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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)

DISCLOSEABLE TRANSACTIONS AND MAJOR TRANSACTION – FINANCE LEASE ARRANGEMENTS

FINANCE LEASE ARRANGEMENTS

On 26 January 2018, Xianglong FL entered into the Finance Lease Arrangement-1, pursuant to which, among other things, Xianglong FL agreed to purchase the Leased Assets-1 from Optimumnano Energy, at an aggregate consideration of RMB300,000,000, which have been leased back to Optimumnano Energy for a term of three years at a total lease payment of RMB325,273,958.33.

On 7 February 2018, Xianglong FL entered into the Finance Lease Arrangement-2, pursuant to which, among other things, Xianglong FL agreed to purchase the Leased Assets-2 from Okay Airways, at an aggregate consideration of RMB100,000,000, which have been leased back to Okay Airways for a term of three years at a total lease payment of RMB108,424,652.77.

On 14 March 2018, Xianglong FL entered into the Finance Lease Arrangement-3, pursuant to which, among other things, Xianglong FL agreed to purchase the Leased Assets-3 from Okay Airways, at an aggregate consideration of RMB400,000,000, which have been leased back to Okay Airways for a term of five years at a total lease payment of RMB460,568,437.52.

On 21 March 2018, Xianglong FL entered into the Finance Lease Arrangement-4, pursuant to which, among other things, Xianglong FL agreed to purchase the Leased Assets-4 from China Tieniu, at an aggregate consideration of RMB500,000,000, which have been leased back to China Tieniu for a term of five years at a total lease payment of RMB575,710,546.86.

On 29 March 2018, Xianglong FL entered into the Finance Lease Arrangement-5 (as amended on 7 May 2018), pursuant to which Xianglong FL agreed to purchase the Leased Assets-5 from Hangzhou ESSEN, at an aggregate consideration of RMB600,000,000, which have been leased back to Hangzhou ESSEN for a term of three years at a total lease payment of RMB623,034,821.60.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Finance Lease Arrangement-1 are more than 5% but are less than 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Since the contractual parties to both the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3 are the same, the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3 are required to be aggregated as a series of transactions pursuant to Rule 14.22 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 transactions contemplated under the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3, on an aggregated basis, are more than 5% but are less than 25%, the transactions as contemplated thereunder, on an aggregated basis, constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the contractual parties to each of the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5 are the same, the Finance Lease Arrangement-4 and Finance Lease Arrangement-5 are required to be aggregated as a series of transactions pursuant to Rule 14.22 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 transactions contemplated under the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5, on an aggregated basis, are higher than 25% but lower than 100%, the transactions as contemplated thereunder, on an aggregated basis, constitute a major transaction of the Company and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A SGM will be convened to consider and, if thought fit, pass the ordinary resolution(s) to ratify, among other things, the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5 and the transactions contemplated thereunder. As no Shareholder has material interest in the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5, no Shareholder is required to abstain from voting at the SGM in respect of the Finance Lease Arrangement-4, the Finance Lease Arrangement-5 and the respective transactions contemplated thereunder.

A circular containing, among other things, further details of the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5 and a notice of the SGM will be dispatched to the Shareholders. The Company expects that the circular will be dispatched on or before 7 June 2018.

FINANCE LEASE ARRANGEMENTS

(1) The Finance Lease Arrangement-1

The principal terms of the Finance Lease Arrangement-1 are summarised as follows:

Date	26 January 2018
Parties	Lessor: Xianglong FL (an indirect wholly-owned subsidiary of the Company)

Lessee: Optimumnano Energy

Guarantors: Shaanxi J&R

Mr. Li

Ms. Cheng

Subject matter	Xianglong FL agreed to purchase the Leased Assets-1 from Optimumnano Energy and following which, to lease back the Leased Assets-1 to Optimumnano Energy after the purchase, subject to the terms and conditions of the Finance Lease Agreement-1.
Consideration	<p>Xianglong FL agreed to purchase the Leased Assets-1 from Optimumnano Energy for a total consideration of RMB300,000,000, which was settled by installments on 26 January 2018 and 12 February 2018 respectively.</p> <p>The consideration for the Leased Assets-1 was funded by the internal resources of the Group.</p>
Lease period	3 years commencing from the settlement date of each installment
Lease payment and other fees	<p>Pursuant to the Finance Lease Agreement-1, the total lease payments payable by Optimumnano Energy to Xianglong FL shall be RMB325,273,958.33. The lease payments shall be payable by Optimumnano Energy to Xianglong FL in six half-yearly installments. The lease payments consist of:</p> <ul style="list-style-type: none">(a) the principal lease amount of RMB300,000,000 which is equal to the total consideration paid for the Leased Assets-1; and(b) a total interest of RMB25,273,958.33 at an annual interest rate of 4.75%, which is determined by reference to the then benchmark interest rate for loans with the same term as promulgated by the People's Bank of China.

Ownership of the Leased Assets-1	The legal title of the Leased Assets-1 shall vest in Xianglong FL throughout the lease period.
Buyback	Upon settlement of all lease payments (including but not limited to lease payments, default payments and deferred interests, if any), Optimumnano Energy shall have the right to purchase the Lease Assets-1 at an agreed nominal price of RMB100.
Securities and guarantees	The obligations of Optimumnano Energy under the Finance Lease Agreement-1 shall be secured by (a) a corporate guarantee from Shaanxi J&R; (b) a personal guarantee from Mr. Li; and (c) a personal guarantee from Ms. Cheng, each for the period from 26 January 2018 until the third anniversary of the date when all the obligations under the Finance Lease Agreement-1 have been performed.

The terms of the Finance Lease Arrangement-1, including the consideration in respect of the sale and purchase of the Leased Assets-1, the principal lease amount and the interest rate, were determined after arm's length negotiations between Xianglong FL and Optimumnano Energy by reference to the prevailing market rates for similar finance leasing arrangements.

(2) The Finance Lease Arrangement-2

The principal terms of the Finance Lease Arrangement-2 are summarised as follows:

Date	7 February 2018
Parties	<p>Lessor: Xianglong FL (an indirect wholly-owned subsidiary of the Company)</p> <p>Lessee: Okay Airways</p>

Guarantors: Tianjin Datian
Huatian Investment
Mr. Wang
Ms. Jiang

Subject matter	Xianglong FL agreed to purchase the Leased Assets-2 from Okay Airways and following which, to lease back the Leased Assets-2 to Okay Airways after the purchase, subject to the terms and conditions of the Finance Lease Agreement-2.
Consideration	<p>Xianglong FL agreed to purchase Leased Assets-2 from Okay Airways for a total consideration of RMB100,000,000.</p> <p>The consideration for the Leased Assets-2 was funded by the internal resources of the Group.</p>
Lease period	3 years commencing from 12 February 2018
Lease payment and other fees	<p>Pursuant to the Finance Lease Agreement-2, the total lease payments payable by Okay Airways to Xianglong FL shall be RMB108,424,652.77. The lease payments shall be payable by Okay Airways to Xianglong FL in six half-yearly installments. The lease payments consist of:</p> <ul style="list-style-type: none">(a) the principal lease amount of RMB100,000,000 which is equal to the total consideration paid for the Leased Assets-2; and(b) a total interest of RMB8,424,652.77 at an annual interest rate of 4.75%, which is determined by reference to the then benchmark interest rate for loans with the same term as promulgated by the People's Bank of China.
Ownership of the Leased Assets-2	The legal title of the Leased Assets-2 shall vest in Xianglong FL throughout the lease period.

(3) The Finance Lease Arrangement-3

The principal terms of The Finance Lease Arrangement-3 are summarised as follows:

Date	14 March 2018
Parties	Lessor: Xianglong FL (an indirect wholly-owned subsidiary of the Company) Lessee: Okay Airways Guarantors: Tianjin Datian Huatian Investment Mr. Wang Ms. Jiang
Subject matter	Xianglong FL agreed to purchase the Leased Assets-3 from Okay Airways and following which, to lease back the Leased Assets-3 to Okay Airways after the purchase, subject to the terms and conditions of the Finance Lease Agreement-3.
Consideration	Xianglong FL agreed to purchase Leased Assets-3 from Okay Airways for a total consideration of RMB400,000,000. The consideration for the Leased Assets-3 was funded by the internal resources of the Group.
Lease period	5 years commencing from 21 March 2018
Lease payment and other fees	Pursuant to the Finance Lease Agreement-3, the total lease payments payable by Okay Airways to Xianglong FL shall be RMB460,568,437.52. The lease payments shall be payable by Okay Airways to Xianglong FL in ten half-yearly installments. The lease payments consist of: (a) the principal lease amount of RMB400,000,000 which is equal to the total consideration paid for the Leased Assets-3; and

- (b) a total interest of RMB60,568,437.52 at an annual interest rate of 4.75%, which is determined by reference to the then benchmark interest rate for loans with the same term as promulgated by the People's Bank of China.

Ownership of the Leased Assets-3 The legal title of the Leased Assets-3 shall vest in Xianglong FL throughout the lease period.

Buyback Upon settlement of all lease payments (including but not limited to lease payments, default payments and deferred interests, if any), Okay Airways shall have the right to purchase the Lease Assets-3 at an agreed nominal price of RMB100.

Securities and guarantees The obligations of Okay Airways under the Finance Lease Agreement-3 shall be secured by (a) a corporate guarantee from Tianjin Datian; (b) a corporate guarantee from Huatian Investment (c) a personal guarantee from Mr. Wang; and (d) a personal guarantee from Ms. Jiang, each for the period from 14 March 2018 until the third anniversary of the date when all the obligations under the Finance Lease Agreement-3 have been performed.

As referred to above, the Share Charge has been entered into on 14 March 2018 in connection with the obligations of Okay Airways in relation to the Finance Lease Agreement-2 and the Finance Lease Agreement-3 of up to RMB500,000,000, to create a security over the equity interest in Okay Airways owned by Huatian Investment, being 300,000,000 shares in Okay Airways.

The terms of the Finance Lease Arrangement-3, including the consideration in respect of the sale and purchase of the Leased Assets-3, principal lease amount and interest rate were determined after arm's length negotiations between Xianglong FL and Okay Airways by reference to, the then preliminary valuation of the Leased Assets-3 carried out on a market approach at approximately RMB469,748,000 by a qualified independent PRC valuer in March 2018 and the prevailing market interest rate for similar leasing arrangements.

(4) The Finance Lease Arrangement-4

The principal terms of the Finance Lease Arrangement-4 are summarised as follows:

Date	21 March 2018
Parties	Lessor: Xianglong FL (an indirect wholly-owned subsidiary of the Company) Lessee: China Tieniu Guarantors: Hangzhou ESSEN Anhui Tongfeng Huangshan Jinma Ms. Xu Mr. Ying
Subject matter	Xianglong FL agreed to purchase the Leased Assets-4 from China Tieniu and following which, to lease back the Leased Assets-4 to China Tieniu after the purchase, subject to the terms and conditions of the Finance Lease Agreement-4.
Consideration	Xianglong FL agreed to purchase Leased Assets-4 from China Tieniu for a total consideration of RMB500,000,000. The consideration for the Leased Assets-4 was funded by the internal resources of the Group.
Lease period	5 years commencing from 22 March 2018

Lease payment and other fees	<p>Pursuant to the Finance Lease Agreement-4, the total lease payments payable by China Tieniu to Xianglong FL shall be RMB575,710,546.86. The lease payments shall be payable by China Tieniu to Xianglong FL in ten half-yearly installments. The lease payments consist of:</p> <p>(a) the principal lease amount of RMB500,000,000 which is equal to the total consideration paid for the Leased Assets-4; and</p> <p>(b) a total interest of RMB75,710,546.86 at an annual interest rate of 4.75%, which is determined by reference to the then benchmark interest rate for loans with the same term as promulgated by the People's Bank of China.</p>
Ownership of the Leased Assets-4	<p>The legal title of the Leased Assets-4 shall vest in Xianglong FL throughout the lease period.</p>
Buyback	<p>Upon settlement of all lease payments (including but not limited to lease payments, default payments and deferred interests, if any), China Tieniu shall have the right to purchase the Lease Assets-4 at an agreed nominal price of RMB100.</p>
Securities and guarantees	<p>The obligations of China Tieniu under the Finance Lease Agreement-4 shall be secured by (a) a corporate guarantee from Hangzhou ESSEN; (b) a corporate guarantee from Anhui Tongfeng; (c) a corporate guarantee from Huangshan Jinma; (d) a personal guarantee from Ms. Xu; and (e) a personal guarantee from Mr. Ying, each for the period from 21 March 2018 until the third anniversary of the date when all the obligations under the Finance Lease Agreement-4 have been performed.</p>

The terms of the Finance Lease Arrangement-4, including the consideration in respect of the sale and purchase of the Leased Assets-4, principal lease amount and interest rate were determined after arm's length negotiations between Xianglong FL and China Tieniu by reference to the then preliminary valuation of the Leased Assets-4 carried out on a cost approach at approximately RMB728,766,000 by a qualified independent PRC valuer in March 2018 and the prevailing market interest rate for similar leasing arrangements.

(5) The Finance Lease Arrangement-5

The principal terms of the Finance Lease Arrangement-5 are summarised as follows:

Date	29 March 2018
Parties	<p>Lessor: Xianglong FL (an indirect wholly-owned subsidiary of the Company)</p> <p>Lessee: Hangzhou ESSEN</p> <p>Guarantors: China Tieniu Anhui Tongfeng Huangshan Jinma Ms. Xu Mr. Ying</p>
Subject matter	Xianglong FL agreed to purchase the Leased Assets-5 from Hangzhou ESSEN and following which, to lease back the Leased Assets-5 to Hangzhou ESSEN after the purchase, subject to the terms and conditions of the Finance Lease Agreement-5.
Consideration	<p>Xianglong FL agreed to purchase Leased Assets-5 from Hangzhou ESSEN for a total consideration of RMB600,000,000.</p> <p>The consideration for the Leased Assets-5 was funded by the internal resources of the Group.</p>

Lease period	3 years commencing from 29 March 2018
Lease payment and other fees	<p>Pursuant to the Finance Lease Agreement-5, the total lease payments payable by Hangzhou ESSEN to Xianglong FL shall be RMB650,850,238.50. The lease payments shall be payable by Hangzhou ESSEN to Xianglong FL in six half-yearly installments. The lease payments consist of:</p> <p>(a) the principal lease amount of RMB600,000,000 which is equal to the total consideration paid for the Leased Assets-5; and</p> <p>(b) a total interest of RMB50,850,238.50 at an annual interest rate of 4.75%, which is determined by reference to the then benchmark interest rate for loans with the same term as promulgated by the People's Bank of China.</p>
Ownership of the Leased Assets-5	The legal title of the Leased Assets-5 shall vest in Xianglong FL throughout the lease period.
Buyback	Upon settlement of all lease payments (including but not limited to lease payments, default payments and deferred interests, if any), Hangzhou ESSEN shall have the right to purchase the Lease Assets-5 at an agreed nominal price of RMB100.
Securities and guarantees	The obligations of Hangzhou ESSEN under the Finance Lease Agreement-5 will be secured by (a) a corporate guarantee from China Tieniu; (b) a corporate guarantee from Anhui Tongfeng; (c) a corporate guarantee from Huangshan Jinma; (d) a personal guarantee from Ms. Xu; and (e) a personal guarantee from Mr. Ying, each for the period from 29 March 2018 until the third anniversary of the date when all the obligations under the Finance Lease Agreement-5 have been performed.

On 7 May 2018, Xianglong FL (an indirect wholly-owned subsidiary of the Company) and Hangzhou ESSEN entered into the Supplemental Agreement-5, whereby the total lease payments payable under the Finance Lease Arrangement-5 was amended to RMB623,034,821.60, of which RMB351,847,222.22 of the lease payments (consisting of the principal lease amount of RMB350,000,000 and an interest of RMB1,847,222.22) shall be paid in advance by Hangzhou ESSEN on 8 May 2018. The remaining lease payments shall be payable in six half-yearly installments, consisting of (a) the principal lease amount of RMB250,000,000; and (b) an interest of RMB21,187,599.38.

The terms of the Finance Lease Arrangement-5, including the consideration in respect of the sale and purchase of the Leased Assets-5, principal lease amount (as amended) and interest rate were determined after arm's length negotiations between Xianglong FL and Hangzhou ESSEN by reference to the valuation report in relation to the valuation of the Leased Assets-5 carried out on a cost approach at approximately RMB623,272,000 issued by a qualified independent PRC valuer in March 2018 and the prevailing market interest rate.

INFORMATION OF THE PARTIES

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; (iv) operation of an asset trading platform; and (v) commercial factoring.

Xianglong FL is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in finance leasing business in the PRC.

The Lessees

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the details of the lessees under the Finance Lease Arrangements are set out below.

(1) *The lessee in the Finance Lease Agreement-1*

Optimumnano Energy is a company established in the PRC with limited liability and has a business license to conduct the leasing of tangible assets, sales and distribution of materials, import and export businesses, operation of new energy automobile recharging facilities, and production and sales of lithium batteries. It is the wholly owned subsidiary of Shaanxi J&R as at the date of this announcement.

(2) *The lessee in each of the Finance Lease Agreement-2 and the Finance Lease Agreement-3*

Okay Airways is a company established in the PRC with limited liability and has a business license to conduct passenger and cargo air transportation business in the PRC, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, international passenger and cargo air transportation business, import and export of cargo and technology, sales of crafts, office amenities, electronics, fashion and daily necessities. It is a non-wholly-owned subsidiary of Huatian Investment which holds 94% of the equity interest in Okay Airways as at the date of this announcement.

(3) *The lessee in the Finance Lease Agreement-4*

China Tieniu is a company established in the PRC with limited liability and has a business license to conduct the industry and project investment, investment management, research and development, production, processing and sales of automobiles, parts of automobile, tractor accessories, molds, sheet metal parts, motor products, hardware tools, household appliances and instrumentation, research and development, production, sales, installation and maintenance of automated delivery equipment, storage facilities, welding and coating equipment and automated packaging equipment, research and development, processing and/or sales of construction materials and metal materials, import and export of goods and technology, and real estate development and operation.

(4) *The lessee in the Finance Lease Agreement-5*

Hangzhou ESSEN is a company established in the PRC with limited liability and has a business license to conduct the production, sales and/or distribution of automobiles, automobile accessories, metal materials, automobile spare parts, molds, electronics, construction materials and decorative materials, import and export of goods and technology, development of automobile production projects, sales, installation and maintenance of automated delivery equipment, storage facilities, welding and coating equipment and automated packaging equipment, automobile spare parts, molds, metal materials, and other legal business activities. It is a wholly owned subsidiary of China Tieniu as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Optimumnano Energy, Okay Airways, China Tieniu and Hangzhou ESSEN and their respective ultimate beneficial owner(s) are Independent Third Parties.

The Guarantors

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the details of the guarantors under the Finance Lease Arrangements are set out below.

(1) *The guarantors in the Finance Lease Arrangement-1*

Shaanxi J&R is a company established in the PRC with limited liability and has a business license to conduct research and development, production, sales and/or maintenance of fire safety equipment, design and installation of building automated system, fire safety consultancy services, import and export of commercial products and technologies, product processing, procurement, sales and provision of consultancy services of electronic devices and spare parts of automobiles, electric vehicles, machineries and electrical facilities, automobile decorative materials, automobile model and relevant accessories, automobile electronic devices, electronic devices, power battery related raw materials, electrode and electrical control related spare parts, and leasing business.

(2) *The guarantors in each of the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3*

Tianjin Datian is a company established in the PRC with limited liability and has a business license to conduct international shipping agency services for import and export of goods (including maritime, land and air cargo), international exhibits, personal goods and transit cargo, information processing and consultancy services for storage, cargo handling, transportation, processing, packaging and delivery, delivery of common goods, consultancy services in relation to software design and development, and car rental business.

Huatian Investment is a company established in the PRC with limited liability and has a business license to conduct proprietary investment and management of its own funds, distribution and retail of textiles, clothing, daily necessities, construction materials, metal materials and mineral products.

(3) *The guarantors in each of the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5*

Anhui Tongfeng is a company established in the PRC with limited liability and has a business license to conduct the production and sales of raw and auxiliary materials for various types of electronic devices, industry investment, machinery processing, procurement and sales of electronic equipment, processing and sales of industrial facilities, parts and metals, and import of machinery, spare parts, raw materials and technology.

Huangshan Jinma is a company established in the PRC with limited liability and has a business license to conduct the sales of automobiles, motorcycles and spare parts, coal, metal, chemical products, construction materials, household appliances, cultural goods and clothing, travelling services, recycling and sales of waste materials, and hotel management service.

Please refer to the sub-section headed “*The Lessees*” above for information of China Tieniu and Hangzhou ESSEN.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Shaanxi J&R, Ms. Li, Ms. Cheng, Tianjin Datian, Huatian Investment, Mr. Wang, Ms. Jiang, Anhui Tongfeng, Huangshan Jinma, Ms. Xu, Mr. Ying and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENTS

Xianglong FL is an indirect wholly-owned subsidiary of the Company and is principally engaged in the finance leasing business in the PRC. The entering into of the Finance Lease Arrangements is part of the ordinary and usual course of business of Xianglong FL which will provide interest income to the Group and enhance the Group's profitability.

The Directors believe that the terms of the Finance Lease Arrangements and the transactions contemplated thereunder were arrived at after arm's length negotiations between the parties thereto, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Finance Lease Arrangement-1 are more than 5% but are less than 25%, the transactions contemplated thereunder constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Since the contractual parties to both the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3 are the same, the Finance Lease Arrangement-2 and Finance Lease Arrangement-3 are required to be aggregated as a series of transactions pursuant to Rule 14.22 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 transactions contemplated under the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3, on an aggregated basis, are more than 5% but are less than 25%, the transactions as contemplated thereunder, on an aggregated basis, constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the contractual parties to each of the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5 are the same, the Finance Lease Arrangement-4 and Finance Lease Arrangement-5 are required to be aggregated as a series of transactions pursuant to Rule 14.22 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 transactions contemplated under the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5, on an aggregated basis, are higher than 25% but lower than 100%, the transactions as contemplated thereunder, on an aggregated basis, constitute a major transaction of the Company and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company is aware that this announcement of transactions entered into earlier this year constitute late announcement under the Listing Rules of the relevant notifiable transactions and in respect of Finance Lease Arrangement-4 and Finance Lease Arrangement-5, have not been made subject to shareholder approval when, after aggregation of two transactions, should have been made subject to shareholders' approval. The Company regrets the delay and omission of shareholder approval and the relevant transactions only came to senior management's attention as part of an internal governance review.

In order to reduce the risk of a recurrence of such breaches, the Group continues to strengthen its internal controls, and the Board has resolved to engage an external internal control consultant to review its internal controls and provide compliance training to the Group's staff.

GENERAL INFORMATION

A SGM will be convened to consider and, if thought fit, pass the ordinary resolution(s) to ratify, among other things, the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5 and the transactions contemplated thereunder. As no Shareholder has material interest in the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5, no Shareholder is required to abstain from voting at the SGM in respect of the Finance Lease Arrangement-4, the Finance Lease Arrangement-5 and the respective transactions contemplated thereunder.

A circular containing, among other things, further details of the Finance Lease Arrangement-4, the Finance Lease Arrangement-5 and a notice of the SGM, will be dispatched to the Shareholders. The Company expects that the circular will be dispatched on or before 7 June 2018.

DEFINITIONS

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

“Anhui Tongfeng”	Anhui Tongfeng Electronics Group Co., Ltd (安徽銅峰電子集團有限公司), a company established in the PRC with limited liability
“Board”	the board of Directors
“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)
“China Tieniu”	China Tieniu Group Co., Ltd. (鐵牛集團有限公司), a company established in the PRC with limited liability
“connected person(s)”	has the meaning ascribed thereto by Chapter 14A of the Listing Rules
“Directors”	the director(s) of the Company
“Finance Lease Agreement-1”	the finance lease agreement entered into between Xianglong FL and Optimumnano Energy dated 26 January 2018 in relation to the financial leasing arrangement over the Leased Assets-1

“Finance Lease Agreement-2”	the finance lease agreement entered into between Xianglong FL and Okay Airways dated 7 February 2018 in relation to the financial leasing arrangement over the Leased Assets-2
“Finance Lease Agreement-3”	the finance lease agreement entered into between Xianglong FL and Okay Airways dated 14 March 2018 in relation to the financial leasing arrangement over the Leased Assets-3
“Finance Lease Agreement-4”	the finance lease agreement entered into between Xianglong FL and China Tieniu dated 21 March 2018 in relation to the financial leasing arrangement over the Leased Assets-4
“Finance Lease Agreement-5”	the finance lease agreement entered into between Xianglong FL and Hangzhou ESSEN dated 29 March 2018 in relation to the financial leasing arrangement over the Leased Assets-5
“Finance Lease Arrangement-1”	the Finance Lease Agreement-1, together with the corporate guarantee by Shaanxi J&R, the personal guarantee by Mr. Li and the personal guarantee by Ms. Cheng, each in favour of Xianglong FL dated 26 January 2018 in relation to the Finance Lease Agreement-1
“Finance Lease Arrangement-2”	the Finance Lease Agreement-2, together with the corporate guarantee by Tianjin Datian, the corporate guarantee by Huatian Investment, the personal guarantee by Mr. Wang and the personal guarantee by Ms. Jiang, each in favour of Xianglong FL dated 7 February 2018 in relation to the Finance Lease Agreement-2
“Finance Lease Arrangement-3”	the Finance Lease Agreement-3, together with the corporate guarantee by Tianjin Datian, the corporate guarantee by Huatian Investment, the personal guarantee by Mr. Wang and the personal guarantee by Ms. Jiang, each in favour of Xianglong FL dated 14 March 2018 in relation to the Finance Lease Agreement-3

“Finance Lease Arrangement-4”	the Finance Lease Agreement-4, together with the corporate guarantee by Hangzhou ESSEN, the corporate guarantee by Anhui Tongfeng, the corporate guarantee by Huangshan Jinma, the personal guarantee by Ms. Xu and the personal guarantee by Mr. Ying, each of which in favour of Xianglong FL dated 21 March 2018 in relation to the Finance Lease Agreement-4
“Finance Lease Arrangement-5”	the Finance Lease Agreement-5 (as amended by the Supplemental Agreement), together with the corporate guarantee by China Tieniu, the corporate guarantee by Anhui Tongfeng, the corporate guarantee by Huangshan Jinma, the personal guarantee by Ms. Xu and the personal guarantee by Mr. Ying, each in favour of Xianglong FL dated 29 March 2018 in relation to the Finance Lease Agreement-5
“Finance Lease Arrangements”	the Finance Lease Arrangement-1, the Finance Lease Arrangement-2, the Finance Lease Arrangement-3, the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5 and the Share Charge
“Group”	the Company and its subsidiaries
“Hangzhou ESSEN”	Hangzhou ESSEN Auto Component Co., Ltd. (杭州易特孚特汽車零部件有限公司), a company established in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huangshan Jinma”	Huangshan Jinma Group Company Limited* (黃山金馬集團有限公司), a company established in the PRC with limited liability
“Huatian Investment”	Huatian Investment Co., Ltd. (華田投資有限公司), a company established in the PRC with limited liability

“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“Leased Assets-1”	certain machinery and equipment for the production business of Optimumnano Energy
“Leased Assets-2”	certain machinery and equipment for the passenger and cargo air transportation business of Okay Airways
“Leased Assets-3”	certain machinery and equipment for the passenger and cargo air transportation business of Okay Airways
“Leased Assets-4”	certain machinery and equipment for the production business of China Tieniu
“Leased Assets-5”	certain machinery and equipment for the production business of Hangzhou ESSEN
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	李瑤 (Li Yao*), the personal guarantor under the Finance Lease Arrangement-1;
“Mr. Wang”	王樹生 (Wang Shusheng*), the personal guarantor under each of the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3
“Mr. Ying”	應建仁 (Ying Jianren*), the personal guarantor under each of the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5
“Ms. Cheng”	程玲志 (Cheng Lingzhi*), the personal guarantor under the Finance Lease Arrangement-1

“Ms. Jiang”	姜紅霞 (Jiang Hongxia*), the personal guarantor under each of the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3
“Ms. Xu”	徐美兒 (Xu Meier*), the personal guarantor under each of the Finance Lease Arrangement-4 and the Finance Lease Arrangement-5
“Okay Airways”	Okay Airways Co., Ltd. (奧凱航空有限公司), a company established in the PRC with limited liability
“Optimumnano Energy”	Optimumnano Energy Co., Ltd (深圳市沃特瑪電池有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of the Company to be convened for the purpose of considering, and if thought fit, ratifying the Finance Lease Agreement-4, the Finance Lease Agreement-5, the Supplemental Agreement-5 and the transactions contemplated thereunder
“Shaanxi J&R”	Shaanxi J&R Fire Protection Co., Ltd. (陝西堅瑞沃能股份有限公司), a company established in the PRC with limited liability
“Share Charge”	the share charge agreement given by Huatian Investment in favour of Xianglong FL dated 14 March 2018 in relation to the Finance Lease Arrangement-2 and the Finance Lease Arrangement-3
“Shareholders”	shareholders of the Company

“Shares”	ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement-5”	the supplemental agreement dated 7 May 2018 entered into between Xianglong FL and Hangzhou ESSEN amending and supplementing the terms of the Finance Lease Agreement-5
“Tianjin Datian”	Tianjin Datian W. Group Co., Ltd (天津大田集團有限公司), a company established in the PRC with limited liability
“Xianglong FL”	Shangao International Finance Leasing (Shenzhen) Co., Ltd.* (山高國際融資租賃(深圳)有限公司) (formerly known as Xianglong Finance Leasing (Shenzhen) Company Limited* (翔龍融資租賃(深圳)有限公司)), a company established in the PRC with limited liability
“%”	per cent.

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

Hong Kong, 16 May 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.

* For identification purpose only