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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 OF STRUCTURED DEPOSIT PRODUCT**

The Board is pleased to announce that on 31 March 2023, the Company entered into the SDP Agreement with BoCom Shandong Branch in relation to the subscription of the SDP in the total amount of RMB240 million.

#### **LISTING RULES IMPLICATIONS**

As the SDP Agreement and the Previous 12-month Subscription Agreements have the same counterparty and are of similar transaction nature and product structure, and the transactions thereunder were carried out within 12 months prior to the date of this announcement, such transactions are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of both (i) the transaction contemplated under the SDP Agreement; and (ii) when such transaction is further aggregated with the outstanding balance of the Previous 12-month Subscriptions exceed 5% but all of them are less than 25%, the subscription of the SDP 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 on 31 March 2023, the Company entered into the SDP Agreement with BoCom Shandong Branch in relation to the subscription of the SDP in the total amount of RMB240 million.

## II. SUBSCRIPTION OF THE SDP

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

|   |   |  |
|---|---|--|
| Date  | : | 31 March 2023  |
| Parties   | : | (i) the Company; and<br>(ii) BoCom Shandong Branch   |
| Product name  | : | BoCom Yuntong Fortune Structured Time Deposit 102 Days (bullish gold rate-linked) (交通銀行蘊通財富定期型結構性存款102天(掛鈎黃金看漲))   |
| Type of product   | : | Principal-guaranteed product with floating return  |
| Risk level of product<br>(internal risk rating by<br>BoCom Shandong Branch) | : | Conservative   |
| Principal of the subscription   | : | RMB240 million   |
| Deposit period  | : | 102 days   |
| Start date  | : | 3 April 2023   |
| End date  | : | 14 July 2023   |
| Observation date  | : | 11 July 2023   |
| Expected low-end of the<br>annualised rate of return                        | : | 1.75%<br><br>If the price of the linked target (as defined below) in the morning session on the observation date is lower than the exercise price (as defined below), the actual annualised return rate obtained by the Company throughout the duration is expected to be a low-end annualised rate of return.               |
| Expected high-end of the<br>annualised rate of return                       | : | 3.08%<br><br>If the price of the linked target (as defined below) in the morning session on the observation date is higher than or equal to the exercise price (as defined below), the actual annualised return rate obtained by the Company throughout the duration is expected to be a high-end annualised rate of return. |

|                                    |   |   |
|------------------------------------|---|---|
| Linked target                      | : | The morning session benchmark price of the Shanghai Gold centralised pricing contract on the Shanghai Gold Exchange (code: SHAU) (based on the data published on the official website of the Shanghai Gold Exchange). |
| Exercise price                     | : | 93.85% of the price of the linked target in the morning session on the start date (accurate to the second decimal place, and the third decimal place is rounded)  |
| Guarantee by BoCom Shandong Branch | : | BoCom Shandong Branch shall guarantee the principal of the SDP  |

The subscription of the SDP shall be financed by 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 SDP is determined on commercial terms upon arm's length negotiations between the Company and BoCom Shandong Branch 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 SDP 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 SDP to earn additional income without affecting its normal operations. In addition, the SDP Agreement offers better potential returns to the Group when compared to the deposit interest rate 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 SDP Agreement are on normal commercial terms and are fair and reasonable, and that the SDP Agreement and the transaction contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

### **V. INFORMATION OF THE COMPANY AND BOCOM SHANDONG BRANCH**

#### **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.

## BoCom Shandong Branch

BoCom Shandong Branch is a branch of BoCom. BoCom is a joint stock company incorporated in the PRC with limited liability. BoCom and its subsidiaries are principally engaged in the commercial banking business which provides services such as accepting deposits, making loans and offering basic investment products. BoCom is listed on the Main Board of the Stock Exchange (stock code: 3328.HK), the Shanghai Stock Exchange (stock code: 601328.SH), and NASDAQ (stock code: BCMXY).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after making all reasonable enquiries, BoCom Shandong Branch, BoCom and their ultimate beneficial owner(s) are all third parties independent of the Company and its connected persons.

## VI. LISTING RULES IMPLICATIONS

As the SDP Agreement and the Previous 12-month Subscription Agreements have the same counterparty and are of similar transaction nature and product structure, and the transactions thereunder are carried out within 12 months prior to the date of this announcement, such transactions are required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of both (i) the transaction contemplated under the SDP Agreement; and (ii) when such transaction is further aggregated with the outstanding balance of the Previous 12-month Subscriptions exceed 5% but all of them are less than 25%, the subscription of the SDP 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  |
| “BoCom”                 | Bank of Communications Co., Ltd. (交通銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC, the A shares and H shares of which are listed on the Shanghai Stock Exchange (stock code: 601328.SH) and the Stock Exchange (stock code: 3328.HK), respectively |
| “BoCom Shandong Branch” | Bank of Communications Co., Ltd. Shandong 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.HK)   |

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|-----------------------------------|--|
| “connected person(s)”             | has the meaning ascribed to it under the Listing Rules   |
| “Director(s)”                     | the director(s) of the Company   |
| “Group”                           | the Company and its subsidiaries   |
| “H Share(s)”                      | 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)  |
| “Previous 12-month Subscriptions” | (i) the subscription of the structured deposit products in the form of the BoCom Yuntong Fortune Structured Time Deposit 98 Days (bullish gold rate-linked) (交通銀行蘊通財富定期型結構性存款98天 (掛鈎黃金看漲)) in the total amount of RMB500 million pursuant to the agreements entered into between the Company and BoCom Shandong Branch on 28 December 2022, details of which are set out in the announcement of the Company dated 28 December 2022; and (ii) the subscription of the structured deposit product in the form of the BoCom Yuntong Fortune Structured Time Deposit 108 Days (bullish gold rate-linked) (交通銀行蘊通財富定期型結構性存款108天(掛鈎黃金看漲)) in the amount of RMB200 million and the structured deposit product in the form of the BoCom Yuntong Fortune Structured Time Deposit 96 Days (bullish gold rate-linked) (交通銀行蘊通財富定期型結構性存款96天(掛鈎黃金看漲)) in the amount of RMB50 million pursuant to the agreements entered into by the parties on 19 January 2023, details of which are set out in the announcement of the Company dated 19 January 2023, which were carried out within 12 months prior to the date of this announcement with the same counterparty and are of similar transaction nature and product structure as the SDP |

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|---|--|
| “Previous 12-month Subscription Agreements” | the agreements entered into between the Company and BoCom Shandong Branch in relation to the Previous 12-month Subscriptions   |
| “RMB”                                       | Renminbi, the lawful currency of the PRC   |
| “SDP”                                       | the structured deposit product under the SDP Agreement   |
| “SDP Agreement”                             | the agreement entered into between the Company and BoCom Shandong Branch in relation to the subscription of the SDP in the amount of RMB240 million on 31 March 2023 |
| “Shareholder(s)”                            | shareholder(s) of the Company  |
| “Stock Exchange”                            | The Stock Exchange of Hong Kong Limited  |
| “%”   | per cent.  |

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

Shandong, the PRC  
31 March 2023

*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.*