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(Stock Code: 412)

VOLUNTARY ANNOUNCEMENT – UPDATE ON THE POTENTIAL JOINT REORGANIZATION OF A CONTROLLING SHAREHOLDER

This is a voluntary announcement made by China Shandong Hi-Speed Financial Group Limited (the “**Company**”).

Reference is made to the announcement of the Company dated 12 July 2020 in relation to the potential joint reorganization* (聯合重組) (the “**Joint Reorganization**”) between Shandong Hi-Speed Group Co., Ltd.* (山東高速集團有限公司) (“**Shandong Hi-Speed Group**”), a controlling shareholder of the Company, and Qilu Transportation Development Group Company Limited* (齊魯交通發展集團有限公司) (“**Qilu Transportation**”).

On 12 August 2020, the Company was informed by Shandong Hi-Speed Group that, in accordance with the relevant requirements of State-owned Assets Supervision and Administration Commission of Shandong Province* (山東省人民政府國有資產監督管理委員會) (“**Shandong SASAC**”) on the Joint Reorganization, Shandong Hi-Speed Group will absorb and merge with Qilu Transportation (the “**Absorption and Merger**”). Upon completion of the Absorption and Merger, Qilu Transportation will be absorbed by Shandong Hi-Speed Group and Shandong Hi-Speed Group will continue to subsist. All the assets, liabilities, business, personnel, contracts, qualifications and other rights and obligations of Qilu Transportation shall be assumed by Shandong Hi-Speed Group. The equity or interests in the branches and subsidiaries of Qilu Transportation will be transferred to Shandong Hi-Speed Group. After the Absorption and Merger, the registered capital of Shandong Hi-Speed Group is expected to be CNY45.9 billion and the shareholding structure of Shandong Hi-Speed Group will remain unchanged, i.e., Shandong SASAC, Shandong Guohui Investment Co., Ltd.* (山東國惠投資有限公司) and Shandong Social Security Fund Council* (山東省社會保障基金理事會) will remain holding 70%, 20% and 10% shares in Shandong Hi-Speed Group, respectively.

The Absorption and Merger currently will not cause material asset reorganization to the Company or affect the Company's ordinary course of business. Shandong Hi-Speed Group currently remains as a controlling shareholder of the Company. The Company will make promptly and timely disclosure in accordance with the progress of the Absorption and Merger and relevant regulations.

For the relevant information, please refer to the announcement(s) published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.csfg.com.hk).

As the Absorption and Merger is still under the planning stage, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 August 2020

As at the date of this announcement, the Company has five executive directors, namely Mr. Wang Xiaodong, Mr. Liu Han, Mr. Liu Honghui, Mr. Liu Zhijie and Mr. Liu Yao; three non-executive directors, namely Mr. Liang Zhanhai, Mr. Chen Di and Mr. Gao Guicheng; and four independent non-executive directors, namely Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan.

* *The English translation of terms or names in Chinese which are marked with "*" is for identification purpose only.*