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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 FINANCE LEASE ARRANGEMENT**

### **FINANCE LEASE ARRANGEMENT**

On 11 June 2019, Shangao International Leasing and Shaanxi J&R entered into the Finance Lease Agreement, pursuant to which, among other things, Shangao International Leasing agreed to lease the Leased Assets to Shaanxi J&R from the date on which the Lessor issues notice of lease commencement to the Lessee (but in any event no later than 20 December 2019) to 31 March 2025 at a total lease payment of RMB366,531,479.40.

### **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 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.

## FINANCE LEASE ARRANGEMENT

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

Date	11 June 2019
Parties	Lessor: Shangao International Leasing (an indirect wholly-owned subsidiary of the Company)  Lessee: Shaanxi J&R  Guarantor: Optimumnano Energy
Subject matter	Shangao International Leasing agreed to lease the Leased Assets to Shaanxi J&R
Lease period	From the date on which the Lessor issues notice of lease commencement to the Lessee (but in any event no later than 20 December 2019) to 31 March 2025
Lease payment and other fees	Pursuant to the Finance Lease Agreement, the total lease payments payable by Shaanxi J&R to Shangao International Leasing shall be RMB366,531,479.40. The lease payments shall be payable by Shaanxi J&R to Shangao International Leasing in quarterly installments. The lease payments consist of:  (a) the principal lease amount of RMB300,000,000 which is equal to the total consideration paid for the Leased Assets; and  (b) a total interest of RMB66,531,479.40, 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	The legal title of the Leased Assets shall vest in Shangao International Leasing throughout the lease period.



## **The Lessee**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 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.

## **The Guarantor**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 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.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, Shaanxi J&R, Optimumnano Energy and their ultimate beneficial owner(s) are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT**

Shangao International Leasing 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 Arrangement is part of the ordinary and usual course of business of Shangao International Leasing which will provide interest income to the Group and enhance the Group's profitability.

The Directors believe that the terms of the Finance Lease Arrangement 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 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.

No Director has a material interest in the Finance Lease Arrangement and the transactions contemplated thereunder. No Director was required to abstain from voting on the Board resolutions approving the Finance Lease Arrangement.

## **DEFINITIONS**

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

“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)
“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”	the finance lease agreement entered into between Shangao International Leasing and Shaanxi J&R dated 11 June 2019 in relation to the financial leasing arrangement over the Leased Assets
“Finance Lease Arrangement”	the arrangement contemplated under the Finance Lease Agreement, and the corporate guarantee provided by Optimumnano Energy, in favour of Shangao International Leasing dated 11 June 2019 in relation to the Finance Lease Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“Leased Assets”	certain machinery and equipment for the production business of Shaanxi J&R
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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

“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
“Shangao International Leasing”	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
“Shareholders”	shareholders of the Company
“Shares”	ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 11 June 2019

*As at the date of this announcement, the Company has five executive directors, namely Mr. Wang Xiaodong, Mr. Liu Han, Mr. Liu Zhijie, Mr. Liu Yao and Ms. Liao Jianrong; three non-executive directors, namely 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. Guan Huanfei and Mr. Tan Yuexin.*

\* *For identification purpose only*