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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)

BUSINESS DEVELOPMENT IN FINANCIAL INVESTMENT AND FURTHER ANNOUNCEMENT ON A DISCLOSEABLE TRANSACTION

BUSINESS DEVELOPMENT IN FINANCIAL INVESTMENT

This is an announcement made by China Shandong Hi-Speed Financial Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the shareholders of the Company and potential investors with an update on its recent business development.

The Group has endeavoured in exploring opportunities for diversified investments. The Company would like to develop financial investment as one of its principal business activities of the Group. In this connection, the Company has been seeking investment opportunities in financial instruments that generate fixed return and/or track performance of one or more underlying listed securities. It is expected that financial investment would better utilize its existing internal financial resources, diversify the investment portfolio of the Group and thereby broadening its source of revenue and enhancing shareholders’ value. The Company would maintain a prudent approach in the selection of financial investment in accordance with its investment strategy and policy.

On 1 June 2018, Safe Castle Limited, an indirect wholly-owned subsidiary of the Company, subscribed for the leveraged notes (the “**Notes**”) in the principal amount of US\$9,930,588, which are issued by Haitong International Products & Solutions Limited and guaranteed by Haitong International Securities Group Limited (the “**Investment**”). The structure of the Notes allows its holder to use leverage, providing an expected enhanced return at the rate of approximately 12% per annum, which is subject to market risks. The maturity date of the Notes is 28 May 2021, subject to applicable early redemption provisions. The Notes are linked to the bonds in the principal amount of US\$30,000,000 (the “**Bonds**”) issued by New Metro Global Limited, which operates as a special purpose entity formed in order to issue debt securities for its parent company, the Future Land Development Holdings Limited, a leading property developer in Yangtze River Delta of China.

The Investment will be funded by internal financial resources of the Company. The directors are of the view that the Investment would be a sound investment which will provide the Group with a stable return and is in the interest of the Company and its shareholders as a whole.

With support from Shandong Hi-Speed Group Co., Ltd., a controlling shareholder of the Company, the Group will continue to implement its strategy of business diversification, to further develop its business in asset management and financial investments alongside with the development of professionalism and support of our professional teams.

As all the relevant percentage ratios under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the Investment are less than 5%, the Investment is exempt from the requirements under Chapter 14 of the Listing Rules. To the best of the directors’ knowledge, information and belief and having made all reasonable inquiries, each of the issuer and the guarantor (including its ultimate beneficial owner) of the Notes and the issuer of the underlying Bonds is independent third parties of the Company and is not connected persons of the Company.

DISCLOSEABLE TRANSACTION – FINANCE LEASE ARRANGEMENT-1

Reference is made to the announcement of the Company dated 16 May 2018 in relation to, among other things, the Finance Lease Arrangements (the “**Previous Announcement**”). Unless otherwise defined herein, capitalized terms used in this section shall have the same meanings as those defined in the Previous Announcement.

The Board would like to supplement that the purchase price paid by the lessee for the Leased Assets-1 was approximately RMB340 million. A majority of manufacture equipment within the Leased Assets-1 were delivered to the lessee as recently as November 2017 for testing, installation and acceptance, and impact of depreciation on such assets in the books and records when the Group entered into the Finance Lease Arrangement-1 is therefore expected to be minimal (if at all).

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

Hong Kong, 1 June 2018

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.