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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)

**ISSUE OF
US\$500,000,000 3.95 PER CENT.
GUARANTEED BONDS DUE 2022 AND
US\$900,000,000 4.30 PER CENT.
GUARANTEED PERPETUAL SECURITIES**

On 25 July 2019, the Company, the Issuer and Shandong Hi-Speed Group Co entered into a subscription agreement with the Joint Lead Managers in relation to the Bonds Issue and the Issuer and Shandong Hi-Speed Group Co entered into a subscription agreement with the Joint Lead Managers in relation to the Securities Issue.

The net proceeds of the Bonds Issue and the Securities Issue will be approximately US\$498,200,000 and US\$896,800,000, respectively, which the Group intends to use for refinancing and general corporate purposes.

The Issuer will procure that the Bonds and the Securities will be listed on the Stock Exchange upon issue. Approval in-principle has been received from the Stock Exchange for the listing of and quotation for the Bonds and the Securities on the Stock Exchange. Admission to the Official List of the Stock Exchange and quotation of the Bonds and the Securities on the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, Shandong Hi-Speed Group Co, the Group, any of their subsidiaries, associated companies, the Bonds or the Securities.

The Board is pleased to announce that on 25 July 2019, the Company, the Issuer and Shandong Hi-Speed Group Co entered into a subscription agreement with the Joint Lead Managers in relation to the Bonds Issue and the Issuer and Shandong Hi-Speed Group Co entered into a subscription agreement with the Joint Lead Managers in relation to the Securities Issue.

THE SUBSCRIPTION AGREEMENT IN RELATION TO THE BONDS ISSUE

Parties to the subscription agreement in relation to the Bonds Issue

- (1) Coastal Emerald Limited, a wholly-owned subsidiary of the Company, as issuer;
- (2) the Company as the guarantor;
- (3) Shandong Hi-Speed Group Co as keepwell provider;
- (4) ICBC International Securities Limited;
- (5) Industrial and Commercial Bank of China (Asia) Limited;
- (6) The Hongkong and Shanghai Banking Corporation Limited;
- (7) Bank of China Limited;
- (8) Standard Chartered Bank;
- (9) Citigroup Global Markets Limited;

- (10) Morgan Stanley & Co. International plc;
- (11) GF Securities (Hong Kong) Brokerage Limited;
- (12) China Minsheng Banking Corp., Ltd., Hong Kong Branch;
- (13) ABCI Capital Limited;
- (14) Bank of Communications Co., Ltd. Hong Kong Branch;
- (15) BOCOM International Securities Limited;
- (16) China CITIC Bank International Limited;
- (17) China Merchants Securities (HK) Co., Limited;
- (18) CLSA Limited;
- (19) CMBC Securities Company Limited;
- (20) CMB Wing Lung Bank Limited;
- (21) DBS Bank Ltd.;
- (22) Dongxing Securities (Hong Kong) Company Limited;
- (23) Mizuho Securities Asia Limited;
- (24) Nomura International (Hong Kong) Limited;
- (25) Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch;
- (26) SPDB International Capital Limited;
- (27) Yue Xiu Securities Company Limited; and
- (28) Zhongtai International Securities Limited.

ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, The Hongkong and Shanghai Banking Corporation Limited, Bank of China Limited, Standard Chartered Bank, Citigroup Global Markets Limited, Morgan Stanley & Co. International plc, GF Securities (Hong Kong) Brokerage Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch and ABCI Capital Limited, have been appointed as joint global coordinators, joint bookrunners and joint lead managers; and Bank of Communications Co., Ltd. Hong Kong Branch, BOCOM International Securities Limited, China CITIC Bank International Limited, China Merchants Securities (HK) Co., Limited, CLSA Limited, CMBC Securities Company Limited, CMB Wing Lung Bank Limited, DBS Bank Ltd., Dongxing Securities (Hong Kong) Company Limited, Mizuho Securities Asia Limited, Nomura International (Hong Kong) Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SPDB International Capital Limited, Yue Xiu Securities Company Limited and Zhongtai International Securities Limited have been appointed as the joint lead managers and joint bookrunners of the Bonds Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Joint Lead Managers is an independent third party and not a connected person of the Company and its connected persons.

The Bonds and the Guarantee of the Bonds have not been, and will not be registered, under the Securities Act or any state securities law and, unless so registered, may not be offered or sold within the United States and may only be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Accordingly, the Bonds are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the Bonds will be offered to the public in Hong Kong.

Principal terms of the Bonds

The principal terms of the Bonds are the set out below:

Bonds Offered: US\$500,000,000 3.95 per cent. Guaranteed Bonds due 2022

Issue Price: 100 per cent. of the principal amount of the Bonds

Issue Date: 1 August 2019

Maturity Date: 1 August 2022

Proposed use of proceeds

The net proceeds of the Bonds Issue will be approximately US\$498,200,000. The Group intends to use the proceeds of the Bonds Issue for refinancing and general corporate purposes.

The Board is of the view that the Bonds Issue is a significant step of the Group in gaining recognition in the international finance market and will provide the Group with additional source of funding for its business development.

Listing

The Issuer will procure that the Bonds will be listed on the Stock Exchange upon issue. Approval in-principle has been received from the Stock Exchange for the listing of and quotation for the Bonds on the Stock Exchange. Admission to the Official List of the Stock Exchange and quotation of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, Shandong Hi-Speed Group Co, the Group, any of their subsidiaries, associated companies or the Bonds.

THE SUBSCRIPTION AGREEMENT IN RELATION TO THE SECURITIES ISSUE

Parties to the subscription agreement in relation to the Securities Issue

- (1) Coastal Emerald Limited, a wholly-owned subsidiary of the Company, as issuer;
- (2) Shandong Hi-Speed Group Co as guarantor;
- (3) ICBC International Securities Limited;
- (4) Industrial and Commercial Bank of China (Asia) Limited;
- (5) The Hongkong and Shanghai Banking Corporation Limited;
- (6) Bank of China Limited;
- (7) Standard Chartered Bank;
- (8) Citigroup Global Markets Limited;
- (9) Morgan Stanley & Co. International plc;
- (10) GF Securities (Hong Kong) Brokerage Limited;
- (11) China Minsheng Banking Corp., Ltd., Hong Kong Branch;
- (12) ABCI Capital Limited;
- (13) Bank of Communications Co., Ltd. Hong Kong Branch;
- (14) BOCOM International Securities Limited;
- (15) China CITIC Bank International Limited;
- (16) China Merchants Securities (HK) Co., Limited;
- (17) CLSA Limited;

- (18) CMBC Securities Company Limited;
- (19) CMB Wing Lung Bank Limited;
- (20) DBS Bank Ltd.;
- (21) Dongxing Securities (Hong Kong) Company Limited;
- (22) Mizuho Securities Asia Limited;
- (23) Nomura International (Hong Kong) Limited;
- (24) Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch;
- (25) SPDB International Capital Limited;
- (26) Yue Xiu Securities Company Limited; and
- (27) Zhongtai International Securities Limited.

ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, The Hongkong and Shanghai Banking Corporation Limited, Bank of China Limited, Standard Chartered Bank, Citigroup Global Markets Limited, Morgan Stanley & Co. International plc, GF Securities (Hong Kong) Brokerage Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch and ABCI Capital Limited have been appointed as the joint global coordinators, joint bookrunners and joint lead managers; and Bank of Communications Co., Ltd. Hong Kong Branch, BOCOM International Securities Limited, China CITIC Bank International Limited, China Merchants Securities (HK) Co., Limited, CLSA Limited, CMBC Securities Company Limited, CMB Wing Lung Bank Limited, DBS Bank Ltd., Dongxing Securities (Hong Kong) Company Limited, Mizuho Securities Asia Limited, Nomura International (Hong Kong) Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SPDB International Capital Limited, Yue Xiu Securities Company Limited and Zhongtai International Securities Limited have been appointed as the joint lead managers and joint bookrunners of the Securities Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Joint Lead Managers is an independent third party and not a connected person of the Company and its connected persons.

The Securities and the Guarantee of the Securities have not been, and will not be registered, under the Securities Act or any state securities law and, unless so registered, may not be offered or sold within the United States and may only be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Accordingly, the Securities are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the Securities will be offered to the public in Hong Kong.

Principal terms of the Securities

The principal terms of the Securities are the set out below:

Securities Offered: US\$900,000,000 4.30 per cent. Guaranteed Perpetual Securities

Issue Price: 100 per cent. of the principal amount of the Securities

Distribution: Subject to provisions relating to deferral of Distributions, the Securities confer a right to receive Distributions at the applicable Distribution Rate from, and including the Issue Date

Distribution Rate: Subject to the terms and conditions of the Securities, the Distribution Rate applicable to the Securities will be as follows:

- 1) in respect of each Distribution Payment Date, the period from, and including, the Issue Date to, but excluding, the First Call Date, the Initial Distribution Rate; and
- 2) in respect of the period (A) from, and including, the First Call Date, to, but excluding, the Reset Date falling immediately after the First Call Date, and (B) from, and including, each Reset Date falling after the First Call Date, to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate

Initial Distribution Rate: 4.30 per cent. per annum (payable semi-annually)

Relevant Reset Distribution Rate: The sum of the applicable treasury rate, the Initial Spread and the Margin

Initial Spread: 2.445 per cent

Margin: 5.00 per cent. per annum

Distribution Payment Dates: 1 February and 1 August on each year, commencing on 1 February 2020

First Call Date: 1 August 2024

Reset Date: The First Call Date, and each of the days falling every five calendar years after the First Call Date

Optional Deferral Event: The Issuer may, at its sole discretion, elect to defer (in whole or in part) any Distribution pursuant to the terms and conditions of the Securities

Issue Date: 1 August 2019

Proposed use of proceeds

The net proceeds of the Securities Issue will be approximately US\$896,800,000. The Group intends to use the proceeds of the Securities Issue for refinancing and general corporate purposes.

The Board is of the view that the Securities Issue is a significant step of the Group in gaining recognition in the international finance market and will provide the Group with additional source of funding for its business development.

Listing

The Issuer will procure that the Securities will be listed on the Stock Exchange upon issue. Approval in-principle has been received from the Stock Exchange for the listing of and quotation for the Securities on the Stock Exchange. Admission to the Official List of the Stock Exchange and quotation of the Securities on the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, Shandong Hi-Speed Group Co, the Group, any of their subsidiaries, associated companies or the Securities.

As the conditions precedent to completion of the subscription agreements may or may not be satisfied and the subscription agreements may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	The board of Directors, the Company
“Bonds”	the US\$500,000,000 3.95 per cent. guaranteed bonds due 2022 to be issued by the Issuer unconditionally and irrevocably guaranteed by the Company with the benefit of a keepwell deed and a deed of equity interest purchase undertaking provided by Shandong Hi-Speed Group Co
“Bonds Issue”	the proposed issue of the Bonds by the Issuer
“Company”	China Shandong Hi-Speed Financial Group Limited, a company incorporated under the laws of Bermuda with limited liability and whose shares are listed on The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed to it under The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company
“Distribution”	the right to receive distributions conferred by the Securities
“Group”	Shandong Hi-Speed Group Co and its consolidated subsidiaries
“Guarantee of the Bonds”	the guarantee provided by the Company in respect of the Bonds

“Guarantee of the Securities”	the guarantee provided by Shandong Hi-Speed Group Co in respect of the Securities
“Hong Kong”	the Hong Kong Special Administrative Region
“Issuer”	Coastal Emerald Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
“Joint Lead Managers”	ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, The Hongkong and Shanghai Banking Corporation Limited, Bank of China Limited, Standard Chartered Bank, Citigroup Global Markets Limited, Morgan Stanley & Co. International plc, GF Securities (Hong Kong) Brokerage Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, ABCI Capital Limited, Bank of Communications Co., Ltd. Hong Kong Branch, BOCOM International Securities Limited, China CITIC Bank International Limited, China Merchants Securities (HK) Co., Limited, CLSA Limited, CMBC Securities Company Limited, CMB Wing Lung Bank Limited, DBS Bank Ltd., Dongxing Securities (Hong Kong) Company Limited, Mizuho Securities Asia Limited, Nomura International (Hong Kong) Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SPDB International Capital Limited, Yue Xiu Securities Company Limited and Zhongtai International Securities Limited
“Securities”	the US\$900,000,000 4.30 per cent. guaranteed perpetual securities to be issued by the Issuer unconditionally and irrevocably guaranteed by Shandong Hi-Speed Group Co
“Securities Act”	the United States Securities Act of 1933, as amended
“Securities Issue”	the proposed issue of the Securities by the Issuer

“Shandong Hi-Speed Group Co”	Shandong Hi-Speed Group Co, Ltd., a company established by the People’s Government of Shandong Province as a wholly state-owned enterprise, which as at the date hereof holds a 42.78 per cent. stake in the Company
“Stock Exchange”	Singapore Exchange Securities Trading Limited
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States

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

Hong Kong, 26 July 2019

As at the date of this announcement, the directors of Coastal Emerald Limited are Mr. Liu Zhijie and Mr. Liu Yao.

As at the date of this announcement, the directors of China Shandong Hi-Speed Financial Group Limited are Mr. Wang Xiaodong, Mr. Liu Han, Mr. Liu Zhijie, Mr. Liu Yao, Ms. Liao Jianrong, Dr. Lam Lee G., Mr. Qiu Jianyang, Mr. Lo Man Tuen, Mr. To Shing Chuen, Mr. Cheung Wing Ping, Mr. Guan Huanfei and Mr. Tan Yuexin.