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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)

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes that every four (4) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 24,089,384,437 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the SGM, upon the Share Consolidation becoming effective, there will be 6,022,346,109 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$500,000,000 but will be divided into 500,000,000,000 Consolidated Shares of HK\$0.001 each.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 6,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 6,000 Existing Shares to 1,000 Consolidated Shares. Based on the closing price of HK\$0.87 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 1,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$3,480.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or before Monday, 11 July 2022.

Shareholders should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every four (4) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 2,000,000,000,000 Shares of par value of HK\$0.00025 each, and there are 24,089,384,437 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the SGM, upon the Share Consolidation becoming effective, there will be 6,022,346,109 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$500,000,000 but will be divided into 500,000,000,000 Consolidated Shares of HK\$0.001 each. The Company has 169,400,000 outstanding Share Options and no warrants or other securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of Bermuda and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Friday, 29 July 2022 subject to the fulfilment of the above conditions.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate amount of 169,400,000 Existing Shares under the Share Option Scheme. Pursuant to the terms of the Share Option Scheme and the Listing Rules, the Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the outstanding Share Options. The Company will make further announcement(s) on such adjustments as and when appropriate. Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 6,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 6,000 Existing Shares to 1,000 Consolidated Shares.

Based on the closing price of HK\$0.87 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 1,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$3,480.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Company believes that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors, and thus further broaden the shareholder base of the Company.

Furthermore, it is expected that the Share Consolidation will reduce the number of board lots and substantially increase the value of each board lot if the board lot size remains unchanged at 6,000 Existing Shares. To improve the liquidity of the Consolidated Shares, the Board proposed the Change in Board Lot Size from 6,000 Existing Shares to 1,000 Consolidated Shares upon the Share Consolidation becoming effective in order to produce (i) a larger number of board lots and (ii) a relatively lower market value of each board lot.

In view of the above reasons, the Company considers the Share Consolidation and Change in Board Lot Size is justifiable notwithstanding the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Company is of the view that the Share Consolidation and the Change in Board Lot Size is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or conduct any equity fundraising which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months. However, the Company is from time to time looking for strategic investors to broaden their investor base and will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Friday, 29 July 2022, Shareholders may on or after Friday, 29 July 2022 and until Monday, 5 September 2022 (both days inclusive), submit their existing share certificates in yellow colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong for exchange for new share certificates in light blue colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of new share certificates.

After 4:10 p.m. on Thursday, 1 September 2022, trading will only be in Consolidated Shares which share certificates will be issued in light blue colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of circular with notice of the SGM On or before Monday, 11 July 2022

Latest time for lodging transfers of shares
in order to qualify for attendance and
voting at the SGM 4:30 p.m. on
Thursday, 21 July 2022

Register of members closes (both days inclusive) Friday, 22 July 2022 to
Wednesday, 27 July 2022

Latest time for lodging forms of proxy for the SGM 11:00 a.m. on
Monday, 25 July 2022

Date and time of the SGM. 11:00 a.m. on
Wednesday, 27 July 2022

Publication of the announcement of the results of the SGM. Wednesday, 27 July 2022

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.

Effective date of the Share Consolidation Friday, 29 July 2022

First day of free exchange of existing share certificates
for new share certificates for Consolidated Shares. Friday, 29 July 2022

Dealing in the Consolidated Shares commences 9:00 a.m. on
Friday, 29 July 2022

Original counter for trading in the Existing Shares
in board lots of 6,000 Existing Shares (in the form of
existing share certificates) temporarily closes 9:00 a.m. on
Friday, 29 July 2022

Temporary counter for trading in the Consolidated Shares
in board lots of 1,500 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m. on
Friday, 29 July 2022

Original counter for trading in the Consolidated Shares
in board lots of 1,000 Consolidated Shares
(in the form of new share certificates for
the Consolidation Shares) re-opens 9:00 a.m. on
Friday, 12 August 2022

Parallel trading in the Consolidated Shares (in the form of
new share certificates for the Consolidated Shares and
existing share certificates) commences 9:00 a.m. on
Friday, 12 August 2022

Designated broker starts to stand in the market to provide
matching services for odd lots of the Consolidated Shares. 9:00 a.m. on
Friday, 12 August 2022

Designated broker ceases to stand in the market to provide
matching services for odd lots of the Consolidated Shares. 4:00 p.m. on
Thursday, 1 September 2022

Temporary counter for trading in the Consolidated Shares in
board lots of 1,500 Consolidated Shares (in the form of
existing share certificates) closes. 4:10 p.m. on
Thursday, 1 September 2022

Parallel trading in the Consolidated Shares (in the form
of new share certificates for the Consolidation Shares and
existing share certificates) ends 4:10 p.m. on
Thursday, 1 September 2022

Last day for free exchange of existing share certificates for
new share certificates for the Consolidated Shares. 4:30 p.m. on
Monday, 5 September 2022

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or before Monday, 11 July 2022.

Shareholders should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme condition” caused by super typhoons or on which a “black” rainstorm warning is issued between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 6,000 Existing Shares to 1,000 Consolidated Shares upon Share Consolidation becoming effective
“Company”	China Shandong Hi-Speed Financial Group Limited, a company incorporated in Bermuda with limited liability and Shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.00025 each in the existing share capital of the Company before the Share Consolidation becoming effective
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company convened to be held for the purpose of considering and, if thought fit, approving the proposed Share Consolidation

“Share Consolidation”	the proposed consolidation of every four (4) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	Registered holder(s) of the issued Shares of the Company
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Option(s)”	share option(s) granted under the Share Option Scheme entitling the holders thereof to subscribe for Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 18 August 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 30 June 2022

As at the date of this announcement, the Board comprises Mr. Wang Xiaodong, Mr. Zhu Jianbiao, Ms. Liao Jianrong, Mr. Liu Zhijie and Mr. Liu Yao as executive Directors; Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo as non-executive Directors; and Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan as independent non-executive Directors.