

*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.

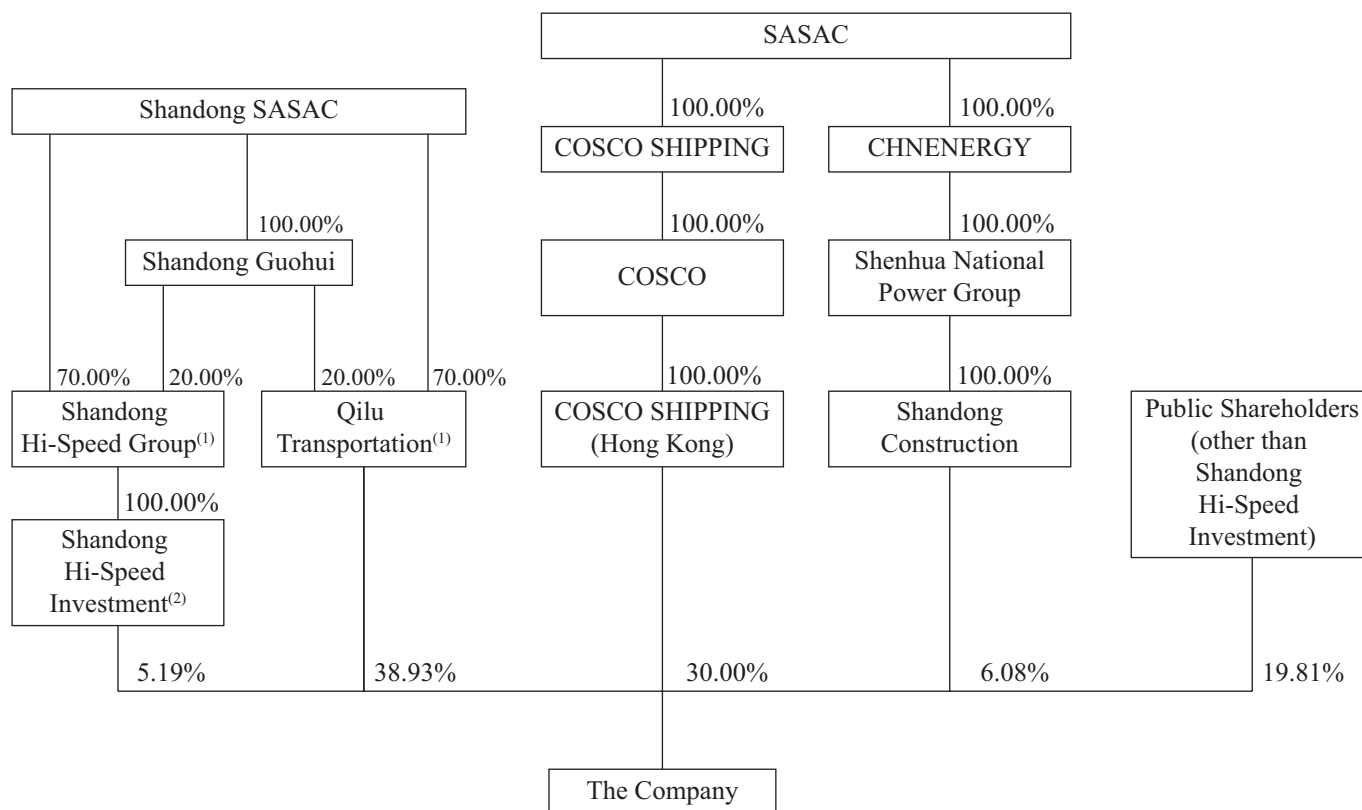
**JOINT RESTRUCTURING**

Reference is made to the announcement of the Company dated 13 July 2020 in relation to the proposed joint restructuring of Qilu Transportation and Shandong Hi-Speed Group. On 12 August 2020, the Company received a notification from Qilu Transportation that pursuant to the relevant requirements from Shandong SASAC on the Joint Restructuring, Qilu Transportation shall be merged and absorbed by Shandong Hi-Speed Group. As a result of the Joint Restructuring, Qilu Transportation shall be deregistered while Shandong Hi-Speed Group shall continue to subsist as the merged company. All the assets, liabilities, business, employees, contracts and qualifications together with all other rights and obligations of Qilu Transportation, and the subordinating branch entities and equity interest or other interest in the subordinating companies held by Qilu Transportation shall be assumed by Shandong Hi-Speed Group as the surviving company. After the Joint Restructuring, Qilu Transportation, a controlling Shareholder, will be changed to Shandong Hi-Speed Group, while Shandong SASAC shall remain the ultimate control entity.

The Joint Restructuring, if materialised, may trigger an obligation on the part of Shandong Hi-Speed Group to make a mandatory general offer for all the Shares other than those owned or agreed to be acquired by 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 Group and Qilu Transportation will jointly make an application to the Executive for the waiver of the mandatory general offer pursuant to Note 6(a) and Note 8 to Rule 26.1 of the Takeovers Code. As at the date of this announcement, Shandong Hi-Speed Group and Qilu Transportation 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 Group and Qilu Transportation will review whether or not and how best to proceed with the Joint Restructuring 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 JOINT RESTRUCTURING

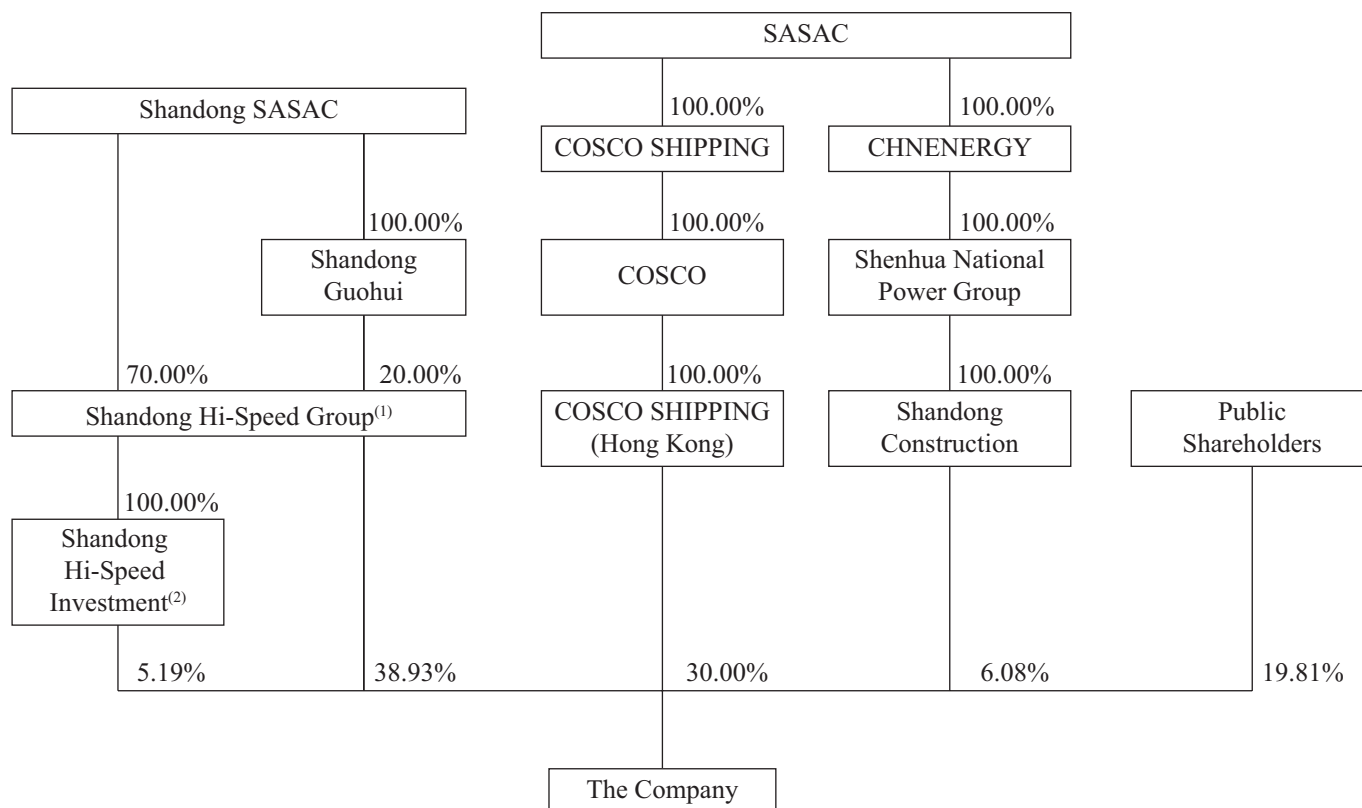
The following diagram sets out the shareholding structure of the Company as at the date of this announcement:



### Notes:

- (1) The remaining 10.00% equity interest in Shandong Hi-Speed Group and Qilu Transportation are respectively held by Shandong SSF.
- (2) As at the date of this announcement, Shandong Hi-Speed Investment is regarded as a member of the public as defined under the Listing Rules.

The following diagram sets out the shareholding structure of the Company immediately after the completion of the Joint Restructuring:



Notes:

- (1) The remaining 10.00% equity interest in Shandong Hi-Speed Group will be held by Shandong SSF.
- (2) Immediately upon completion of the Joint Restructuring (assuming that it is materialised and proceeded in the manner as mentioned above), Shandong Hi-Speed Investment will be regarded as a core connected person of the Company and the Shares held by it will not be regarded as held by the public (as defined under the Listing Rules). Please refer to the section headed “Possible Implication on the Public Float” below for details.

## 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 as 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.

## **POSSIBLE IMPLICATION ON THE PUBLIC FLOAT**

Shandong Hi-Speed Investment, a direct wholly-owned subsidiary of Shandong Hi-Speed Group and a cornerstone investor of the Company during the Global Offering, holds 103,750,000 H Shares, representing approximately 5.19% of the entire issued share capital of the Company, as at the date of this announcement. For details, please refer to the section headed “Cornerstone Investors – Cornerstone investors – 2. Shandong Hi-Speed Investment Holdings Co., Ltd. (山東高速投資控股有限公司)” in the Prospectus.

Immediately upon completion of the Joint Restructuring (assuming that it is materialised and proceeded in the manner as mentioned above) and without taking into account the effect of any possible obligation on the part of Shandong Hi-Speed Group to make a mandatory general offer under Rule 26.1 of the Takeovers Code (unless otherwise waived by the Executive), Shandong Hi-Speed Group will become a substantial Shareholder, and together with Shandong Hi-Speed Investment, which is a close associate of Shandong Hi-Speed Group, will become core connected persons of the Company. As such, the Shares held by Shandong Hi-Speed Group and Shandong Hi-Speed Investment will not be regarded as held by the public (as defined under the Listing Rules). As the public float falls below the minimum prescribed percentage of 25% as required under Rule 8.08(1)(a) of the Listing Rules, the Board expects that the Company will by then fail to satisfy the minimum public float requirement.

While there remains uncertainties as to whether (i) the waiver of the mandatory general offer obligation would be granted by the Executive; (ii) the Joint Restructuring will be materialised or eventually be consummated; and (iii) the level of acceptances by the Shareholders to the general offer (in case when the said waiver cannot be obtained and the Joint Restructuring is carried out in the manner as mentioned above, thereby giving rise to an obligation on the part of Shandong Hi-Speed Group to make a mandatory general offer under the Takeovers Code), the Company and Shandong Hi-Speed Group have yet to have decided the exact steps or actions that will be taken by them to restore the public float of the Shares, if required. Notwithstanding this, the Company and Shandong Hi-Speed Group consider that the appropriate actions to be taken shall include placing down of sufficient number of the Shares held by Shandong Hi-Speed Group, and/or issue of new Shares by the Company for this purpose. The Company will also make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules by then. Further announcement(s) will be made by the Company as and when appropriate in this regard.

## DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced on the date of this announcement, being 12 August 2020. 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 Group 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 12 August 2020 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 13 August 2020.

**There is no assurance that the Joint Restructuring will materialise or eventually be consummated. As such, the Joint Restructuring may or may not proceed. Completion of the Joint Restructuring, 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 Joint Restructuring 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
“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
“close associate”	has the meaning ascribed to it under the Listing Rules
“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
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“COSCO”	China Ocean Shipping Company Limited (中國遠洋運輸有限公司), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of COSCO SHIPPING, and is a controlling Shareholder
“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 COSCO, 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
“Global Offering”	the offer of the H Shares for subscription by the public in Hong Kong and outside the United States of America in offshore transactions, details of which are set in the Prospectus

“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 Shangdong Hi-Speed Group and Qilu Transportation by way of merger by absorption of Qilu Transportation by Shandong Hi-Speed Group pursuant to the relevant requirements from Shandong SASAC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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)
“Prospectus”	the prospectus of the Company dated 29 June 2018 in connection with the Global Offering
“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 with 70% of its equity interest held by Shandong SASAC, and holding approximately 38.93% of the issued shares of the Company and is a controlling Shareholder
“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 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
“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
“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
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“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  
12 August 2020

*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. Yuan Ruizheng and Mr. Tang Haolai; 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.*