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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)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
THE RULES OF PROCEDURE OF THE BOARD**

The board (the “**Board**”) of directors of Qilu Expressway Company Limited (the “**Company**”) hereby announces that, in order to further improve the corporate governance structure and implement the powers and functions of the Board, the Company intends to amend the existing Articles of Association (the “**Articles of Association**”) and the Rules of Procedure of the Board (the “**Rules of Procedure of the Board**”) in relation to the powers and functions of the Board accordingly, taking into account the actual situation and work demands of the Company.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Details of the proposed amendments to the Articles of Association are as follows:

Before amendments	After amendments
<p>Article 53 (V)</p> <p>The Company shall make available the documents mentioned in items (1) to (8) above (save for item (2)) and other applicable documents at Company’s Hong Kong address for free-of-charge inspection by the public and the holders of Overseas Listed Foreign Shares in accordance with requirements of the Listing Rules.</p>	<p>Article 53 (V)</p> <p>The Company shall make available the documents <u>the documents</u> mentioned in items (1) to (8) above (save for item (2)) and other applicable documents <u>in items (1) and (5)</u> at Company’s Hong Kong address for free-of-charge inspection by the public and the holders of Overseas Listed Foreign Shares in accordance with requirements of the Listing Rules.</p>

Before amendments	After amendments
<p>Article 113 The board of directors is accountable to the general meeting and exercises the following functions and powers:</p> <p>(I) to convene general meetings and to report its work at such general meetings;</p> <p>(II) to implement the resolutions passed at general meetings;</p> <p>(III) to determine the Company’s business plans and investment resolutions, detailed annual business objectives, and financing plans other than by way of issuance of corporate bonds or other securities and listing;</p> <p>(IV) to formulate the annual final financial budgets and final accounts of the Company;</p> <p>(V) to formulate the profit distribution plants and loss recovery plans of the Company;</p> <p>(VI) to formulate resolutions for the increase or reduction of the Company’s registered capital and plans for the issuance of corporate bonds or other securities and the listing plan;</p> <p>(VII) to prepare plans for material acquisitions and repurchase of the Company’s shares, or merger, division, dissolution or change of corporate forms of the Company;</p> <p>(VIII) to determine the Company’s internal management structure and the establishment or discontinuance of the Company’s branches and other sub-branches;</p>	<p>Article 113 The board of directors is accountable to the general meeting and exercises the following functions and powers:</p> <p>(I) to convene general meetings and to report its work at such general meetings;</p> <p>(II) to implement the resolutions passed at general meetings;</p> <p><u>(III) to determine the Company’s interim and long-term development plans;</u></p> <p><u>(IV) to determine the Company’s business plans and investment resolutions, detailed annual business objectives, and financing plans other than by way of issuance of corporate bonds or other securities and listing;</u></p> <p><u>(V) to formulate the annual final financial budgets and final accounts of the Company;</u></p> <p><u>(VI) to formulate the profit distribution plants and loss recovery plans of the Company;</u></p> <p><u>(VII) to formulate resolutions for the increase or reduction of the Company’s registered capital and plans for the issuance of corporate bonds or other securities and the listing plan;</u></p> <p><u>(VIII) to prepare plans for material acquisitions and repurchase of the Company’s shares, or merger, division, dissolution or change of corporate forms of the Company;</u></p> <p>(IX) to determine the Company’s internal management structure and the establishment or discontinuance of the Company’s branches and other sub-branches;</p>

Before amendments	After amendments
(IX) to elect the chairman of the Company, or to appoint or dismiss the general manager of the Company;	<u>(X)</u> to elect the chairman of the Company, or to appoint or dismiss the general manager of the Company;
(X) to appoint or dismiss the company secretary to the board of directors, to appoint or dismiss members of all special committees under the board of directors, and to determine their remunerations, punishments and others, pursuant to the nominations by the chairman;	<u>(XI)</u> to appoint or dismiss the company secretary to the board of directors, to appoint or dismiss members of all special committees under the board of directors, and to determine their remunerations, punishments and others, pursuant to the nominations by the chairman;
(XI) to appoint or dismiss a deputy general manager, chief accountant, chief economist, and chief engineer of the Company pursuant to nominations by the general manager, and to determine their remuneration, incentive and punishment;	<u>(XII)</u> to appoint or dismiss a deputy general manager, chief accountant, chief economist, and chief engineer <u>and other senior management</u> of the Company pursuant to nominations by the general manager, <u>and</u> to determine <u>their performance evaluation</u> , remuneration, and incentive and punishment <u>of general manager and other senior management</u> ;
(XII) to formulate the basic management system of the Company;	<u>(XIII)</u> to determine the <u>payroll allocation plans of employees</u> ;
(XIII) to propose plans for amendments to the Articles of Association;	<u>(XIV)</u> to formulate the basic management system of the Company;
(XIV) to formulate the share incentive scheme of the Company;	<u>(XV)</u> to propose plans for amendments to the Articles of Association;
(XV) to deal with disclosures of information regarding the Company;	<u>(XVI)</u> to formulate the share incentive scheme of the Company;
(XVI) to determine the establishment of special committees;	<u>(XVII)</u> to deal with disclosures of information regarding the Company;
(XVII) to determine and to monitor the implementation of, the risk management system of the Company, including risk assessments, financial control, internal audit and legal risk control;	<u>(XVIII)</u> to determine the establishment of special committees;
	<u>(XIX)</u> to determine and to monitor the implementation of, the risk management system of the Company, including risk assessments, financial control, internal audit and legal risk control;

Before amendments	After amendments
(XVIII) to propose the appointment or replacement of the accounting firm of the Company for audit purposes at a general meeting;	<u>(XX)</u> to propose the appointment or replacement of the accounting firm of the Company for audit purposes at a general meeting;
(XIX) to receive regular or irregular work reports submitted by the general manager of the Company or senior management appointed by such general manager, and to approve the work reports of the general manager;	<u>(XXI)</u> to receive regular or irregular work reports submitted by the general manager of the Company or senior management appointed by such general manager, and to approve the work reports of the general manager;
(XX) to review the recommendations proposed by the general manager of the Company as to the charging standard, charging methods and adjustments with respect to the expressway projects;	<u>(XXII)</u> to review the recommendations proposed by the general manager of the Company as to the charging standard, charging methods and adjustments with respect to the expressway projects;
(XXI) to provide external guarantees of the Company which are necessary for resolution at a general meeting in accordance with the Articles of Association;	<u>(XXIII)</u> to provide external guarantees of the Company which are necessary for resolution at a general meeting in accordance with the Articles of Association;
(XXII) subject to the scope approved at the general meeting and as permitted under the listing rules of the listing venue where the shares of the Company are listed, to determine the external investments, purchase and disposal of assets, pledge or charge over assets, entrusted wealth management, and connected transactions of the Company;	<u>(XXIV)</u> subject to the scope approved at the general meeting and as permitted under the listing rules of the listing venue where the shares of the Company are listed, to determine the external investments, purchase and disposal of assets, pledge or charge over assets, entrusted wealth management, and connected transactions of the Company;
(XXIII) other powers as stipulated by laws, regulations and the listing rules of the stock exchange at the listing venue where the shares of the Company are listed, as well as granted at general meetings and the Articles of Association.	<u>(XXV)</u> other powers as stipulated by laws, regulations and the listing rules of the stock exchange at the listing venue where the shares of the Company are listed, as well as granted at general meetings and the Articles of Association.

Before amendments	After amendments
<p>Any matter beyond the scope approved at the general meetings shall be submitted to a general meeting for consideration.</p>	<p>Any matter beyond the scope approved at the general meetings shall be submitted to a general meeting for consideration.</p>
<p>Resolutions made by the board of directors in the preceding paragraphs, save that Items (VI), (VII) and (XIII) above which shall require the consent of more than two thirds of the directors, shall require the consent of more than half of the directors by voting. The board of directors shall perform its duties in accordance with the national laws and administrative regulations, the Articles of Association and resolutions of the shareholders.</p>	<p>Resolutions made by the board of directors in the preceding paragraphs, save that Items <u>(VII)</u>, <u>(VIII)</u> and <u>(XV)</u> above which shall require the consent of more than two thirds of the directors, shall require the consent of more than half of the directors by voting. The board of directors shall perform its duties in accordance with the national laws and administrative regulations, the Articles of Association and resolutions of the shareholders.</p>
<p>The board of directors of the Company shall explain to the general meeting the non – standard opinions as contained in the audit report presented by the certified accountant as to the financial report of the Company.</p>	<p>The board of directors of the Company shall explain to the general meeting the non – standard opinions as contained in the audit report presented by the certified accountant as to the financial report of the Company.</p>

Save as the aforesaid, other provisions of the Articles of Association remain unchanged.

The English version of the Articles of Association is an unofficial translation of the Chinese text thereof. In case of any inconsistency, the Chinese text shall prevail.

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD

Details of the proposed amendments to the rules of procedure of the Board are set out as follows:

Before Amendments	After Amendments
<p>Article 3 The board of directors is accountable to the general meeting and exercises the following functions and powers:</p> <p>(I) to convene general meetings and to report its work at such general meetings;</p> <p>(II) to implement the resolutions passed at general meetings;</p> <p>(III) to determine the Company’s business plans and investment resolutions, detailed annual business objectives, and financing plans other than by way of issuance of corporate bonds or other securities and listing;</p> <p>(IV) to formulate the annual final financial budgets and final accounts of the Company;</p> <p>(V) to formulate the profit distribution plants and loss recovery plans of the Company;</p> <p>(VI) to formulate resolutions for the increase or reduction of the Company’s registered capital and plans for the issuance of corporate bonds or other securities and the listing plan;</p> <p>(VII) to prepare plans for material acquisitions and repurchase of the Company’s shares, or merger, division, dissolution or change of corporate forms of the Company;</p> <p>(VIII) to determine the Company’s internal management structure and the establishment or discontinuance of the Company’s branches and other sub-branches;</p>	<p>Article 3 The board of directors is accountable to the general meeting and exercises the following functions and powers:</p> <p>(I) to convene general meetings and to report its work at such general meetings;</p> <p>(II) to implement the resolutions passed at general meetings;</p> <p><u>(III) to determine the Company’s interim and long-term development plans;</u></p> <p><u>(IV)</u> to determine the Company’s business plans and investment resolutions, detailed annual business objectives, and financing plans other than by way of issuance of corporate bonds or other securities and listing;</p> <p><u>(V)</u> to formulate the annual final financial budgets and final accounts of the Company;</p> <p><u>(VI)</u> to formulate the profit distribution plants and loss recovery plans of the Company;</p> <p><u>(VII)</u> to formulate resolutions for the increase or reduction of the Company’s registered capital and plans for the issuance of corporate bonds or other securities and the listing plan;</p> <p><u>(VIII)</u> to prepare plans for material acquisitions and repurchase of the Company’s shares, or merger, division, dissolution or change of corporate forms of the Company;</p> <p><u>(IX)</u> to determine the Company’s internal management structure and the establishment or discontinuance of the Company’s branches and other sub-branches;</p>

Before Amendments	After Amendments
(IX) to elect the chairman of the Company, or to appoint or dismiss the general manager of the Company;	<u>(X)</u> to elect the chairman of the Company, or to appoint or dismiss the general manager of the Company;
(X) to appoint or dismiss the company secretary to the board of directors, to appoint or dismiss members of all special committees under the board of directors, and to determine their remunerations, punishments and others, pursuant to the nominations by the chairman;	<u>(XI)</u> to appoint or dismiss the company secretary to the board of directors, to appoint or dismiss members of all special committees under the board of directors, and to determine their remunerations, punishments and others, pursuant to the nominations by the chairman;
(XI) to appoint or dismiss a deputy general manager, chief accountant, chief economist, and chief engineer of the Company pursuant to nominations by the general manager, and to determine their remuneration, incentive and punishment;	<u>(XII)</u> to appoint or dismiss a deputy general manager, chief accountant, chief economist, and chief engineer <u>and other senior management</u> of the Company pursuant to nominations by the general manager, <u>and</u> to determine <u>their performance evaluation</u> , remuneration, incentive and punishment <u>of general manager and other senior management</u> ;
(XII) to formulate the basic management system of the Company;	<u>(XIII)</u> to determine the <u>payroll allocation plans of employees</u> ;
(XIII) to propose plans for amendments to the Articles of Association;	<u>(XIV)</u> to formulate the basic management system of the Company;
(XIV) to formulate the share incentive scheme of the Company;	<u>(XV)</u> to propose plans for amendments to the Articles of Association;
(XV) to deal with disclosures of information regarding the Company;	<u>(XVI)</u> to formulate the share incentive scheme of the Company;
(XVI) to determine the establishment of special committees;	<u>(XVII)</u> to deal with disclosures of information regarding the Company;
(XVII) to determine and to monitor the implementation of, the risk management system of the Company, including risk assessments, financial control, internal audit and legal risk control;	<u>(XVIII)</u> to determine the establishment of special committees;
(XVIII) to propose the appointment or replacement of the accounting firm of the Company for audit purposes at a general meeting;	<u>(XIX)</u> to determine and to monitor the implementation of, the risk management system of the Company, including risk assessments, financial control, internal audit and legal risk control;
	<u>(XX)</u> to propose the appointment or replacement of the accounting firm of the Company for audit purposes at a general meeting;

Before Amendments	After Amendments
(XIX) to receive regular or irregular work reports submitted by the general manager of the Company or senior management appointed by such general manager, and to approve the work reports of the general manager;	<u>(XXI)</u> to receive regular or irregular work reports submitted by the general manager of the Company or senior management appointed by such general manager, and to approve the work reports of the general manager;
(XX) to review the recommendations proposed by the general manager of the Company as to the charging standard, charging methods and adjustments with respect to the expressway projects;	<u>(XXII)</u> to review the recommendations proposed by the general manager of the Company as to the charging standard, charging methods and adjustments with respect to the expressway projects;
(XXI) to provide external guarantees of the Company which are necessary for resolution at a general meeting in accordance with the Articles of Association;	<u>(XXIII)</u> to provide external guarantees of the Company which are necessary for resolution at a general meeting in accordance with the Articles of Association;
(XXII) subject to the scope approved at the general meeting and as permitted under the listing rules of the listing venue where the shares of the Company are listed, to determine the external investments, purchase and disposal of assets, pledge or charge over assets, entrusted wealth management, and connected transactions of the Company;	<u>(XXIV)</u> subject to the scope approved at the general meeting and as permitted under the listing rules of the listing venue where the shares of the Company are listed, to determine the external investments, purchase and disposal of assets, pledge or charge over assets, entrusted wealth management, and connected transactions of the Company;
(XXIII) other powers as stipulated by laws, regulations and the listing rules of the stock exchange at the listing venue where the shares of the Company are listed, as well as granted at general meetings and the Articles of Association.	<u>(XXV)</u> other powers as stipulated by laws, regulations and the listing rules of the stock exchange at the listing venue where the shares of the Company are listed, as well as granted at general meetings and the Articles of Association.

Before Amendments	After Amendments
Any matter beyond the scope approved at the general meetings shall be submitted to a general meeting for consideration.	Any matter beyond the scope approved at the general meetings shall be submitted to a general meeting for consideration.
Resolutions made by the board of directors in the preceding paragraphs, save that Items (VI), (VII) and (XIII) above which shall require the consent of more than two thirds of the directors, shall require the consent of more than half of the directors by voting. The board of directors shall perform its duties in accordance with the national laws and administrative regulations, the Articles of Association and resolutions of the shareholders.	Resolutions made by the board of directors in the preceding paragraphs, save that Items <u>(VII)</u> , <u>(VIII)</u> and <u>(XV)</u> above which shall require the consent of more than two thirds of the directors, shall require the consent of more than half of the directors by voting. The board of directors shall perform its duties in accordance with the national laws and administrative regulations, the Articles of Association and resolutions of the shareholders.
The board of directors of the Company shall explain to the general meeting the non – standard opinions as contained in the audit report presented by the certified accountant as to the financial report of the Company.	The board of directors of the Company shall explain to the general meeting the non – standard opinions as contained in the audit report presented by the certified accountant as to the financial report of the Company.

The English version of the rules of procedures of the Board is an unofficial translation of the Chinese text thereof. In case of any inconsistency, the Chinese text shall prevail.

The proposed amendments to the Articles of Association and the Rules of Procedures of the Board shall be effective only if approved at the 2021 annual general meeting of the Company (the “AGM”) to be held on Tuesday, 28 June 2022 by the shareholders of the Company (the “Shareholders”) by way of special resolution. Upon approval at the AGM in respect of the relevant resolution, the Company will submit the amendments to the Articles of Association with the PRC government authorities for registration.

GENERAL

A circular containing, among other things, the details of the proposed amendments to the Articles of Association and the rules of procedures of the Board will be dispatched to the Shareholders as soon as practicable.

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

Shandong, the PRC
20 May 2022

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. Du Zhongming and Mr. Shi Jinglei; and the independent non-executive Directors are Mr. Cheng Xuezhao, Mr. Li Hua, Mr. Wang Lingfang, Mr. He Jiale and Mr. Han Ping.