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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)

CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS 2027-2029 CONTINUING CONNECTED TRANSACTIONS FRAMEWORK AGREEMENTS

2027-2029 CONTINUING CONNECTED TRANSACTIONS FRAMEWORK AGREEMENTS

The Board is pleased to announce that the Board has considered and approved the entering into of the 2027-2029 Continuing Connected Transactions Framework Agreements between the Company and Shandong Hi-Speed Group, pursuant to which, among other things, the Group agreed to the provision of General Highway Business Operation Services and certain financial services (including deposit services and cross-border fund centralised operation and management services) to the Group by Shandong Hi-Speed Group and its Subordinated Companies, as well as the provision of certain services and the procurement and sales of certain types of goods to Shandong Hi-Speed Group and its Subordinated Companies according to the terms and conditions of the agreements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shandong Hi-Speed Group indirectly holds 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 transactions contemplated under the 2027-2029 Continuing Connected Transactions Framework Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

In respect of the 2027-2029 General Services Framework Agreement, the 2027-2029 Services Provision Framework Agreement and the 2027-2029 General Procurement Framework Agreement, as all of the applicable percentage ratios under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of their respective highest proposed annual caps exceed 0.1% but are less than 5%, the agreements and the transactions contemplated thereunder (including their respective proposed annual caps) are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but exempt from the Independent Shareholders' approval requirement.

In respect of the 2027-2029 General Sales Framework Agreement, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of its highest proposed annual cap exceed 5%, the agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the 2027-2029 Financial Services Framework Agreement:

(i) For the deposit services thereunder, as one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the highest proposed annual cap thereof exceed 5%, the transactions (including the proposed annual caps thereof) in relation to the deposit services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Meanwhile, as one or more of the applicable percentage ratios exceed 5% but all of the applicable percentage ratios are below 25%, the transactions in relation to the deposit services constitute discloseable transactions under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) For the cross-border fund centralised operation and management services thereunder, as one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the highest proposed annual cap thereof exceed 5%, the transactions (including the proposed annual caps thereof) in respect of the cross-border fund centralised operation and management services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Meanwhile, as one or more of the applicable percentage ratios exceed 5% but all of the applicable percentage ratios are below 25%, the transactions in relation to the cross-border fund centralised operation and management services constitute discloseable transactions under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

EGM

The Company will convene an EGM at which resolutions will be proposed for, among other things, the Independent Shareholders to consider and, if thought fit, approve the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement, and the transactions contemplated thereunder (including their respective proposed annual caps). As Shandong Hi-Speed Group has a material interest in the above transactions, Shandong Hi-Speed Group and its associates (including Shandong Hi-Speed) are required to abstain from voting on the relevant resolutions to be proposed at the EGM. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder other than Shandong Hi-Speed Group and its associates (including Shandong Hi-Speed) is required to abstain from voting on the aforesaid resolutions.

As the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement and the transactions contemplated thereunder (including their respective proposed annual caps) are subject to the approval by the Independent Shareholders, an Independent Board Committee comprising the independent non-executive Directors, namely, Mr. Liu Hongwei, Mr. Leng Ping and Ms. Shen Chen, has been established by the Company to advise the Independent Shareholders in respect of the above transactions. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the above transactions.

A circular containing, among other things, (i) details of the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) the recommendations from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, is expected to be dispatched to the Shareholders more than fifteen business days after the date of publication of this announcement as more time is required for the Company to compile certain information to be included in the circular.

INTRODUCTION

References are made to (i) the announcement of the Company dated 23 November 2023 and the circular of the Company dated 14 December 2023 in relation to the entering into of the previous 2024-2026 continuing connected transactions framework agreements; and (ii) the announcement of the Company dated 24 July 2025 and the circular of the Company dated 14 August 2025 in relation to the proposed revision of the annual caps for the Previous General Services Framework Agreement, the Previous Services Provision Framework Agreement, the Previous General Procurement Framework Agreement and the Previous General Sales Framework Agreement.

The Board is pleased to announce that the Board has considered and approved the entering into of the 2027-2029 Continuing Connected Transactions Framework Agreements between the Company and Shandong Hi-Speed Group, pursuant to which, among other things, the Group agreed to the provision of General Highway Business Operation Services and certain financial services (including deposit services and cross-border fund centralised operation and management services) to the Group by Shandong Hi-Speed Group and its Subordinated Companies, as well as the provision of certain services and the procurement and sales of certain types of goods to Shandong Hi-Speed Group and its Subordinated Companies according to the terms and conditions of the agreements. The 2027-2029 Continuing Connected Transactions Framework Agreements will be entered into no later than 5 December 2026.

2027-2029 CONTINUING CONNECTED TRANSACTIONS FRAMEWORK AGREEMENTS

1. 2027-2029 General Services Framework Agreement

The principal terms and conditions of the 2027-2029 General Services Framework Agreement are set out as follows:

Parties : (i) The Company; and

(ii) Shandong Hi-Speed Group

Term	:	Effective from 1 January 2027 to 31 December 2029 (both days inclusive).
Subject matter	:	Pursuant to the 2027-2029 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.
Principles of transactions	:	In respect of the service projects provided by Shandong Hi-Speed Group and its relevant Subordinated Companies, where the terms of services offered by third parties are the same as or less favourable than those offered by Shandong Hi-Speed Group and its relevant Subordinated Companies, the Group and its relevant Subordinated Companies shall give priority to using the services provided by Shandong Hi-Speed Group and its relevant Subordinated Companies (except for highway construction, road surface maintenance and other projects which, under the requirements of relevant laws and regulations, are subject to tendering, in respect of which the counterparties must be determined through a tendering process). Shandong Hi-Speed Group will ensure that all services provided by it and its relevant Subordinated Companies are of good quality and offered at fair and reasonable prices, and that the terms of services provided to the Group and its relevant Subordinated Companies shall be no less favourable than those offered to third parties.
Demand estimation	:	Except for public tendering, 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 plan 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 satisfy the requirements of such plan. If the parties fail to reach agreement on the service demand plan for the next accounting year by 30 November of the same year, the Group shall be entitled to procure the relevant types of services in respect of which no agreement has been reached from third parties, provided that such procurement does not contravene the other principles of the agreement. Such procurement shall not be regarded as a transaction in breach of the transaction principles under the agreement.

Payment method : The parties shall settle the fees for the various general services under the 2027-2029 General Services Framework Agreement in accordance with the settlement methods and settlement frequencies stipulated in the respective specific service contracts. In respect of projects for which the provision of services by Shandong Hi-Speed Group or its relevant Subordinated Companies is determined through a tendering process, the time and manner of payment of the relevant service fees shall be determined in accordance with the tender documents and the agreement separately entered into between both parties.

Conditions for effectiveness :

(i) The agreement having been executed by the legal representative or authorised representative of the parties, and affixed with the common seals of the parties; and

(ii) The Board of the Company having approved the agreement and the transactions contemplated thereunder.

Pricing policies : The fees for various services under the 2027-2029 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 services, the fees for services shall be determined in accordance with the prescribed price published on the official website of the relevant government authority and in the relevant official pricing documents;

(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 official website of the relevant government authority or through the relevant official pricing documents, the price of such 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 relevant government-prescribed or government-guided prices are no longer applicable to such services, 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 applicable laws and regulations or the party receiving the service must apply the tender process according to its internal codes, the price shall be the price ultimately determined by tender process.

Where the service fees are determined with reference to market prices, such fees shall be determined through negotiations between the contracting parties. In determining the market prices, the principal factors to be considered by the parties include:

(i) the prevailing market prices for similar services provided by third parties in the place where the service provider is located, making reference to at least two contemporaneous comparable transactions entered into with Independent Third Parties by obtaining quotations from similar service providers; and

(ii) the lowest quotation for the provision of the same or similar services to any third party by Shandong Hi-Speed Group and its relevant Subordinated Companies.

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

Both parties shall select the service suppliers 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》), 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, and the terms set by the tendering party in relation to the tender;

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

(iii) the historical business records 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 are currently no government-prescribed prices or government-guided prices applicable to the services under the 2027-2029 General Services Framework Agreement pursuant to the relevant PRC laws and regulations. Accordingly, market prices shall apply to all such services, and the relevant prices shall be determined through negotiations between the contracting parties or by way of a tendering process.

Annual Caps and Historical Transaction Amounts

The existing annual caps and the historical transaction amounts for the transactions contemplated under the Previous General Services Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026 shall be respectively as follows:

	For the year ended 31 December		Nine months ended 30 September
	2024	**2025**	**2026**
	RMB'000		
Previous annual caps	2,600,000	600,000	400,000
Historical transaction amounts	2,515,032	301,035	85,889

Proposed Annual Caps and Basis for Determining the Annual Caps

The proposed annual caps for the transactions contemplated under the 2027-2029 General Services Framework Agreement for each of the three years ended 31 December 2029 shall be respectively as follows:

	For the year ended 31 December		
	2027	**2028**	**2029**
	RMB'000		
Annual caps	100,000	100,000	100,000

The annual caps under the 2027-2029 General Services Framework Agreement were determined after arm's length negotiations between the Company and Shandong Hi-Speed Group after taking into account the following factors:

(i) As disclosed above, the actual historical transaction amounts under the Previous General Services Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026;

(ii) given that the Company's Jihe Expressway has resumed two-way traffic in December 2024, and the finishing works related to the reconstruction and expansion have been progressively completed in 2025 and 2026, the demand for supporting services related to such project will correspondingly decrease; therefore, the transaction caps under the General Services Framework Agreement have been reduced to normal operating levels;

(iii) 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

(iv) where the relevant projects for the General Highway Business Operation Services required by the Company reach the required tender thresholds under the Regulations on Construction Projects Required to be Tendered (《必須招標的工程項目規定》), the Company must determine the counterparty through tendering and the considerations for the contracts shall be determined on the basis of the bidding quotations of the successful bidders, and if Shandong Hi-Speed Group and its relevant Subordinated Companies bid and win the projects, such transactions will constitute connected transactions of the Company under the Listing Rules.

Reasons for and Benefits of Entering into the 2027-2029 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 suppliers have the expertise in their respective fields and may possess licences required to provide the relevant services and/or experienced and skilled technical staff for carrying out the professional work involved;

(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 save cost 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 favourable 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.

(vi) As Shandong Hi-Speed Group and its relevant Subordinated Companies have consistently been reliable and stable service providers in relation to highway operations, delivering quality services through skilled technical personnel with relevant expertise, the Group has established stable and long-term business relationships over the years regarding the procurement of General Highway Business Operation Services. The mutual trust established over the years, as well as the mutual benefits generated from the transactions, enable both parties to leverage each other's resources and expertise, making it unlikely for any material adverse change or termination to occur in the relationship between the contracting parties.

(vii) Pursuant to the agreement, the Group has no service procurement commitments, and its obligations under the agreement are non-exclusive. The Group therefore retains control over the selection of service providers. To this end, the Group has maintained a list of qualified suppliers, pursuant to which the Group has readily available alternative suppliers in the market providing similar services on comparable terms to replace the existing service providers where necessary, thereby effectively mitigating the risk exposure in the event of any material adverse change or termination of the relationship with Shandong Hi-Speed Group and its relevant Subordinated Companies.

Taking into account the above, the Board (excluding Ms. Kong Xia and Mr. Wang Hongyi, who were required to abstain from voting on the relevant Board resolutions, but including the independent non-executive Directors) is of the view that the General Highway Business Operation Services are and will continue to be conducted in the ordinary and usual course of business of the Group and on an arm's length basis, and the 2027-2029 General Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are proposed to be entered into in the ordinary and usual course of business of the Group on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

2. 2027-2029 Financial Services Framework Agreement

The principal terms and conditions of the 2027-2029 Financial Services Framework Agreement are set out as follows:

Parties : (i) The Company; and

(ii) Shandong Hi-Speed Group

Term : Effective from 1 January 2027 to 31 December 2029 (both days inclusive)

Subject matter : Shandong Hi-Speed Group and its subsidiaries agreed to provide the Group with the following financial services pursuant to the terms and conditions of the 2027-2029 Financial Services Framework Agreement:

(i) deposit services, including but not limited to current deposit, time deposit, call deposit and agreement deposit and other deposit types; and

(ii) cross-border fund centralised operation and management services, that is, Shandong Hi-Speed Group agrees to provide the Group with cross-border fund centralised operation and management services as the lead enterprise without compensation, for the purpose of handling cross-border remittance-related matters such as the foreign debt and offshore lending, centralised collection and payment of current account funds and netting settlement.

Subject to the terms and conditions of the 2027-2029 Financial Services Framework Agreement, the Group and Shandong Hi-Speed Group shall further enter into specific contracts for deposit services and cross-border fund centralised operation and management services to provide for the specific matters in relation to the provision of such services.

Payment method : Upon the 2027-2029 Financial Services Framework Agreement becoming effective, the Group will enter into separate and individual contracts with Shandong Hi-Speed Group or its Subordinated Companies. The specific terms on the scopes of services, amounts, settlement methods and the relevant rights and obligations shall be set out in the contractual provisions of the individual signed contracts or tender documents.

Conditions for effectiveness :

(i) The agreement having been executed by the legal representative or authorised representative of the parties, and affixed with the common seals of the parties, and the Board of the Company has approved the agreement and the transactions contemplated thereunder; and

(ii) The Company having obtained the approval of the resolutions in respect of the agreement and the transactions contemplated thereunder (including the proposed annual caps) by the Independent Shareholders at the EGM, and the Company undertakes to use its best endeavours to procure the fulfilment of this condition.

Pricing policies : Shandong Hi-Speed Group and its subsidiaries have undertaken to provide the above financial services to the Company and its subsidiaries in accordance with the following pricing policies:

(i) Deposit services: the deposit interest rates applicable to the deposit services shall not be lower than any of the following: the interest rates offered by the financial institutions under Shandong Hi-Speed Group to other members of Shandong Hi-Speed Group for the same type of deposits on the same conditions; and the interest rates offered by other commercial banks in the PRC to the Company and its subsidiaries for the same type of deposits; and

(ii) Cross-border fund centralised operation and management services: No service fee is charged by Shandong Hi-Speed Group for the provision of cross-border fund centralised operation and management services to the Group.

In addition, where the Company is required to apply the bidding and tendering process pursuant to its internal codes, it shall select the service provider and determine the final price by way of public tender in accordance with the applicable laws and regulations and relevant internal codes; the time and manner of payment shall be determined in accordance with the tender documents and the agreement separately entered into by both parties.

Annual Caps and Historical Transaction Amounts

The existing annual caps and the historical transaction amounts for the transactions contemplated under the Previous Financial Services Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026 shall be respectively as follows:

	For the year ended 31 December		Nine months ended 30 September
	2024	2025	2026
	RMB'000		
Deposit services			
Previous maximum daily deposit balance caps (including accrued interest)	1,000,000	1,000,000	1,000,000
Historical maximum daily deposit balances (including accrued interest)	157,299	181,903	155,758
Cross-border fund centralised operation and management services			
Previous daily fund balance caps	140,000	140,000	140,000
Historical daily fund balances	0	90,000	0

Proposed Annual Caps and Basis for Determining the Annual Caps

The proposed annual caps for the transactions contemplated under the 2027-2029 Financial Services Framework Agreement for each of the three years ended 31 December 2029 shall be respectively as follows:

	For the year ended 31 December		
	2027	**2028**	**2029**
	RMB'000		
Deposit services			
Maximum daily deposit balances (including accrued interest)	200,000	200,000	200,000
Cross-border fund centralised operation and management services			
Daily fund balance caps	250,000	250,000	250,000

The annual caps under the 2027-2029 Financial Services Framework Agreement were determined after arm's length negotiations between the Company and Shandong Hi-Speed Group after taking into account the following factors:

(i) As disclosed above, the actual historical transaction amounts under the Previous Financial Services Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026;

In respect of the deposit services (maximum daily deposit balances (including accrued interest))

(i) the balance of cash and cash equivalents of the Group as at 30 June 2026 was approximately RMB602.389 million;

(ii) the cash generated from daily operations of the Group;

(iii) the operating cash flow requirements and financial requirements for the Group's operation and business expansion in the future; and

(iv) the Group maintains deposits with Shandong Hi-Speed Group primarily because the bank accounts of the Company's subsidiaries are maintained with Weihai Bank (威海銀行) to facilitate fund collection and daily treasury management arrangements. The financial institutions under Shandong Hi-Speed Group are regulated by the National Financial Regulatory Administration and have maintained sound operating performance and financial positions, and have well-established risk control and compliance management systems, which help to mitigate the potential risks associated with the deposits.

In respect of cross-border fund centralised operation and management services (the daily fund balance of the Group in the special account for the cross-border fund centralised operation and management of Shandong Hi-Speed Group)

(i) The Company trades commodities through Qilu Expressway (Hong Kong), which involves cross-border fund arrangements. The Company has borrowed RMB250 million from Qilu Expressway (Hong Kong);

(ii) to safeguard the operating capital requirements of its overseas subsidiaries, business plans have been made for the extension of maturing working capital loans through the Group's cross-border fund centralised operation and management system for the years from 2027 to 2029; and

(iii) the relevant balance was previously recorded as nil because certain funds were deposited and transferred out on the same day and were therefore not included in the maximum daily balance. The Company cannot assure that such same-day deposit and withdrawal arrangement will remain viable.

Reasons for and Benefits of Entering into the 2027-2029 Financial Services Framework Agreement

The financial institutions under Shandong Hi-Speed Group are regulated by the National Financial Regulatory Administration, and are authorised to provide various financial services to the Group. At the same time, the Group has been actively developing its business in the procurement and trading of commodities such as industrial products, and building and metallic materials. The Group conducts the relevant business through Qilu Expressway (Hong Kong), involving cross-border fund flows and payment arrangements. The principal reasons for and the benefits of entering into the 2027-2029 Financial Services Framework Agreement are as follows:

For the deposit services

(i) the Group can use the financial institutions under Shandong Hi-Speed Group as intermediaries to facilitate more efficient deployment of funds among the Company's subsidiaries;

(ii) the Group can maximize the efficiency of the Group's capital by expanding the use of the available funds and by using the funds collected to repay the external commercial loans of the Company's subsidiaries;

(iii) to save finance costs, which in turn will enhance the profitability of the Group and the Shareholders of the Company (including the minority Shareholders) will be able to benefit from it; and

(iv) The financial institutions under Shandong Hi-Speed Group have a sound organisational structure and standardised internal control mechanism, and their operating conditions are sound and their financial results are good.

For the cross-border fund centralised operation and management services

(i) Improving the liquidity of cross-border funds: cross-border fund centralised operation and management services facilitate the Group's procurement and sales of commodities such as industrial products, building and metallic materials. The Company may, leveraging on Shandong Hi-Speed Group's existing cross-border fund arrangements, readily arrange for cross-border fund flows and payment through Shandong Hi-Speed Group's cross-border fund centralised operation and management services in a flexible and timely manner without restrictions, which shortens the cross-border funds turnover process and helps maximise cost-effectiveness and operational efficiency;

(ii) Familiarity with the Group's business helps promote more flexible and convenient services: Shandong Hi-Speed Group has established a business relationship with the Group in relation to procurement and sales of building and metallic materials. Shandong Hi-Speed Group is familiar with the Group's capital structure, business operations, capital requirements and cash flow model, which enables it to better anticipate the Group's capital needs. As such, Shandong Hi-Speed Group can readily provide services for the Group in a flexible, convenient and cost-effective manner;

(iii) The Group's competence in selecting service providers: The Group establishes another channel for access to service providers through entering into the 2027-2029 Financial Services Framework Agreement with Shandong Hi-Speed Group. Not only can the Group cooperate with Shandong Hi-Speed Group, it is also not restricted from selecting other financial institutions (including PRC commercial banks) for cooperation. The Group has the discretion to work with any institution of its choice and to obtain any best terms it is offered;

(iv) Favourable commercial terms: Shandong Hi-Speed Group can offer the Group more favourable commercial terms than those available from domestic commercial banks. For instance, Shandong Hi-Speed Group does not charge the Group service fees for cross-border fund management that are generally charged by commercial banks in the PRC, and the Group can benefit from the arrangement of cross-border fund centralised operation and management services, which saves its finance costs; and

(v) The Group can actively connect overseas markets and enhance its overseas operation scale by taking advantage of the cross-border fund centralised operation and management services provided by Shandong Hi-Speed Group, which help to expand the Group's industrial chain and value chain in transportation taking full advantage of Hong Kong's position as an international trade centre, implement the Group's new development strategy of "leading by principal business and industry-finance integration and two-wheel drive (主業引領、產融結合、雙輪驅動)", and promote its industry-finance integration and efficiency enhancement.

Taking into account the above, the Board (excluding Ms. Kong Xia and Mr. Wang Hongyi, who were required to abstain from voting on the relevant Board resolutions; for the deposit services and the cross-border fund centralised operation and management services under the 2027-2029 Financial Services Framework Agreement, also excluding the independent non-executive Directors, whose views are contained in the Letter from the Independent Board Committee in the circular to be despatched to the Shareholders) is of the view that the 2027-2029 Financial Services Framework Agreement and the transactions contemplated thereunder (including the deposit services and cross-border fund centralised operation and management services and their respective proposed annual caps thereunder) are proposed to be 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 its Shareholders as a whole.

3. 2027-2029 Services Provision Framework Agreement

The principal terms and conditions of the 2027-2029 Services Provision Framework Agreement are set out as follows:

Parties	:	(i) The Company; and (ii) Shandong Hi-Speed Group
Term	:	Effective from 1 January 2027 to 31 December 2029 (both days inclusive)
Subject matter	:	The services provided or may be provided by the Group to Shandong Hi-Speed Group and its relevant Subordinated Companies include but are not limited to labour subcontracting, consulting services, leasing services, warehousing and logistics services, installation services, trade services, entrusted construction services, import and export of goods services, engineering management services, landscaping services as well as other services which are permitted by law and can be performed by the Group and its relevant Subordinated Companies within their registered business scopes.
Principles of transactions	:	In respect of the service projects provided by the Group and its relevant Subordinated Companies, Shandong Hi-Speed Group and its relevant Subordinated Companies shall give priority to the Group and its relevant Subordinated Companies' services when the service conditions offered by the third parties are the same as or less favourable than those offered by the Group and its relevant Subordinated Companies (except where the counterparty is required to be determined through tendering in accordance with relevant laws and regulations). The Group will ensure that all service items provided by it and its relevant Subordinated Companies are of good quality, at fair and reasonable prices, and the terms of service provided to Shandong Hi-Speed Group and its relevant Subordinated Companies shall not be more favourable than those provided to third parties.
Demand estimation	:	Except for public tendering, Shandong Hi-Speed Group shall submit a service demand plan for the next accounting year or any adjustment plan on the service projects for the current accounting year to the Group prior to 31 October of each year. Both parties shall also reach a consensus on the plan before 30 November of the same year. In the event that the service demand plan of Shandong Hi-Speed Group for the next accounting year is agreed upon between the parties, the Group shall satisfy such plan. If the parties fail to reach agreement on the service demand plan for the next accounting year by 30 November of the same year, Shandong Hi-Speed Group shall be entitled to procure the relevant types of services in respect of which no agreement has been reached from third parties, provided that such procurement does not contravene the other principles of the agreement. Such procurement shall not be regarded as a transaction in breach of the transaction principles under the agreement.

Payment method : The parties shall settle the various services under the 2027-2029 Services Provision Framework Agreement in accordance with the settlement methods and settlement frequencies stipulated in the respective specific service contracts. In respect of projects for which the provision of services by the Group or its relevant Subordinated Companies is determined through a tender process, the time and manner of payment of the relevant service fees shall be determined in accordance with the tender documents and the agreement separately entered into between both parties.

Conditions for effectiveness :

(i) The agreement having been executed by the legal representative or authorised representative of the parties, and affixed with the common seals of the parties; and

(ii) The Board of the Company having approved the agreement and the transactions contemplated thereunder.

Pricing policies : The fees for various services under the 2027-2029 Services Provision 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 services, the fees for services shall be determined in accordance with the prescribed price published on the official website of the relevant government authority and in the relevant official pricing documents;

(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 official website of the relevant government authority or through the relevant official pricing documents, the price of such 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 relevant government-prescribed or government-guided prices are no longer applicable to such services, 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 applicable laws and regulations or the party receiving the service must apply the tender process according to its internal codes, the price shall be the price ultimately determined by tender process.

Where the service fees are determined with reference to market prices, such fees shall be determined through negotiations between the contracting parties. In determining the market prices, the principal factors to be considered by the parties include:

(i) the prevailing market prices for similar services provided by third parties in the place where the service provider is located, making reference to at least two contemporaneous comparable transactions entered into with Independent Third Parties by obtaining quotations from similar service providers; and

(ii) the lowest quotation for the provision of the same or similar services to any third party by the Group and its relevant Subordinated Companies.

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

Both parties shall select the service suppliers 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》), 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, and the terms set by the tendering party in relation to the tender;

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

(iii) the historical business records for the provision of similar services by the bidder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are currently no government-prescribed prices or government-guided prices applicable to the services under the 2027-2029 Services Provision Framework Agreement pursuant to the relevant PRC laws and regulations. Accordingly, market prices shall apply to all such services, and the relevant prices shall be determined through negotiations between the contracting parties or by way of a tendering process.

Annual Caps and Historical Transaction Amounts

The existing annual caps and the historical transaction amounts for the transactions contemplated under the Previous Services Provision Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026 shall be respectively as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2025	Nine months ended 30 September 2026
		RMB'000	
Previous Services Provision Framework Agreement			
Previous annual caps	65,000	180,000	180,000
Historical transaction amounts	63,287	114,279	22,322

Proposed Annual Caps and Basis for Determining the Annual Caps

The proposed annual caps for the transactions contemplated under the 2027-2029 Services Provision Framework Agreement for each of the three years ended 31 December 2029 shall be respectively as follows:

	For the year ended 31 December		
	2027	2028	2029
		RMB'000	
2027-2029 Services Provision Framework Agreement			
Annual Caps	110,000	110,000	110,000

The annual caps under the 2027-2029 Services Provision Framework Agreement were determined after arm's length negotiations between the Company and Shandong Hi-Speed Group after taking into account the following factors:

(i) the current scale of operation and expansion plan of the Group's construction business segment, including the plan to increase the provision of peripheral services for the construction and operation of expressways during the three years ended 31 December 2029, increase the Group's manpower and resources to provide diversified services and improve service quality;

(ii) the expected demand of Shandong Hi-Speed Group and its Subordinated Companies for the provision of services by the Group under the 2027-2029 Services Provision Framework Agreement, in particular taking into account the following:

(a) according to the Comprehensive Three-dimensional Transportation Network Planning Outline of Shandong Province (2023-2035) (《山東省綜合立體交通網規劃綱要(2023-2035)》) issued by the Shandong Provincial People's Government, Shandong Province shall plan the construction of transport infrastructure in advance to an appropriate extent during the planning period to improve the overall efficiency of comprehensive transportation. The total scale of the physical network layout of the comprehensive three-dimensional transportation network in the province exceeded 50,600 km, including more than 35,000 km of the main highway network, more than 15,000 km of the expressway (including approximately 3,000 km of the research line) and more than 20,000 km of the general national and provincial highway. A modern and high-quality comprehensive three-dimensional transportation network that is fully capable, extensively covered, rationally structured, convenient and smooth, efficiently interconnected, green and intensive, intelligent and advanced as well as safe and reliable has been built;

(b) Shandong Hi-Speed Group, being a prominent state-owned entity for the investment, construction and operation of the road infrastructures in Shandong Province and the provision of expressway and urban and rural highway construction services, as well as engineering support, is expected to become one of the entities to lead the initiatives of the traffic and transportation upgrade projects under the above-mentioned plan;

(c) based on its positioning and leading qualities in the industry, Shandong Hi-Speed Group and its Subordinated Companies are expected to become, and/or win the tender to become the construction unit of various expressway-related infrastructure construction and upgrade projects contemplated under the above-mentioned plan; and

(d) Shandong Gangtong Construction, a wholly-owned subsidiary of the Company, is a construction enterprise mainly engaged in highway and bridge construction, municipal engineering and highway maintenance. It possesses a grade two qualification for general contractor in terms of highway project construction, and can undertake construction projects of highways below the grade one standard, bridges within a single span of less than 150 metres, tunnels below 1,000 metres, culverts, highway maintenance, etc. The Group may provide Shandong Hi-Speed Group and its Subordinated Companies with labour subcontracting, installation services, entrusted construction services, engineering management services and landscaping services as well as all other services prescribed under the Group's registered business scopes and as permitted by applicable laws. With reference to the above expressway-related infrastructure project plans, the Group expects that most of the construction work will commence in 2023 and end in 2035, which will enable the demand from Shandong Hi-Speed Group and its Subordinated Companies for the services under the 2027-2029 Services Provision Framework Agreement to be maintained within a reasonable range;

(iii) the expected direct costs and project costs to be incurred by the Group in relation to the provision of services under the 2027-2029 Services Provision Framework Agreement, taking into consideration, for instance, the costs of the relevant human resources input; and

(iv) a certain buffer has been reserved for the expected transaction amount for the provision of services under the agreement in circumstances where the demand side of the services may achieve multiple successes more successful in the subsequent tenders of the subject matters under the agreement and secure more business opportunities as a result of promulgation of government policies and guidance on road transport-related facilities development from time to time.

Reasons for and Benefits of Entering into the 2027-2029 Services Provision 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 labour subcontracting, warehousing and logistics services, entrusted construction services and project management services in relation to expressway construction.

The Directors consider that it is beneficial to the Group to enter into the 2027-2029 Services Provision Framework Agreement taking into account the following factors:

(i) Shandong Hi-Speed Group and its Subordinated Companies have extensive experience and respectable reputation in their respective areas of businesses and solid financial standing and have demonstrated themselves as contractual counterparties in terms of the quality expressway operation-related services of the Group over the past years. The long-term cooperating relationship between the Group and Shandong Hi-Speed Group and its Subordinated Companies is more beneficial to the operation of both parties;

(ii) the Group has, over the years of operation, developed its expertise in the provision of peripheral expressway construction and operation services and processing of industrial and building materials. With reference to the scale of operation as well as the leading role of Shandong Hi-Speed Group and its Subordinated Companies in terms of Shandong expressway construction, operation and management as mentioned above, the entering into of the 2027-2029 Services Provision Framework Agreement would enable the Group to have access to a scaleable target customer group for a stable demand for its service, in respect of the projects undertaken by Shandong Hi-Speed Group and its Subordinated Companies, particularly in light of the increase in the number of road transport-related projects in Shandong Province pursuant to relevant plans; and

(iii) the services provided by the Group to Shandong Hi-Speed Group and its Subordinated Companies were on terms no less favourable to the Group than those provided to Independent Third Parties (as the case may be), taking into account the quality, prices, understanding of business needs and operational requirements of Shandong Hi-Speed Group and its Subordinated Companies, familiarity with the construction projects undertaken by the parties and value-added contributions that could be offered, and those services are in compliance with the applicable industry requirements on expressway construction and operation in general.

Therefore, whereas 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 the capabilities of both parties and the safeguards and requirements as to the quality and prices of the services under the 2027-2029 Services Provision Framework Agreement, the Board considers that the arrangements under the 2027-2029 Services Provision 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 by enhancing its services/goods supply and business scale, while ensuring stable and high-quality supply of required materials. This effectively controls the associated transactional risks and communication costs in the Group's usual course of business.

Taking into account the above, the Board (excluding Ms. Kong Xia and Mr. Wang Hongyi, who were required to abstain from voting on the relevant Board resolutions, but including the independent non-executive Directors) is of the view that the 2027-2029 Services Provision Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are proposed to be 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 its Shareholders as a whole.

4. 2027-2029 General Procurement Framework Agreement

The principal terms and conditions of the 2027-2029 General Procurement Framework Agreement are set out as follows:

Parties	:	(i) The Company; and (ii) Shandong Hi-Speed Group
Term	:	Effective from 1 January 2027 to 31 December 2029 (both days inclusive)
Subject matter	:	The goods procured by the Group from Shandong Hi-Speed Group and its relevant Subordinated Companies include but are not limited to steel reinforcement bars, strand, cement, geomaterials, asphalt, concrete and other building materials, construction equipment and their accessories, as well as all other items prescribed under the registered business scopes of Shandong Hi-Speed Group and its Subordinated Companies and as permitted by applicable laws.
Principles of transactions	:	In respect of the goods supplied by Shandong Hi-Speed Group and its relevant Subordinated Companies, the Group and its relevant Subordinated Companies shall give priority to the goods supplied by Shandong Hi-Speed Group and its relevant Subordinated Companies provided that the price and quality are identical to those offered by third parties, except for the procurement of goods for which the transaction counterparties are required to be determined through tendering in accordance with the relevant laws and regulations. Shandong Hi-Speed Group will ensure the goods supplied by it and its relevant Subordinated Companies are of high quality and the prices of which are fair and reasonable, whereas the prices of the goods sold to the Group and its relevant Subordinated Companies shall not be higher than those of similar goods sold to third parties.

Demand estimation	:	Except for public tendering, the Group shall submit the procurement demand plan for the next accounting year or the adjustment plan for the procurement demand for the current accounting year to Shandong Hi-Speed Group before 31 October of each year, and both parties shall agree on the plan before 30 November of the year. If the procurement demand plan of the Group for the next accounting year is agreed by both parties, Shandong Hi-Speed Group shall satisfy the plan.
Payment method	:	The parties shall settle the various goods under the 2027-2029 General Procurement Framework Agreement in accordance with the settlement methods and settlement frequencies stipulated in the respective specific procurement contracts. In respect of projects for which the supply of goods by Shandong Hi-Speed Group or its relevant Subordinated Companies is determined through a tendering process, the time and manner of payment of the relevant procurement price shall be determined in accordance with the tender documents and the agreement separately entered into between both parties.
Conditions for effectiveness	:	(i) The agreement having been executed by the legal representative or authorised representative of the parties, and affixed with the common seals of the parties; and (ii) The Board of the Company having approved the agreement and the transactions contemplated thereunder.

Pricing policies : The pricing of each category of goods procured under the 2027-2029 General Procurement 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 official website of the relevant government authority and in the relevant official pricing documents;

(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 official website of the relevant government authority or through the relevant official pricing documents, 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 relevant government-prescribed or government-guided prices are no longer applicable to such product, 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 applicable laws and regulations or the procuring party must apply the tender process according to its internal codes, the price shall be the price ultimately determined by tender process.

Where the prices of the relevant products are determined with reference to market prices, such prices shall be determined through negotiations between the contracting parties. In determining the market prices, the principal factors to be considered by the parties include:

(i) the prevailing market price charged by any third party selling a similar product in the location of the goods supplier, with reference to the selling price in at least two contemporaneous comparable transactions entered into with Independent Third Parties by obtaining quotations from similar goods suppliers; and

(ii) the lowest selling price in respect of the same or similar product sold by Shandong Hi-Speed Group and its relevant Subordinated Companies to any third party.

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

Both parties shall select goods suppliers 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》), 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, taking into account the following factors, including but not limited to:

(i) the terms of the tender provided by the bidder, including the bid price, and the terms by for the tendering party in relation to the tender;

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

(iii) the historical business records for the provision of similar products by the bidder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are currently no government-prescribed prices or government-guided prices applicable to the goods under the 2027-2029 General Procurement Framework Agreement pursuant to the relevant PRC laws and regulations. Accordingly, market prices shall apply to all such goods, and the relevant prices shall be determined through negotiations between the contracting parties or by way of a tendering process.

Annual Caps and Historical Transaction Amounts

The existing annual caps and the historical transaction amounts for the transactions contemplated under the Previous General Procurement Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026 shall be respectively as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2025	Nine months ended 30 September 2026
		RMB'000	
Previous General Procurement Framework Agreement			
Previous annual caps	650,000	120,000	120,000
Historical transaction amounts	593,795	56,806	16,550

Proposed Annual Caps and Basis for Determining the Annual Caps

The proposed annual caps for the transactions contemplated under the 2027-2029 General Procurement Framework Agreement for each of the three years ended 31 December 2029 shall be respectively as follows:

	For the year ended 31 December		
	2027	2028	2029
		RMB'000	
2027-2029 General Procurement Framework Agreement			
Annual caps	50,000	50,000	50,000

The annual caps under the 2027-2029 General Procurement Framework Agreement were determined after arm's length negotiations between the Company and Shandong Hi-Speed Group after taking into account the following factors:

(i) as disclosed above, the actual historical transaction amounts under the Previous General Procurement Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026;

(ii) the expected procurement demand during the term of the agreement. The Group's subsidiaries include construction entities and hybrid tower manufacturing enterprises, which need to procure cement, concrete, geomaterials and other building materials as raw materials required for production and processing, to support the business expansion of the industrial product sales segment and satisfy the continuously growing demand for product sales orders;

(iii) the expected direct costs and project costs to be incurred by the Group in relation to the procurement of goods under the agreement, taking into consideration, for instance, the increase in the raw material prices, the costs for sourcing and installation of the corresponding equipment, and the possible need for dedication of additional manpower and resources to facilitate the expansion of such businesses; and

(iv) a certain buffer has been reserved in respect of the expected amount of procurement transactions under the agreement given that goods purchasers may achieve multiple successes in the subsequent tenders of the subject matters under the agreement and secure more business opportunities as a result of promulgation of government policies and guidance on road transport-related facilities development from time to time.

Reasons for and Benefits of Entering into the 2027-2029 General Procurement Framework Agreement

Shandong Hi-Speed Group is one of the leading expressway operators and providers of road infrastructure-related products and services in Shandong Province, while the Group has construction and hybrid tower manufacturing enterprises within its business portfolio. In terms of the procurement of raw materials for building materials, the subsidiary suppliers of Shandong Hi-Speed Group have experience in the production of materials for transport infrastructure and are capable of providing a stable supply of raw materials that meet the relevant standards, thereby supporting the business expansion of the Group's industrial products segment and enabling it to expand its scale of operations.

The Directors consider that it is beneficial to the Group to enter into the 2027-2029 General Procurement Framework Agreement taking into account the following factors:

(i) Shandong Hi-Speed Group and its Subordinated Companies possess extensive experience and a solid reputation in their respective business sectors, maintain a sound financial position, and are long-term cooperating counterparties of the Group. The long-term cooperative relationship established between the Group and Shandong Hi-Speed Group and its Subordinated Companies is conducive to enhancing the operational efficiency of both parties.

(ii) The Group owns construction enterprises and a hybrid tower production and manufacturing segment, which require cement, concrete, geomaterials and various construction raw materials during the production and operation processes. Shandong Hi-Speed Group is a well-known state-owned enterprise in the fields of road infrastructure investment, construction and operations in Shandong Province, and is capable of providing construction materials and ancillary support. Leveraging its well-established experience in the supply of transport infrastructure materials, it can ensure a stable supply of raw materials to support the continuous business operations of the Group's industrial products segment.

(iii) Furthermore, with the continuous expansion of the Group's industrial product sales business, the demand for various construction raw materials is expected to be maintained at a certain scale. In accordance with industry practice, raw materials are not stockpiled in large quantities during the production and construction processes in order to control warehousing costs and reduce on-site management pressure; meanwhile, restricted by their physical properties, materials such as cement and concrete are subject to usage time limits and are generally procured on an as-needed basis according to production schedules. Through the arrangements under the 2027-2029 General Procurement Framework Agreement, a stable supply of raw materials can be achieved to match the production and sales pace of the Group. Based on the foundation of long-term business cooperation between both parties, Shandong Hi-Speed Group and its Subordinated Companies are familiar with the Group's operational requirements. Leveraging their resource advantages within the province, the Group can obtain raw materials at reasonable prices in a timely manner, thereby ensuring the smooth advancement of its manufacturing and product sales businesses.

(iv) Having comprehensively considered factors such as supply quality, price, familiarity with the Group's business, project coordination capability and value-added services, the terms on which the Group procures goods from Shandong Hi-Speed Group and its Subordinated Companies are no less favourable than those that can be provided by Independent Third Parties, and the relevant goods generally satisfy the applicable industry standards for the manufacturing and construction of transport infrastructure.

Therefore, given the ongoing business relationship between the Group and Shandong Hi-Speed Group, both parties have a full understanding of each other's operational needs. Taking into consideration factors such as supply capability, material quality and price assurance, the Board considers that the transaction arrangements under the 2027-2029 General Procurement Framework Agreement are in the interests of both parties. In particular, they are beneficial for the Group in promoting its integrated industrial chain operations, safeguarding internal production and manufacturing and the operation of product sales business through standardized raw material procurement, and effectively controlling transaction communication costs and related risks during the course of daily operations.

Taking into account the above, the Board (excluding Ms. Kong Xia and Mr. Wang Hongyi, who were required to abstain from voting on the relevant Board resolutions, but including the independent non-executive Directors) is of the view that the 2027-2029 General Procurement Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are proposed to be 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 its Shareholders as a whole.

5. 2027-2029 General Sales Framework Agreement

The principal terms and conditions of the 2027-2029 General Sales Framework Agreement are set out as follows:

Parties : (i) The Company; and

(ii) Shandong Hi-Speed Group

Term : Effective from 1 January 2027 to 31 December 2029 (both days inclusive)

Subject matter : The goods sold by the Group to Shandong Hi-Speed Group and its relevant Subordinated Companies include but are not limited to asphalt, asphalt mixture, cement, concrete and other building materials, construction equipment and their accessories, plant protection products as well as other goods permitted by law and permitted to be sold by the Group under their registered business scopes and its relevant Subordinated Companies.

Principles of transactions	:	In respect of the goods supplied by the Group and its relevant Subordinated Companies, Shandong Hi-Speed Group and its relevant Subordinated Companies shall give priority to the goods supplied by the Group and its relevant Subordinated Companies provided that the price and quality are identical to those offered by third parties, except for the procurement of goods for which the transaction counterparties are required to be determined through tendering in accordance with the relevant laws and regulations. The Group will ensure the goods supplied by it and its relevant Subordinated Companies 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 relevant Subordinated Companies shall not be lower than those of similar goods sold to third parties.
Demand estimation	:	Except for public tendering, Shandong Hi-Speed Group shall submit the procurement demand plan for the next accounting year or the adjustment plan for the procurement demand for the current accounting year to the Group before 31 October of each year, and both parties shall agree on the plan before 30 November of the year. 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. If the parties fail to reach an agreement on the procurement demand plan for the next accounting year by 30 November of the same year, Shandong Hi-Speed Group shall be entitled to procure the relevant types of goods in respect of which no agreement has been reached from third parties, provided that such procurement does not contravene the other principles of the agreement. Such procurement shall not be regarded as a transaction in breach of the transaction principles under the agreement.
Payment method	:	The parties shall settle the various goods under the 2027-2029 General Sales Framework Agreement in accordance with the settlement methods and settlement frequencies stipulated in the respective specific procurement contracts. In respect of projects for which the supply of goods by the Group or its relevant Subordinated Companies is determined through a tendering process, the time and manner of payment of the relevant procurement price shall be determined in accordance with the tender documents and the agreement separately entered into between both parties.

Conditions for effectiveness : (i) The agreement having been executed by the legal representative or authorised representative of the parties, and affixed with the common seals of the parties;

(ii) The Board of the Company having approved the agreement and the transactions contemplated thereunder; and

(iii) The Company having obtained the approval of the Independent Shareholders at the EGM in respect of the agreement and the transactions contemplated thereunder (including the proposed annual caps).

Pricing policies : The pricing of each category of goods sold under the 2027-2029 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 official website of the relevant government authority and in the relevant official pricing documents;

(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 official website of the relevant government authority or through the relevant official pricing documents, 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 relevant government-prescribed or government-guided prices are no longer applicable to such product, 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 applicable laws and regulations or the procuring party must apply the tender process according to its internal codes, the price shall be the price ultimately determined by tender process.

Where the prices of the relevant products are determined with reference to market prices, such prices shall be determined through negotiations between the contracting parties. In determining the market prices, the principal factors to be considered by the parties include:

(i) the prevailing market price charged by any third party selling a similar product in the location of the goods supplier, with reference to the selling price in at least two contemporaneous comparable transactions entered into with Independent Third Parties by obtaining quotations from similar goods suppliers; and

(ii) the lowest selling price in respect of the same or similar product sold by the Group and its relevant Subordinated Companies to any third party.

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

Both parties shall select goods suppliers 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》), 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, taking into account the following factors, including but not limited to:

(i) the terms of the tender provided by the bidder, including the bid price, and the terms set by the tendering party in relation to the tender;

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

(iii) the historical business records for the provision of similar products by the bidder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are currently no government-prescribed prices or government-guided prices applicable to the goods under the 2027-2029 General Sales Framework Agreement pursuant to the relevant PRC laws and regulations. Accordingly, market prices shall apply to all such goods, and the relevant prices shall be determined through negotiations between the contracting parties or by way of a tendering process.

Annual Caps and Historical Transaction Amounts

The existing annual caps and the historical transaction amounts for the transactions contemplated under the Previous General Sales Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026 shall be respectively as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2025	Nine months ended 30 September 2026
		RMB'000	
Previous General Sales Framework Agreement			
Previous annual caps	700,000	500,000	500,000
Historical transaction amounts	353,035	178,942	83,012

Proposed Annual Caps and Basis for Determining the Annual Caps

The proposed annual caps for the transactions contemplated under the 2027-2029 General Sales Framework Agreement for each of the three years ended 31 December 2029 shall be respectively as follows:

	For the year ended 31 December		
	2027	2028	2029
		RMB'000	
2027-2029 General Sales Framework Agreement			
Annual caps	350,000	350,000	300,000

The annual caps under the 2027-2029 General Sales Framework Agreement were determined after arm's length negotiations between the Company and Shandong Hi-Speed Group after taking into account the following factors:

(i) as disclosed above, the actual historical transaction amounts under the Previous General Sales Framework Agreement for each of the two years ended 31 December 2025 and the nine months ended 30 September 2026;

(ii) the capacity planning and product sales plans of the construction materials manufacturing and wind power hybrid tower manufacturing segments of the Group's subsidiaries, and the expected market demand for the sale of industrial products such as construction materials and supporting components to Shandong Hi-Speed Group and its subsidiaries;

(iii) the historical market price trends of major construction materials and the expected trends of such prices during the term of the framework agreement, taking into account the fees charged by Independent Third Party industry participants for certain goods under the framework agreement, as ascertained from the market research of the Group, quotations obtained by the Group from time to time, data from public channels and such information obtained from discussions and interviews with market participants;

(iv) the estimated direct costs to be incurred by the Group for the sale of goods under the agreement, taking into account factors such as fluctuations in raw material prices, changes in the costs of product production and supporting services, and the additional manpower and resource inputs required for business expansion; and

(v) a reasonable buffer incorporated for the expected sales scale during the term of the agreement, considering the continuous release of market demand in the new energy sector, the continuous procurement demand from Shandong Hi-Speed Group and its subsidiaries, and the continuous support of industry policies for the construction of relevant infrastructure.

Reasons for and Benefits of Entering into the 2027-2029 General Sales Framework Agreement

Shandong Hi-Speed Group is a leading expressway operator in Shandong Province, deeply engaged in road transportation-related infrastructure construction business, while the Group is the operator of three expressways in Shandong Province. In respect of the sales business of industrial products such as construction materials and geomaterials, the Group can rely on its accumulated experience in expressway operation and management, and leverage the strengths of its ancillary construction materials manufacturing and wind power hybrid tower manufacturing segments, to continuously expand product sales and enlarge its scale of operations.

The Directors consider that it is beneficial to the Group to enter into the 2027-2029 General Sales Framework Agreement taking into account the following factors:

(i) Shandong Hi-Speed Group and its Subordinated Companies possess extensive experience and a solid reputation in their respective business sectors, maintain a sound financial position, and are long-term cooperating counterparties of the Group. The long-term cooperative relationship between the Group and Shandong Hi-Speed Group and its Subordinated Companies is conducive to enhancing the operational efficiency of both parties;

(ii) The subsidiaries of the Group are engaged in the production and manufacturing of construction materials and wind power hybrid tower products, and are capable of organizing production and supplying compliant products in accordance with the relevant technical specifications for transport infrastructure. The Group sells the relevant industrial products to Shandong Hi-Speed Group and its subsidiaries in a market-oriented manner at market prices after arm's length negotiations;

(iii) In addition, with the continuous advancement of transport infrastructure and new energy-related businesses, there is a stable demand for various construction and geotechnical component materials when Shandong Hi-Speed Group and its subsidiaries carry out relevant projects. In accordance with industry practice, construction units generally do not stockpile large quantities of materials in order to control warehousing costs and reduce on-site management pressure; meanwhile, restricted by their physical properties, certain materials such as cement and concrete are subject to usage time limits and are generally procured on an as-needed basis. Through the arrangements under the 2027-2029 General Sales Framework Agreement, the Group is able to deliver products steadily based on their demand in line with the project progress of Shandong Hi-Speed Group and its subsidiaries. Based on the foundation of long-term business cooperation between both parties, Shandong Hi-Speed Group and its Subordinated Companies are familiar with the Group's products and supply capabilities. Their project resources are distributed across multiple regions within the province, which provides stable sales channels for the Group's industrial products, and this is conducive to the Group leveraging its production capacity advantages and expand its product sales scale; and

(iv) Having considered factors such as product quality, price, understanding of the Group's business and operational needs, project coordination capability and value-added services, the terms on which the Group sells goods to Shandong Hi-Speed Group and its Subordinated Companies are no less favourable to the Group than those that can be provided by Independent Third Parties, and such goods generally satisfy the applicable industry requirements for the manufacturing and construction of transport infrastructure.

Therefore, whereas 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 future business relationships in respect of the highway operation-related services, taking into account the capabilities of both parties and the safeguards and requirements as to the quality and price of the goods under the 2027-2029 General Sales Framework Agreement, the Board considers that the arrangements under the 2027-2029 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 by increasing the sales of the construction materials and equipment for the road construction projects. This effectively controls the associated transactional risks and communication costs in the Group's ordinary and usual course of business.

Taking into account the above, the Board (excluding Ms. Kong Xia and Mr. Wang Hongyi, who were required to abstain from voting on the relevant Board resolutions, and excluding the independent non-executive Directors, whose views are contained in the Letter from the Independent Board Committee in the circular to be despatched to the Shareholders) is of the view that the 2027-2029 General Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are proposed to be 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 its Shareholders as a whole.

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 2027-2029 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 2027-2029 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 regularly monitor the subject matter of the continuing connected transactions under the 2027-2029 Continuing Connected Transactions Framework Agreements to ensure that the relevant fees and prices are fair and reasonable and in accordance with the relevant pricing basis;

(iv) the Group's team will, together with the financial management department, regularly review the actual transactions and actual transaction amounts of the 2027-2029 continuing connected transactions to ensure that the relevant annual caps will not be exceeded;

(v) the Group's team 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 an 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 2027-2029 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.

For the deposit services under the 2027-2029 Financial Services Framework Agreement, the Group has also adopted the following internal control measures, including:

(i) Before entering into any deposit arrangements with the financial institutions under Shandong Hi-Speed Group, the Company will conduct arm's length negotiations with the financial institutions under Shandong Hi-Speed Group regarding the deposit interest rates for the deposit services. Such deposit interest rates shall be: (a) determined with reference to, and not lower than, the interest rates provided by the financial institutions under Shandong Hi-Speed Group to other member companies of Shandong Hi-Speed Group for deposits of the same type under the same conditions; (b) determined with reference to, and not lower than, the then prevailing benchmark interest rates published by the PBOC for deposits of the same type under the same conditions, and in the event of any changes in such benchmark deposit interest rates, the deposit interest rates payable by the financial institutions under Shandong Hi-Speed Group will be determined with reference to, and not lower than, such benchmark deposit interest rates; and (c) determined with reference to, and not lower than, the deposit interest rates provided by at least two other independent commercial banks in the PRC for deposits of the same type under the same conditions. By doing so, the Company will ensure that the deposit interest rates for the deposit services provided for deposits of the same type under the same conditions will be no less favourable than the deposit interest rates for deposits of the same type for the same period provided by the financial institutions under Shandong Hi-Speed Group to other member companies of Shandong Hi-Speed Group, published by the PBOC or provided by two other independent commercial banks in the PRC;

(ii) The financial management department of the Company will monitor the deposit services on a daily basis to ensure that the maximum daily deposit balance (including accrued interest) will not be exceeded; and

(iii) The financial management department of the Company will report the progress of the deposit arrangements entered into with the financial institutions under Shandong Hi-Speed Group to the management of the Company on a monthly basis.

Meanwhile, the Company considers that it has adequate mechanisms and internal control procedures in place to ensure that the continuing connected transactions are conducted in compliance with and strictly adhere to the terms of the 2027-2029 Continuing Connected Transactions Framework Agreements.

INFORMATION OF THE PARTIES

The Company

The Company is 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. 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. 90.12% of the equity interest in Shandong Hi-Speed Group is held by the State-owned Assets Supervision and Administration Commission under the People's Government of Shandong Province, directly and indirectly, while the remaining 9.88% 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 Department of Finance. 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.

DIRECTORS' INTERESTS IN THE ABOVE TRANSACTIONS

As (i) 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 (ii) Mr. Wang Hongyi, a non-executive Director, is a member of the party committee and a deputy general manager of Shandong Hi-Speed and a director of Shandong Hi-Speed Information Group Co., Ltd. (a subsidiary of Shandong Hi-Speed Group), and meanwhile, Shandong Hi-Speed Group is a controlling shareholder and thus a connected person of the Company, both Ms. Kong and Mr. Wang are deemed to have a material interest in the transactions contemplated under each of the 2027-2029 Continuing Connected Transactions Framework Agreements and therefore have abstained from voting on the relevant Board resolutions. Save for the above, none of the Directors has or is deemed to have a material interest in the above transactions and is required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shandong Hi-Speed Group indirectly holds 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 transactions contemplated under the 2027-2029 Continuing Connected Transactions Framework Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

In respect of the 2027-2029 General Services Framework Agreement, the 2027-2029 Services Provision Framework Agreement and the 2027-2029 General Procurement Framework Agreement, as all of the applicable percentage ratios under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of their respective highest proposed annual caps exceed 0.1% but are less than 5%, the agreements and the transactions contemplated thereunder (including their respective proposed annual caps) are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but exempt from the Independent Shareholders' approval requirement.

In respect of the 2027-2029 General Sales Framework Agreement, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of its highest proposed annual cap exceed 5%, the agreement and the transactions contemplated thereunder (including the proposed annual caps thereof) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the 2027-2029 Financial Services Framework Agreement:

(i) For the deposit services thereunder, as one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the highest proposed annual cap thereof exceed 5%, the transactions (including the proposed annual caps thereof) in relation to the deposit services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Meanwhile, as one or more of the applicable percentage ratios exceed 5% but all of the applicable percentage ratios are below 25%, the transactions in relation to the deposit services constitute discloseable transactions under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) For the cross-border fund centralised operation and management services thereunder, as one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the highest proposed annual cap thereof exceed 5%, the transactions (including the proposed annual caps thereof) in respect of the cross-border fund centralised operation and management services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Meanwhile, as one or more of the applicable percentage ratios exceed 5% but all of the applicable percentage ratios are below 25%, the transactions in relation to the cross-border fund centralised operation and management services constitute discloseable transactions under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

EGM

The Company will convene an EGM at which resolutions will be proposed for, among other things, the Independent Shareholders to consider and, if thought fit, approve the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement, and the transactions contemplated thereunder (including their respective proposed annual caps). As Shandong Hi-Speed Group has a material interest in the above transactions, Shandong Hi-Speed Group and its associates (including Shandong Hi-Speed) are required to abstain from voting on the relevant resolutions to be proposed at the EGM. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder other than Shandong Hi-Speed Group and its associates (including Shandong Hi-Speed) is required to abstain from voting on the aforesaid resolutions.

As the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement and the transactions contemplated thereunder (including their respective proposed annual caps) are subject to the approval by the Independent Shareholders, an Independent Board Committee comprising the independent non-executive Directors, namely, Mr. Liu Hongwei, Mr. Leng Ping and Ms. Shen Chen, has been established by the Company to advise the Independent Shareholders in respect of the above transactions. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the above transactions.

A circular containing, among other things, (i) details of the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) the recommendations from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, is expected to be dispatched to the Shareholders more than fifteen business days after the date of publication of this announcement as more time is required for the Company to compile certain information to be included in the circular.

DEFINITIONS

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

"2027-2029 Continuing Connected Transactions Framework Agreements"	collectively, (i) the 2027-2029 Financial Services Framework Agreement; (ii) the 2027-2029 General Procurement Framework Agreement; (iii) the 2027-2029 General Sales Framework Agreement; (iv) the 2027-2029 General Services Framework Agreement; and (v) the 2027-2029 Services Provision Framework Agreement
"2027-2029 Financial Services Framework Agreement"	the financial services framework agreement proposed to be entered into between the Company and Shandong Hi-Speed Group, details of which are set out in this announcement
"2027-2029 General Procurement Framework Agreement"	the general procurement framework agreement proposed to be entered into between the Company and Shandong Hi-Speed Group, details of which are set out in this announcement
"2027-2029 General Sales Framework Agreement"	the general sales framework agreement proposed to be entered into between the Company and Shandong Hi-Speed Group, details of which are set out in this announcement
"2027-2029 General Services Framework Agreement"	the general services framework agreement proposed to be entered into between the Company and Shandong Hi-Speed Group, details of which are set out in this announcement

"2027-2029 Services Provision Framework Agreement"	the services provision framework agreement proposed to be entered into between the Company and Shandong Hi-Speed Group, details of which are set out in this announcement
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors
"Company"	Qilu Expressway Company Limited (齊魯高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability on 6 December 2016, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1576)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"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 kilometres
"Director(s)"	the director(s)
"Domestic Shares"	ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"EGM"	the extraordinary general meeting to be held by the Company to consider and, if thought fit, approve, among other things, the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)
"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
"Group"	the Company and its subsidiaries

"H 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 are 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 the independent non-executive Directors, namely Mr. Liu Hongwei, Mr. Leng Ping and Ms. Shen Chen, to advise the Independent Shareholders in respect of the 2027-2029 General Sales Framework Agreement and the 2027-2029 Financial Services Framework Agreement and the transactions contemplated thereunder (including their respective proposed 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)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PBOC"	the People's Bank of China, the central bank of the PRC
"PRC" or "State"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Previous Financial Services Framework Agreement"	the 2024-2026 Financial Services Framework Agreement entered into between the Company and Shandong Hi-Speed Group on 23 November 2023
"Previous General Procurement Framework Agreement"	the 2024-2026 General Procurement Framework Agreement entered into between the Company and Shandong Hi-Speed Group on 23 November 2023 (as subsequently amended and supplemented)

"Previous General Sales Framework Agreement"	the 2024-2026 General Sales Framework Agreement entered into between the Company and Shandong Hi-Speed Group on 23 November 2023 (as subsequently amended and supplemented)
"Previous General Services Framework Agreement"	the 2024-2026 General Services Framework Agreement entered into between the Company and Shandong Hi-Speed Group on 23 November 2023 (as subsequently amended and supplemented)
"Previous Services Provision Framework Agreement"	the 2024-2026 Services Provision Framework Agreement entered into between the Company and Shandong Hi-Speed Group on 23 November 2023 (as subsequently amended and supplemented)
"Qilu Expressway (Hong Kong)"	Qilu Expressway (Hong Kong) Company Limited (齊魯高速(香港)有限公司), a limited liability company incorporated in Hong Kong and a subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Shandong Gangtong Construction"	Shandong Gangtong Construction Co., Ltd. (山東港通建設有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
"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 date of this announcement, 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 date of this announcement, and an existing controlling shareholder
"Share(s)"	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, including Domestic Shares and H Shares
"Shareholder(s)"	the 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 kilometres

"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
"%"	per cent

By Order of the Board
Qilu Expressway Company Limited
Li Tianzhang
Chairman

Shandong, the PRC
17 November 2026

As at the date of this announcement, the executive Directors are Mr. Li Tianzhang, Mr. Duan Peng and Mr. Chen Xiulin; the non-executive Directors are Mr. Gao Yongjun, Ms. Kong Xia, Mr. Wang Gang, Mr. Du Zhongming, Mr. Ren Wei and Mr. Wang Hongyi; and the independent non-executive Directors are Mr. Liu Hongwei, Mr. Leng Ping and Ms. Shen Chen.