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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 TRANSACTION SUBSCRIPTION OF INTEREST IN AN INVESTMENT FUND**

### **THE SUBSCRIPTION**

The Board is pleased to announce that, on 30 May 2018 (after trading hours), the Subscriber (a direct wholly-owned subsidiary of the Company) and the General Partner entered into the Subscription Agreement, pursuant to which the Subscriber has applied to subscribe for limited partner interests in the Investment Fund with a capital commitment of US\$30,000,000 (approximately HK\$234,000,000), which mainly provides mezzanine financing for an overseas acquisition of a leading education group by the Issuer.

In connection with the Subscription Agreement, on 30 May 2018, the General Partner (in its own name and for and on behalf of the Subscriber), CESFL and the Initial Limited Partner also entered into the Limited Partnership Agreement in relation to (among others) the operation and management of the Investment Fund.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Subscription 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.

## **THE SUBSCRIPTION**

The Board is pleased to announce that, on 30 May 2018 (after trading hours), the Subscriber (a direct wholly-owned subsidiary of the Company) and the General Partner entered into the Subscription Agreement in respect of the Investment Fund.

## **THE SUBSCRIPTION AGREEMENT**

Date: 30 May 2018

Parties: (1) the General Partner; and

(2) the Subscriber

Subject Matter: The Subscriber agrees to subscribe for a limited partnership interest in the Investment Fund with a capital commitment of US\$30,000,000 (approximately HK\$234,000,000).

The cash contribution committed by the Subscriber corresponds with the interest that the Subscriber has in the Investment Fund, which was determined after arm's length negotiations between the parties. The capital contribution to the Investment Fund will be funded by the Group's internal resources.

## **THE LIMITED PARTNERSHIP AGREEMENT**

Simultaneously with the entering into of the Subscription Agreement, the General Partner (in its own name and for and on behalf of the Subscriber), CESFL and the Initial Limited Partner entered into the Limited Partnership Agreement, which shall govern (among others) the manner of operation and management of the Investment Fund.

The principal terms of the Limited Partnership Agreement are as follows:–

Name of the Investment Fund: Singularity CEL SEG LP

Term: The Investment Fund will have a term of three years, which may be extended by the General Partner in its discretion, provided that any extension after two additional years shall require the approval of Limited Partners holding at least 80% of the aggregate commitment, in accordance with the provisions of the Limited Partnership Agreement.

**Purpose:** The principal purposes of the Investment Fund is to acquire, manage, supervise and realize certain 5-year 6.00% Notes issued or to be issued by the Issuer, subscription rights exercisable at the discretion of the Investment Fund, and/or other securities and instruments issued or to be issued by the Issuer or its affiliates from time to time (or other investments approved in accordance with term of the Limited Partnership Agreement).

**Distribution:** The General Partner will distribute to each Limited Partner pro rata share of the net cash income and proceeds from the investments held by the Investment Fund no later than 5 business days after receipt thereof.

**Management:** Management of the Investment Fund shall be vested exclusively in the General Partner. CESFL shall be responsible for the marketing and fund raising activities of the Investment Fund.

The General Partner shall be responsible for all costs and expenses relating to the formation, activities, investments and business of the Investment Fund.

The Subscriber is not required to pay any management fee or other fees to the General Partner.

**Transferability:** No sale, assignment, transfer, pledge, encumber, mortgage or otherwise disposal of all or any interest in the Investment Fund without the prior written consent of the General Partner, which shall not be delayed or withheld if certain conditions are satisfied.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the General Partner, CESFL, the Initial Limited Partner and their respective ultimate beneficial owner(s) are independent of and not connected with the Company or any connected persons of the Company.

## **INFORMATION ON THE INVESTMENT FUND**

The Investment Fund is an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of the Cayman Islands on 12 April 2018. As it is newly established, neither financial information nor past performance of the Investment Fund is available. Subject to the Limited Partnership Agreement, the total commitment made by all of the Limited Partners must not exceed US\$163,000,000 (approximately HK\$1,271,400,000). The capital contribution committed by the Subscriber to the Investment Fund is US\$30,000,000 (approximately HK\$234,000,000).

## **INFORMATION OF 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 financial leasing, money lending business, asset management, operation of an asset trading platform, financial investments and related financial services.

The Subscriber is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

## **REASONS FOR, AND BENEFITS OF, THE SUBSCRIPTION**

The Group has endeavoured in exploring opportunities for potential investments for business diversification, with a view to generating revenue and achieving better return for its shareholders. It is expected that the Subscription can generate a reasonable and stable return and potential upside upon exercise of the subscription rights or other investment proceeds from the Investment Fund to the Group. It is expected that the proceeds of the Notes will be utilized to acquire a leading education group. The Directors consider that the Subscription would provide the Group with an opportunity to foster cooperation relationship with large-scale financial market players and a diversified return from our investment portfolio.

Based on the above, the Directors consider that the terms of the Subscription Agreement and the Limited Partnership Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Subscription 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.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the words and expressions below shall have the following meanings when used herein:

“Board”	the board of Directors
“CESFL”	CESFL Swiss Education Group Limited, a general partner under the Limited Partnership Agreement and a wholly-owned subsidiary of China Everbright Structured Finance Limited with principal business in investment management
“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 in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Partner”	Singularity SEG GP Limited, a limited company incorporated in the Cayman Islands with principal business in management of fund
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Limited Partner”	a businessman who will withdraw as a limited partner of the Investment Fund upon the admission of one or more additional limited partners
“Investment Fund”	Singularity CEL SEG LP, an exempted limited partnership formed under the laws of the Cayman Islands
“Issuer”	Jiarui Investment (Hong Kong) Company Limited, a company incorporated in Hong Kong which shall apply the proceeds of the Notes to finance the overseas acquisition of a leading education group
“Limited Partners”	limited partner(s) of the Investment Fund
“Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement dated 30 May 2018 and entered into by the General Partner (for itself and for and on behalf of other Limited Partners including the Subscriber), CESFL, the Initial Limited Partner and the Limited Partners named therein to govern their relationship and provide for (among others) the manner of operation and management of the Investment Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the USD 6.00% senior secured notes due 2023 issued or to be issued by the Issuer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Shandong Hi-Speed Capital Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of the Company

“Subscription”	the subscription for the limited partnership interest in the Investment Fund by the Subscriber in accordance with the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 30 May 2018 entered into between the Subscriber as an investor and the General Partner for its own behalf and on behalf of each Limited Partner in relation to the Subscription
“US\$” or “USD”	United States dollars, the lawful currency of United States of America
“%”	per cent.

*For the purpose of this announcement, conversion of US Dollars into HK Dollars is based on the approximate exchange rate of US\$1 to HK\$7.80. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK Dollars or US Dollars have been, could have been or may be converted at such or any other rate or at all.*

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

Hong Kong, 30 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.*