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DISCLOSEABLE TRANSACTION — SUBSCRIPTION OF PARTICIPATING SHARES IN INVESTMENT FUND

SUBSCRIPTION OF PARTICIPATING SHARES IN INVESTMENT FUND

The Board is pleased to announce that on 22 January 2018 (after trading hours), the Subscriber, an indirect wholly-owned subsidiary of the Company, applied to subscribe for the Interest at the Subscription Amount.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Subscription and the transactions contemplated thereunder exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the notification and the announcement requirements but is not subject to the shareholders' approval requirement under Chapter 14 of the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 22 January 2018 (after trading hours), the Subscriber, an indirect wholly-owned subsidiary of the Company, applied to subscribe for the Interest at the Subscription Amount.

SUBSCRIPTION OF PARTICIPATING SHARES IN INVESTMENT FUND

Date of application of Subscription: 22 January 2018 (after trading hours)

Subscriber: The Subscriber

Investment Fund: China Times Investments Limited

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Investment Fund and its ultimate beneficial owners are Independent Third Parties.

Investment Objective of the Investment Fund:	The principal investment objective of the Investment Fund is to seek to achieve long term capital appreciation by investing primarily in listed companies in Asia that, in the opinion of the Investment Manager, are positioned to benefit from China’s One Belt One Road initiative. The Investment Fund will invest mainly in a portfolio of listed equities, but may also invest in equity related instruments including convertible bonds, options and warrants relating to listed equities and index future contracts (including but not limited to Hang Seng Index and Hang Seng China Enterprises Index). The Investment Fund will make investments in companies located in Greater China (for this purpose including the People’s Republic of China, Hong Kong, Macau, Taiwan, and Singapore) and throughout Asia (ex-Japan) in countries participating in or expected to benefit from One Belt One Road. In addition to Greater China, these countries are anticipated to include some or all of the ASEAN nations, and Vietnam, Malaysia and Thailand, in particular, in addition to Singapore. Investment Fund may also invest in debt securities mainly through investing in convertible bonds.
Subscription Amount:	HK\$1,000,000,000
Status of the Participating Shares:	The Participating Shares shall rank <i>pari passu</i> with each other and other Participating Shares in the Investment Fund.
Lock Up Period:	The 12-month period commencing on the Dealing Day on which a Participating Share is issued.
Redemption:	No Participating Shares may be redeemed during any Lock Up Period for such Participating Shares except with the consent of the directors of the Investment Fund. Where a Participating Shareholder has been issued Participating Shares at different times and subsequently makes a partial redemption, Participating Shares shall be redeemed on a “first in, first out” basis. Following the expiry of the Lock Up Period, Participating Shareholders may redeem their Participating Shares on any Dealing Day.

- Redemption Price:** The Redemption Price of each Participating Share of a particular class for any relevant Dealing Day will be calculated by dividing the Net Asset Value of the Class Account of such class as at the Valuation Point relating to that Dealing Day by the number of Participating Shares of the relevant class then in issue, the resulting amount being rounded to the nearest cent. (0.5 of a cent. being rounded up) with the rounding benefit to be retained by the Investment Fund. The Net Asset Value for the purposes of computing the Subscription Price will be before deduction of any applicable performance fee. The Net Asset Value for the purposes of computing the Redemption Price will be after deduction of any applicable performance fee, subject to the provision for adjustment under the Placing Memorandum.
- Management Fee:** The Investment Manager is entitled to receive a management fee equal to 1.5% per annum of the Net Asset Value of the Investment Fund accrued daily and calculated on the basis of the Net Asset Value (before deduction of any accrued management fee and performance fee) as at the last Valuation Point of each Bi-Monthly Period payable bi-monthly in arrears. The Investment Manager is also entitled to receive the initial charge payable on the issue of Participating Shares.
- Performance Fee:** The Investment Manager is entitled to receive a performance fee from the Investment Fund on a “Investment Share-by-Investment Share” basis so that each Investment Share is charged a performance fee which equates as nearly as reasonably practicable with that Investment Share’s performance. The performance fee (if any) will be calculated as at the last Valuation Point in each period of twelve months ending on 31 December in each year (“**Performance Period**”).
- For each Performance Period, the performance fee in respect of each Investment Share will be equal to 20% of the appreciation in the Net Asset Value per Investment Share of the relevant class (before deduction of any accrued performance fee) above the High Water Mark per Investment Share.
- Custodian Fee and Administrator Fee:** The Investment Fund pays the Administrator and the Custodian fees for its services as agreed from time to time by the Investment Fund and the Administrator and the Custodian. The Administrator and the Custodian are entitled to be reimbursed by the Investment Fund for all reasonable out-of-pocket expenses.

Dividends and Distribution: The Investment Fund does not intend to pay dividends or other distributions on behalf of the Investment Fund, but intends instead to reinvest all of the Investment Fund's income and gains.

INFORMATION OF THE INVESTMENT FUND, THE INVESTMENT MANAGER, THE SUB-INVESTMENT MANAGER AND THE INVESTMENT ADVISER

The Investment Fund is China Times Investments Limited (中國時代投資有限公司), an exempted open-ended company incorporated in the Cayman Islands.

The Investment Manager is Riverwood Asset Management (Cayman) Limited (河沐資產管理(開曼)有限公司) (formerly known as Atlantis Investment Management (Cayman) Limited), an exempted company with limited liability incorporated in the Cayman Islands. It is responsible for managing the investment, sale and reinvestment of the Investment Fund's assets. The Investment Manager has been registered as an excluded person under the Securities Investment Business Law (2015 Revision) of the Cayman Islands.

The Sub-Investment Manager is Atlantis Investment Management (Hong Kong) Limited (西京投資管理(香港)有限公司), a limited liability company incorporated in Hong Kong. It is responsible for managing the investment, sale and reinvestment of the Investment Fund's assets. It has been licensed by the SFC for type 4 (advising on securities) and type 9 regulated activity (asset management).

The Investment Adviser is Atlantis Investment Management (Singapore) Pte. Limited (西京投資管理(新加坡)有限公司), a private company incorporated in Singapore. It is licensed by the Monetary Authority of Singapore as a Licensed Fund Management Company. The Investment Adviser will be primarily responsible for sourcing and providing advice on Asia ex-Japan investments.

INFORMATION OF THE COMPANY AND THE GROUP

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.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The main purpose of the Subscription is to develop a more diversified investment portfolio and broaden the revenue streams for the Group. The Subscription will also enable the Group to exploit the investment opportunities under the One Belt One Road national policy of the central government of the People's Republic of China.

With reference to the investment objective of the Investment Fund and the extensive experience and capabilities of the directors and/or the management of the Investment Fund, the Investment Manager, the Sub-Investment Manager and Investment Adviser, the Board believes that the Subscription will enable the Group to achieve the purpose of exploiting profitable investment opportunities and diversifying the Group's investment portfolio.

In particular, the Investment Manager offers a wide range of asset management services for global institutional investors through the Atlantis funds and via segregated mandates. Since its incorporation, the Investment Manager has been dedicated exclusively to Asian equity strategies. Its two main investment markets, China and Asia ex-Japan are led by its portfolio managers with solid practical investment experience. Furthermore, the Investment Manager has been independent and managed by its owner since it was established. It is able to perform own independent research, offer investment services to the clients without the entanglements of the global firms and serve for the best interest for clients. The Directors believe that the strength and capabilities of the Investment Manager will enable it to provide quality investment management service and bring favourable returns to the Subscriber.

The Board considers that the terms of the Subscription, the Placing Memorandum and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Subscription and the transactions contemplated thereunder exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the notification and the announcement requirements but is not subject to the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Administrator”	Millennium Fund Services (Asia) Limited and/or such other person as may be appointed administrator of the Investment Fund, in its capacity as the administrator and registrar of the Investment Fund;
“Articles”	the articles of association of the Investment Fund as amended from time to time;
“Bi-Monthly Period”	each successive period of two (2) calendar months commencing from the beginning of the Initial Offer Period and “bi-monthly” shall be construed accordingly;
“Board”	the board of Directors;
“Business Day”	means a day (other than a Saturday, Sunday and public holiday) on which banks are open for usual business in Hong Kong;
“Class Account”	each account maintained in the books of the Investment Fund for each class of Participating Shares in accordance with the Articles;
“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);
“Custodian”	The Bank of New York Mellon and/or such other person as may be appointed custodian of the assets of the Investment Fund;
“Dealing Day”	the first Business Day in January and July of each year, or such other Business Days as the directors of the Investment Fund may from time to time prescribe;
“Directors”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;

“High Water Mark”	in respect of an Investment Share is the highest of: <ul style="list-style-type: none"> (a) the Net Asset Value per Investment Share of the relevant class at the time of issue of that Investment Share multiplied by 105% per annum (compounded annually and prorated for any part year); and (b) the Net Asset Value per Investment Share of the relevant class (after deduction of any accrued performance fee) as at the last Valuation Point in the last Performance Period in respect of which a performance fee other than a performance fee redemption shall have been paid (if any) multiplied by 105% per annum (compounded annually and prorated for any part year);
“HK\$”	the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Initial Offer Period”	the period from 9:00 a.m. (Hong Kong time) on 29 July 2009 to 5:00 p.m. (Hong Kong time) on 28 October 2009;
“Interest”	the Participating Shares of the value equivalent to the Subscription Amount;
“Investment Adviser”	Atlantis Investment Management (Singapore) Pte. Limited (西京投資管理(新加坡)有限公司), a private company incorporated in Singapore, and/or such other person as may be appointed an investment adviser acting on behalf of the Investment Fund;
“Investment Fund”	China Times Investments Limited (中國時代投資有限公司), an exempted open-ended company incorporated in the Cayman Islands;
“Investment Manager”	Riverwood Asset Management (Cayman) Limited (河沐資產管理(開曼)有限公司) (formerly known as Atlantis Investment Management (Cayman) Limited), an exempted company with limited liability incorporated in the Cayman Islands;
“Investment Share”	any share in the capital of the Investment Fund whether the same be a Management Share or Participating Share;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Lock Up Period”	the 12-month period commencing on the Dealing Day on which a Participating Share is issued;
“Management Share”	a share having a nominal value of US\$1.00 in the share capital of the Investment Fund;
“Net Asset Value”	the net asset value of the Investment Fund (or as the context may require) of a Participating Share, calculated in accordance with the Articles;
“Participating Share”	a non-voting participating redeemable share having a nominal value of US\$0.001 in the share capital of the Investment Fund;
“Participating Shareholder”	a person registered as holder of Participating Share(s);
“Placing Memorandum”	the private placing memorandum issued in January 2018 by the Investment Fund setting out, among other things, the terms of the Investment Fund and the offer for subscription for Participating Shares, including the relevant side letter;
“Redemption Price”	the price at which Participating Shares will be redeemed;
“SFC”	the Securities and Futures Commission in Hong Kong
“Shares”	ordinary shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sub-Investment Manager”	Atlantis Investment Management (Hong Kong) Limited (西京投資管理(香港)有限公司) and such other person(s) as may be appointed a sub-investment manager of the Investment Fund;
“Subscriber”	Safe Castle Limited, a company incorporated in the British Virgin Islands, which is an indirect wholly-owned subsidiary of the Company;
“Subscription”	the subscription by the Subscriber for the Interest in the Investment Fund as contemplated under the Placing Memorandum;
“Subscription Amount”	the subscription amount of HK\$1,000,000,000 for the Subscription;

“Subscription Price”	the price at which the Participating Shares will be issued;
“US\$”	the lawful currency of the United States of America;
“Valuation Point”	close of business in the relevant market on the last Business Day in each month, or such other time on such day as the directors of the Investment Fund may from time to time prescribe;
“%”	per cent.

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

Hong Kong, 22 January 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.