

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Qilu Expressway Company Limited
齊魯高速公路股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1576)

**INSIDE INFORMATION;
ANNOUNCEMENT PURSUANT TO RULE 3.7
OF THE TAKEOVERS CODE;
AND
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules, the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO and Rule 3.7 of the Takeovers Code.

SHARE ACQUISITION

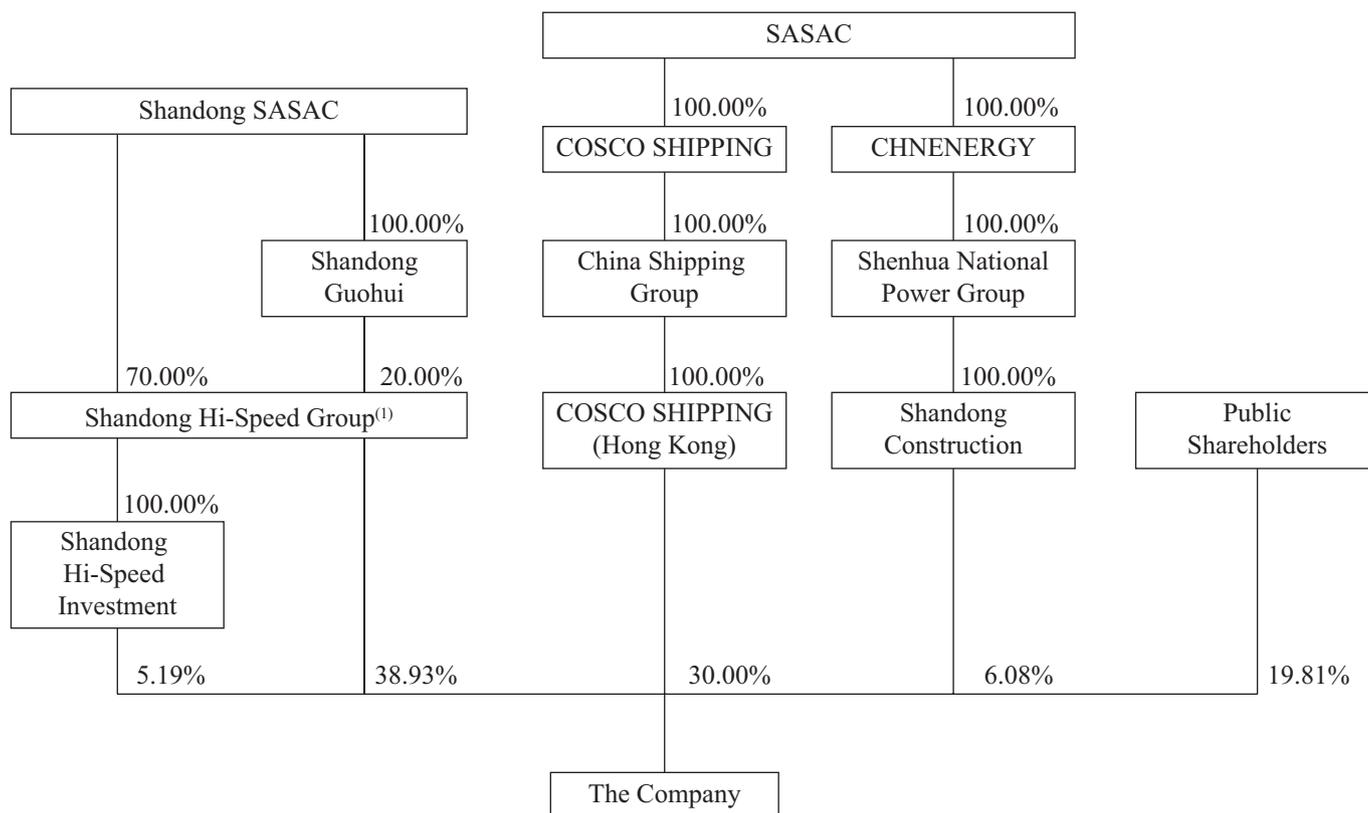
On 13 May 2021, the Company received a notification from Shandong Hi-Speed Group stating that in order to duly tackle the issue of certain peer-competition among Shandong Hi-Speed Group, Shandong Hi-Speed and the Company as a result of the Joint Restructuring and to make full use of the operational and capital synergies of Shandong Hi-Speed Group in flyover assets business field upon the Joint Restructuring, Shandong Hi-Speed Group plans to inject its equity interests directly held in the Company into Shandong Hi-Speed and re-define the border of non-competing businesses among Shandong Hi-Speed Group, Shandong Hi-Speed and the Company. Pursuant to this plan, Shandong Hi-Speed intends to acquire the 778,500,000 Domestic Shares held directly by Shandong Hi-Speed Group in the Company. Upon the Share Acquisition, the direct Controlling Shareholder of the Company will be changed from Shandong Hi-Speed Group to Shandong Hi-Speed, while Shandong SASAC shall remain the ultimate control entity.

The Company will make further announcements in relation to the non-competition agreement proposed to be entered into by and among Shandong Hi-Speed Group, Shandong Hi-Speed and the Company as and when appropriate pursuant to the requirements of the Listing Rules and applicable laws and regulations.

The Share Acquisition, if materialised, may trigger an obligation on the part of Shandong Hi-Speed to make a mandatory general offer for all the Shares other than those owned or agreed to be acquired by itself or parties acting in concert with it under Rule 26.1 of the Takeovers Code, unless otherwise waived by the Executive. As such, Shandong Hi-Speed and Shandong Hi-Speed Group will jointly make an application to the Executive for the waiver of the mandatory general offer pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code. As at the date of this announcement, Shandong Hi-Speed and Shandong Hi-Speed Group have not yet obtained such waiver, which may or may not be granted by the Executive. Further, should the waiver applied for be unavailable, Shandong Hi-Speed and Shandong Hi-Speed Group will review whether or not and how best to proceed with the Share Acquisition in the circumstances, and a general offer may or may not be made. The Company shall make further announcement(s), as appropriate, in the event of any material development.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND IMMEDIATELY AFTER THE SHARE ACQUISITION

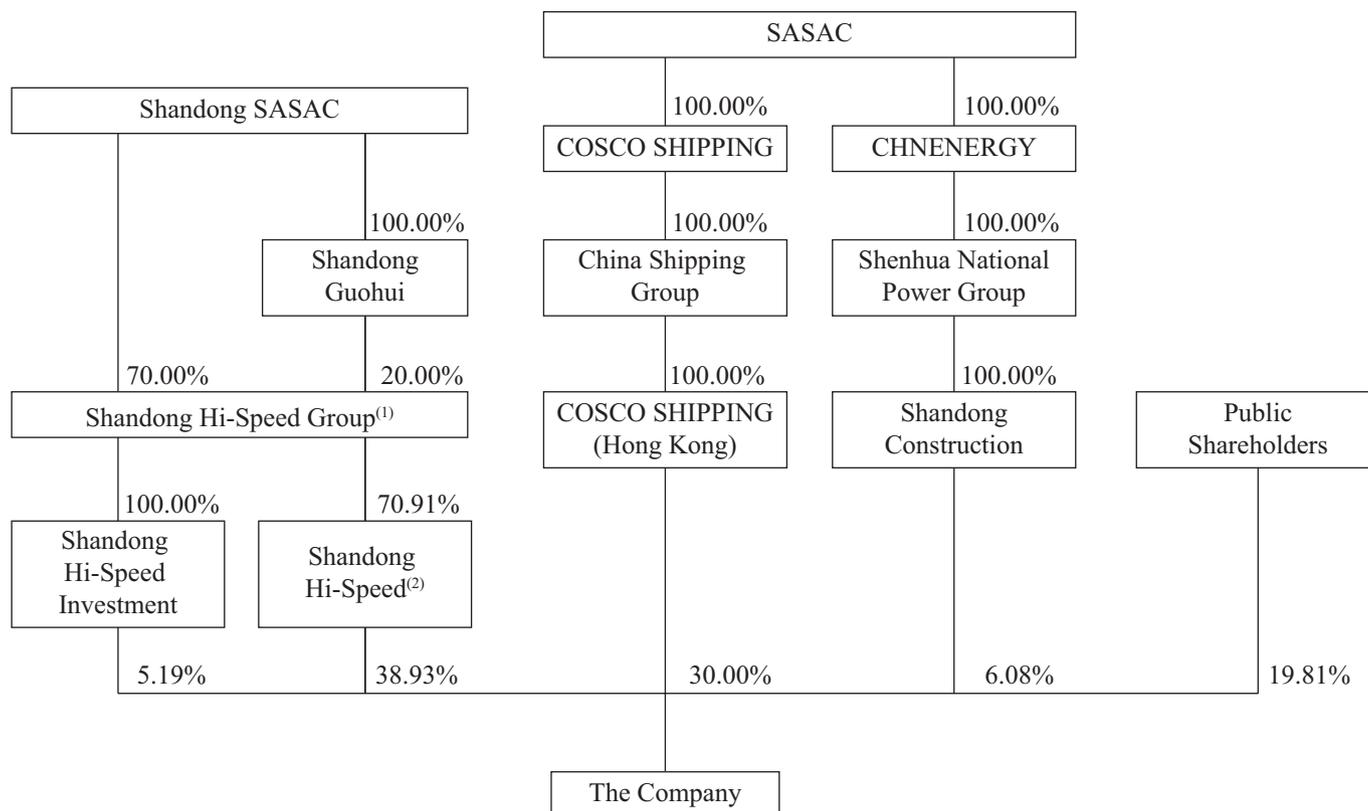
The following diagram sets out the shareholding structure of the Company as at the date of this announcement:



Note:

(1) The remaining 10.00% equity interest in Shandong Hi-Speed Group is held by Shandong SSF.

The following diagram sets out the shareholding structure of the Company immediately after the completion of the Share Acquisition:



Notes:

- (1) The remaining 10.00% equity interest in Shandong Hi-Speed Group is held by Shandong SSF.
- (2) Shandong Hi-Speed Group is Shandong Hi-Speed's Controlling Shareholder. Save for Shandong Hi-Speed Group, there is no other shareholders holding more than 20% of the equity interest in Shandong Hi-Speed.

MONTHLY UPDATE

In compliance with Rule 3.7 of the Takeovers Code, the Company shall make monthly announcement(s) setting out the progress until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

THE NUMBER OF RELEVANT SECURITIES IN ISSUE

As at the date of this announcement, the Company has a total of 1,100,000,000 H Shares and 900,000,000 Domestic Shares in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue as at the date of this announcement.

PUBLIC FLOAT

As disclosed in the announcement of the Company dated 17 November 2020, Shandong Hi-Speed Group and Shandong Hi-Speed Investment, holding approximately 38.93% and 5.19% of all the issued Shares, respectively, have become core connected persons of the Company upon completion of the Joint Restructuring. Their Shares are not regarded as those held by the public (as defined under the Listing Rules) and as such, the Company has failed to satisfy the minimum public float requirement (the “**Minimum Public Float Requirement**”) of 25% as prescribed under Rule 8.08(1) of the Listing Rules upon completion of the Joint Restructuring. An application had been made by the Company to the Stock Exchange for a temporary waiver, and on 20 November 2020, the Stock Exchange granted a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules (i.e. the Minimum Public Float Requirement) for the period from 16 November 2020 to 31 March 2021.

The Company has been informed by Shandong Hi-Speed Group and Shandong Hi-Speed Investment that the plan for the disposal of the H Shares held by Shandong Hi-Speed Investment to independent third party(ies) (the “**H Share Transfer**”) remains their priority to restore the public float of the Company as early as practicable. They are currently continuing to have communication and negotiation with the potential transferees of the H Share Transfer to determine the arrangements for the H Share Transfer. As of the date of this announcement, no definitive agreement in respect of the H Share Transfer has been concluded by Shandong Hi-Speed Group or Shandong Hi-Speed Investment with any party. Accordingly, the Company is still unable to satisfy the Minimum Public Float Requirement. The Company has made an application to the Stock Exchange for extending the duration of such temporary waiver to 30 June 2021, and on 3 May 2021, the Stock Exchange granted a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 31 March 2021 to 30 June 2021. Further announcement(s) will be made by the Company regarding the restoration of the public float as soon as practicable in compliance with the Listing Rules and other applicable laws and regulations.

For details, please refer to the announcements of the Company dated 13 July 2020, 12 August 2020, 21 August 2020, 23 September 2020, 17 November 2020, 23 November 2020 and 4 May 2021.

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced on the date of this announcement, being 13 May 2021. The respective associates (having the meaning given to it under the Takeovers Code, including persons who owns or controls 5% or more of any class of the relevant securities of the Company) of the Company and Shandong Hi-Speed are reminded to disclose their dealings in any relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Stock Exchange has been halted from 9:00 a.m. on 13 May 2021 pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the H Shares with effect from 9:00 a.m. on 14 May 2021.

There is no assurance that the Share Acquisition will materialise or eventually be consummated. As such, the Share Acquisition may or may not proceed. Completion of the Share Acquisition, if materialised, may result in an obligation to make a general offer arising under Rule 26.1 of the Takeovers Code for the Shares unless waived by the Executive. There may exist certain uncertainties as to whether the Share Acquisition will proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in doubt about their position, they should consult their professional adviser(s).

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Board”	the board of directors
“China Shipping Group”	China Shipping Group Company Limited (中國海運集團有限公司), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of COSCO SHIPPING, and is a Controlling Shareholder
“CHNENERGY”	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司), a limited liability company incorporated in the PRC, and the entire equity interest of which is held by SASAC
“Company”	Qilu Expressway Company Limited (齊魯高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Stock Exchange
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“COSCO SHIPPING”	China COSCO Shipping Corporation Limited (中國遠洋海運集團有限公司), a limited liability company incorporated in the PRC, the entire equity interest of which is held by SASAC, and a Controlling Shareholder
“COSCO SHIPPING (Hong Kong)”	COSCO SHIPPING (Hong Kong) Co., Limited (中遠海運(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of China Shipping Group, and holding approximately 30.00% of the issued shares of the Company and is a Controlling Shareholder
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“H Share(s)”	overseas listed foreign invested ordinary Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which was listed and traded on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Joint Restructuring”	the joint restructuring of Shandong Hi-Speed Group and Qilu Transportation by way of merger by absorption of Qilu Transportation by Shandong Hi-Speed Group pursuant to the Merger Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merger Agreement”	the merger agreement dated 23 September 2020 and entered into between Shandong Hi-Speed Group and Qilu Transportation in relation to the Joint Restructuring
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Qilu Transportation”	Qilu Transportation Development Group Company Limited (齊魯交通發展集團有限公司), a limited liability company incorporated in the PRC on 30 June 2015 and deregistered by the PRC competent authorities upon completion of the Joint Restructuring on 16 November 2020, and a then Controlling Shareholder before completion of the Joint Restructuring
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Construction”	Shenhua National Power Shandong Construction Group Limited (神華國能山東建設集團有限公司), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of Shenhua National Power Group
“Shandong Guohui”	Shandong Guohui Investment Company Limited (山東國惠投資有限公司), a limited liability company incorporated in the PRC, and the entire equity interest of which is held by Shandong SASAC
“Shandong Hi-Speed”	Shandong Hi-Speed Company Limited (山東高速股份有限公司), a limited liability company incorporated in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600350.sh)
“Shandong Hi-Speed Group”	Shandong Hi-Speed Group Company Limited (山東高速集團有限公司), a limited liability company incorporated in the PRC, and 70% of the equity interest of which is held by Shandong SASAC, holding approximately 38.93% of the shares in issue of the Company and is a Controlling Shareholder

“Shandong Hi-Speed Investment”	Shandong Hi-Speed Investment Holdings Co., Ltd. (山東高速投資控股有限公司), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of Shandong Hi-Speed Group
“Shandong SASAC”	State-owned Assets Supervision and Administration Commission of the Government of the Shandong Province
“Shandong SSF”	Shandong Provincial Council for Social Security Fund
“Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, including Domestic Shares and H Shares
“Share Acquisition”	the proposed acquisition by Shandong Hi-Speed of the 778,500,000 Domestic Shares held directly by Shandong Hi-Speed Group in the Company
“Shareholder(s)”	holder(s) of the Shares
“Shenhua National Power Group”	Shenhua National Power Group Company Limited (神華國能集團有限公司), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of CHNENERGY
“State Council”	State Council of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent

By Order of the Board
Qilu Expressway Company Limited
Li Gang
Chairman

Shandong, the PRC
13 May 2021

As at the date of this announcement, the executive Directors are Mr. Li Gang, Mr. Peng Hui and Mr. Liu Qiang; the non-executive Directors are Mr. Chen Dalong, Mr. Wang Shaochen, Mr. Zhou Cenyu, Mr. Su Xiaodong, Ms. Kong Xia, Mr. Tang Haolai and Mr. Du Zhongming; and the independent non-executive Directors are Mr. Cheng Xuezhao, Mr. Li Hua, Mr. Wang Lingfang, Mr. He Jiale and Mr. Han Ping.

All directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.