Qilu Expressway Company Limited
齊魯高速公路股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1576)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of Qilu Expressway Company Limited (the "**Company**") dated 2 June 2020, 11 August 2020, 14 September 2020 and 29 December 2020 (the "**Announcements**") and the circular of the Company dated 26 June 2020 (the "**Circular**", together with the Announcements, the "**Announcements and the Circular**") in relation to, among other things, the acquisition of the toll collection rights of the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway. Unless otherwise indicated, the capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As disclosed in the Announcements and the Circular, the Group completed the Acquisition of Target Expressways Toll Collection Rights on 14 September 2020. According to the relevant requirements of the HKFRS, the financial results of the Target Business are consolidated into the consolidated financial statements of the Group. The profit and total comprehensive income generated from the Target Business during the period from 1 January 2020 to 31 December 2020 were included in the consolidated financial results of the Group for the year ended 31 December 2020 ("**FY2020**"). Therefore, the financial results of the Group for FY2020 are not directly comparable to those for the year ended 31 December 2019 ("**FY2019**").

The Board wishes to inform the Shareholders and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Group for FY2020, the Group is expected to record an increase of approximately 1% to 10% in the profit and total comprehensive income for FY2020 as compared to the restated profit and total comprehensive income for FY2019. Such expected increase in the profit and total comprehensive income is primarily attributable to the increase of revenue from the expressway business of the Group, namely the toll income derived from vehicles passing along the Jihe Expressway and the Target Expressways, for FY2020 by approximately 1% to 10% as compared to that for FY2019 (after restatement), which is mainly due to: (i) the three expressways operated and managed by the Group occupy strategic positions in the Shandong expressway networks and connect economically robust areas with large populations, rich cultural heritage and tourism resources such as Jinan City, Taian City, Jining City, Heze City and Liaocheng City in Shandong Province, meanwhile, they form an integral part in the Shandong 9-5-1-7 Expressway Network, thereby attracting a relatively large number of vehicles to use the expressways; and (ii) despite the toll income of the Group for the first half of FY2020 suffering from the impact of toll exemption during a certain period of which for the purpose of the COVID-19 prevention and control in accordance with the notice from relevant State transportation authorities, the overall traffic flow on the expressways of the Group for FY2020 was on the rise due to the epidemic gradually easing in the second half of FY2020 as a result of the realisation of the effect of the prevention and control measures, thereby bringing about a recovery of economic activities and an increase of travelling of citizens, alongside the contribution from the traffic network synergies of the Target Expressways and the Jihe Expressway.

The Company is still in the course of finalising its unaudited consolidated financial results of the Group for FY2020. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts and the information currently available to the Board. As at the date of this announcement, such information has neither been confirmed nor reviewed by the auditor of the Company or the audit committee of the Board and may be subject to change. Shareholders and potential investors are advised to refer to the annual results announcement of the Group for FY2020 when it is published.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

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

Shandong, the PRC
29 January 2021

As at the date of this announcement, the executive Directors are Mr. Li Gang, Mr. Peng Hui and Mr. Liu Qiang; the non-executive Directors are Mr. Chen Dalong, Mr. Wang Shaochen, Mr. Zhou Cenyu, Mr. Su Xiaodong, Ms. Kong Xia, Mr. Yuan Ruizheng and Mr. Tang Haolai; and the independent non-executive Directors are Mr. Cheng Xuezhan, Mr. Li Hua, Mr. Wang Lingfang, Mr. He Jiale and Mr. Han Ping.