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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)**

**DISCLOSEABLE TRANSACTION**  
**SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCT**

The Board is pleased to announce that the Company entered into the WMP Agreement with CGB on 29 June 2022, pursuant to which, the Company subscribed for the WMP issued by CGB in the amount of RMB400,000,000.

**LISTING RULES IMPLICATIONS**

Under the Listing Rules, as one of the applicable percentage ratios in respect of the transaction under the WMP Agreement exceeds 5% but all are less than 25%, the subscription under the WMP Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**I. INTRODUCTION**

The Board is pleased to announce that the Company entered into the WMP Agreement with CGB on 29 June 2022, pursuant to which, the Company subscribed for the WMP issued by CGB in the amount of RMB400,000,000.

**II. AGREEMENT FOR SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCT**

The major terms and conditions of the WMP Agreement are set out below:

Date	:	29 June 2022
Parties	:	(a) the Company; and (b) CGB
Type of product	:	Principal-guaranteed product with floating return
Administrator, sales institution and custodian	:	CGB
Principal of the subscription	:	RMB400,000,000.00

Deposit period	:	105 days
Start date	:	30 June 2022
End date	:	13 October 2022
Guaranteed minimum expected annualised rate of return	:	1.5%
Expected maximum annualised rate of return	:	3.7%
Investment scope	:	The principal of the product is included in the internal funds of CGB for integrated management, while the return is invested in derivative products linked to the CSI 500 Index. The return of the products is linked to the performance of the CSI 500 Index during the observation period.
Guarantee by CGB	:	CGB commits to guarantee the principal and the minimum return.

The subscription for the WMP is financed with the self-owned funds of the Group.

### **III. BASIS OF DETERMINATION OF THE CONSIDERATION**

The Directors confirm that the consideration for the subscription of the WMP were determined between the Company and CGB on commercial terms at arm's length after taking into account the idle cash resources of the Group available for the purpose of cash management, as well as the risk level, investment terms and annualised rate of return of the products.

### **IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE WMP AGREEMENT**

In order to enhance the capital efficiency as well as the return from capital operation, the Group reasonably utilises the idle cash resources of the Company available for the purpose of cash management to subscribe for the WMP issued by CGB to earn additional income without affecting its normal operations. In addition, the WMP Agreement offers a better potential return to the Group when compared to the deposit interest rates generally offered by commercial banks in the PRC.

The Directors (including the independent non-executive Directors) are of the view that the terms of the WMP Agreement are on normal commercial terms and are fair and reasonable, and that the WMP Agreement and the transactions thereunder are in the interests of the Company and the Shareholders as a whole.

## V. INFORMATION ON THE COMPANY AND CGB

### The Company

The Company is an expressway operator in Shandong Province holding the concession rights of the Jihe Expressway and the toll collection rights of the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway, and is responsible for the construction, maintenance, operation and management of these expressways.

### CGB

China Guangfa Bank Co., Ltd. Jinan Branch is a commercial bank established in the PRC with the approval of the China Banking Regulatory Commission. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CGB and China Life Insurance (Group) Company, the ultimate beneficial owner of CGB, are all third parties independent of the Company and its connected persons .

## VI. LISTING RULES IMPLICATIONS

Under the Listing Rules, as one of the applicable percentage ratios in respect of the transaction under the WMP Agreement exceeds 5% but all are less than 25%, the subscription under the WMP Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## VII. DEFINITIONS

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

“Board”	the board of Directors
“CGB”	China Guangfa Bank Co., Ltd. Jinan Branch
“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, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1576)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Main Board of the Stock Exchange

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“WMP Agreement”	the agreement entered into between the Company and CGB on 29 June 2022 in relation to the subscription for a wealth management product in the principal amount of RMB400,000,000, comprising a contract for structured deposit, a structured deposit explanatory memorandum, a risk disclosure statement for structured deposit and a client rights information for structured deposit, the wealth management product thereunder maturing on 13 October 2022
“percentage ratio(s)”	has the same meaning ascribed thereto under the Listing Rules (applicable to transactions)
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WMP”	the wealth management product under the WMP Agreement
“%”	per cent

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

Shandong, the PRC  
29 June 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 Xuezhan, Mr. Li Hua, Mr. Wang Lingfang, Mr. He Jiale and Mr. Han Ping.*