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DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE

LOAN AGREEMENT

On 15 January 2018, Xiang Long, a subsidiary of the Company, as the lender, entered into the Loan Agreement with the Borrower, as borrower. Pursuant to the Loan Agreement, Xiang Long agreed to grant to the Borrower a loan in the principal sum of RMB160,000,000.

LISTING RULES IMPLICATION

As the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the loan transaction is more than 5% but less than 25%, the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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PRINCIPAL TERMS OF THE LOAN AGREEMENT

Date:	15 January 2018
Lender:	Xiang Long
Borrower:	The Borrower
Principal Amount:	RMB160,000,000
Maturity Date:	The day falling on the date of expiry of the twenty-fourth month after the Drawdown Date
Effective Interest Rate:	12% per annum
Security:	The Chargor will execute a charge over 40% shares in the Borrower in favour of Xiang Long to secure the Borrower's liability and obligations under the Loan Agreement

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

Under the Loan Agreement, the Borrower shall repay and/or settle the full amount of the Loan on the Maturity Date and the interest accrued thereon shall be repaid within the last 10 days of each quarter following the Drawdown Date till the Maturity Date.

The Loan to be granted under the Loan Agreement to the Borrower will be funded by internal resources and borrowings of the Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties after arm's length negotiation, with reference to the prevailing market rate, the commercial practice and the amount of the Loan. The Directors are of the view that the terms of the Loan Agreement were entered into on normal commercial terms and consider that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND XIANG LONG

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 listed and unlisted securities; (iii) money lending business; and (iv) operation of an asset trading platform.

Xiang Long's business is merchandise subject to quota, licence management and other special regulation management.

INFORMATION ON THE BORROWER

The Borrower is engaged in the business of technology promotion, economic and commercial consultancy, investment management, project investment.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

Taking into account the satisfactory financial background of the Borrower that a revenue and cash flow from the interest income are expected, the Directors (including the independent non-executive Directors) consider that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interest of the Company and its shareholders as a whole. No Director has a material interest in the Loan Agreement, and accordingly no Director has abstained from voting on the board resolutions approving the Loan Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

The entering into of the Loan Agreement constitutes financial assistance provided by the Company within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan Agreement 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 the Listing Rules.

As the amount of the financial assistance granted to the Borrower does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

DEFINITIONS

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

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| “Board” | the board of Directors; |
| “Borrower” | a company incorporated in the People’s Republic of China with limited liability, which is a third party independent of and not connected with the Company and its connected persons; |
| “Chargor” | a company incorporated in the People’s Republic of China with limited liability, which is a third party independent of and not connected with the Company and its connected persons, and owns 40% of the shares in the Borrower; |

“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 under the laws of Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00412);
“Directors”	the director(s) of the Company;
“Drawdown Date”	16 January 2018;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan”	the loan in the principal sum of RMB160,000,000 to be granted under the Loan Agreement
“Loan Agreement”	the loan agreement entered into between Xiang Long and the Borrower dated 15 January 2018;
“RMB”	Renminbi, the legal currency of the People’s Republic of China;
“Xiang Long”	翔龍融資租賃(北京)有限公司 (Xiang Long Financial Leasing (Beijing) Company Limited*), a company incorporated in the People’s Republic of China and an indirect wholly-owned subsidiary of the Company.

By Order of the Board
China Shandong Hi-Speed Financial Group Limited
Li Hang
Chairman

Hong Kong, 15 January 2018

* *For identification purpose only*

As at the date of this announcement, the Company has four executive directors, namely Mr. Ji Kecheng, Mr. Wang Zhenjiang, Mr. Yau Wai Lung and Mr. Li Zhen Yu, four non-executive directors, namely Mr. Li Hang, 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. Wang Huixuan and Mr. Guan Huanfei.