankruptcy Law of the People's Republic of China\* (中華人民共和國企業破產法)(the “**PRC Enterprise Bankruptcy Law**”), the exercise of security rights over specific assets of debtor is suspended during the restructuring. Accordingly, any procedure which CSH Capital HK attempts to pursue to enforce its rights under the Equity Interest Pledge would be stayed by law from the date on which the Nanjing Intermediate People's Court accepts the restructuring case, and CSH Capital HK would no longer be able to dispose of the pledged property under the Equity Interest Pledge by bringing standalone proceeding or enforcement action against the Chargor.

(iii) On 29 December 2025, the Nanjing Intermediate People’s Court issued a ruling approving the substantive consolidated restructuring plan of the Corporate Guarantor Group (the “**Restructuring Plan**”). Pursuant to the PRC Enterprise Bankruptcy Law, any restructuring plan approved by a People’s Court shall be binding on all creditors, resulting in all original individual repayment pathways being replaced by collective unified repayment procedure. As the company whose equity interests are pledged under the Equity Interest Pledge (i.e. Wuxi Suning Real Estate) and the Chargor are members of the Corporate Guarantor Group subject to the Restructuring Plan, CSH Capital HK was no longer able to exercise its original rights under the Equity Interest Pledge, and, as a matter of law, the relevant equity interests and the security rights to which CSH Capital HK was initially entitled have become extinguished from the date of approval of the Restructuring Plan. Therefore, CSH Capital HK lost priority in receiving payment from the proceeds of sales, auction or disposal of the 100% equity interests in Wuxi Suning Real Estate over other unsecured creditors, and its claim can only be realised in accordance with the Restructuring Plan. Based on the Restructuring Plan, all the equity interests and assets of members of the Corporate Guarantor Group were transferred to a trust scheme (the “**Trust Scheme**”). As a result, all creditors (including CSH Capital HK) of the Corporate Guarantor Group will be entitled to cash and trust units under the Trust Scheme corresponding to the debts amount confirmed in the course of restructuring process as repayment.

The Board would like to inform the Shareholders and potential investors that, by a written confirmation recently received by CSH Capital HK from the administrator of the Corporate Guarantor Group (the “**Administrator**”), CSH Capital HK is expected to be entitled to (i) cash in the amount of RMB100,000 and (ii) 964,751,863.77 units of trust interests in the Trust Scheme (collectively, the “**Entitlements**”). Based on a valuation consultation report (the “**Valuation Report**”) issued by Jiangsu Huaxin Asset Appraisal Co., Ltd.\* (江蘇華信資產評估有限公司), being the valuer engaged by the Administrator, the market value of the trust interests in the Trust Scheme is estimated to be RMB0.18 per unit, and accordingly, the market value of the Entitlements is estimated to be approximately RMB173,755,000. The figures regarding the Entitlement are preliminary estimation and are subject to final confirmation by the Administrator.

The aforesaid Entitlements represent a shortfall to the principal amount of the Notes of US\$100,000,000 (equivalent to approximately RMB704,710,000 calculated based on an exchange rate of US\$1.00 to RMB7.0471) and the Group is expected to record a realised loss of approximately RMB530,955,000 on the Subscription of the Notes. Such realised loss shall be recognised in the consolidated income statement of the Company for the financial year ended 31 December 2025.

The information on the above realised loss contained in this announcement is only a preliminary assessment by the management of the Group based on the Valuation Report and other information currently available to the Group. Such information has not been finalised, audited or reviewed by the auditor of the Company, nor has it been confirmed by the audit committee of the Company. In such regards, there may be changes or adjustments arising from impairment assessment following review by the auditor of the Company. Shareholders and potential investors of the Company are advised to refer to the details in the results announcement in relation to the financial year ended 31 December 2025 to be published by the Company.

The Board considers that the above realised loss is a one-off item which does not have material impact on the Group's operation, and the Group's business operation remains normal as at the date of this announcement.

## **B. PROFIT WARNING**

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (the "**Current Year**") and information currently available to the Group, the Group is expected to record an unaudited net profit of not less than RMB140 million for the Current Year as compared with an audited net profit of approximately RMB693 million for the year ended 31 December 2024.

The aforementioned decrease in the unaudited net profit for the Current Year is mainly attributable to the net effect of:

- (a) a substantial increase in fair value on financial assets at fair value through profit and loss for more than approximately RMB703 million;
- (b) a substantial decrease in revenue for approximately RMB553 million due to a substantial decrease in interest income from financial assets;

- (c) a realised loss on disposal of debt instruments at fair value through other comprehensive income of approximately RMB530 million as mentioned in part A of this announcement; and
- (d) a substantial increase in income tax expenses for more than approximately RMB125 million.

The Company is still in the process of finalising annual results of the Group for the Current Year. The information contained in this section is based on information currently available to the Group. It remains subject to finalisation and necessary adjustments, and has not been confirmed, audited nor reviewed by the Company's auditor and has not been reviewed by the audit committee of the Company. Shareholders and potential investors of the Company are advised to refer to the details of the financial performance of the Group for the Current Year which will be disclosed in the Group's annual results announcement to be released as soon as practicable and in any event on or before 31 March 2026.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

*\* For identification purposes only*

By Order of the Board  
**Shandong Hi-Speed Holdings Group Limited**  
**Li Tianzhang**  
*Chairman*

Hong Kong, 18 March 2026

*As at the date of this announcement, the Board comprises Mr. Li Tianzhang, Mr. Zhu Jianbiao, Mr. Liu Zhijie, Ms. Liao Jianrong and Mr. Liu Yao as executive Directors; Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo as non-executive Directors; and Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Jonathan Jun Yan and Mr. Fang Ying as independent non-executive Directors.*