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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 Bank of Beijing on 23 September 2022, pursuant to which, the Company subscribed for the WMP issued by Bank of Beijing in the amount of RMB600,000,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transaction under the WMP Agreement exceed 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 Bank of Beijing on 23 September 2022, pursuant to which, the Company subscribed for the WMP issued by Bank of Beijing in the amount of RMB600,000,000.

II. AGREEMENT FOR SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCT

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

Date : 23 September 2022

Parties : (i) the Company; and
(ii) Bank of Beijing

Type of product	: principal-guaranteed product with floating return
Administrator, sales institution and custodian	: Bank of Beijing
Principal of the subscription	: RMB600,000,000
Deposit period	: 101 days
Start date	: 27 September 2022
End date	: 6 January 2023
Expected minimum annualised rate of return	: 1.35%
Expected maximum annualised rate of return	: 3.2%
Investment scope	: the principal of the WMP shall be centrally managed by Bank of Beijing, while the return is invested in derivative products linked to the spot exchange rate of EUR against USD. The return of the product is linked to the exchange rate performance of EUR against USD in the international market on each business day in Tokyo during the term of the WMP.
Guarantee by Bank of Beijing	: Bank of Beijing shall guarantee the principal of the WMP.

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 is determined on commercial terms upon arm's length negotiations between the Company and Bank of Beijing 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 product.

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 Bank of Beijing 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 transaction thereunder are in the interests of the Company and the Shareholders as a whole.

V. INFORMATION ON THE COMPANY AND BANK OF BEIJING

The Company

The Company is a joint stock company incorporated and validly subsisting under the PRC laws with limited liability, and its H Shares are listed on the Main Board of the Stock Exchange. The Company is principally engaged in (i) the construction, maintenance, operation and management of expressways (including the Jihe Expressway, Deshang Expressway (Liaocheng – Fan County section) and Shennan Expressway); (ii) highway engineering construction, expressway maintenance and municipal greening and other constructions; and (iii) sales of industrial products and other businesses in Shandong Province, the PRC.

Bank of Beijing

Bank of Beijing Co., Ltd. Jinan Branch (北京銀行股份有限公司濟南分行) is a commercial bank established in the PRC with the approval of the China Banking Regulatory Commission. Bank of Beijing Co., Ltd. (北京銀行股份有限公司) is a joint stock company listed on the Shanghai Stock Exchange (stock code: 601169). Based on the publicly available information, the issued shares of Bank of Beijing Co., Ltd. are held by its three largest shareholders, namely (i) ING Bank N.V., the beneficial owner of which is ING Groep N.V., the ordinary shares of the latter are listed on Euronext Amsterdam and Euronext Brussels (stock code: INGA), and the American depositary receipts of which are listed on the New York Stock Exchange (stock code: ING); (ii) Beijing State-owned Assets Management Co., Ltd. (北京市國有資產經營有限責任公司), which is wholly-owned by the Beijing Municipal People's Government; and (iii) Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司), which is wholly-owned by Beijing State-owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司), which in turn is wholly-owned by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government, as to 13.03%, 8.63% and 8.59%, respectively; and save for the above, there is no single shareholder holding more than 5% of its issued shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Bank of Beijing and its ultimate beneficial owners are all third parties independent of the Company and its connected persons.

VI. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transaction under the WMP Agreement exceed 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:

“Bank of Beijing”	Bank of Beijing Co., Ltd. Jinan Branch (北京銀行股份有限公司濟南分行), a joint stock limited company incorporated in the PRC with limited liability
“Board”	the board of Directors
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EUR”	Euros, the lawful currency of the European Union Member States
“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
“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
“USD”	United States dollars, the lawful currency of the United States of America
“WMP”	the wealth management product under the WMP Agreement
“WMP Agreement”	the agreement entered into between the Company and Bank of Beijing on 23 September 2022 in relation to the subscription for a wealth management product in the principal amount of RMB600,000,000, comprising a unit structured deposit agreement, a unit structured deposit explanatory memorandum, a risk disclosure statement for structured deposit and a notice on client rights as to unit structured deposit, the wealth management product thereunder maturing on 6 January 2023
“%”	per cent

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

Shandong, the PRC
23 September 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.