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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)

UPDATE ON RESTORATION OF PUBLIC FLOAT
ENTERING INTO A SHARE PURCHASE AGREEMENT

References are made to the announcements of Qilu Expressway Company Limited (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 in relation to, among other things, the failure on the part of the Company to satisfy the minimum public float requirement (the “**Minimum Public Float Requirement**”) of 25% as prescribed under Rules 8.08(1)(a) and (b) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) upon completion of the joint restructuring of Shandong Hi-Speed Group Company Limited (山東高速集團有限公司) (“**Shandong Hi-Speed Group**”) and Qilu Transportation Development Group Company Limited (齊魯交通發展集團有限公司) (“**Qilu Transportation**”) by way of merger by absorption of Qilu Transportation by Shandong Hi-Speed Group. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the announcement of the Company dated 23 September 2020 and the announcement of the Company dated 17 November 2020 (the “**November Announcement**”).

As disclosed in the November Announcement, Shandong Hi-Speed Group and Shandong Hi-Speed Investment, holding approximately 38.93% and 5.19% of all the issued Shares, respectively, became core connected persons of the Company upon Completion. 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 as at Completion. An application has been made by the Company to the Stock Exchange for the Temporary Waiver.

On 20 November 2020, the Stock Exchange granted a waiver on the part of the Company from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 16 November 2020 to 31 March 2021. Such waiver took effect upon disclosure by way of announcement on 23 November 2020.

The Company has been informed by Shandong Hi-Speed Group and Shandong Hi-Speed Investment that the plan for 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 31 March 2021, 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. An application has been made by the Company to the Stock Exchange for an extension of the Temporary Waiver until 30 June 2021.

On 3 May 2021, the Stock Exchange granted a waiver on the part of the Company from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 31 March 2021 to 30 June 2021. Such waiver took effect upon disclosure by way of announcement on 4 May 2021.

As of 30 June 2021, 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. An application has been made by the Company to the Stock Exchange for an extension of the Temporary Waiver until 30 November 2021. As of the date of this announcement, the Stock Exchange is still under process the grant of a waiver application on the part of the Company from strict compliance with Rule 8.08(1) (a) of the Listing Rules for the period from 30 June 2021 to 30 November 2021.

RESTORATION OF PUBLIC FLOAT

As at the date of this announcement, the Company was informed by Shandong Hi-Speed Investment that a share purchase agreement (“**Share Purchase Agreement**”) has been entered into between Shandong Hi-Speed Investment and Cornerstone Holdings Limited (“**Cornerstone Holdings**”) in respect of the disposal of 103,750,000 issued H Shares of the Company, which are beneficially owned by Shandong Hi-Speed Investment, representing 5.19% of the issued share capital of the Company, to Cornerstone Holdings on 3 November 2021.

As at the date of this announcement, all the conditions precedent under the Share Purchase Agreement have been fulfilled. Pursuant to the Share Purchase Agreement, the completion shall take place in the form of “Delivery versus Payment” through the securities companies designated by each of Cornerstone Holdings and Shandong Hi-Speed Investment in Central Clearing and Settlement System (or such other manner as agreed by the parties in writing), and the completion shall take place on the completion date, being the fifth business days after the fulfilment of all the conditions precedent, or such other date as agreed by Cornerstone Holdings and Shandong Hi-Speed Investment.

Cornerstone Holdings is a company incorporated in Hong Kong (Company No. 1324593), which is primarily engaged in asset management services. Cornerstone Holdings is a wholly-owned subsidiary of China Merchants Expressway Network & Technology Holdings Co., Ltd. (“**China Merchants Expressway**”). China Merchants Expressway is a company incorporated in China with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 001965.SZ). China Merchants Expressway is a subsidiary of China Merchants Group Limited (“**China Merchants Group**”), which is wholly-owned by the State Council of the PRC.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Cornerstone Holdings is not connected to the Company, its subsidiaries, Directors, Supervisors, chief executives or substantial shareholders and each of their close associates. Cornerstone Holdings is not expected to become a core connected person (as defined under the Listing Rules) of the Company immediately upon the completion of the H Share Transfer.

Immediately upon the completion of the H Share Transfer, 500,000,000 Shares were held by the public, accounting for 25% of the Company's issued share capital. Accordingly, the Company has satisfied the Minimum Public Float Requirement pursuant to Rule 8.08 of the Listing Rules. The following is a summary of the Company's shareholding structure prior to the completion of the H Share Transfer and immediately upon the completion of the H Share Transfer.

SUMMARY OF SHAREHOLDING STRUCTURE

	Type of Shares	Prior to the completion of the H Share Transfer		Immediate upon the completion of the H Shares Transfer	
		Number of Shares	Approximate percentage of the Company's total issued share capital	Number of Shares	Approximate percentage of the Company's total issued share capital
Substantial Shareholders:					
Shandong Hi-Speed Group	Domestic Shares	778,500,000	38.93%	778,500,000	38.93%
COSCO Shipping (Hong Kong) Co., Limited	H Shares	600,000,000	30.00%	600,000,000	30.00%
Guoneng Power Technology Engineering Co., Ltd. (國能電力技術工程有限公司)	Domestic Shares	121,500,000	6.08%	121,500,000	6.08%
Shandong Hi-Speed Investment	H Shares	103,750,000	5.19%	–	–
Public Shareholders:					
Existing Public Shareholders	H Shares	396,250,000	19.81%	396,250,000	19.81%
Cornerstone Holdings	H Shares	–	–	103,750,000	5.19%
		396,250,000	19.81%	500,000,000	25%
Total		2,000,000,000	100%	2,000,000,000	100%

By Order of the Board
Qilu Expressway Company Limited
Wang Zhenjiang
Chairman

Shandong, the PRC
3 November 2021

As at the date of this announcement, the executive Directors are Mr. Wang Zhenjiang, 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 Xuezhan, Mr. Li Hua, Mr. Wang Lingfang, Mr. He Jiale and Mr. Han Ping.