**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 2021 to 30 June 2021 were included in the unaudited consolidated financial results of the Group for the six months ended 30 June 2021. Therefore, the financial results of the Group for the six months ended 30 June 2021 are not directly comparable with the financial results of the Group for the six months ended 30 June 2020.

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 the six months ended 30 June 2021, the Group is expected to record an increase of approximately 255% to 300% in the profit and total comprehensive income for the six months ended 30 June 2021 as compared to the restated profit and total comprehensive income for the six months ended 30 June 2020. 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 the six months ended 30 June 2021 by approximately 85% to 115% as compared to that for the six months ended 30 June 2020 (after restatement), which is mainly due to the toll income of the Group for the first half of 2020 suffering from the impact of toll exemption during a certain period of which for the purpose of the COVID-19 prevention and control subject to the notice from relevant State transportation authorities, resulting in a significant decrease in the toll income of the Group for the first half of 2020. With the epidemic effectively under control, the toll income of the Group for the six months ended 30 June 2021 has significantly increased as compared to the same period of last year since passing vehicles and the toll income for the first half of 2021 resumed back to normal.

The Company is still in the course of finalising its unaudited consolidated financial results of the Group for the six months ended 30 June 2021. 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 interim results announcement of the Group for the six months ended 30 June 2021 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**
**Peng Hui**
*Executive Director*

Shandong, the PRC
19 July 2021

*As at the date of this announcement, the executive Directors are 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. Tang Haolai and Mr. Du Zhongming; and the independent non-executive Directors are Mr. Cheng Xuezhan, Mr. Li Hua, Mr. Wang Lingfang, Mr. He Jiale and Mr. Han Ping.*