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If you have sold or transferred all your shares in Qilu Expressway Company Limited (the “Company”), you should at once hand this circular with the enclosed forms of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS;
(2) PROPOSED RE-ELECTION AND ELECTION OF SUPERVISORS;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A notice for convening the EGM to be held at 9:00 a.m. on Tuesday, 19 November 2019 at Grand Conference Room 1, 1/F, Ramada Jinan, Block E, Yinfeng Fortune Plaza, No.1 Longaoxi Road, Lixia District, Jinan City, Shandong Province, PRC is set out on pages 29 to 32 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying reply slip and form of proxy in accordance with the instructions printed thereon. For the holders of H Shares, the aforementioned documents shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The reply slip must be returned no later than Tuesday, 29 October 2019 and the form of proxy must be returned not less than 24 hours before the time scheduled for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

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DEFINITION

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Announcement”	the announcement of our Company dated 20 September 2019 regarding, among others, the proposed re-election and election of Directors and Supervisors
“Articles of Association”	the articles of association of our Company, as amended, modified or otherwise supplemented from time to time
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Company” or “our 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 on 6 December 2016 pursuant to the Reorganisation of the Jihe Expressway Company
“Company Law”	Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“COSCO SHIPPING (Hong Kong)”	COSCO SHIPPING (Hong Kong) Co., Limited, a limited liability company incorporated in Hong Kong on 3 September 1992, being one of the controlling shareholders of the Company
“Director(s)”	director(s) of our Company
“EGM”	the extraordinary general meeting of the Company to be convened at 9:00 a.m. on Tuesday, 19 November 2019 at Grand Conference Room 1, 1/F, Ramada Jinan, Block E, Yinfeng Fortune Plaza, No.1 Longaoxi Road, Lixia District, Jinan City, Shandong Province, PRC to consider and, if thought fit, approve, among other things, the proposed re-election and election of Directors and Supervisors

DEFINITION

“Domestic Share(s)”	ordinary Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Group”	our Company and, except where the context otherwise requires, its subsidiaries
“H Share(s)”	overseas listed foreign invested ordinary Share(s) in the share capital of our 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
“Listing”	the listing of the Company’s H Shares on the Main Board of the Stock Exchange on 19 July 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOC”	Ministry of Communications of the PRC (中華人民共和國交通部), which has been merged into MOT in 2008
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOT”	Ministry of Transport of the PRC (中華人民共和國交通運輸部)
“Nomination Committee”	the nomination committee of the Board
“PRC” or “State”	the People’s Republic of China, which for the purpose of this circular exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITION

“Qilu Transportation”	Qilu Transportation Development Group Company Limited* (齊魯交通發展集團有限公司) (formerly named as “Qilu Transportation Development Company Limited (齊魯交通發展有限公司)”, and renamed to the current name on 26 November 2015), a limited liability company incorporated in the PRC on 30 June 2015 with 70%, 20% and 10% of its equity interest held by Shandong SASAC, Shandong Guohui and Shandong Provincial Council for Social Security Fund (山東省社會保障基金理事會), respectively, and being one of the controlling shareholders of the Company
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Reorganisation”	the reorganisation arrangements undergone by our Group in preparation of its Listing
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“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 company incorporated in the PRC with limited liability on 23 June 2003, a direct wholly-owned subsidiary of Shenhua National Power Group. It was formerly known as Shandong Luneng Infrastructural Engineering Investment Company Limited* (山東魯能基礎工程投資有限公司) and changed its name to Shandong Luneng Construction Group Company Limited* (山東魯能建設集團有限公司) on 13 February 2006, which then changed its name to Guowang Resources Shandong Construction Group Company Limited* (國網能源山東建設集團有限公司) on 28 March 2011 and changed to its current name on 4 January 2013

DEFINITION

“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 on 12 January 2016, the entire equity interest of which is held by Shandong SASAC
“Shandong SASAC”	State-owned Assets Supervision and Administration Commission of the Shandong Provincial People’s Government (山東省人民政府國有資產監督管理委員會)
“Share(s)”	Domestic Share(s) and/or H Share(s) (as the case may be)
“Shareholder(s)”	holder(s) of our 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 on 29 April 2008
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“Supervisor(s)”	the member(s) of the Supervisory Committee
“Supervisory Committee”	the Company’s supervisory committee established pursuant to the Company Law

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. LI Gang (*Chairman*)
Mr. PENG Hui

Non-executive Directors:

Mr. CHEN Dalong
Mr. WANG Shaochen
Mr. WU Dengyi
Mr. LI Jie
Mr. WANG Long
Mr. SU Xiaodong
Mr. YUAN Ruizheng
Mr. TANG Haolai

Independent non-executive Directors:

Mr. WU Yuxiang
Mr. CHENG Xuezhao
Mr. LI Hua
Mr. WANG Lingfang
Mr. HE Jiale

Registered office:

Room 2301, Block 4,
Zone 3, Hanyu Financial & Business
Centre,
No 7000, Jingshi East Road,
High-tech Zone, Jinan City,
Shandong Province, PRC

Principal place of business in Hong Kong:

40th Floor, Sunlight Tower,
No 248 Queen's Road East,
Wanchai, Hong Kong

4 October 2019

To the Shareholders

Dear Sir or Madam,

PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Announcement in relation to, among others, proposed re-election and election of Directors and Supervisors.

The purpose of this circular is to provide you with information regarding, among others, proposed re-election and election of Directors and Supervisors.

1 Proposed Re-election and Election of Directors

In view of the upcoming expiry of the first session of the Board, the proposed nominations of Directors for the second session of the Board have been considered and approved at the meeting of the Board on 20 September 2019. The Company is pleased to announce that, based on the nomination of the Nomination Committee and upon due consideration of the Board, the Board proposes the following incumbent Directors be re-elected for directorship at the second session of the Board at the EGM:

- (i) candidates for the position as executive Directors: Mr. Li Gang and Mr. Peng Hui;
- (ii) candidates for the position as non-executive Directors: Mr. Chen Dalong, Mr. Wang Shaochen, Mr. Su Xiaodong, Mr. Yuan Ruizheng and Mr. Tang Haolai; and
- (iii) candidates for the position as independent non-executive Directors: Mr. Cheng Xuezhan, Mr. Li Hua, Mr. Wang Lingfang and Mr. He Jiale.

The Board also proposes the following candidates be elected for directorship at the second session of the Board at the EGM:

- (i) candidate for the position as an executive Director: Mr. Liu Qiang;
- (ii) candidates for the position as non-executive Directors: Mr. Zhou Cenyu and Ms. Kong Xia; and
- (iii) candidate for the position as an independent non-executive Director: Mr. Han Ping.

LETTER FROM THE BOARD

As such, subject to the appointment of the respective incumbent Director or directorship candidate (as the case may be) at the EGM, the second session of the Board shall comprise 15 Directors including three executive Directors, seven non-executive Directors and five independent non-executive Directors upon conclusion of the EGM.

The Board has resolved to put forward the above proposals at the EGM for the consideration and approval by the Shareholders. The appointment of each of the Directors for the second session of the Board shall take effect from the date of approval by the Shareholders at the EGM by way of an ordinary resolution, and shall last for a term of three years commencing from the date of approval at the EGM.

Biographical details of the Directors proposed to be re-elected or elected as members of the second session of the Board are as follows:

Executive Directors

Mr. Li Gang, aged 51, currently serves as the chairman of the Board, executive Director and secretary of the party committee of the Company.

Mr. Li has over 30 years of experience in the highway industry and has held various positions in relevant government traffic management departments and enterprises. Mr. Li served as an accountant in the collection office of Jinan highway management division from July 1988 to March 1994, a deputy director of the collection and inspection office of Jinan Highway Administration Bureau from March 1994 to February 1999, the head and secretary of the party branch of Jinan Highways Development Centre (濟南公路產業開發中心) and the general manager of Jinan Jinyu Road Industrial Development Co., Ltd. (濟南金宇公路產業發展有限公司) from March 1999 to January 2004. Mr. Li also served as the deputy director and member of the party committee of Jinan Highway Administration Bureau and chairman of Jinan Jinhong Construction Consulting Co., Ltd. (濟南金鴻建設諮詢有限公司) from January 2004 to March 2008. Mr. Li joined the Company in December 2007 and acted as Director and deputy general manager. He also served as Director, deputy general manager and secretary of the party committee of the Company from March 2008 to April 2011, executive deputy general manager and secretary of the party committee from April 2011 to November 2014. Mr. Li has served as chairman and secretary of the party committee of the Company since November 2014.

LETTER FROM THE BOARD

Mr. Li served as the chairman of the supervisory committee of Dongying Yellow River Bridge Co., Ltd. (formerly known as Dongying Yellow River Bridge Expressway Co., Ltd.) from March 2015 to July 2016.

Mr. Li was praised as an advanced productivity worker by Highway Administration Committee of Jinan of CPC (中共濟南市公路管理局委員會) and Highway Administration Bureau of Jinan (濟南市公路管理局) in January 2004. He was also rewarded May 1 Labour Medals of Jinan by Jinan Workers' General Union (濟南市總工會) in April 2006. Mr. Li received second prize from Shandong Provincial Workers' General Union (山東省總工會) and Shandong Provincial Transport Department in a campaign regarding the construction of major transport projects in Shandong in June 2006. Mr. Li completed a thesis titled "Opinions on the Improvement of Toll Management and Services of Expressway (《關於加強高速公路收費管理提高服務質量的幾點思考》)" with Li Huaqing, Han Chunhua and Yang Kun, which was praised in March 2008 as an outstanding thesis for academic exchange of 2007 by Shandong Highway Society.

Mr. Li graduated from Jinan Jiaotong College (濟南交通學校) in Jinan, PRC, under the MOC in July 1988 with a technical secondary school academic qualification majoring in finance and accounting. He was qualified as an accounting assistant by the MOF in December 1992. Mr. Li studied in Shandong Cadres Correspondence University (山東幹部函授大學) in Jinan, the PRC, in June 1997 majoring in financial accounting, and obtained a cadre part-time undergraduate degree academic certificate from Shandong Cadres Correspondence University. Mr. Li was granted the title of senior political analyst by Corporate Ideological and Political Work Qualification Assessment Office of Shandong (山東省企業思想政治工作人員專業職務評定工作辦公室) in September 2006. Mr. Li obtained a master's degree in business administration from Tianjin University in Tianjin, the PRC, in January 2016.

Mr. Li formerly served as the directors of Shandong Jinjieli Environmental Technology Limited (山東金杰力環保科技有限公司) and Jinan Jinyu Catering and Entertainment Limited (濟南金裕餐飲娛樂有限公司) whereby the business licenses of which were revoked during his directorship in the two companies. For details, please refer to the section headed "Directors, Supervisors, Senior Management and Employees" of the prospectus dated 29 June 2018.

LETTER FROM THE BOARD

Mr. Peng Hui, aged 54, is currently an executive Director, general manager and deputy secretary of the party committee of the Company.

Mr. Peng has over 30 years of experience in the transportation industry. He acted as the head of paratransit of Tianjin Ocean Shipping Company (天津遠洋運輸公司) from September 1984 to September 1998, manager of COSCO Bulk International Ocean Manning Company (中遠散運國際海員外派公司) from October 1998 to July 2008, assistant to general manager of COSCO SHIPPING (Hong Kong) Industry & Trade Limited (中遠海運(香港)工貿有限公司) from July 2008 to June 2011 and deputy general manager of COSCO SHIPPING (Hong Kong) Industry & Trade Limited (中遠海運(香港)工貿有限公司) from July 2011 to May 2014. Mr. Peng joined the Company as Director in October 2011. He has served as Director, general manager and deputy secretary of the party committee of the Company since May 2014.

Mr. Peng graduated from Qingdao Ocean Shipping Mariners College (青島遠洋船員學院) in Qingdao, the PRC, in July 1990 with a diploma majoring in marine engineering management. In December 2004, he graduated from Party School of Tianjin Municipal Committee of the Communist Party of China (中共天津市委黨校) in Tianjin, the PRC, with a part-time undergraduate degree in Law.

Mr. Liu Qiang, aged 50, currently serves as the deputy general manager and a member of the party committee of the Company. He concurrently serves as a director of Qilu Expressway (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company.

Mr. Liu has nearly 30 years of experience in the construction industry. Mr. Liu served as an officer of the Pingyin Construction Committee from February 1992 to April 1994. He served as the deputy director of demolition and relocation office under the Pingyin Urban Construction and Management Bureau (平陰縣城市建設管理事業局) from April 1994 to April 1996; branch committee secretary of the Pingyin gardening management unit from April 1996 to April 1999; and deputy head of the Pingyin Housing and Urban-Rural Construction Department from April 1999 to August 2005. He has served as deputy head (person in charge) of the Pingyin Highway Management Bureau and deputy secretary of the party panel of Pingyin Highway Management Bureau since August 2005; and deputy secretary of the committee of Pingyin Transportation Bureau since June 2007.

LETTER FROM THE BOARD

Mr. Liu joined our Company in September 2007 and worked as the head of Pingyin Management Department until February 2008, member of the party committee of our Company from February 2008 to March 2008, chief economist and member of the party committee of our Company from March 2008 to May 2008, chief economist, member of the party committee, chairman of labour union of our Company from May 2008 to December 2014. He has been the chief economist, member of the party committee, chairman of labour union and secretary of disciplinary commission of the Company from December 2014 to June 2019. Mr. Liu also served as a director of Jihe Petroleum from December 2011 to August 2017. He has been the deputy general manager and a member of the party committee of the Company since June 2019. Mr. Liu has served as a director of Qilu Expressway (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company, since August 2019.

In February 2006, Mr. Liu was named as Advanced Production Worker of Jinan highway system for 2005 (濟南公路系統2005年度先進生產(工作)者) by Jinan Highway Management Bureau and Jinan Party Committee. In June 2011, he was named as the Advanced Individual for Shandong Transportation Energy Saving and Emission Reduction Work under the Eleventh Five-year Plan (“十一五”全省交通運輸節能減排工作先進個人) by the Shandong Transport Department. In April 2015, he was named as the Outstanding Organisation Individual of National Health Cup Campaign (“安康杯”競賽優秀組織個人) by the Shandong General Union and Shandong Province Administration of Production Safety.

In July 1988, Mr. Liu graduated from Shandong Province Jinan Urban Construction School (山東省濟南城市建設學校) (currently known as the Shandong Urban Construction Vocational College) in Jinan, the PRC, with technical school academic qualification majoring in surveying and mapping. In June 1993, he graduated from Correspondence Institute of the Party School of the China Communist Party (中央黨校函授學院) in Beijing, the PRC, with a diploma majoring in economic management. In December 2002, he graduated from The Shandong Province Party Committee School of Shandong Committee of the Communist Party of China (中國共產黨山東省委員會黨校) in Jinan, the PRC, with a part-time undergraduate degree (transferred from an associate program) in Construction and Operation. In May 2004, he completed a postgraduate course in administrative management in Beijing Normal University in Beijing, the PRC. In September 2007, Mr. Liu was qualified as a senior political analyst by the Duty Assessment Office for Ideological and Political Staff at Enterprises in Shandong (山東省企業思想政治工作人員專業職務評定工作辦公室).

LETTER FROM THE BOARD

Non-executive Directors

Mr. Chen Dalong, aged 57, is currently the vice chairman of the Board and non-executive Director of the Company. He concurrently serves as the general manager of COSCO SHIPPING (Hong Kong) Industry & Trade Limited (中遠海運(香港)工貿有限公司), the vice chairman of the board of directors of Shenzhen Guangju Investment Holdings Limited (深圳市廣聚投資控股(集團)有限公司), and the vice chairman of the board of directors of Shenzhen Guangju Energy Co., Ltd. (深圳市廣聚能源股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000096).

Mr. Chen had worked for Shanghai Ocean Shipping Co., Ltd. (上海遠洋運輸公司) and served as shipping trainee, deputy secretary of the office of the general manager and chief assistant of the office of the general manager from August 1985 to September 1996. He was the trainee of the operation and management cadre training course of China Ocean Shipping (中遠集團) from September 1996 to September 1997. He served as the deputy general manager of Donghong Hotel (東虹大酒店) from September 1997 to March 1999; deputy general manager and general manager of Shanghai Yuanyang Shipping Supply Company (上海遠洋船舶供應公司) from March 1999 to October 2002; deputy general manager of Shanghai Yuanyang Lushang Production Corporation (上海遠洋陸上產業總公司) from October 2002 to August 2004; assistant to general manager of Shanghai Ocean Shipping Co., Ltd. (上海遠洋運輸公司) and general manager of Ocean Hotel (遠洋賓館) from September 2004 to May 2006; deputy general manager of Shanghai Ocean Shipping Co., Ltd. (上海遠洋運輸公司), general manager of Shanghai Yuanyang Holding Corporation (上海遠洋實業總公司) and general manager of Ocean Hotel from May 2006 to January 2012; and deputy general manager and secretary of the party committee of COSCO South-China International Freight Co., Ltd. (華南中遠國際貨運有限公司) from January 2012 to May 2016. He has been the general manager of COSCO SHIPPING Industry & Trade (formerly known as COSCO (Hong Kong) Industry & Trade Holdings Limited) since May 2016; vice chairman of the board of directors of Shenzhen Guangju Investment Holdings Limited (深圳市廣聚投資控股(集團)有限公司) since November 2016; and vice chairman of the board of directors of Shenzhen Guangju Energy Co., Ltd. (深圳市廣聚能源股份有限公司) (Shenzhen Stock Exchange stock code: 000096) since December 2016. He has been appointed as the vice chairman of the Board of the Company since December 2017.

LETTER FROM THE BOARD

Mr. Chen is currently serving as the director of Smart Watch Assets Limited and Tianjin Expressway Maintenance Company Limited (天津市高速公路養護有限公司) and the chairman of the board of directors of (i) Hebei Jixing Expressway Co., Ltd. (河北冀星高速公路有限公司); (ii) Tianjin Tianyu Expressway Co., Ltd. (天津天預高速公路有限公司); (iii) Tianjin Tian'ang Expressway Co., Ltd. (天津天昂高速公路有限公司); (iv) Tianjin Tianxu Expressway Co., Ltd. (天津天旭高速公路有限公司); (v) Tianjin Tianda Expressway Co., Ltd. (天津天達高速公路有限公司); (vi) Tianjin Tianwei Expressway Co., Ltd. (天津天偉高速公路有限公司); (vii) Tianjin Tianduo Expressway Co., Ltd. (天津天奪高速公路有限公司); (viii) Tianjin Tianfu Expressway Co., Ltd. (天津天富高速公路有限公司); (ix) Tianjin Tianyong Expressway Co., Ltd. (天津天永高速公路有限公司); and (x) Tianjin Tianxian Expressway Co., Ltd. (天津天顯高速公路有限公司). Smart Watch Assets Limited is the wholly-owned subsidiary of COSCO SHIPPING (Hong Kong) and the controlling shareholder of the above (i) to (x) companies.

Mr. Chen graduated from Shanghai Maritime College (上海海運學院) (currently known as Shanghai Maritime University) in Shanghai, the PRC in July 1985 with a bachelor's degree of engineering, majoring in marine engineering management. Mr. Chen received the qualification as an engineer from the intermediate professional engineering service assessment committee of Shanghai Ocean Shipping Co., Ltd. (上海遠洋運輸公司) in August 1996.

Mr. Wang Shaochen, aged 54, is currently a non-executive Director of the Company. Mr. Wang concurrently serves as a deputy director of the human resources sharing services centre (Jinan branch) of Shenhua National Power Group, and the chairman of the labour union and a member of the party committee of Shandong Construction.

LETTER FROM THE BOARD

Mr. Wang had worked for Huangtai Thermal Power Station (黃台火力發電廠) in Shandong and held various positions, including the duty officer, the deputy chief officer, the secretary of the branch committee of grey water field team (灰水分場團), member of the welfare division of the labour union, the deputy secretary to the operation department and party branch, from July 1984 to December 1997. Mr. Wang served in the office of Luneng Fuels Group Co., Ltd. (魯能燃料集團有限公司) from December 1997 to August 1999. He worked for the planning and logistic department of Luneng Fanmao Co., Ltd. (魯能帆茂有限公司) from August 1999 to September 2000, and served as the deputy manager of the Huangtai branch of Luneng Fuels Group Co., Ltd. (魯能燃料集團有限公司) from September 2000 to March 2002. He served in the general department of Shandong Luneng Development Group Co., Ltd. (山東魯能發展集團有限公司) from March 2002 to July 2008, and acted as the deputy manager of the general department of Shandong Luneng Development Group Co., Ltd. from July 2008 to March 2009. He was the manager of the general department of Shandong Luneng Electricity Inspection, Maintenance and Operation Co., Ltd. (山東魯能發電檢修運營有限公司) from March 2009 to June 2011, and the head of the affairs department of Guowang Energy Development Co., Ltd. (國網能源開發有限公司) from June 2011 to February 2013. Mr. Wang served as the chairman of the labour union of the management and a member of the party committee of Shandong Construction from February 2013 to May 2015, and has been a deputy director of the human resources sharing services centre (Jinan branch) of Shenhua National Power Group, and the chairman of the labour union and a member of the party committee of Shandong Construction since May 2015. Mr. Wang was appointed as a Director of the Company in November 2014.

Mr. Wang graduated from Shandong TV University in Jinan, the PRC, in June 1995, majoring in professionals of economic management, and obtained the graduation certificate from the Self-taught Higher Education and Examination Committee of Shandong Province (山東省高等教育自學考試委員會專科畢業證書). Mr. Wang received a certificate in recognition of the professional economic (industrial) qualification from Ministry of Personnel of the PRC in November 1999. He graduated from the legal studies programme jointly organised by the China Central Radio and TV University (currently known as the Open University of China) in Beijing, the PRC, and China University of Political Science and Law, in Beijing, the PRC, in July 2004 and obtained a bachelor's degree from China Central Radio and TV University. He received a certificate of senior economist from the Hubei branch of Ministry of Personnel of the PRC in December 2006 and a certificate of professional secretary (level 3) from the Ministry of Human Resources and Social Security of the PRC in November 2010.

LETTER FROM THE BOARD

Mr. Su Xiaodong, aged 55, is currently a non-executive Director of the Company. He concurrently serves as the investment director and general manager of the capital and investment department of COSCO SHIPPING (Hong Kong) Co., Limited (中遠海運(香港)有限公司).

Mr. Su worked for the planning department of China Ocean Shipping Company Limited (中國遠洋運輸有限公司) from August 1988 to March 1993. He served as the manager of the consulting department of COSCO Investment Company (中遠投資公司) from March 1993 to September 1997. From September 1997 to March 2012, he worked for China Ocean Shipping Company Limited (中國遠洋運輸有限公司) and held various positions including assistant manager of the asset management centre, officer of the development department and vice head and deputy manager of administrative office of the planning department. He also served as deputy general manager of the strategic development department of China COSCO Holdings Company Limited from August 2005 to February 2009 and manager of the asset operation office of the strategic development department of China Ocean Shipping Company Limited from February 2009 to March 2012. He has served as the general manager of the planning department of COSCO SHIPPING (Hong Kong) Co., Limited (中遠海運(香港)有限公司) from March 2012 to January 2019 and investment director and general manager of the capital and investment department of COSCO SHIPPING (Hong Kong) Co., Limited since January 2019. Mr. Su was appointed as a Director of the Company in September 2012.

Mr. Su is currently serving as the director of (i) Hebei Jingshi Expressway Development Co., Ltd. (河北京石高速公路開發有限公司); (ii) COSCO H.K. (Beijing) Investment Co., Limited (香港(北京)投資有限公司); (iii) Hebei Jixing Expressway Co., Ltd. (河北冀星高速公路有限公司); (iv) Tianjin Tianyu Expressway Co., Ltd. (天津天預高速公路有限公司); (v) Tianjin Tian'ang Expressway Co., Ltd. (天津天昂高速公路有限公司); (vi) Tianjin Tianxu Expressway Co., Ltd. (天津天旭高速公路有限公司); (vii) Tianjin Tianda Expressway Co., Ltd. (天津天達高速公路有限公司); (viii) Tianjin Tianwei Expressway Co., Ltd. (天津天偉高速公路有限公司); (ix) Tianjin Tianduo Expressway Co., Ltd. (天津天奪高速公路有限公司); (x) Tianjin Tianfu Expressway Co., Ltd. (天津天富高速公路有限公司); (xi) Tianjin Tianyong Expressway Co., Ltd. (天津天永高速公路有限公司); and (xii) Tianjin Tianxian Expressway Co., Ltd. (天津天顯高速公路有限公司). Smart Watch Assets Limited is the wholly-owned subsidiary of COSCO SHIPPING (Hong Kong) and the controlling shareholder of the above (i) to (xii) companies.

LETTER FROM THE BOARD

Mr. Su graduated from Northern Jiaotong University (currently known as Beijing Jiaotong University) in Beijing, the PRC, with a bachelor's degree majoring in industrial management engineering in July 1988. Mr. Su was accredited as a senior economist by the MOC in November 1999.

Mr. Yuan Ruizheng, aged 39, currently is a non-executive Director of the Company.

Mr. Yuan has joined Citic-Prudential Life Insurance Co., Ltd. since November 2014 and currently serves as the special assistant to general manager of the company. He was a researcher of the research and development department of CSC Financial Co., Ltd (a company listed on the Stock Exchange, stock code: 06066) from December 2010 to November 2014. He has been the chairman of the board of directors and legal representative of Gongqing City Citavic Investment Company Limited* (共青城信航投資有限公司) since November 2018. Mr. Yuan holds a bachelor's degree in management engineering from Tianjin University and a master's degree in science management and engineering from National University of Defense Technology. Mr. Yuan was appointed as a Director of the Company in December 2018.

Mr. Tang Haolai, aged 37, currently is a non-executive Director of the Company.

Mr. Tang was a deputy manager of the legal audit department of Shandong High-Speed Investment Holdings Co., Ltd. (山東高速投資控股有限公司) from May 2017 to December 2018 and has been the manager of the legal audit department of Shandong High-Speed Investment Holdings Co., Ltd. since October 2018. He has been a director of Shandong Hi-Speed (Shanghai) Asset Management Co., Ltd. (山東高速(上海)資產管理有限公司), a supervisor of Jinan Shangao Deguang Investment Co., Ltd. (濟南山高德廣投資有限公司) and the chairman and manager of Beijing Weite Real Estate Development Co., Ltd. (北京偉特房地產開發有限公司) since December 2017. He has also been the chairman of Jinan Yihai Guanghe Property Co., Ltd. (濟南易海光合置業有限公司) since September 2018 and a non-independent director of Goldcard Smart Group Co., Ltd. (金卡智能集團股份公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300349) since December 2018. Mr. Tang was appointed as a Director of the Company in December 2018.

Mr. Tang holds a bachelor's degree in law from the law school of the Weihai campus of Shandong University and a master's degree in theory of law from the law school of Shandong University.

LETTER FROM THE BOARD

Mr. Zhou Cenyu, aged 48, is currently a member of the party committee and the director of the office of the Board of Qilu Transportation.

Mr. Zhou served as a cadre of Jiezhuang Town, Rencheng District, Jining City of Shandong Province from July 1993 to June 1997, and was a staff member, deputy section chief and section chief of Shandong Wenlian Personnel Office from June 1997 to November 2002. He served as a section level inspector (正科級檢查員) of Shandong Province Enterprises Disciplinary Committee (山東省管企業紀工委) from November 2002 to June 2004 and a staff member and director of the first bureau of discipline committee of Shandong State-owned Assets Supervision and Administration Commission from June 2004 to November 2008. He served as the deputy director of the leadership management division, deputy head and researcher of the organization department of the party committee of Shandong SASAC from November 2008 to May 2015. He served as the director-level supervisor of the third office of Shandong Province Enterprises Supervisory Board (山東省管企業監事會第三辦事處) from May 2015 to October 2015. He served as the temporary person-in-charge of the work department and the deputy secretary of the headquarters of the party committee of Qilu Transportation from October 2015 to April 2018. He has been serving as a member of the party committee of Qilu Transportation since January 2018 as well as the director of the office of the Board of Qilu Transportation since April 2018.

Mr. Zhou holds a bachelor's degree in engineering from the department of chemical engineering of Yantai University, majoring in chemical engineering and a master's degree in business administration from School of Management, Shandong University.

LETTER FROM THE BOARD

Ms. Kong Xia, aged 48, is currently the department head of the human resources department of Qilu Transportation and a member of the party committee of the headquarters of Qilu Transportation.

Ms. Kong served as a cadre of Shandong Provincial Transport Projects Supervision and Consultation Ltd. from July 1993 to June 1997. From June 1997 to November 2000, she served successively as a civil servant and the deputy section chief of the planning and infrastructure department of Shandong Provincial Transport Department. She served successively as the deputy section chief, section chief and deputy director of the planning and infrastructure department of Shandong Provincial Transport Department from November 2000 to July 2010. She served successively as the deputy director and researcher of the integrated planning department of Shandong Provincial Traffic Transport Department from July 2010 to October 2015. She served as the temporary person-in-charge of the maintenance technology department of Qilu Transportation from October 2015 to December 2015. She served successively as the presiding expert and department head of the corporate management department of Qilu Transportation from December 2015 to April 2018. She has been serving as the department head of the human resources department of Qilu Transportation and a member of the party committee of the headquarters of Qilu Transportation since April 2018.

Ms. Kong holds a bachelor's degree in engineering from the Southeast University, majoring in highways and urban roads and a master's degree and postgraduate's degree in business administration from Shandong University.

Independent non-executive Directors

Mr. Cheng Xuezhao, aged 50, currently is an independent non-executive Director of the Company. He also serves as an assistant general manager of Hualu Holdings Co., Ltd (華魯控股集團有限公司) and vice chairman of the board of directors and general manager of China Shandong Group Limited (華魯集團有限公司), a director of Hualu International Financial Leasing Co., Ltd. (華魯國際融資租賃有限公司) and a director of Hualu Investment Development Co., Ltd. (華魯投資發展有限公司).

LETTER FROM THE BOARD

Mr. Cheng served as an officer, assistant manager and manager in the Shandong Provincial Finance Department (山東省財政廳) from July 1994 to April 1997. He worked as a manager of Hongkong Macao (International) Group Co., Ltd. (港澳國際(集團)有限公司) from April 1997 to April 1999. He was a manager and deputy general manager of general office, deputy general manager and general manager of asset operation department of China Shandong Group Limited and a general manager of capital operation department of Hualu Holdings Co., Ltd. from April 1999 to October 2006. He participated in the preparation of the establishment of the Central Geological Exploration Fund management Center of the MLR from October 2006 to January 2008. He was the head of general office, member of the branch committee and officer of general office of the Central Geological Exploration Fund Management Center (國土資源部中央地質勘查基金) under the MLR from January 2008 to September 2011. He has worked as the assistant general manager of Hualu Holdings Co., Ltd. and concurrently the vice chairman of the board of directors and general manager of China Shandong Group Limited since September 2011. He has also worked as a director of Hualu International Financial Leasing Co., Ltd. since November 2013, a director of Shandong Hualu-Hensheng Chemical Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600426) from March 2015 to April 2018 and a director of Hualu Investment Development Co., Ltd. since June 2016. Mr. Cheng served as an independent non-executive director of Prosper Construction Holdings Limited (瑞港建設控股有限公司) (a company listed on the Stock Exchange, stock code: 06816) since December 2018. Mr. Cheng has served as an independent non-executive Director of the Company since July 2018.

Mr. Cheng graduated from Shandong Normal University (山東師範大學) in Jinan, the PRC, with a bachelor's degree majoring in English language and literature in July 1991. Mr. Cheng graduated from Shandong University (山東大學) in Jinan, the PRC, with a master's degree in English language and literature in June 1994. He graduated from Wright State University in Dayton, Ohio, the United States of America, with a master's degree in business administration in November 2005.

LETTER FROM THE BOARD

Mr. Li Hua, aged 65, currently is an independent non-executive Director of the Company.

Mr. Li worked for the Institute of Highway Planning and Design of the MOC (交通部公路規劃設計院) from December 1977 to May 1989 and held various positions including assistant engineer, engineer and manager. He worked as an engineer of National Communications Investment Company (國家交通投資公司) from May 1989 to August 1991; officer of the Engineering Management Division of the MOC (交通部工程管理司) from August 1991 to April 1994; deputy director and director of the Management Office of Maintenance and Repair (養護管理處) under the Highway Management Division of the MOC (交通部公路管理司) from April 1994 to July 1998; director of the Management Office under the Highway Division of the MOC (交通部公路司) from July 1998 to October 2003 and was designated as the vice mayor of Luoyang, Henan Province for poverty alleviation from March 2002 to February 2003 during his tenure; assistant to director (director level) of the Highway Division of the MOC from October 2003 to July 2004; deputy director of the Highway Division of the MOC from July 2004 to March 2009; director of the Highway Bureau of the MOT from March 2009 to May 2012; and director of the Highway Bureau and the Highway Network Center (路網中心) of the MOT from May 2012 to January 2014. Mr. Li has served as an independent non-executive Director of the Company since July 2018.

Mr. Li was awarded the third prize for science advancement by the State Education Commission (國家教委) in July 1992. Mr. Li was awarded the first prize for science advancement by the MOC in July 1993.

Mr. Li graduated from Xi'an Highway Institute (西安公路學院) in Xi'an, the PRC, with a bachelor's degree in highway construction in December 1977, and graduated from Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in Beijing, the PRC, majoring in business economics with postgraduate qualification in November 1998.

LETTER FROM THE BOARD

Mr. Wang Lingfang, aged 62, is currently an independent non-executive Director of the Company.

Mr. Wang served as a supervisor, specialised engineer and deputy head of the boiler team, officer of the quality inspection department, deputy manager, deputy manger and chief engineer, acting manager and chief engineer, committee member and manager in SEPCOII Electric Power Construction Co., Ltd. (山東電力建設第二工程公司) from September 1987 to July 2005. He served as chairman of the board of director in Shandong Construction from July 2005 to June 2009. Mr. Wang acted as the Chairman of our Company from October 2005 to March 2008 and served as general manager and member of the party committee in SEPCO Nuclear Power Construction Group Corp. (山東電力核電建設集團公司) from June 2009 to April 2014. Mr. Wang served as deputy general manager in the electrical engineering business unit of Powerchina Limited (中國電力建設股份有限公司) (Shanghai Stock Exchange stock code: 601669) from April 2014 to August 2015, and served as the consultant of SEPCO Electric Power Construction Corporation (山東電力基本建設總公司)/SEPCO Nuclear Power Construction Group Corporation from August 2015 to March 2017. Mr. Wang has served as an independent non-executive Director of the Company since July 2018.

Mr. Wang was recognised as an Outstanding Entrepreneur in Shandong jointly by Shandong Enterprise Confederation (山東省企業聯合會), Shandong Entrepreneur Association (山東省企業家協會), Shandong Industrial and Economics Confederation (山東省工業經濟聯合會) and Shandong Quality Management Association (山東省質量管理協會) in April 2011. In May 2013, he was recognised as the Outstanding Entrepreneur of National Power Construction of 2012 (2012年度全國電力建設優秀施工企業家) by China Electric Power Construction Association. Mr. Wang was also recognised as the National Outstanding Entrepreneur in Construction Industry of 2012 (2012年度全國優秀施工企業家) by China Association of Construction Enterprise Management in September 2013.

Mr. Wang graduated from Shandong Engineering Institute (山東工學院) (currently known as Shandong University), located in Jinan City, the PRC with a bachelor's degree in thermodynamics equipment of power plant in July 1982, and graduated from Shandong University in Jinan, the PRC with a master's degree in power engineering in June 2002. Mr. Wang was recognised as a senior engineer by Senior Engineering Profession Qualification Evaluation Committee of Shandong Electric Power Industry Bureau (山東省電力工業局工程技術職務高級評審委員會) in January 1995 and a professorate senior engineer by Power Construction Corporation of China Ltd. in December 2013.

LETTER FROM THE BOARD

Mr. He Jiale, aged 65, is currently an independent non-executive Director of the Company. He concurrently serves as an independent non-executive Director of China International Marine Containers (Group) Co., Ltd (a company listed on the Stock Exchange, stock code: 02039), and a company listed on the Shenzhen Stock Exchange, stock code: 000039).

Mr. He has served as a director of the finance department and deputy general manager of COSCO (Group) Company (中國遠洋運輸(集團)總公司) (currently known as China Ocean Shipping Company Limited (中國遠洋運輸有限公司)) from October 1994 to December 1997; and the chief accountant of COSCO Container Lines Co., Ltd. (中遠集裝箱運輸有限公司) (currently known as COSCO Shipping Lines Co. Ltd. (中遠海運集裝箱運輸有限公司)) from January 1998 to September 2003. He also served as the chief financial officer of COSCO (Hong Kong) Group Limited (中遠(香港)集團有限公司) (currently known as COSCO SHIPPING (Hong Kong) Co., Ltd. (中遠海運(香港)有限公司)) from October 2003 to November 2005, and concurrently served as its director and chief financial officer from February 2012 to November 2015. He also served as an executive director of COSCO International Holdings Limited (中遠國際控股有限公司), (currently known as COSCO SHIPPING International (Hong Kong) Co., Ltd. (中遠海運國際(香港)有限公司), a company listed on the Stock Exchange, stock code: 00517) from November 2003 to January 2006 and from April 2012 to December 2015. He also served as the chief financial officer of China COSCO Holdings Company Limited (中國遠洋控股股份有限公司) (currently known as COSCO SHIPPING Holdings Co., Ltd. (中遠海運控股股份有限公司), a company listed on the Stock Exchange, stock code: 01919, and a company listed on the Shanghai Stock Exchange, stock code: 601919) from November 2005 to January 2012. In addition, he served as a non-executive director of Chong Hing Bank Limited (創興銀行有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 01111) from May 2012 to February 2014. He was an executive director of COSCO Pacific Limited (中遠太平洋有限公司) (currently known as COSCO SHIPPING Ports Limited (中遠海運港口有限公司), a company listed on the Stock Exchange, stock code: 01199) from November 2003 to June 2005 and from January 2009 to March 2013. He served as a supervisor of China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司) (a company listed on the Stock Exchange, stock code: 02039, and a company listed on the Shenzhen Stock Exchange, stock code: 000039) from September 2013 to May 2016, and an independent non-executive director since June 2019. Mr. He was appointed as an independent non-executive Director of the Company in December 2018.

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Mr. He graduated from the postgraduate studies of international business, management science and engineering from Shanghai University and is a senior accountant.

Mr. Han Ping, aged 49, is currently the vice president of Long Far Herbal Medicine Manufacturing (Hong Kong) Limited and the chairman of Prosperity Capital International Limited (繁榮資本國際有限公司).

Mr. Han served as a trader of Merrill Lynch Securities from September 1998 to September 1999. He has been serving as the vice president of Long Far Herbal Medicine Manufacturing (Hong Kong) Limited since February 2001 and the chairman of Prosperity Capital International Limited since May 2011.

Mr. Han holds a bachelor's degree in business administration and finance from the Bernard M. Baruch College, the City University of New York in the USA.

Terms of Office, Remuneration and Confirmation of the Candidates of Directors

The appointment of Directors to be re-elected or elected shall take effect from the date of approval by the Shareholders at the EGM by way of an ordinary resolution, for a term of three years commencing from the date of approval at the EGM.

Subject to the approval of their appointments by the Shareholders at the EGM, each of the Directors to be elected will enter into a service contract with the Company.

The candidates for executive Directors, namely Mr. Li Gang, Mr. Peng Hui and Mr. Liu Qiang, will receive remuneration from the Company in their original capacity and will not receive any additional remuneration for the positions as Directors. The candidates for non-executive Directors, namely Mr. Chen Dalong, Mr. Wang Shaochen, Mr. Su Xiaodong, Mr. Yuan Ruizheng, Mr. Tang Haolai, Mr. Zhou Cenyu and Ms. Kong Xia, will not receive any remuneration from the Company.

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With regard to the remuneration of the candidates for independent non-executive Directors, namely Mr. Cheng Xuezhao, Mr. Li Hua, Mr. Wang Lingfang, Mr. He Jiale and Mr. Han Ping, the Board proposed the remuneration to be RMB120,000 per annum for each of them (before tax), which shall be payable from the commencement of their tenure. The abovementioned remuneration payable to the candidates for independent non-executive Directors was recommended by the Remuneration and Appraisal Committee of the Board based on each of their qualifications, experience and future responsibilities.

Save as disclosed above, none of the above candidates for election or re-election as Directors held any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, or held any other position in any members of the Group, and none of them (i) are related to any Directors, Supervisors, senior management or substantial or controlling Shareholders; (ii) are interested in any shares of the Company within the meaning of Part XV of the SFO; or (iii) held any other position with the Company or other members of the Group.

Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the above candidates to be elected and re-elected as Directors involves in other matters that are required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there are no other matters that are required to be brought to the attention of the Shareholders.

The Nomination Committee is of the view that each candidate for the position of Director is qualified for the position as Director. The criteria applied in considering whether each candidate for the position of Director is qualified includes his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:

- (a) participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- (b) taking the lead where potential conflicts of interests arise;
- (c) serving on the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee (in the case of candidates for the position of independent non-executive Directors) and other relevant Board committees, if invited;

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- (d) bringing a range of business and financial experience to the Board, giving the Board and any committee on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through regular attendance and participation in as well as serving as members of the Board/committee meetings;
- (e) scrutinising the Company's performance in achieving agreed corporate goals, objectives and targets, and monitoring the reporting of performance;
- (f) ensuring the committees on which he or she serves perform the powers and functions conferred on them by the Board; and
- (g) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

In addition, the Nomination Committee is satisfied with the independence of each candidate for the position of independent non-executive Director in accordance with, among other things, the factors set out in Rule 3.13 of the Listing Rules. The Nomination Committee also evaluated the totality of the education, qualifications and experience of each candidate for the position of independent non-executive Director and is of the view that they have appropriate professional qualifications or accounting or relevant financial management expertise for filling the office of an independent non-executive Director with such expertise as required under Rule 3.10(2) of the Listing Rules.

2 Proposed Re-election and Election of Supervisors

In addition, in view of the upcoming expiry of the first session of the Supervisory Committee, the proposed nominations of non-employee representative Supervisors for the second session of the Supervisory Committee have been considered and approved at the meeting of the Supervisory Committee on 20 September 2019. The Company is pleased to announce that, upon due consideration of the Supervisory Committee, the Supervisory Committee proposes the following incumbent Supervisors be re-elected for supervisorship at the second session of the Supervisory Committee at the EGM:

- (i) candidates for the position as shareholder representative Supervisors: Ms. Meng Xin and Mr. Wu Yongfu; and

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- (ii) candidate for the position as an independent Supervisor: Mr. Li Ruzhi.

The Supervisory Committee also proposes the following candidates be elected for supervisorship at the second session of the Supervisory Committee at the EGM:

- (i) candidate for the position as a shareholder representative Supervisor: Mr. Zhang Yin; and
- (ii) candidate for the position as an independent Supervisor: Mr. Meng Qinghui.

The Supervisory Committee has resolved to put forward the proposals above at the EGM for the consideration and approval by the Shareholders. The appointment of each of the non-employee representative Supervisors for the second session of the Supervisory Committee shall take effect from the date of approval by the Shareholders at the EGM by way of an ordinary resolution, and shall last for a term of three years commencing from the date of approval at the EGM.

The Company plans to hold an employee representative meeting as soon as practicable to elect and appoint three employee Supervisors to the second session of the Supervisory Committee in accordance with the applicable rules and regulations, and will make timely disclosures of such as and when appropriate. As such, subject to the appointment of the respective incumbent Supervisor or non-employee supervisory candidate (as the case may be) at the EGM and the approval of the respective employee supervisory candidate at the employee representative meeting, the second session of the Supervisory Committee shall comprise eight Supervisors including three shareholder representative Supervisors, two independent Supervisors and three employee Supervisors.

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Biographical details of the non-employee Supervisors proposed to be re-elected or elected as members of the second session of the Supervisory Committee are as follows:

Shareholder Representative Supervisors

Ms. Meng Xin, aged 48, serves as the chairman of the Supervisory Committee of our Company. She also serves as the general manager of the financial department of COSCO SHIPPING (Hong Kong).

Ms. Meng worked as a staff of the financial department, deputy director of the financial department, director of the financial department and director of development division of the market development department of China Ocean Shipping Agency (中國外輪代理總公司) from July 1994 to December 2001. She also served as the director of investment development division and deputy general manager of the cooperation and development department, deputy general manager of the planning department, deputy general manager and general manager of the financial department of COSCO Logistics Co., Ltd. (中國遠洋物流有限公司) from January 2002 to November 2016. She has been the general manager of the financial department of COSCO SHIPPING (Hong Kong) since October 2017. She has been appointed as the chairman of the Supervisory Committee of our Company since December 2017.

Ms. Meng serves as the director of Smart Watch Assets Limited, which is a wholly-owned subsidiary of COSCO SHIPPING (Hong Kong) and is also the Controlling Shareholder of (i) Hebei Jingshi Expressway Development Co., Ltd. (河北京石高速公路開發有限公司); (ii) Hebei Jixing Expressway Co., Ltd. (河北冀星高速公路有限公司); (iii) Tianjin Tianyu Expressway Co., Ltd. (天津天預高速公路有限公司); (iv) Tianjin Tian'ang Expressway Co., Ltd. (天津天昂高速公路有限公司); (v) Tianjin Tianxu Expressway Co., Ltd. (天津天旭高速公路有限公司); (vi) Tianjin Tianda Expressway Co., Ltd. (天津天達高速公路有限公司); (vii) Tianjin Tianwei Expressway Co., Ltd. (天津天偉高速公路有限公司); (viii) Tianjin Tianduo Expressway Co., Ltd. (天津天奪高速公路有限公司); (ix) Tianjin Tianfu Expressway Co., Ltd. (天津天富高速公路有限公司); (x) Tianjin Tianyong Expressway Co., Ltd. (天津天永高速公路有限公司); and (xi) Tianjin Tianxian Expressway Co., Ltd. (天津天顯高速公路有限公司). Ms. Meng is also a director of the companies listed in items (ii) to (xi) above.

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Ms. Meng graduated from Central University of Finance and Economics in Beijing, the PRC, in June 1994 with a bachelor's degree in economics majoring in accounting. Ms. Meng obtained a senior accountant certificate from COSCO (then known as China Ocean Shipping (Group) Corporation) in November 2012.

Mr. Wu Yongfu, aged 49, currently serves as the Shareholder representative Supervisor of our Company and the financial manager of Shandong Construction.

Mr. Wu has over 20 years of experience in finance. He served as a cashier trainee of Shandong Luneng Group Electricity Development Co., Ltd. (山東魯能電力開發有限公司) from July 1992 to February 1993, a cashier, accountant, auditor and financial officer of project site of SEPCO1 Electric Power Construction Corporation from March 1993 to November 1998 successively. He served as auditor of the labour and financial department, deputy manager of the human resources and financial department, and the manager of the financial department of Shenzhen Shandong Hedian Engineering Co., Ltd. (深圳山東核電工程有限責任公司) from November 1998 to January 2010. Mr. Wu has served as a financial manager of Shandong Construction since February 2010. Mr. Wu was appointed as our Supervisor by Shandong Construction, one of our Shareholders, in April 2011.

Mr. Wu graduated from Finance School of Shandong Province (山東省財政學校) (currently known as Shandong University of Science and Technology) in Tai'an, the PRC, in July 1992 with a technical school academic qualification majoring in industrial finance and accounting. He graduated from Shandong Economics University (山東經濟學院) (currently known as the Shandong University of Finance and Economics) in Jinan City, the PRC, in December 1995 with a tertiary school academic qualification majoring in accounting by self-studied examination. Mr. Wu was awarded a certificate of accounting professional (會計師資格證書) by the MOF in May 1997. Mr. Wu obtained a certificate of postgraduate degree of business administration (工商管理專業研究生課程證書) from Tianjin University in Tianjin, the PRC in March 2005 and obtained a certificate of correspondence undergraduate degree upgrading from higher education for adults (成人高等教育函授專科起點升本科畢業證書) in engineering management from Harbin Institute of Technology (哈爾濱工業大學) in Harbin, the PRC, from a distance learning programme, in July 2013.

LETTER FROM THE BOARD

Mr. Zhang Yin, aged 46, currently serves as the deputy director of the financial management department of Qilu Transportation.

Mr. Zhang served successively as a staff member of the traffic and transportation department, deputy section chief of the cargo management division of the transportation management department, section chief of the integrated department of the transportation management office and the deputy director of the port traffic management department of the transportation administration office of Jinan City Transportation Bureau (濟南市交通局) from July 1997 to October 2015. He has been serving as the staff member of the safety operation department, deputy director of the financial management department and director of the asset management center of Qilu Transportation since October 2015. He has been serving as the chairman of supervisory committee of Shandong Guilu Highway Construction Co., Ltd. (山東桂魯高速公路建設有限公司) since April 2016. He has been serving as the chairman of supervisory committee of Shandong Binlai Expressway Co., Ltd. (山東濱萊高速公路有限公司) since September 2016. He served as a supervisor of Qilu Transportation Investment Co., Ltd. (齊魯交通投資有限公司) from May 2018 to August 2018. He has been serving as a supervisor of Shandong Hi-speed Road & Bridge Co., Ltd. (山東高速路橋集團股份有限公司) since April 2019.

Mr. Zhang graduated from Shandong Economics University (currently known as Shandong University of Finance and Economics, located in Jinan City, the PRC) in July 1997, majoring in international accounting. He obtained a master's degree in management from Shandong Economics University (currently known as Shandong University of Finance and Economics, located in Jinan City, the PRC) in March 2009, majoring in accounting.

Independent Supervisors

Mr. Li Ruzhi, aged 55, currently serves as an independent Supervisor of the Company. He has worked at Jointide Law Firm, Shandong since December 2002 and is now a deputy director, senior partner and first-grade lawyer. He served as the chairman of the labour union, the head of general manager office and a senior economist of Shandong Petroleum & Chemical Economic Trade Head Office from July 1994 to December 2012. Mr. Li has served as an independent Supervisor of the Company since December 2018.

LETTER FROM THE BOARD

Mr. Li holds a bachelor's degree in Chinese Language and Literature from the Department of Chinese of Beijing Normal University and a bachelor's degree in Law from Shandong University.

Mr. Meng Qinghui, aged 63, served as an accountant of Qingdao Ocean Shipping Co., Ltd. from September 1978 to March 1982. He served as the deputy manager of the finance department of Hong Kong Ocean Shipping Company (香港遠洋輪船公司) from March 1982 to August 1989. He served as the manager of the finance department of Tianlong Shipping Co., Ltd. (天龍船務有限公司) from August 1989 to December 1995. He served as the manager of the finance department of COSCO HIT Terminal (Hong Kong) Ltd. from January 1996 to August 1997. He served as the general manager of the finance department of COSCO (Hong Kong) Group Limited (currently known as COSCO SHIPPING (Hong Kong) Co., Limited) from September 1997 to July 2016. He served as an executive director of COSCO SHIPPING International (Hong Kong) Co., Ltd. (a company listed on the Stock Exchange, stock code: 00517) from March 2002 to July 2008. He served as a non-executive director of Soundwill Holdings Limited (a company listed on the Stock Exchange, stock code: 00878) from April 2003 to April 2011. He served as a non-executive director of Chong Hing Bank Limited (a company listed on the Stock Exchange, stock code: 01111) from March 2008 to February 2014. He also served as the chairman of the Supervisory Committee of our Company from February 2011 to December 2017.

Mr. Meng graduated from Central South University (located in Changsha, the PRC) in September 1978, majoring in foreign languages and accounting.

Terms of Office, Remuneration and Confirmation of Non-employee Supervisors and Employee Supervisors

References are made to the Announcement.

The appointment of non-employee Supervisors to be re-elected or elected shall take effect from the date of approval by the Shareholders at the EGM by way of an ordinary resolution, to form the second session of the Supervisory Committee together with the three employee Supervisors to be elected at the employee representative meeting of the Company, for a term of three years commencing from the date of the EGM.

LETTER FROM THE BOARD

Subject to the approval of their appointments by the Shareholders at the EGM, each of the above non-employee representative Supervisors to be elected will enter into a service contract with the Company.

The candidates for shareholder representative Supervisors, namely Ms. Meng Xin, Mr. Wu Yongfu and Mr. Zhang Yin, will not receive any remuneration from the Company. Employee Supervisors elected at the employee representative meeting of the Company will only receive remuneration from the Company in their original capacity and will not receive any additional remuneration for their positions as the Supervisors.

With regard to the remuneration of the candidates for independent Supervisors, namely Mr. Li Ruzhi and Mr. Meng Qinghui, the Supervisory Committee proposed the remuneration to be RMB120,000 per annum for each of them (before tax), which shall be payable from the commencement of their tenure. The abovementioned remuneration payable to the candidates for independent Supervisors shall be advised by the Remuneration and Appraisal Committee based on each of their qualifications, experience and future responsibilities.

Save as disclosed above, none of the above candidates for election or re-election as non-employee Supervisors held any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, or held any other position in any members of the Group, and none of them (i) are related to any Directors, Supervisors, senior management or substantial or controlling Shareholders; (ii) are interested in any shares of the Company within the meaning of Part XV of the SFO; or (iii) held any other position with the Company or other members of the Group.

Save as disclosed above, to the best knowledge, information and belief of the Supervisors having made all reasonable enquiries, none of the above candidates to be elected and re-elected as non-employee Supervisors involves in other matters that are required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, and there are no other matters that are required to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

3 EGM

The EGM will be held at 9:00 a.m. on Tuesday, 19 November 2019 at Grand Conference Room 1, 1/F, Ramada Jinan, Block E, Yinfeng Fortune Plaza, No.1 Longaoxi Road, Lixia District, Jinan City, Shandong Province, PRC. The notice of EGM is set out on pages 29 to 32 of this circular.

Reply slip and form of proxy for the EGM are enclosed with this circular. Whether or not you are able to attend the EGM or any adjourned meeting thereof, you are requested to complete and return the reply slip and form of proxy in accordance with the instructions printed thereon. For H Shareholders, the aforementioned documents shall be lodged with our Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The reply slip must be served no later than Tuesday, 29 October 2019 and the form of proxy must be served not less than 24 hours before the time scheduled for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so desire.

4 Closure Period of Register of Members

For the purpose of determining the Shareholders' entitlement to attend and vote at the EGM, the Company's register of members will be closed from Saturday, 19 October 2019 to Tuesday, 19 November 2019 (both days inclusive), during which no transfer of Shares will be registered. In order to be qualified for attending the EGM, unregistered Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the H Shareholders), or the head office of the Company in the PRC at Room 2301, Block 4, Zone 3, Hanyu Financial & Business Centre, No. 7000, Jingshi East Road, High-tech Zone, Jinan City, Shandong Province, PRC (for Domestic Shareholders), not later than 4:30 p.m. on Friday, 18 October 2019.

LETTER FROM THE BOARD

5 Voting by Poll

Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands). The chairman of the EGM will request for voting by poll on all the proposed resolutions in the notice of EGM. The results of the poll will be published on the websites of our Company and the Stock Exchange on the day of the EGM.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his/her name in the register of members of our Company. A Shareholder entitled to more than one vote need not use all his/her votes or cast all the votes he/she uses in the same manner.

6 Recommendations

The Board are of the opinion that the proposed resolutions above are in the interests of our Company and its Shareholders as a whole. The Board therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

7 Responsibility Statement

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to our Company. The information contained herein relating to our Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, no other facts are omitted in this circular which would make any statement herein misleading insofar as it relates to our Company.

Yours faithfully,

By order of the Board

Qilu Expressway Company Limited

LI Gang

Chairman

Shandong, the PRC

NOTICE OF EXTRAORDINARY GENERAL MEETING



Qilu Expressway Company Limited 齐鲁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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “EGM”) of Qilu Expressway Company Limited (the “**Company**”) will be held at 9:00 a.m. on Tuesday, 19 November 2019 at Grand Conference Room 1, 1/F, Ramada Jinan, Block E, Yinfeng Fortune Plaza, No.1 Longaoxi Road, Lixia District, Jinan City, Shandong Province, the People's Republic of China (the “**PRC**”) for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To re-elect Mr. Li Gang as an executive director;
2. To re-elect Mr. Peng Hui as an executive director;
3. To elect Mr. Liu Qiang as an executive director;
4. To re-elect Mr. Chen Dalong as a non-executive director;
5. To re-elect Mr. Wang Shaochen as a non-executive director;
6. To re-elect Mr. Su Xiaodong as a non-executive director;

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. To re-elect Mr. Yuan Ruizheng as a non-executive director;
8. To re-elect Mr. Tang Haolai as a non-executive director;
9. To elect Mr. Zhou Cenyu as a non-executive director;
10. To elect Ms. Kong Xia as a non-executive director;
11. To re-elect Mr. Cheng Xuezhao as an independent non-executive director, and to approve the proposed remuneration;
12. To re-elect Mr. Li Hua as an independent non-executive director, and to approve the proposed remuneration;
13. To re-elect Mr. Wang Lingfang as an independent non-executive director, and to approve the proposed remuneration;
14. To re-elect Mr. He Jiale as an independent non-executive director, and to approve the proposed remuneration;
15. To elect Mr. Han Ping as an independent non-executive director, and to approve the proposed remuneration;
16. To re-elect Ms. Meng Xin as a shareholder representative supervisor;
17. To re-elect Mr. Wu Yongfu as a shareholder representative supervisor;
18. To elect Mr. Zhang Yin as a shareholder representative supervisor;
19. To re-elect Mr. Li Ruzhi as an independent supervisor, and to approve the proposed remuneration;

NOTICE OF EXTRAORDINARY GENERAL MEETING

20. To elect Mr. Meng Qinghui as an independent supervisor, and to approve the proposed remuneration; and
21. To authorize any one executive director of the Company to enter into service contract with the candidates for election and to do all such acts and things to give effect to such matters upon approval of the appointment of candidates for election of the second session of the board of directors and supervisor committee of the Company at the EGM.

By order of the Board
Qilu Expressway Company Limited
LI Gang
Chairman

Shandong, the PRC
4 October 2019

Notes:

1. The register of members of the Company will be closed from Saturday, 19 October 2019 to Tuesday, 19 November 2019 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the EGM, unregistered shareholders shall ensure that all transfers of shares accompanied by share certificates and transfer documents must be lodged with the Company's Hong Kong H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), or the head office of the Company in the PRC at Room 2301, Block 4, Zone 3, Hanyu Financial & Business Centre, No. 7000, Jingshi East Road, High-tech Zone, Jinan city, Shandong Province, PRC (for holders of domestic shares), and in any case no later than 4:30 p.m. on Friday, 18 October 2019.
2. Any shareholders entitled to attend and vote at the EGM can appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. In order to be valid, the proxy form must be deposited in person or by post to the Company's Hong Kong H share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), or to the correspondence address of the Company (attention: secretary of the Board) (for holders of domestic shares) not less than 24 hours before the time for holding the EGM (or any adjournment thereof) or the time appointed for polling. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and delivery of the proxy form will not preclude shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish.
4. Shareholders or their proxies shall produce their identification documents when attending the EGM.
5. Shareholders who intend to attend the EGM shall complete the reply slip and return it in person or by post to the Company's Hong Kong H share registrar and transfer office (for holders of H shares), and in person or by post or by fax to the correspondence address of the Company (attention: secretary of the Board) (for holders of domestic shares) no later than Tuesday, 29 October 2019.
6. The EGM is expected to last for no more than half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.
7. The correspondence address of the Company is as follows:

Address: Room 2301, Block 4, Zone 3, Hanyu Financial & Business Centre, No. 7000, Jingshi East Road, High-tech Zone, Jinan City, Shandong Province, PRC
Postal Code: 250101
Fax: (+86) 0531-87207077
8. The voting at the EGM shall be conducted by way of poll. The results of the poll will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.qlecl.com).

As at the date of this notice, the executive Directors are Mr. Li Gang and Mr. Peng Hui; the non-executive Directors are Mr. Chen Dalong, Mr. Wang Shaochen, Mr. Wu Dengyi, Mr. Li Jie, Mr. Wang Long, Mr. Su Xiaodong, Mr. Yuan Ruizheng and Mr. Tang Haolai; and the independent non-executive Directors are Mr. Wu Yuxiang, Mr. Cheng Xuezhao, Mr. Li Hua, Mr. Wang Lingfang and Mr. He Jiale.