THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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 form 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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齐鲁高速公路股份有限公司
QILU EXPRESSWAY COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1576)

PROPOSED REVISION OF ANNUAL CAPS FOR THE EXISTING 2024-2026 GENERAL SERVICES FRAMEWORK AGREEMENT; PROPOSED REVISION OF ANNUAL CAPS FOR THE EXISTING 2024-2026 GENERAL SALES FRAMEWORK AGREEMENT; PROPOSED APPOINTMENT OF AN EXECUTIVE DIRECTOR; PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR; AND NOTICE OF THE EGM

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

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

The letter from the Board is set out on pages 6 to 28 of this circular. The letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 29 to 30 of this circular. A letter from Gram Capital Limited, the Independent Financial Adviser, containing its recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages 31 to 51 of this circular.

A notice for convening the EGM to be held at 10:00 a.m. on Thursday, 28 August 2025 at Oriental Room, Enjoy Hotel (Hanyu Jingu), Building A6-2, Hanyu Financial & Business Centre, Jinan City, Shandong Province, the PRC is set out on pages EGM-1 to EGM-2 of this circular.

If you wish to appoint proxy(ies) to attend the meeting, you are requested to complete and return the accompanying 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 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.

14 August 2025

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors
"Circular"	the circular of the Company dated 14 December 2023 in relation to, among others, the Existing 2024-2026 General Services Framework Agreement and the Existing 2024-2026 General Sales Framework Agreement and the transactions contemplated thereunder
"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, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01576)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Deshang Expressway (Liaocheng – Fan County Section)"	an expressway running from West Ring Expressway of Liaocheng City, Shandong Province to the intersection of Gucheng Town of Shen County and Yancunpu Town of Fan County (Shandong – Henan boundary), and connecting to the Fan County section of the Deshang Expressway in Henan Province, with a total length of approximately 68.942 km
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company or any adjournment thereof to be convened at Oriental Room, Enjoy Hotel (Hanyu Jingu), Building A6-2, Hanyu Financial & Business Centre, Jinan City, Shandong Province, the PRC at 10:00 a.m. on Thursday, 28 August 2025
"Existing 2024-2026 Continuing Connected Transactions Framework Agreements"	collectively, (i) the Existing 2024-2026 General Services Framework Agreement; and (ii) the Existing 2024-2026 General Sales Framework Agreement

"Existing 2024-2026 General Sales Framework Agreement"	the 2024-2026 General Sales Framework Agreement dated 23 November 2023 entered into between the Company and Shandong Hi-Speed Group in relation to, among other things, the sales of certain goods by the Group to Shandong Hi-Speed Group and its Subordinated Companies during the period from 1 January 2024 to 31 December 2026, details of which are set out in the Circular
"Existing 2024-2026 General Services Framework Agreement"	the 2024-2026 General Services Framework Agreement dated 23 November 2023 entered into between the Company and Shandong Hi-Speed Group in relation to, among other things, the provision of General Highway Business Operation Services by Shandong Hi-Speed Group and its relevant Subordinated Companies to the Group during the period from 1 January 2024 to 31 December 2026, details of which are set out in the Circular
"General Highway Business Operation Services"	various services in relation to highway business operation, including highway design services, highway inspection and maintenance services, highway research and analysis services and highway construction supporting services
"Gram Capital" or "Independent Financial Adviser"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder (including their respective proposed revised annual caps)
"Group"	the Company and its subsidiaries
"H Share(s)" or "Share(s)"	overseas listed foreign invested ordinary Share(s) in the share capital of the 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
"Independent Board Committee"	the independent board committee comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and the transactions contemplated thereunder (including their respective proposed revised annual caps)
"Independent Shareholder(s)"	the Shareholders other than Shandong Hi-Speed Group and its associates (including Shandong Hi-Speed), who are required to abstain from voting at the EGM
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Jihe Expressway"	the Jinan to Heze Expressway, the approximately 153.6 km expressway running through nine districts/counties under four cities from Jinan City to Heze City in Shandong Province
"km"	kilometre(s)
"Latest Practicable Date"	11 August 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Plan"	the Shandong Province "14th Five-Year" Comprehensive Traffic Transportation Development Plan (《山東省「十四五」綜合交通運輸發展規劃》) promulgated by the People's Government of Shandong Province

"PRC"	the People's Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan)
"R&E Project"	the reconstruction and expansion project of the Jihe Expressway
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shandong Hi-Speed"	Shandong Hi-Speed Company Limited (山東高速股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600350.SH), directly holding approximately 38.93% of the total issued Shares of the Company as at the Latest Practicable Date, and an existing controlling Shareholder
"Shandong Hi-Speed Group"	Shandong Hi-Speed Group Company Limited (山東高速集團有限公司), a limited liability company incorporated in the PRC, indirectly holding approximately 38.93% of the total issued Shares of the Company through its subsidiary Shandong Hi-Speed as at the Latest Practicable Date, and an existing controlling Shareholder
"Shareholder(s)"	holder(s) of the Share(s)
"Shennan Expressway"	an expressway running from the K150+400 point of Deshang Expressway at the south of Beixuzhuang Village, Shen County, Shandong Province, the PRC, and connecting to the Henan – Shandong Boundary – Nanle section of Nanlin Expressway in Henan Province at the east bank of the Tuhai River in the south of Xiduantun Village, with a total length of approximately 18.267 km
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subordinated Companies"	subsidiaries, branch companies and associates
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules

"Supervisor(s)"	supervisor(s) of the Company
"Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements"	collectively, (i) the Supplemental Agreement of the 2024-2026 General Services Framework Agreement; and (ii) the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement
"Supplemental Agreement of the 2024-2026 General Sales Framework Agreement"	the Supplemental Agreement of the Existing 2024-2026 General Sales Framework Agreement dated 24 July 2025 entered into between the Company and Shandong Hi-Speed Group, details of which are set out in this circular
"Supplemental Agreement of the 2024-2026 General Services Framework Agreement"	the Supplemental Agreement of the Existing 2024-2026 General Services Framework Agreement dated 24 July 2025 entered into between the Company and Shandong Hi-Speed Group, details of which are set out in this circular
"%"	per cent

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders, and vice versa. The term "person(s)" shall include corporation(s).

Any reference in this circular to any enactment refers to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Rules or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Listing Rules or any modification thereof, as the case may be.

齐鲁高速公路股份有限公司
QILU EXPRESSWAY COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1576)

Executive Directors:
Mr. Duan Peng
Mr. Chen Xiulin

Non-executive Directors:
Mr. Gao Yongjun *(Vice Chairman of the Board)*
Ms. Kong Xia
Mr. Wang Gang
Mr. Shi Jinglei
Mr. Du Zhongming
Mr. Ren Wei

Independent Non-executive Directors:
Mr. Liu Hongwei
Mr. He Jiale
Mr. Wang Lingfang
Mr. Leng Ping
Ms. Shen Chen

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

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East, Wanchai
Hong Kong

14 August 2025

To the Shareholders

Dear Sir or Madam,

PROPOSED REVISION OF ANNUAL CAPS FOR THE EXISTING 2024-2026 GENERAL SERVICES FRAMEWORK AGREEMENT;
PROPOSED REVISION OF ANNUAL CAPS FOR THE EXISTING 2024-2026 GENERAL SALES FRAMEWORK AGREEMENT;
PROPOSED APPOINTMENT OF AN EXECUTIVE DIRECTOR;
PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR;
AND
NOTICE OF THE EGM

INTRODUCTION

References are made to the announcement of the Company dated 24 July 2025 in relation to, among others, the proposed revision of annual caps for the Existing 2024-2026 Continuing Connected Transactions Framework Agreements; the announcement of the Company dated 31 July 2025 in relation to, among others, the proposed appointment of Mr. Wei Yong (魏勇) as an executive Director; and the announcement of the Company dated 4 July 2025 in relation to, among others, the proposed appointment of Mr. Wang Hongyi (王紅毅) as a non-executive Director.

The purpose of this circular is to provide you with, among others, (i) the recommendation in respect of the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and the transactions contemplated thereunder (including their respective proposed revised annual caps) from the Independent Board Committee to the Independent Shareholders; (ii) the recommendations in respect of the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and the transactions contemplated thereunder (including their respective proposed revised annual caps) from Gram Capital to the Independent Board Committee and the Independent Shareholders; (iii) the proposed appointment of relevant Directors; (iv) other information as required under the Listing Rules; and (v) the notice convening the EGM to enable you to make an informed decision while voting on the relevant resolutions at the EGM.

PROPOSED REVISION OF ANNUAL CAPS FOR THE EXISTING 2024-2026 GENERAL SERVICES FRAMEWORK AGREEMENT

I. The Existing 2024-2026 General Services Framework Agreement

The principal terms of the Existing 2024-2026 General Services Framework Agreement are set out as follows:

Date	:	23 November 2023
Parties	:	(i) the Company; and (ii) Shandong Hi-Speed Group
Term	:	Effective from 1 January 2024 to 31 December 2026 (both days inclusive)
Subject matter	:	Pursuant to the Existing 2024-2026 General Services Framework Agreement, Shandong Hi-Speed Group and its relevant Subordinated Companies will provide the Group with General Highway Business Operation Services, including the planning, renovation, engineering, survey and system design of highways and ancillary facilities; highway technology inspections, and regular and ad-hoc inspections of bridges and tunnels; repair and maintenance of highways and ancillary facilities; survey and analysis of road sections; research on treatment measures and techniques; projection of and research on traffic volume and toll amount; operational management of toll collection; project supervision; project contracting and supply of bulk materials; and other related or similar services.

Demand estimation : The Group shall submit a service demand plan for the next accounting year or any adjustment plan on service projects for the current accounting year to Shandong Hi-Speed Group by 31 October of each year. Both parties shall also reach a consensus on the plans before 30 November of the same accounting year. In the event that the service demand plan of the Group for the next accounting year is agreed upon between the parties, Shandong Hi-Speed Group shall fulfill the plan.

Payment method : Upon the Existing 2024-2026 General Services Framework Agreement becoming effective, in respect of the projects for which the provision of services by Shandong Hi-Speed Group and its relevant Subordinated Companies is determined through tenders, the time and manner of payment of the relevant service fees shall be determined in accordance with the tender documents and the agreement signed by both parties separately.

Pricing policies : The fees for various services under the Existing 2024-2026 General Services Framework Agreement shall be determined on the basis of the following principles and sequences:

(i) **government-prescribed price**: where the central or local government imposes price control on service fees, the fees for services shall be determined in accordance with the prescribed price published on the website of the relevant government authority or the authoritative price list;

(ii) **government-guided price**: where a guided price standard imposed by the central or local government is available for services and such guided price standard has been published on the website of relevant government authority or via authoritative price list, the price of services shall be determined within the range of the government-guided price through negotiation; and

(iii) **market price**: where the above two price standards are not available for services or the previous government-prescribed or guided price are no longer applicable to such services, and such services do not fall within those subject to tender process pursuant to laws and regulations, the fees for the service shall be determined with reference to the market price and the general principle for pricing shall be fair and reasonable. If the services fall within those subject to tender process pursuant to laws and regulations or the party receiving the procurement must apply the tender process according to its internal code, the price shall be determined by tender process.

For prices that shall be determined through mutual negotiation, both parties shall take into consideration the following key factors while determining market price:

(i) the prevailing market price charged by any third party providing a similar service in the region where the service is provided by one of the parties, the quotation from other service suppliers providing the same service and a minimum of two comparable transactions carried out with Independent Third Parties during the same period; and

(ii) the same or similar service provided by Shandong Hi-Speed Group and its relevant Subordinated Companies to any third party, and the minimum quotation for such service.

For prices that shall be determined through tender process under the applicable laws and regulations or the internal codes of the recipient of the service:

Both parties shall select the service providers and determine the final price through the way of public tender process in accordance with the requirements under applicable laws and regulations such as the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Implementing Regulations on the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》) and the Measures for the Administration of the Bidding for Highway Construction Projects (《公路工程建設項目招標投標管理辦法》), as well as the provisions of relevant internal codes. Such process shall be carried out under the related laws and internal codes, and shall consider the following factors, including but not limited to:

(i) the terms of the tender provided by the bidder, including the bid price, the terms set by the bidder for the tender;

(ii) the background, qualifications, technical and financial conditions of the bidder; and

(iii) the historical business record for the provision of similar or same services by the bidder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is no government-prescribed price or government-guided price provided for the services being the subject matters under the Existing 2024-2026 General Services Framework Agreement under the relevant PRC laws and regulations currently, thus the market price is applicable to all such services, and the prices of which are determined by way of negotiations between parties or through tender process.

Supplemental Agreement of the 2024-2026 General Services Framework Agreement

In view of the Company's continuing expansion of expressway business, the R&E Project as well as construction engineering requirements, the Company and Shandong Hi-Speed Group entered into the Supplemental Agreement of the 2024-2026 General Services Framework Agreement on 24 July 2025. Accordingly, the Company and Shandong Hi-Speed Group agreed to adjust the annual cap for the year ending 31 December 2026 to RMB400,000,000.

Save for the aforesaid revision, all other terms and conditions of the Existing 2024-2026 General Services Framework Agreement remain unchanged.

The Supplemental Agreement of the 2024-2026 General Services Framework Agreement shall be effective upon approval by the general meeting of the Company.

Existing Annual Caps and the Proposed Revised Annual Caps

The existing annual caps and the proposed revised annual caps for the transactions contemplated under the Existing 2024-2026 General Services Framework Agreement for each of the three years ended/ending 31 December 2026 shall be respectively as follows:

	For the year ended/ending 31 December		
	2024	**2025**	**2026**
	RMB	*RMB*	*RMB*
Existing annual caps	2,600,000,000	600,000,000	100,000,000
Proposed revised annual caps	–	–	400,000,000

Basis of the Proposed Revised Annual Caps

In determining the proposed revised annual caps, the Company has considered the following factors:

(i) the actual transaction amount of the Existing 2024-2026 General Services Framework Agreement for the year ended 31 December 2024 and the six months ended 30 June 2025 of approximately RMB2,515,032,000 and RMB109,731,000 respectively. The Company confirms that the existing annual cap for the year ending 31 December 2025 is not exceeded as at the Latest Practicable Date;

(ii) the General Highway Business Operation Services required by the Company in the course of its daily operations such as (a) the routine maintenance works and repair works expected to be performed on the Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway as part of the Group's preventive maintenance measures upon consideration of the technical conditions of such expressways; and (b) the development, maintenance, upgrade and improvement of the information systems of the Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway; and

(iii) the revised estimated demand of the general services transactions of the Group for the year ending 31 December 2026 comprising (a) the amounts of routine works contemplated under the General Highway Business Operation Services; (b) the works amounts of preliminary and main works under the R&E Project; and (c) additional demand for the general services transactions.

The following table shows the original estimated amounts and revised estimated amounts of factor (iii) for the year ending 31 December 2026:

	For the year ending 31 December 2026	
	Original estimated amounts	**Revised estimated amounts**
	RMB	*RMB*
Routine works amounts	59,333,000	73,514,000
R&E Project works amounts	40,353,000	94,500,000
Additional demand for the general services transactions	–	191,500,000
Total	99,685,000	359,514,000

For the purposes of the table above, the increase in demand for the general services for the year ending 31 December 2026 is mainly reflected in the following:

(a) the expected increase of approximately RMB54.1 million in the R&E Project works amounts is mainly due to the entering into of the construction contracting agreement between the Company and a Subordinated Company of Shandong Hi-Speed Group in November 2024, which was not taken into account and incorporated into the original estimates of R&E Project works amounts at the time of entering into the Existing 2024-2026 General Services Framework Agreement when determining the original annual caps for the year ending 31 December 2026; and

(b) it is anticipated that there will be additional demand in general services transactions of approximately RMB160 million and approximately RMB20 million, respectively, in relation to the smart transportation industrial base construction project and digitalization construction project of the Group in Shandong Province (such projects were newly added in 2024).

In addition, a buffer amount of approximately less than 10% is incorporated in the proposed revised annual caps for the year ending 31 December 2026, which was determined after taking into account possible unexpected circumstances that may occur during the year ending 31 December 2026, such as any delay of the works at any stage in 2025 which may result in a change of the actual demand for the general services transactions and an unforeseen increase in the amount of provisional fees. The Board is of the view that if this occurs, it will

be impracticable or burdensome to revise the proposed annual caps for that period or delay progress payments, and having considered that (i) the projects which are expected to be carried out in a particular year may postpone to the following year or may advance that particular year; and (ii) the Company experienced the postponement in the settlement of services fees in previous contracts, the Board considers that the buffer amount is fair and reasonable.

Reasons for and Benefits of Entering into the Supplemental Agreement of the 2024-2026 General Services Framework Agreement

Shandong Hi-Speed Group and its relevant Subordinated Companies have been providing General Highway Business Operation Services to the Group in order to build up the business chain and promote the sustainable development of Shandong provincial roads. The reasons for the transactions carried out between the Group and Shandong Hi-Speed Group and its relevant Subordinated Companies are as follows:

(i) members of the Group have established business relationships with Shandong Hi-Speed Group and its relevant Subordinated Companies;

(ii) the relevant service providers have the expertise in their respective fields and may possess licences and/or experienced and skilled technical staff necessary for carrying out professional business;

(iii) the Group will benefit from economy of scale due to the professional technical support from Shandong Hi-Speed Group and its relevant Subordinated Companies which are devoted to providing services in relation to highway operation business, and the use of such services will be more cost effective;

(iv) for certain sophisticated technical support and repair and maintenance services, the existing arrangements with Shandong Hi-Speed Group and its relevant Subordinated Companies will be cost-saving when compared with the procurement of similar technical support and services from domestic and overseas service providers; and

(v) the services provided to the Group by Shandong Hi-Speed Group and its relevant Subordinated Companies have been on no less favorable terms as compared with the services provided by Independent Third Parties, taking into account the service quality, price, understanding of the business needs and operational requirements of the Group, familiarity with the projects of the Group and value-added contributions that could be offered, and such services are in compliance with the applicable industry requirements of road safety and maintenance in general.

In addition to the reasons and benefits as disclosed above, having taken into account the reasons set out in the section headed "Basis of the Proposed Revised Annual Caps" above, the Company expects that it will be necessary to significantly increase the existing annual caps.

In view of the reasons and benefits discussed above, the Board is not aware of any disadvantages to the Company of revision of the existing annual caps.

The Board (excluding Ms. Kong Xia who was required to abstain from voting on the relevant Board resolutions, but including the independent non-executive Directors, whose views are set out in the letter from the Independent Board Committee contained in this circular after taking into account the advice of Gram Capital and the principal factors and reasons considered by it) is of the view that, the transactions contemplated under the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and its proposed revised annual caps are entered into in the usual and ordinary course of business of the Group on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

PROPOSED REVISION OF ANNUAL CAPS FOR THE EXISTING 2024-2026 GENERAL SALES FRAMEWORK AGREEMENT

II. The Existing 2024-2026 General Sales Framework Agreement

The principal terms of the Existing 2024-2026 General Sales Framework Agreement are set out as follows:

Date	:	23 November 2023
Parties	:	(i) The Company; and (ii) Shandong Hi-Speed Group
Term	:	Effective from 1 January 2024 to 31 December 2026 (both days inclusive)
Subject matter	:	The goods sold by the Group to Shandong Hi-Speed Group and its Subordinated Companies primarily include but not limited to asphalt, asphalt mixture, cement, concrete and other building materials, construction equipment and their accessories, plants as well as other goods permitted by law and permitted to be sold by the Group under the Group's registered business scopes.
Principles of transactions	:	In respect of the goods supplied by the Group, Shandong Hi-Speed Group and its Subordinated Companies shall give priority to the goods supplied by the Group so long as those supplied by third parties are on the same price and quality as the Group's, except when the transaction counterparty of such goods available for bidding must be determined through bidding in accordance with the relevant laws and regulations.

The Group will ensure the goods supplied are of high quality and the prices of which are fair and reasonable, whereas the prices of the goods sold to Shandong Hi-Speed Group and its Subordinated Companies shall not be higher than those sold to third parties.

Demand estimation : Save for public tender, Shandong Hi-Speed Group shall submit the plan of the procurement demand for the next accounting year or the adjustment plan for the procurement demand of the current accounting year to the Group prior to 31 October of each year, and the mutual agreement in respect of the plan shall be reached between the parties prior to 30 November. If the procurement demand plan of Shandong Hi-Speed Group for the next accounting year is agreed by both parties, the Group shall satisfy the plan.

Payment method : The payment time and method of the Existing 2024-2026 General Sales Framework Agreement shall be determined in accordance with the tender documents and the written agreement signed by both parties in respect of the transaction.

Pricing policies : The pricing of each of the goods procured or sold under the Existing 2024-2026 General Sales Framework Agreement shall be determined on the basis of the following principles and sequences:

(i) **government-prescribed price:** where the central or local government imposes price control on a particular product, the price of such product shall be determined in accordance with the prescribed price published on the website of the relevant government authority or the authoritative price list;

(ii) **government-guided price:** where a guided price standard imposed by the central or local government is available for a particular product and such guided price standard has been published on the website of relevant government authority or via authoritative price list, the price of such product shall be determined within the range of the government-guided price through negotiation; and

(iii) **market price:** where the above two price standards are not available for a particular product or the previous government prescribed or guided price are no longer applicable to such product, and such product does not fall within those subject to tender process pursuant to laws and regulations, the price of such product shall be determined with reference to the market price and the general principle for pricing shall be fair and reasonable. If the product falls within those subject to tender process pursuant to laws and regulations or the party receiving the procurement must apply the bidding procedure according to its internal code, the price shall be determined by tender process.

For prices that shall be determined through mutual negotiation, both parties shall take into consideration the following key factors while determining market price:

(i) the prevailing market price charged by any third party selling a similar product in the region taking into account the quotation from other product suppliers providing the similar product and a minimum of two comparable transactions carried out with Independent Third Parties during the same period; and

(ii) the lowest fee quote in respect of the same or similar product sold by the parties and their relevant Subordinated Companies to any third party.

For prices that shall be determined through tender process under the applicable laws and regulations or the internal codes of purchaser:

Both parties shall select the product suppliers and determine the final price through the way of public tender process in accordance with the requirements under applicable laws and regulations of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), Implementing Regulations on the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》) and the Measures for the Administration of the Bidding for Highway Construction Projects (《公路工程建設項目招標投標管理辦法》), as well as the provisions of relevant internal codes. Such process shall be carried out under the related laws and internal codes, and shall consider the following factors, including but not limited to:

(i) the terms of the tender provided by the bidder, including the bid price, the terms set by the bidder for the tender;

(ii) the background, qualifications, technical and financial conditions of the bidder; and

(iii) the historical business record for the provision of similar or same products by the bidder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is no government-prescribed price or government-guided price provided for the goods being the subject matters under the Existing 2024-2026 General Sales Framework Agreement under the relevant PRC laws and regulations currently, thus the market price is applicable to all such goods, and the prices of which are determined by way of negotiations between parties or through tender process.

Supplemental Agreement of the 2024-2026 General Sales Framework Agreement

In view of the continuous enhancement of the Group's market competitiveness and the improvement of its product quality, which enables increased sales of relevant construction materials and products to Shandong Hi-Speed Group and its Subordinated Companies, the Company and Shandong Hi-Speed Group entered into the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement on 24 July 2025. Accordingly, the Company and Shandong Hi-Speed Group agreed to adjust the annual caps for the two years ending 31 December 2026 to RMB500,000,000.

Save for the aforesaid revision, all other terms and conditions of the Existing 2024-2026 General Sales Framework Agreement remain unchanged.

The Supplemental Agreement of the 2024-2026 General Sales Framework Agreement shall be effective upon approval by the general meeting of the Company.

Existing Annual Caps and Proposed Revised Annual Caps

The existing annual caps and the proposed revised annual caps for the transactions contemplated under the Existing 2024-2026 General Sales Framework Agreement for each of the three years ended/ending 31 December 2026 shall be respectively as follows:

	For the year ended/ending 31 December		
	2024	**2025**	**2026**
	RMB	*RMB*	*RMB*
Existing annual caps	700,000,000	150,000,000	180,000,000
Proposed revised annual caps	–	500,000,000	500,000,000

Basis of the Proposed Revised Annual Caps

In determining the proposed revised annual caps, the Company has considered the following factors:

(i) the actual transaction amounts under the Existing 2024-2026 General Sales Framework Agreement for the year ended 31 December 2024 and the six months ended 30 June 2025 were approximately RMB353,035,000 and RMB68,654,000 respectively;

(ii) the continuous enhancement of the Group's market competitiveness and the improvement of its product quality enable the Group's subsidiaries to continuously supply more construction materials, construction equipment and accessories to Shandong Hi-Speed Group and its Subordinated Companies. Particularly, Qilu Expressway (Shandong) Assembly Co., Ltd. (齊魯高速(山東)裝配有限公司), a subsidiary of the Company, obtained various certifications in 2024 and 2025, and the quality construction materials produced by it have obtained recognition from various procurers (including but not limited to Shandong Hi-Speed Group and its Subordinated Companies); meanwhile, together with the development of innovative construction materials by our Group, it is expected that there will be an increase of orders and demand from these Subordinated Companies of Shandong Hi-Speed Group for their construction projects; and

(iii) the Group's revised estimates for general sales transactions for the two years ending 31 December 2026, which mainly comprise the estimated sales transactions for the year ending 31 December 2025.

The following table sets out the original estimated amount and the revised estimated amount under factor (iii) for the year ending 31 December 2025:

	For the year ending 31 December 2025	
	Original Estimated Amount	Revised Estimated Amount
	RMB	*RMB*
Sales transactions	140,000,000	461,121,000

For the purpose of the above table, the increase in transaction amount for general sales for the year ending 31 December 2025 is mainly attributable to the fact that a connected subsidiary of the Group, namely Qilu Expressway Material Technology Co., Ltd. (齊魯高速材料科技有限公司) established in January 2025 will, based on notifications received from the Subordinated Companies of Shandong Hi-Speed Group, sell wind power towers and related equipment to the Subordinated Companies of Shandong Hi-Speed Group for use in their wind power projects.

In addition, the proposed revised annual caps for the two years ending 31 December 2026 also incorporates a buffer of approximately less than 10%, which is determined after considering potential contingencies that may occur during the year ending 31 December 2025 (such as sales products to be used for R&E Project, any delays or acceleration in completion of works at any stage may result in changes in actual demand for sales products, unexpected increases in sales prices, etc.). The Board considers that if the above situations occur, it would be impractical or burdensome to revise the proposed annual caps for that period or delay the progress payment collection, and therefore the Board considers such buffer amount to be fair and reasonable.

Reasons for and Benefits of Entering into the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement

Shandong Hi-Speed Group is one of the leading expressway operators and road transport-related infrastructure goods and services providers in Shandong Province, whereas the Group, the operator of three expressways in Shandong Province, leveraging on its experience in expressway operation and management as well as provision of expressway engineering and construction-related services, expanded its scale of operations in terms of the procurement and sales of industrial products including geomaterials and building materials for use in expressway construction and facilities upgrade. The reasons for the Group's transactions with Shandong Hi-Speed Group and its related Subordinated Companies are as follows:

(i) Shandong Hi-Speed Group and its Subordinated Companies have extensive experience and good reputation in their respective business areas, maintain sound financial conditions, and have been contracting parties with the Group in previous years in respect of the Group's quality expressway operation-related services. The long-term cooperative relationship between the Group and Shandong Hi-Speed Group and its Subordinated Companies is more beneficial to the operations of both parties;

(ii) Shandong Hi-Speed Group is a well-known state-owned enterprise in Shandong Province engaged in road infrastructure investment, construction and operation, providing ancillary services, construction materials, equipment and engineering support. With its extensive experience and business scale in the supply of materials and equipment for expressway construction and upgrade projects, the Group is able to provide stable supply of such products to ensure smooth implementation of relevant road engineering projects during the agreement period;

(iii) given the ongoing business relationship between Shandong Hi-Speed Group and its Subordinated Companies and the Group, both parties are able to fully understand and meet each other's business and operational requirements. In particular, given that Shandong Hi-Speed Group and its Subordinated Companies are in leading positions in terms of reputation and operational scale in Shandong Province, with their operational facilities and project sites widely distributed across multiple locations within the province, the Group will be able to more easily access its potential customers as well as required raw materials, and have stronger bargaining power. The Board considers that shortening the distance between suppliers and customers can, on one hand, further enhance the Group's ability to conveniently and timely procure materials at lower delivery costs, and on the other hand, better meet the timely needs of construction units, thereby achieving comprehensive improvement in the Group's expressway construction and sales capabilities; and

(iv) the sales of goods by the Group to Shandong Hi-Speed Group and its Subordinated Companies were conducted on terms no less favorable to the Group than those offered by independent third parties (as the case may be), taking into account the quality, price, understanding of business needs and operational requirements of the Group, familiarity with the projects undertaken by the parties and value-added contributions that could be offered, and those goods are in compliance with the applicable industry requirements on expressway operation, construction and engineering in general.

Therefore, as the Group and Shandong Hi-Speed Group have gained a mutual understanding on each other's business and operational needs based on the current and on-going business relationships in respect of the highway operation-related service, taking into account of the capabilities of both parties and the safeguards and requirements as to the quality and price of the goods under the Existing 2024-2026 General Sales Framework Agreement, the Board considers that the arrangements under the Existing 2024-2026 General Sales Framework Agreement are mutually beneficial to both parties, and particularly in respect of the Group, they would better facilitate the Group's development towards an integrated industry chain operational model through enhancement of its business scale in terms of the enhancement sales of the construction and building materials and equipment for the road construction projects. This will enable the Group to effectively control the associated transactional risks and communication costs in its ordinary and usual course of business.

In addition to the reasons and benefits as disclosed above, having taken into account the reasons set out in the section headed "Basis of the Proposed Revised Annual Caps" above, the Company expects that it will be necessary to further increase the existing annual caps.

In view of the reasons and benefits discussed above, the Board is not aware of any disadvantages to the Company of revision of the existing annual caps.

The Board (excluding Ms. Kong Xia who was required to abstain from voting on the relevant Board resolutions, but including the independent non-executive Directors, whose views are set out in the letter from the Independent Board Committee contained in this circular after taking into account the advice of Gram Capital and the principal factors and reasons considered by it) is of the view that, the transactions contemplated under the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and its proposed revised annual caps are entered into in the ordinary and usual course of business of the Group on normal commercial terms, and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

III. Internal Control Measures in Relation to the Continuing Connected Transactions

The Group has established a comprehensive internal control system to ensure that the continuing connected transactions under the Existing 2024-2026 Continuing Connected Transactions Framework Agreements are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Relevant internal control measures include the following:

(i) the Company has completed the approval of the Existing 2024-2026 Continuing Connected Transactions Framework Agreements, in accordance with the connected transaction management measures and internal control system;

(ii) the Group has designated a team comprising the management of the Company, the securities investment department, the planning and financial department, the human resources department, the corporate management department and the audit and legal department to monitor the continuing connected transactions on an ongoing basis and report to the Board every half year;

(iii) the Company will monitor the subject matter of the continuing connected transactions under the Existing 2024-2026 Continuing Connected Transactions Framework Agreements prior to the entering into of the individual transactions to ensure that they are fair and reasonable and in accordance with the relevant pricing basis;

(iv) prior to the entering into of the individual transactions, the management team of the Group will, together with the financial management department, review the actual transactions and actual transaction amounts of the 2024-2026 continuing connected transactions to ensure that the relevant annual caps will not be exceeded;

(v) the management team of the Group organises and conducts internal control tests every half year to assess the integrity and effectiveness of the internal control measures in relation to the continuing connected transactions;

(vi) the independent non-executive Directors review the continuing connected transactions on an annual basis and make annual confirmation in the annual report of the Company as to whether the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better terms and on terms that are fair and reasonable; (c) in accordance with the terms of the relevant agreements; and (d) are in the interests of the Company and the Shareholders as a whole;

(vii) the audit committee of the Board will also review the annual financial statements and opine on the continuing connected transactions during the year, including whether the terms of the continuing connected transactions are fair and reasonable and whether the transaction amounts are within the relevant annual caps;

(viii) the Board reviews the implementation of the Existing 2024-2026 Continuing Connected Transactions Framework Agreements on an annual basis and the financial statements on a semi-annual basis. The review covers, inter alia, whether the Group and the connected persons have fulfilled the terms of the said agreements during the relevant year, and whether the actual transaction amounts incurred between the Group and the connected persons are within the annual caps; and

(ix) to assist the Company in complying with the applicable rules set out in Chapter 14A of the Listing Rules, the auditor of the Company has performed work on the continuing connected transactions of the Company in accordance with the requirements of "Hong Kong Standard on Assurance Engagements 3000 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to "Practice Note 740 – Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants and issued a letter on the continuing connected transactions disclosed in the annual report of the Company in accordance with the applicable accounting standards and the Listing Rules.

At the same time, the Company considers that it has adequate mechanisms and internal control procedures in place to ensure compliance and strict adherence to the terms of the Existing 2024-2026 Continuing Connected Transactions Framework Agreements in respect of the continuing connected transactions.

IV. Information of the Company and the Parties

The Company

The Company is a joint stock company incorporated in the PRC with limited liability and the H Shares of which 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, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway; (ii) construction projects, including highway engineering construction, expressway maintenance and municipal greening and other constructions; and (iii) sales of industrial products and other business, in Shandong Province, the PRC.

Shandong Hi-Speed Group

Shandong Hi-Speed Group is a limited liability company incorporated and validly existing under the laws of the PRC. 90% of the equity interest in Shandong Hi-Speed Group is held by the Shandong Provincial State-owned Assets Supervision and Administration Commission, directly and indirectly, while the remaining 10% of the equity interest in Shandong Hi-Speed Group is held by the Shandong Caixin Asset Operation Co., Ltd., the entire equity interest of which is held by Shandong Provincial Finance Bureau. Shandong Hi-Speed Group is a state-owned capital investment company in infrastructure sector in Shandong Province. It is principally engaged in expressway operation and management, carrying out the construction of major transportation projects designated by the Shandong Provincial Government, and revitalising, integrating, operating and managing other authorised non-expressway transportation assets. It is an investment and financing platform for the transportation industry development of the Shandong Provincial Government and the investment and financing entity of major transportation projects in Shandong Province.

V. Listing Rules Implications

As at the Latest Practicable Date, Shandong Hi-Speed Group indirectly held approximately 38.93% of the issued Shares of the Company through its subsidiary Shandong Hi-Speed. Meanwhile, Shandong Hi-Speed Group is a controlling Shareholder of the Company and thus a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder constituted a continuing connected transaction under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(2) of the Listing Rules, if the Company proposes to revise the existing annual caps, the Company will need to re-comply with the relevant provisions under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions. As two of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of their respective highest proposed revised annual caps exceed 5%, the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder (including their respective proposed revised annual caps) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules respectively.

VI. Directors' Interests in the Above Transactions

As Ms. Kong Xia, a non-executive Director, is the deputy head of the organisation department of the party committee (that is, the party committee of the head office) of Shandong Hi-Speed Group, and meanwhile, Shandong Hi-Speed Group is a controlling Shareholder and thus a connected person of the Company, Ms. Kong was deemed to have a material interest in the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder and therefore had abstained from voting on the relevant Board resolutions. Save for the above, none of the Directors had or was deemed to have a material interest in the above transactions and was required to abstain from voting on the relevant Board resolutions.

PROPOSED APPOINTMENT OF AN EXECUTIVE DIRECTOR

As disclosed in the announcement of the Company dated 31 July 2025, the Board proposes to appoint Mr. Wei Yong (魏勇) ("**Mr. Wei**") as an executive Director, as nominated by the nomination committee of the Board and approved by the Board, with a term commencing from the date of the approval at the EGM until the expiration date of the term of the current session of the Board.

Biographical details of Mr. Wei are as follows:

Mr. Wei Yong, aged 55, is a proposed executive Director. His appointment as a Director is subject to approval by the general meeting of the Company.

Mr. Wei successively served as a staff member and senior staff member of the policy and regulations research office and the policy and regulations division of the Shandong Provincial Township Enterprise Management Bureau (山東省鄉鎮企業管理局) from July 1993 to May 2001, a principal staff member of the policy research division of the Shandong Provincial Small and Medium Enterprises Office (山東省中小企業辦) from May 2001 to October 2001, a senior staff member and principal staff member of the enterprise division of the Shandong Provincial Commission of Commerce and Trade (山東省經貿委) from October 2001 to June 2004, a principal staff member and deputy section chief of the policy and regulations division, the enterprise reform division, and the office of the board and supervisory committee of the Shandong Provincial State-owned Assets Supervision and Administration Commission (山東省國資委) from June 2004 to October 2015, the director of the board office, the director of the work department of the party committee, and the director of the party and mass work department (office of the party committee) of Qilu Transportation Development Group Company Limited (齊魯交通發展集團有限公司) from October 2015 to August 2020, the director of the human resources department, a member of the party committee of the headquarters, and the director of the party organization department of Shandong Hi-Speed Group from August 2020 to August 2024, a member of the party committee of Shandong Hi-Speed Group from February 2024 to present, the director (deputy secretary) of the party organization department (united front work department of the party committee and the party committee of the headquarters) of Shandong Hi-Speed Group from August 2024 to present, and the chief expert of Shandong Hi-Speed Group from June 2025 to present.

Mr. Wei obtained a bachelor's degree in law from Shandong University in July 1993, majoring in economic law, and obtained a master's degree in business administration from Shandong University of Science and Technology in June 2012, majoring in business administration.

Save as disclosed above, Mr. Wei confirmed that (i) he did not hold any position within the Group or any directorship of other listed public companies in the last three years; (ii) he does not have any relationship with any Director, supervisor, senior management, substantial or controlling shareholder of the Company; and (iii) he does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

If appointed, Mr. Wei will enter into a service agreement with the Company. Mr. Wei shall receive remunerations from the Company based on the rank of principal management of the Company, and the remuneration standards shall be implemented according to the Management Measures of the Remuneration and Performance for the Directing Staff of Qilu Expressway Company Limited (Trial) (《齊魯高速公路股份有限公司公司領導人員薪酬和績效管理辦法(試行)》) and the Management Measures of the Term Incentives of Qilu Expressway Company Limited (Trial) (《齊魯高速公路股份有限公司任期激勵管理辦法(試行)》), and in respect of his role as an executive Director of the Company, he shall not otherwise receive directors' remuneration. According to the Management Measures of the Remuneration and Performance for the Directing Staff of Qilu Expressway Company Limited (Trial), the remuneration of the Company's leaders consists of basic annual salary, performance-based annual salary and tenure incentives and other incentives, and the remuneration standards of Mr. Wei are RMB264,000 for basic annual salary and RMB736,000 for performance-based annual salary. According to the Management Measures of the Term Incentives of Qilu Expressway Company Limited (Trial), tenure incentive is an income calculated based on the results of the tenure assessment and evaluation, which is determined by the Board. The Company will disclose details of his remuneration in the annual report.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are no other matters in relation to Mr. Wei required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

As disclosed in the announcement of the Company dated 4 July 2025, the Board proposes to appoint Mr. Wang Hongyi (王紅毅) ("**Mr. Wang**") as a non-executive Director, as nominated by the nomination committee of the Board and approved by the Board, with a term commencing from the date of the approval at the EGM until the expiration date of the term of the current session of the Board.

Biographical details of Mr. Wang are as follows:

Mr. Wang Hongyi, aged 44, is a proposed non-executive Director. His appointment is subject to approval by the general meeting of the Company.

Mr. Wang has extensive experience in financial and investment management. Mr. Wang worked in Weihai Bank Co., Ltd. (a company listed on the Main Board of the Stock Exchange, stock code: 09677) from July 2008 to September 2012 and served as the business manager of the financial planning department of Shandong Hi-Speed Group Company Limited from September 2012 to August 2019. Since August 2019, Mr. Wang successively served as the deputy manager (person in charge) and head of the investment management department of Shandong Hi-Speed Company Limited (a company listed on the Shanghai Stock Exchange, stock code: 600350), and the deputy general manager of Shandong Hi-Speed Company Limited. Meanwhile, since April 2020 and November 2022, Mr. Wang served as the chairman and legal representative of Shandong Hi-Speed Sulianyun Technology Co., Ltd. (山東高速速鏈雲科技有限公司), and an executive director and legal representative of Shangao Yunchuang (Shandong) Commercial Factoring Co., Ltd. (山高雲創(山東)商業保理有限公司), respectively.

Mr. Wang obtained a bachelor's degree in management from Shandong University of Finance and Economics in July 2004, majoring in financial management, and obtained a master's degree in management from Shandong University of Finance and Economics in July 2008, majoring in accounting. Mr. Wang obtained the qualification of economist in November 2017.

Save as disclosed above, Mr. Wang confirmed that (i) he did not hold any position within the Group or any directorship of other listed public companies in the last three years; (ii) he does not have any relationship with any Director, supervisor, senior management, substantial or controlling shareholder of the Company; and (iii) he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Upon appointment, Mr. Wang will enter into a service agreement with the Company, but he will not receive any remuneration from the Company.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are no other matters in relation to Mr. Wang required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

THE EGM

The EGM will be held at 10:00 a.m. on Thursday, 28 August 2025 at Oriental Room, Enjoy Hotel (Hanyu Jingu), Building A6-2, Hanyu Financial & Business Centre, Jinan City, Shandong Province, the PRC. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for the EGM is enclosed with this circular. If you wish to appoint proxy(ies) to attend the EGM or any adjourned meeting thereof, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to 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 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 wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 25 August 2025 to Thursday, 28 August 2025 (both days inclusive), during which period no transfer of Shares will be registered. To qualify for attending the EGM, unregistered Shareholders shall ensure that all share certificates accompanied by instruments of transfer must be lodged with the Company's 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 registration, no later than 4:30 p.m. on Friday, 22 August 2025.

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 the EGM. The results of the poll will be published on the websites of the 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 authorised representative shall have one vote for each Share registered in his/her name in the register of members of the 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.

ABSTENTION OF SHAREHOLDERS FROM VOTING

By virtue of Shandong Hi-Speed Group having material interests in each of the transactions contemplated under the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements, Shandong Hi-Speed Group and its associates (which are interested in approximately 38.93% of the total issued share capital of the Company as at the Latest Practicable Date) will be required to abstain from voting on the resolutions to be proposed at the EGM to approve each of the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder. As at the Latest Practicable Date, Shandong Hi-Speed holds 778,500,000 Shares, representing approximately 38.93% of the issued share capital of the Company. To the best of

the Directors' knowledge, information and belief having made all reasonable enquiries, save for Shandong Hi-Speed, no Shareholder is required to abstain from voting on the resolutions to approve the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and the transactions contemplated thereunder (including their respective proposed revised annual caps).

RECOMMENDATIONS

After taking into account the reasons for and benefits of entering into the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements, the Board (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in this circular after taking into account the advice from Gram Capital and the principal factors and reasons taken into consideration by Gram Capital) is of the view that the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and the transactions contemplated thereunder (including their respective proposed revised annual caps) are entered into in the ordinary and usual course of business of the Group on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and the transactions contemplated thereunder (including their respective proposed revised annual caps).

Meanwhile, the Board considers that the resolutions in relation to the proposed appointment of Mr. Wei Yong as an executive Director and the proposed appointment of Mr. Wang Hongyi as a non-executive Director are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully,
By order of the Board
Qilu Expressway Company Limited
Duan Peng
Executive Director

Shandong, the PRC

齐鲁高速公路股份有限公司
QILU EXPRESSWAY COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1576)

14 August 2025

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company of even date (the "**Circular**"). Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to form the Independent Board Committee to consider the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder (including their respective proposed revised annual caps), the details of which are set out in the letter from the Board, are fair and reasonable so far as the Independent Shareholders are concerned and to advise you in this regard.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder (including their respective proposed revised annual caps). The details of the opinion of Gram Capital and the principal factors considered in arriving at such opinion are set out in the letter from Gram Capital on pages 31 to 51 of the Circular.

Your attention is also drawn to the letter from the Board on pages 6 to 28 and other information set out in the appendix to the Circular.

RECOMMENDATIONS

Having taken into account the terms and conditions of the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements (including their respective proposed revised annual caps) and the reasons for and benefits of entering into such agreements, the interests of the Independent Shareholders and the opinion from Gram Capital, we are of the view that the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements and the transactions contemplated thereunder (including their respective proposed revised annual caps) are entered into in the ordinary and usual course of business of the Group on normal commercial terms, and are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the above matters.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Qilu Expressway Company Limited
Mr. Liu Hongwei
Mr. He Jiale
Mr. Wang Lingfang
Mr. Leng Ping
Ms. Shen Chen
Independent non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Annual Caps Revision for the purpose of inclusion in the Circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

14 August 2025

To: The independent board committee and the independent shareholders of Qilu Expressway Company Limited

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of transactions contemplated under the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement (the "**Annual Caps Revision**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 14 August 2025 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 23 November 2023, the Company and Shandong Hi-Speed Group entered into, among other things, (i) the Existing 2024-2026 General Services Framework Agreement, pursuant to which, Shandong Hi-Speed Group and its relevant Subordinated Companies will provide the Group with General Highway Business Operation Services (the "**General Services Transactions**"); and (ii) the Existing 2024-2026 General Sales Framework Agreement, pursuant to which, the Company agreed to sell certain types of goods to Shandong Hi-Speed Group (the "**Sales Transactions**", together with the General Services Transactions, the "**Transactions**").

In response to the requirements of the Group's production bases and construction projects, and the increase in business of reconstruction and expansion works and sales of industrial products, the expected transaction amounts made by the Group in respect of the services and product purchases under the Existing 2024-2026 Continuing Connected Transactions Framework Agreements and the provision of services and products to Shandong

Hi-Speed Group and its Subordinated Companies under the Existing 2024-2026 Continuing Connected Transactions Framework Agreements will further increase. On 24 July 2025, the Company entered into to the Supplemental Agreements of the 2024-2026 Continuing Connected Transactions Framework Agreements with Shandong Hi-Speed Group to revise the annual caps under such agreements.

The Independent Board Committee comprising Mr. Liu Hongwei, Mr. He Jiale, Mr. Wang Lingfang, Mr. Leng Ping and Ms. Shen Chen (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Annual Caps Revision are on normal commercial terms and are fair and reasonable; (ii) whether the Annual Caps Revision is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Annual Caps Revision at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as an independent financial adviser in relation to the Company's continuing connected transactions, details of which are set out in the Company's circular dated 14 December 2023. Save for the aforesaid engagement, there was no other service provided by Gram Capital to the Company relating to any announced transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagement, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Besides, apart from the advisory fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement will not affect our independence to act as the Independent Financial Adviser due to the fact that (a) we were appointed as independent financial adviser to advise the Independent Board Committee and the then independent Shareholders and the past engagement did not fall into any circumstances as set out under the Rule 13.84 of the Listing Rules, therefore we maintained our independence from the Company during the aforesaid past engagement; and (b) the advisory fee of the aforesaid past engagement paid by the Company to us accounted for an insignificant portion of our revenue for the relevant period, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning Transactions and the Annual Caps Revision. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes the particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Shandong Hi-Speed Group, or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions and the Annual Caps Revision. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Annual Caps Revision, we have taken into consideration the following principal factors and reasons:

Business overview of the Company

With reference to the Board Letter, the Company is a joint stock company incorporated in the PRC with limited liability and the H Shares of which 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, the Deshang Expressway (Liaocheng – Fan County Section) and the Shennan Expressway; (ii) construction projects, including highway engineering construction, expressway maintenance and municipal greening and other constructions; and (iii) sales of industrial products and other business, in Shandong Province, the PRC.

Information on Shandong Hi-Speed Group

With reference to the Board Letter, Shandong Hi-Speed Group is a limited liability company incorporated and validly existing under the laws of the PRC. 90% of the equity interest in Shandong Hi-Speed Group is held by the Shandong Provincial State-owned Assets Supervision and Administration Commission, directly and indirectly, while the remaining 10% of the equity interest in Shandong Hi-Speed Group is held by the Shandong Caixin Asset Operation Co., Ltd., the entire equity interest of which is held by Shandong Provincial Finance Bureau. Shandong Hi-Speed Group is a state-owned capital investment company in infrastructure sector in Shandong Province. It is principally engaged in expressway operation and management, carrying out the construction of major transportation projects designated by the Shandong Provincial Government, and revitalising, integrating, operating and managing other authorised non-expressway transportation assets. It is an investment and financing platform for the transportation industry development of the Shandong Provincial Government and the investment and financing entity of major transportation projects in Shandong Province.

Reasons for and benefits of the Annual Caps Revision

General Services Transactions

As advised by the Directors,

- the reasons for the transactions carried out between the Group and Shandong Hi-Speed Group and its relevant Subordinated Companies are as follows: (i) members of the Group have established business relationships with Shandong

Hi-Speed Group and its relevant Subordinated Companies; (ii) the relevant service providers have the expertise in their respective fields and may possess licences and/or experienced and skilled technical staff necessary for carrying out professional business; (iii) the Group will benefit from economy of scale due to the professional technical support from Shandong Hi-Speed Group and its relevant Subordinated Companies which are devoted to providing services in relation to highway operation business and the use of such services will be more cost effective; (iv) for certain sophisticated technical support and repair and maintenance services, the existing arrangements with Shandong Hi-Speed Group and its relevant Subordinated Companies will be cost-saving when compared with the procurement of similar technical support and services from domestic and overseas service providers; and (v) the services provided to the Group by Shandong Hi-Speed Group and its relevant Subordinated Companies have been on no less favorable terms as compared with the services provided by Independent Third Parties, taking into account the service quality, price, understanding of the business needs and operational requirements of the Group, familiarity with the projects of the Group and value-added contributions that could be offered, and these services are in compliance with the applicable industry requirements of road safety and maintenance in general.

- as the General Services Transactions will be entered into in the ordinary and usual course of business of the Group and on a frequent basis, it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders as required by the Listing Rules, if necessary. In addition, Shandong Hi-Speed Group was selected as service provider for certain works under the R&E Project on the Jihe Expressway and the transactions thereunder is ongoing.

Having considered the above, we are of the view that the General Services Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

Sales Transactions

As advised by the Directors, whereas the products supplied by the Group under the Existing 2024-2026 General Sales Framework Agreement comprises, among other things, those which have been processed by the Group, the mutual supply of various categories of goods under the Existing 2024-2026 General Procurement Framework Agreement and the Existing 2024-2026 General Sales Framework Agreement is beneficial to both the Group and the Shandong Hi-Speed Group and its Subordinated Companies, particularly in light of the fact that both parties envisage that there will be a relatively significant demand for a diverse range of construction materials to support the R&E Project.

It is the industry practice that the construction units will not keep a substantial volume of the construction materials on-site due to the limited size of the construction site in order to minimise the impact to the environment, the disruption to the current construction works on-site as well as to reduce the storage costs involved. In addition, certain construction materials (such as cement and concrete) have their respective limited period of use in accordance with the applicable technical standards due to their physical properties. As such, the construction materials are generally ordered on an as-needed basis depending on the project progress.

The procurement of goods under the Existing 2024-2026 General Procurement Framework Agreement and sales of goods under the Sales Transactions enable stable access of different kinds of construction materials to the R&E Project, as well as to meet the demands of the construction units for the purpose of carrying out relevant reconstruction and expansion works. In light of the ongoing business relationship between Shandong Hi-Speed Group and its Subordinated Companies and the Group, the parties have been able to adequately understand and satisfy each other's business and operating requirements. In particular, given the leading role of Shandong Hi-Speed Group and its Subordinated Companies in terms of the reputation and the scale of operations in Shandong Province, their operation facilities and projects sites are widely spread over a number of locations within the province, thus the Group will be able to have easier access to its potential customers as well as the raw materials required and with a stronger bargaining power. The Board considers that the shortened supplier-customer distance as a result can further increase the Group's ability to procure the materials in a convenient and timely matter and at lower delivery costs on one hand, and to better satisfy the timely needs of the construction units under the relevant R&E Contracts on the other, thereby achieving an overall enhancement in the Group's expressway construction and sales capacity.

As the transactions contemplated under the Existing 2024-2026 General Sales Framework Agreement are revenue in nature, the entering into the Existing 2024-2026 General Sales Framework Agreement will enable the Group to expand its source of revenue.

As confirmed by the Directors, as the Sales Transactions will be entered into in the ordinary and usual course of business of the Group and on a frequent basis, it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders as required by the Listing Rules, if necessary.

Having considered the above, we are of the view that the Sales Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

Annual Caps Revision

With reference to the Board Letter, in response to the requirements of the Group's production bases and construction projects, and the increase in business of reconstruction and expansion works and sales of industrial products, the transaction to be entered into by the Group in respect of the services and product purchases under the Existing 2024-2026 Continuing Connected Transactions Framework Agreements and the provision of services and products to Shandong Hi-Speed Group and its Subordinated Companies under the Existing 2024-2026 Continuing Connected Transactions Framework Agreements are expected to further increase.

Having considered that (i) the General Services Transactions and the Sales Transactions are in the interest of the Company and Shareholders as a whole and conducted in the ordinary and usual course of business of the Group; and (ii) the provision of services and products to Shandong Hi-Speed Group and its Subordinated Companies under the Existing 2024-2026 Continuing Connected Transactions Framework Agreements will further increase, we are of the view that the Annual Caps Revision is in the interest of the Company and Shareholders as a whole and conducted in the ordinary and usual course of business of the Group.

A. GENERAL SERVICES TRANSACTIONS

Principal terms of the General Services Transactions

Major terms of the General Services Transactions are set out as follows, details of which are set out under the section headed "I. The Existing 2024-2026 General Services Framework Agreement" of the Board Letter:

Date

23 November 2023 (as supplemented by the Supplemental Agreement of the 2024-2026 General Services Framework Agreement on 24 July 2025)

Parties

(i) the Company; and

(ii) Shandong Hi-Speed Group

Effective period

Effective from 1 January 2024 to 31 December 2026 (both days inclusive)

Subject matter

Pursuant to the Existing 2024-2026 General Services Framework Agreement, Shandong Hi-Speed Group and its relevant Subordinated Companies will provide the Group with General Highway Business Operation Services, including the planning, renovation, engineering, survey and system design of highways and ancillary facilities; highway technology inspections, and regular and ad-hoc inspections of bridges and tunnels; repair and maintenance of highways and ancillary facilities; survey and analysis of road sections; research on treatment measures and techniques; projection of and research on traffic volume and toll amount; operational management of toll collection; project supervision; project contracting and supply of bulk materials; and other related or similar services.

Demand estimation

The Group shall submit a service demand plan for the next accounting year or any adjustment plan on service projects for the current accounting year to Shandong Hi- Speed Group by 31 October of each year. Both parties shall also reach a consensus on the plans before 30 November of the same accounting year. In the event that the service demand plan of the Group for the next accounting year is agreed upon between the parties, Shandong Hi-Speed Group shall fulfill the plan.

Pricing Policies

The pricing of each of the services provided under the Existing 2024-2026 General Services Framework Agreement shall be determined in accordance with the following principles and sequences:

(i) **government-prescribed price:** where the central or local government imposes price control on services fees, the fees for services shall be determined in accordance with the prescribed price published on the website of the relevant government authority or the authoritative price list;

(ii) **government-guided price:** where a guided price standard imposed by the central or local government is available for services and such guided price standard has been published on the website of relevant government authority or via authoritative price list, the price of services shall be determined within the range of the government-guided price through negotiation; and

(iii) **market price:** where the above two price standards are not available for services or the previous government-prescribed or guided price are no longer applicable to such services, and such services do not fall within those subject to tender process pursuant to laws and regulations, the fee for the service shall be determined with reference to the market price and the general principle for pricing shall be fair and reasonable. If the services fall within those subject to tender process pursuant to laws and regulations or the party receiving the procurement must apply the tender process according to its internal code, the price shall be determined by tender process.

For prices that shall be determined through mutual negotiation, both parties shall take into consideration the following key factors while determining market price: (i) the prevailing market price charged by any third party providing a similar service in the region where the service is provided by one of the parties, the quotation from other service suppliers providing the same service and a minimum of two comparable transactions carried out with Independent Third Parties during the same period; and (ii) the same or similar service provided by Shandong Hi-Speed Group and its relevant Subordinated Companies to any third party, and the minimum quotation for such service.

For prices that shall be determined through tender process under the applicable laws and regulations or the internal codes of the recipient of the service, both parties shall select the service providers and determine the final price through the way of public tender process in accordance with the requirements under applicable laws and regulations as well as the provisions of relevant internal codes.

As stated in the Board Letter, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is no government-prescribed price or government-guided price provided for the services being the subject matters under the Existing 2024-2026 General Services Framework Agreement under the relevant PRC laws and regulations currently, thus the market price is applicable to all such services, and the prices of which are determined by way of negotiations between parties or through tender process.

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving purchase or sale of materials/products/services from/to their connected persons, we noted that comparing prices with those offered by/to independent third parties for the same/similar product/service is one of the commonly adopted pricing policies. As the service fees of the General Services Transactions will be made reference to government-prescribed price/government-guided price (if any, both being official prices published on the website of relevant government authority or via authoritative price list) or market price (according to market and general principle for pricing, or through tender process and being one of the commonly adopted pricing policies), we are of the view that the pricing policy under the General Services Transactions is fair and reasonable.

To safeguard the interests of the Company and the Shareholders as whole, the Company adopted internal control measures relating to the General Services Transactions, details of which are set out under the section headed "III. Internal Control Measures in Relation to the Continuing Connected Transactions" of the Board Letter. Having considered that (i) the Group will obtain quotations from at least two Independent Third Parties for comparable services and conduct overall assessment on the terms of relevant services before procuring the same; and (ii) bidders are required to provide historical comparable track record with contract values during bidding procedures, we consider that the effective implementation of the procedures would help to ensure fair pricing of the General Services Transactions according to the pricing policies.

Upon our request, the Company provided us a list of contracts, which were entered into among the Group and Shandong Hi-Speed Group or its Subordinated Companies in respect of the General Services Transactions in 2024 and first four months of 2025. We randomly selected two individual contracts in 2024 and two individual contracts in 2025. The Company provided us with the aforesaid four individual contracts and other relevant documents (e.g. successful tender notice, relevant tendering and bidding documents, bidding assessment report). Given that the aggregate contract value of the selected individual contracts for 2024 and 2025 represented approximately 50% or more of the total contract value of signed individual contracts under the General Services Transactions for each respective period, we consider the sample size to be fair and representative for our analysis. After reviewing the aforesaid documents, we noted that (i) there were at least three bidders participating in the bidding procedures for the selection of service provider (including a member of Shandong Hi-Speed Group and at least two independent third parties); (ii) an evaluation committee was formed to assess background of each bidder and technical proposal and quotations provided by the bidder; and (iii) the selected service providers (i.e. members of Shandong Hi-Speed Group) were graded the highest total score according to the bidding evaluations.

Based on the above, we consider the internal control procedure for fair pricing of the General Services Transactions is in place.

In addition, we also noted that prior to the entering into of the individual transactions, the management team of the Group will, together with the financial management department, review the actual transaction amounts of the General Services Transactions to ensure that the relevant annual caps will not be exceeded. We consider that there is sufficient procedure to monitor the utilisation of proposed annual caps under the General Services Transactions.

Revised annual caps

Set out below are (i) the historical amounts of the General Services Transactions for the year ended 31 December 2024 and six months ended 30 June 2025 with original annual caps; and (ii) the revised annual cap of the General Services Transactions for the year ending 31 December 2026:

	For the year ended 31 December 2024 ("FY2024") *RMB'000*	**For the year ending 31 December 2025 ("FY2025")** *RMB'000*	**For the year ending 31 December 2026 ("FY2026")** *RMB'000*
Historical transaction amounts	2,515,032	109,731 *(Note)*	N/A
Original annual caps	2,600,000	600,000	100,000

	For the year ending 31 December 2026 *RMB'000*
Revised annual caps	400,000

Note: the figure is for the six months ended 30 June 2025.

In determining the revised annual caps, the Company has considered various factors as set out under the sub-section headed "Basis of the Proposed Revised Annual Caps" under the section headed "II. The Existing 2024-2026 General Services Framework Agreement" of the Board Letter.

To assess the fairness and reasonableness of the revised annual cap for FY2026, we obtained a supporting calculation (the "**Supporting Calculation**") and noted that the revised annual cap was calculated based on (i) the estimated demand of General Services Transactions for FY2026; and (ii) a buffer of 10% in addition to (i), after rounding up.

The revised estimated demand of General Services Transactions for FY2026 comprised (i) the Routine Works Amounts contemplated under the General Highway Business Operation Services (other than preliminary and main works under the R&E Project (the "**R&E Project Works Amounts**"); (ii) the R&E Project Works Amounts; and (iii) additional demand of General Services Transactions. Details are as follows:

	FY2026 (original estimated amounts)	**FY2026 (revised estimated amounts)**
	RMB'000	*RMB'000*
Routine Works Amounts	59,333	73,514
R&E Project Works Amounts	40,353	94,500
Additional demand of General Services Transactions	N/A	191,500
Total	**99,685**	**359,514**

According to the above table, the change of original estimated amounts for FY2026 was mainly due to (i) the additional demand of General Services Transaction (original of which was nil); and (ii) the anticipated increase in R&E Project Works Amounts.

A. The additional demand of General Services Transactions

To assess the fairness and reasonableness of the additional demand of General Services Transactions of RMB191.5 million, we conducted the following works:

(i) Finding out the components

After reviewing the Supporting Calculation, we noted that the additional demand of General Services Transactions of RMB191.5 million mainly included estimated demand of General Services Transactions (i) of approximately RMB160 million for production base (phase III) in Shandong Province by a non-wholly owned subsidiary of the Company (the "**Subsidiary A**"); and (ii) of RMB20 million for digital construction project (phase II) of the Group.

(ii) Assessment on the major components

Upon our enquiry with the Directors, we understood that the aforesaid estimated demand was mainly made with reference to the contract value of production base (phase II) of Subsidiary A and digital construction project (phase I) of the Group.

Based on the background information of production base project of Subsidiary A and digital construction project as provided by the Company, we listed out details of the production base (phase III) of Subsidiary A and digital construction project (phase II) of the Group as follows for Shareholders' reference:

Production base (phase III)

- Construction site of the production base project of Subsidiary A covers an area of approximately 499.08 mu, with a total floor area of approximately 174,500 square meters. The project is divided into three phases according to construction plan.

- Construction of phase I of the production base was completed in 2023. The production base (phase I) occupies 87.9 mu, with floor area of factory building of 35,683 square metres.

- The production base (phase II) is currently under construction, with total floor area of approximately 52,000 square meters, the completion of which is expected to take place in second half of 2025.

- The production base (phase III) is for prefabricated component production, including one factory building, one workshop, and one comprehensive warehouse, with total floor area of approximately 57,000 square metres.

Digital construction project (phase II)

- The Company proposed digital transformation and construction project to implement the digital transformation requirements for state-owned enterprises and optimize the Company's management and production operations. The proposed project included construction of the intelligent toll collection system, AI monitoring and sensing system, big data traffic service system, etc.

- Completion of the digital construction project (phase I) was expected to take place in late 2025 and commencement of the digital construction project (phase II) was expected to take place in 2026.

Given that (i) the total floor area of phase II and phase III of production base are similar; and (ii) the Directors expected there would be no material difference on the work load of digital construction project (phase I) and digital construction project (phase II), we consider that it is reasonable to make reference to the contract values of construction production base (phase II) project and digital construction project (phase I) for determination of estimated demand of General Services Transactions for production base (phase III) of Subsidiary A and for digital construction project (phase II) of the Group.

Upon our further request, we obtained signed contracts for construction production base (phase II) project and digital construction project (phase I). We noted that (i) the contract value for construction production base (phase II) was approximately RMB171 million in aggregate; and (ii) the contract value for digital construction project (phase I) was approximately RMB20.0 million.

Given that it is reasonable to make reference to the contract values of construction production base (phase II) project and digital construction project (phase I) for determination of estimated demand of General Services Transactions for production base (phase III) of Subsidiary A and for digital construction project (phase II) of the Group as concluded above, we are of the view that the estimated demand of General Services Transactions (i) of approximately RMB160 million for production base (phase III) of Subsidiary A, which is close to the contract value for construction production base (phase II) of approximately RMB171 million in aggregate; and (ii) of RMB20 million for digital construction project (phase II) of the Group, which is the same as to the contract value for digital construction project (phase I) of approximately RMB20.0 million are fair and reasonable.

B. The anticipated increase in R&E Project Works Amounts

As advised by the Directors, the R&E Project Works Amounts was anticipated to increase by approximately RMB54.1 million, mainly due to a construction contracting agreement entered into between the Company and a member of Shandong Hi-Speed Group in November 2024, which was not considered and not included in the original estimation of R&E Project Works Amounts when determining the original annual cap for FY2026.

Upon our request, we obtained the signed contract of the construction contracting agreement and noted that (i) the contract value of the construction contracting agreement was approximately RMB120.7 million; and (ii) construction period was 365 days from the commencement of work.

Upon our further enquiry, the Directors advised that (i) the Company expected to pay RMB70 million to the member of Shandong Hi-Speed Group in 2025; and (ii) the commencement of work took place in January 2025.

Given that above, in particular, the expected remaining amounts of construction contracting agreement would be RMB50.7 million in 2026, we consider that the anticipated increase in R&E Project Works Amounts of approximately RMB54.1 million is fair and reasonable.

Buffer

As mentioned above, a buffer of 10% was adopted in addition to the estimated amounts for General Services Transactions for FY2026. As advised by the Directors, the aforesaid arrangement was determined after considering unexpected circumstances which may take place for FY2026 (e.g. any postponed the works at any stage in 2025 may cause changes to the actual demand of General Services Transactions, unexpected increase in provisional sum of cost (暫列費用金額), etc.). Having considered that (i) unexpected circumstances may take place for FY2026; and (ii) the incorporation of buffer of 10% in proposed annual caps are not uncommon among companies listed on the Stock Exchange based on our findings, we consider that the buffer of 10% to be acceptable.

Taking into account our analyses as mentioned above, including our analyses on main factors of the change of original estimated amounts for FY2026 (i.e. the additional demand of General Services Transaction and the anticipated increase in R&E Project Works Amounts) and buffer as analysed above, we are of the view that the revised annual cap for FY2026 is fair and reasonable.

Shareholders should note that as the revised annual cap are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of cost to be incurred from the transactions contemplated under the Existing 2024-2026 General Services Framework Agreement. Consequently, we express no opinion as to how closely the actual cost to be incurred from the transactions contemplated under the Existing 2024-2026 General Services Framework Agreement will correspond with the revised annual cap.

Our conclusion on the terms of the General Services transactions

In light of the above, we are of the view that the terms of the General Services Transactions are on normal commercial terms and are fair and reasonable.

B. SALES TRANSACTIONS

Principal terms of the Sales Transactions

Major terms of the Sales Transactions are set out as follows, details of which are set out under the section headed "II. The Existing 2024-2026 General Sales Framework Agreement" of the Board Letter:

Date	23 November 2023 (as supplemented by the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement on 24 July 2025)
Parties	(i) the Company; and (ii) Shandong Hi-Speed Group
Term	Effective from 1 January 2024 to 31 December 2026 (both days inclusive)
Subject matter	The goods sold by the Group to Shandong Hi-Speed Group and its Subordinated Companies primarily include but not limited to asphalt, asphalt mixture, cement, concrete and other building materials, construction equipment and their accessories, plants as well as other goods permitted by law and permitted to be sold by the Group under the Group's registered business scopes.
Principles of transactions	In respect of the goods supplied by the Group, Shandong Hi-Speed Group and its Subordinated Companies shall give priority to the goods supplied by the Group so long as those supplied by third parties are on the same price and quality as the Group's, except when the transaction counterparty of such goods available for bidding must be determined through bidding in accordance with the relevant laws and regulations. The Group will ensure the goods supplied are of high quality and the prices of which are fair and reasonable, whereas the prices of the goods sold to Shandong Hi-Speed Group and its Subordinated Companies shall not be higher than those sold to third parties.
Payment method	The payment time and method of the Existing 2024-2026 General Sales Framework Agreement shall be determined in accordance with the tender documents and the written agreement signed by both parties in respect of the transaction.

Pricing Policies

The pricing of each of the goods sold under the Existing 2024-2026 General Sales Framework Agreement shall be determined on the basis of the following principles and sequences:

(a) **government-prescribed price:** where the central or local government imposes price control on a particular product, the price of such product shall be determined in accordance with the prescribed price published on the website of the relevant government authority or the authoritative price list;

(b) **government-guided price:** where a guided price standard imposed by the central or local government is available for a particular product and such guided price standard has been published on the website of relevant government authority or via authoritative price list, the price of such product shall be determined within the range of the government-guided price through negotiation; and

(c) **market price:** where the above two price standards are not available for a particular product or the previous government prescribed or guided price are no longer applicable to such product, and such product does not fall within those subject to tender process pursuant to laws and regulations, the price of such product shall be determined with reference to the market price and the general principle for pricing shall be fair and reasonable. If the product falls within those subject to tender process pursuant to laws and regulations or the party receiving the procurement must apply the bidding procedure according to its internal code, the price shall be determined by tender process.

As advised by the Directors, there is no government-prescribed price or government-guided price provided for the goods being the subject matters under the Existing 2024-2026 General Sales Framework Agreement under the relevant PRC laws and regulations currently, thus the market price is applicable to all such goods, and the prices of which are determined by way of negotiations between parties or through tender process.

We noted that the prices to be determined through mutual negotiation or through tender process are further governed by the Existing 2024-2026 General Sales Framework Agreement. Having considered that (A) (i) prevailing market price, quotation from other independent suppliers for at least two comparable transactions and minimum quotation for same or similar product will be considered (which indicates that the price will be determined according to market); or (ii) relevant laws and regulations will be in compliance with and public tender process (including a comprehensive assessment on bid price, terms set by bidders, background, qualification, historical record will be considered) will be followed; and (B) determination of pricing based on prevailing market price, comparison with quotations from independent third parties, tendering process are generally adopted as pricing policy of continuing connected transactions, we are of the view that the pricing policy of the Existing 2024-2026 General Sales Framework Agreement are fair and reasonable.

To safeguard the interests of the Company and the Shareholders as whole, the Company adopted internal control measures relating to the Sales Transactions, details of which are set out under the section headed "III. Internal Control Measures in Relation to the Continuing Connected Transactions" of the Board Letter. Having considered that the Company will monitor the subject matter of the continuing connected transactions under the Existing 2024-2026 General Sales Framework Agreement prior to the entering into of the individual transactions, we consider that the effective implementation of the procedures would help to ensure fair pricing of the Procurement Transactions and Sales Transactions according to the pricing policies.

Upon our request, the Company provided us a list of contracts, which were entered into among the Group and Shandong Hi-Speed Group or its Subordinated Companies in respect of the Sales Transactions in 2024 and first four months of 2025. We randomly selected two individual contracts in 2024 and two individual contracts in 2025. The Company provided us with the aforesaid four individual contracts with quotations/prices offered by the Group/independent third party to independent third parties. Given that the aggregate contract value of the selected individual contracts for 2024 and the number of selected individual contracts for 2025 represented approximately 50% or more of the total contract value/number of signed individual contracts under the Sales Transactions for each respective period, we consider the sample size to be fair and representative for our analysis. After reviewing the aforesaid documents, we noted that the unit prices of comparable products offered by the Group to members of Shandong Hi-Speed Group or its Subordinated Companies were not lower than those offered to independent third parties.

Based on the above, we consider the internal control procedure for fair pricing of the Sales Transactions is in place.

In addition, we also noted that prior to the entering into of the individual transactions, the management team of the Group will, together with the financial management department, review the actual transaction amount of the Sales Transactions to ensure that the relevant annual caps will not be exceeded. We consider that there are sufficient procedures to monitor the utilisation of proposed annual caps under the Sales Transactions.

Revised annual caps

Set out below are (i) the historical transaction amounts of the Sales Transactions for FY2024 and for the six months ended 30 June 2025 with original annual caps; and (ii) the revised annual caps of the Sales Transactions (the "**Revised Sales Cap(s)**") for FY2025 and FY2026:

	For the year ended 31 December 2024 *RMB'000*	**For the year ending 31 December 2025** *RMB'000*	**For the year ending 31 December 2026** *RMB'000*
Historical transaction amounts	353,035	68,654 *(Note)*	N/A
Original annual caps	700,000	150,000	180,000

	For the year ending 31 December 2025 *RMB'000*	**For the year ending 31 December 2026** *RMB'000*
Revised annual caps	500,000	500,000

Note: the figure was for the six months ended 30 June 2025.

In determining the Revised Sales Caps, the Company has considered various factors as set out under the section headed "Basis for determining the annual caps" of the Board Letter.

To assess the fairness and reasonableness of the Sales Caps, we obtained a supporting calculation for the Revised Sales Cap for FY2025 and noted that the Revised Sales Cap for FY2025 were determined based on (a) estimated Sales Transactions for FY2025; and (b) a buffer of less than 10% on the aforesaid estimated sales.

We noted from the aforesaid calculation that the Sales Transaction for FY2025 is expected to increase from RMB140 million (under the original annual cap) to approximately RMB461.1 million (under the Revised Sales Cap). The revised estimated amount of Sales Transactions is approximately RMB321.1 million more than the original estimated amount of Sales Transactions for FY2025. As advised by the Directors, the aforesaid estimated increase was mainly due to the potential sales of wind power tower by a connected subsidiary of the Company (the "**Subsidiary B**") of approximately RMB183.8 million to a member of Shandong Hi-Speed and the potential demand of raw materials of approximately RMB146.5 million by Shandong Hi-Speed and its Subordinated Company.

In respect of the estimated amounts of sales of wind power tower by the Subsidiary B to a member of Shandong Hi-Speed, we further discuss the basis for determination of such estimated demands and requested for supporting documents. The sales of wind power towers by the Subsidiary B are for two projects (project A and B) of members of Shandong Hi-Speed. We further performed the following works:

- Upon our further enquiry, we understood that the Subsidiary B was (i) established in January 2025; (ii) owned as to 51% by the Company and 49% by a member of Shandong Hi-Speed; (iii) principally engaged in to the research and development, design, manufacturing, sales and installation, as well as operation and maintenance inspection of high-performance wind power hybrid towers. The estimated amounts of Sales Transactions of the Subsidiary B mainly included sales of wind power towers by the Subsidiary B to members of Shandong Hi-Speed (i.e. RMB183.8 million).

- For project A, we obtained a notice issued by the member of Shandong Hi-Speed to the Subsidiary B in April 2025 in respect of purchase wind power towers from Subsidiary B and quotations obtained by the member of Shandong Hi-Speed from three potential suppliers (including the Subsidiary B) for the purchase of wind power towers.

- For project B, we obtained a summary of nature of project B and noted that the size of project B (in terms of installed capacity of wind power generating units) is larger than that of project A. The Directors further advised that they anticipated 60% of wind power towers will be delivered by the Subsidiary B to a member of Shandong Hi-Speed.

- The estimated amounts of Sales Transactions of the Subsidiary B for project A were the same as the quotation offered by the Subsidiary B; whereas for project B was made in accordance with the quotation for project A being adjusted according to installed capacity of wind power generating units of project B as compared to project A. The estimated amounts of Sales Transactions of the Subsidiary B for project A and project B (which will be delivered in 2025) were approximately RMB183.8 million in aggregate.

Given that above, we consider that the estimated amounts of Sales Transactions of the Subsidiary B in respect of sales of wind power towers by the Subsidiary B to a member of Shandong Hi-Speed of RMB183.8 million for FY2025 is fair and reasonable.

In respect of the potential demand of raw materials by Shandong Hi-Speed and its Subordinated Company, we further discuss the basis for determination of such estimated demands and requested for supporting documents. The supply of materials by the Subsidiary A is to (i) a member of Shandong Hi-Speed; and (ii) the Subsidiary B. Upon our request, we obtained relevant agreements between the Subsidiary A and the member of Shandong Hi-Speed, the contract value of which was approximately RMB96.5 million in aggregate. As further advised by the Directors, the materials supplied by the Subsidiary A to the Subsidiary B (as a connected person) would be used for the Subsidiary B's production of wind power towers. Based on the designed production capacity of the Subsidiary B and estimated consumption of the materials for each wind power tower, the estimated demands of such materials were approximately RMB50 million. As the aforesaid estimated amounts was RMB146.5 million in aggregate, which is same as the potential demand of raw materials by the members of Shandong Hi-Speed of RMB146.5 million, we are of the view that the potential demand of raw materials by the members of Shandong Hi-Speed of RMB146.5 million for FY2025 is fair and reasonable.

Given that above, including the estimated increase was mainly due to the potential sales by the Subsidiary B and the potential demand of raw materials by the members of Shandong Hi-Speed (both of which being fair and reasonable as analysed above), we are of the view that the estimated amounts of the Sales Transactions for FY2025 are fair and reasonable.

As mentioned above, a buffer of less than 10% were adopted in addition to the estimated sales amounts for FY2025. As advised by the Directors, the aforesaid arrangement was determined after considering unexpected circumstances which may take place for FY2025 (e.g. the sales products will be used for R&E Project or other construction works, any postponed or expedited completion of the works at any stage may cause changes to the actual demand of sales products, unexpected increase in selling price, etc.). Having considered that (i) unexpected circumstances may take place for FY2025; and (ii) the incorporation of buffer of 10% in proposed annual caps are not uncommon among companies listed on the Stock Exchange based on our findings, we consider the buffer of less than 10% to be acceptable.

Taking into account our analyses as mentioned above, including our analyses on main factors of the estimated increase amounts for FY2025 and buffer as analysed above, we are of the view that the Revised Sales Cap for FY2025 is fair and reasonable.

We noted that the Revised Sales Cap for FY2026 is the same as that for FY2025. Having considered that (i) the Sales Transactions are recurrent in nature, evidenced by that the Group recorded transaction amounts for 2022 (the year which the Sales Transactions commenced), 2023, 2024 and first half of 2025; (ii) among the three years ending 31 December 2025, the historical/estimated amounts for 2023 and 2025 were at similar level; and (iii) it is not uncommon for listed companies to set same annual caps for a three-year period, we are of the view that the Revised Sales Cap for FY2026, being the same as the Revised Sales Cap for FY2025, is fair and reasonable.

Shareholders should note that as the revised annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of income to be generated from the Sales Transactions. Consequently, we express no opinion as to how closely the income to be generated from the Sales Transactions will correspond with the respective revised annual caps.

In light of the above, we are of the view that the terms of the Sales Transactions are on normal commercial terms and are fair and reasonable.

Our conclusion on the terms of the Sales Transactions

In light of the above, we are of the view that the terms of the Sales Transactions are on normal commercial terms and are fair and reasonable.

Listing Rules Implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the transactions must be restricted by the relevant annual caps for the period concerned under the General Services Transactions and the Sales Transactions; (ii) the terms of the General Services Transactions and the Sales Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the General Services Transactions and the Sales Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the General Services Transactions and the Sales Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the listed issuer's group if the transactions involve the provision of goods or services by the listed issuer's group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the annual caps.

In the event that the amounts of the General Services Transactions or the Sales Transactions are anticipated to exceed their respective annual caps, or that there is any proposed material amendment to the terms of the General Services Transactions or the Sales Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the General Services Transactions and the Sales Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Annual Caps Revision are on normal commercial terms and are fair and reasonable; and (ii) the Annual Caps Revision is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Annual Caps Revision and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The information contained herein relating to the 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 the Company.

2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As of the Latest Practicable Date, based on the information available to the Company and to the best knowledge of the Directors, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Further details of the Directors and Supervisors being a director, supervisor or employee of a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO are set out as follows:

- Ms. Kong Xia, a non-executive Director, is the deputy head of the organisation department of the party committee (the party committee of the head office) of Shandong Hi-Speed Group;

- Mr. Gao Yongjun, a non-executive Director, serves as a general manager of operations management department of COSCO SHIPPING (Hong Kong) Limited and COSCO SHIPPING International (Hong Kong) Co., Limited;

- Mr. Ren Wei, a non-executive Director, serves as a deputy general manager of the capital and investment operations department of COSCO SHIPPING (Hong Kong) Co., Limited and COSCO SHIPPING International (Hong Kong) Co., Ltd.;

- Mr. Wang Gang, a non-executive Director, serves as the deputy general manager of Guoneng Power Technology & Engineering Co., Ltd.;

- Mr. Shi Jinglei, a non-executive Director, serves as a deputy manager of the Board's office of China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司);

- Mr. Du Zhongming, a non-executive Director, serves as a departmental general manager of CITIC-Prudential Asset Management Company Limited (中信保誠資產管理有限責任公司);

- Mr. Zhang Yin, a Shareholder representative Supervisor, serves as a deputy director of the investment and development department of Shandong Hi-Speed Group; and

- Mr. Wu Yongfu, a Shareholder representative Supervisor, serves as the director of Finance and Property Department of Guoneng Power Technology & Engineering Co., Ltd. (國能電力技術工程有限公司).

3. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, to the best knowledge of the Directors, there was no material adverse change in the financial position or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

4. MATERIAL LITIGATION

As of the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

5. INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESSES

The table below summarises the positions concurrently held by the Directors and Supervisors in road operation companies of the controlling Shareholders and/or their associates (other than the Company):

Name/Positions held with the Company	**Directorship, supervisorship, senior management or other positions held with road operation companies of the controlling Shareholders and/or their associates (other than the Company) as at the Latest Practicable Date**
Kong Xia/Non-executive Director	Deputy head of the organisation department of the party committee (the party committee of the head office) of Shandong Hi-Speed Group
Gao Yongjun/Non-executive Director	Chairman of Tianjin Tian'ang Expressway Co., Ltd.
Zhang Yin/Shareholder representative Supervisor	Deputy director of the investment and development department of Shandong Hi-Speed Group

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or Supervisors holds any interest in business other than the business of the Group which directly or indirectly competes or is likely to compete with the business of the Group.

6. INTERESTS OF DIRECTORS AND SUPERVISORS IN ASSETS AND CONTRACTS

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries:

(i) none of the Directors or Supervisors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up, and up to the Latest Practicable Date; and

(ii) none of the Directors or Supervisors or any of their respective associates was materially interested in any contract or arrangement which was significant to the business of the Group subsisting as at the Latest Practicable Date.

7. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As of the Latest Practicable Date, none of the Directors or Supervisors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given an opinion or advice contained in this circular or reference to its name has been made in this circular:

Name	Qualification
Gram Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital:

(i) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(ii) did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular, with the inclusion therein of its letter, report, opinion and/or the reference to its name in the form and context in which it appears. The letter from Gram Capital dated 14 August 2025, the text of which is set out in this circular, was made by Gram Capital for incorporation in this circular.

9. MATERIAL CONTRACT

The members of the Group have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years preceding the date of this circular which is or may be material:

- the Jinan Chuangrunda Investment Partnership (Limited Partnership) Partnership Agreement entered into among Shandong Chuangrun Industrial Co., Ltd. (山東創潤實業有限公司) ("**Shandong Chuangrun**") (as the general partner), Qilu Expressway (Shandong) Investment Management Company Limited (齊魯高速(山東)投資管理有限公司), a subsidiary of the Company (as the limited partner) and Qingdao Haike Holding Co., Ltd. (青島海科控股有限公司) ("**Qingdao Haike**") (as the limited partner) dated 23 November 2023, pursuant to which the committed capital contribution of Qilu Expressway (Shandong) Investment Management Company Limited (齊魯高速(山東)投資管理有限公司) and Qingdao Haike to the partnership amounted to RMB280 million and RMB1.4 billion, respectively, for the investment in the renewal unit construction project of Qingdao Oceantec Valley marine information industry. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Shandong Chuangrun and Qingdao Haike are Independent Third Parties.

10. GENERAL

(i) The registered office, headquarters and principal place of business in the PRC of the Company is situated at Room 2301, Block 4, Zone 3, Hanyu Financial & Business Centre, No. 7000 Jingshi East Road, High-tech Zone, Jinan City, Shandong Province, the PRC.

(ii) The principal place of business in Hong Kong of the Company is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

(iii) The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(iv) The joint company secretaries of the Company are Mr. Shi Wenjiang and Ms. Zhang Xiao. Ms. Zhang was admitted as an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom in 2019.

(v) The English text of this circular, the accompanying form of proxy and the notice of the EGM shall prevail over the Chinese version in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of HKEXnews at www.hkexnews.hk and the Company at www.qlecl.com for a period of 14 days from the date of this circular:

(i) the Supplemental Agreement of the 2024-2026 General Services Framework Agreement;

(ii) the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement;

(iii) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out in this circular; and

(iv) the written consent of Gram Capital.

齐鲁高速公路股份有限公司
QILU EXPRESSWAY COMPANY LIMITED

(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 10:00 a.m. on Thursday, 28 August 2025 at Oriental Room, Enjoy Hotel (Hanyu Jingu), Building A6-2, Hanyu Financial & Business Centre, Jinan City, Shandong Province, the PRC for the purpose of considering and, if thought fit, passing the resolutions set out below. Capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 14 August 2025.

SPECIAL RESOLUTIONS

1. To consider and approve the transactions contemplated under the Supplemental Agreement of the 2024-2026 General Services Framework Agreement and its proposed revised annual caps.

2. To consider and approve the transactions contemplated under the Supplemental Agreement of the 2024-2026 General Sales Framework Agreement and its proposed revised annual caps.

ORDINARY RESOLUTIONS

3. To appoint Mr. Wei Yong as an executive Director.

4. To appoint Mr. Wang Hongyi as a non-executive Director.

By order of the Board
Qilu Expressway Company Limited
Duan Peng
Executive Director

Shandong, the PRC
14 August 2025

Notes:

1. The register of members of the Company will be closed from Monday, 25 August 2025 to Thursday, 28 August 2025 (both days inclusive), during which period no transfer of shares of the Company shall be registered.

2. Any shareholders entitled to attend and vote at the EGM can appoint one or more proxy(ies) to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.

3. In order to be valid, the form of proxy must be deposited in person or by post to 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, not less than 24 hours before the time scheduled for holding the EGM (or any adjournment thereof) or not less than 24 hours before the time appointed for polling. If the form of proxy 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 form of proxy. Completion and delivery of the form of proxy 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. 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.

6. 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, the PRC
Postal Code:	250101
Fax:	(+86) 0531-87207077

7. The voting at the EGM shall be conducted by way of poll. The results of the poll will be published on the websites of HKExnews (www.hkexnews.hk) and the Company (www.qlecl.com).

As at the date of this notice, the executive Directors are Mr. Duan Peng and Mr. Chen Xiulin; the non-executive Directors are Mr. Gao Yongjun, Ms. Kong Xia, Mr. Wang Gang, Mr. Shi Jinglei, Mr. Du Zhongming and Mr. Ren Wei; and the independent non-executive Directors are Mr. Liu Hongwei, Mr. He Jiale, Mr. Wang Lingfang, Mr. Leng Ping and Ms. Shen Chen.