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Chengdu Expressway Co., Ltd.

成都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: 01785)

ANNOUNCEMENT ON THE UPDATE OF ENTERING INTO OF THE CONSTRUCTION COMPENSATION AGREEMENT

Reference is made to the announcement of Chengdu Expressway Co., Ltd. (the “**Company**”) dated 14 October 2019 in relation to the entering into of the Construction Compensation Agreement (the “**Announcement**”). Unless the context otherwise requires, capitalized terms used in the following paragraphs shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, Chengdu Road & Bridge, a connected person of the Company, needs to occupy certain roads, side ditches and green belts on the K2+100m to K3+640m section of Chengdu Airport Expressway and demolish two pedestrian overpasses and appurtenances due to the construction of the renovation project of the Blue Sky Interchange (藍天立交) node involved in the 3rd Ring Road expansion and upgrading project (the “**Project**”). Accordingly, on 14 October 2019, Chengdu Airport Expressway Company and Chengdu Road & Bridge entered into the Construction Compensation Agreement regarding the occupation and demolition as mentioned above as well as compensation thereof.

The Project was originally scheduled to be completed on or before 31 December 2019. However, due to the complexity of construction and suspension of works resulting from COVID-19, the schedule of the Project has been delayed. The Project was completed on 30 April 2020 and was officially opened to traffic on 1 May 2020. The amount of compensation during the extension period was determined in accordance with the compensation standards agreed in the Construction Compensation Agreement disclosed in the Announcement. The Company hereby announces that the amount of the final compensation fee (the “**Final Compensation Fee**”) payable by Chengdu Road & Bridge to Chengdu Airport Expressway Company in accordance with the Construction Compensation Agreement is as follows:

Compensation category	Amount of compensation (RMB)
Compensation for permanent occupation	2,566,859.17
Compensation for temporary occupation	10,711,085.00
Compensation for demolition of pedestrian overpasses and appurtenances	217,200.00
Compensation for impact on toll income	2,794,956.50
Safety monitoring and construction coordination fee	100,000.00
Total	<u>16,390,100.67</u>

One or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the transaction based on the Final Compensation Fee are still higher than 0.1% but lower than 5%. As of the date of this announcement, Chengdu Airport Expressway Company has received all of the Final Compensation Fee.

On behalf of the Board
Chengdu Expressway Co., Ltd.
Xiao Jun
Chairman

Chengdu, the PRC, 27 May 2020

As at the date of this announcement, the Board comprises Mr. Zhang Dongmin, Ms. Wang Xiao and Mr. Luo Dan as executive Directors, Mr. Xiao Jun and Mr. Yang Bin as non-executive Directors, and Mr. Shu Wa Tung, Laurence, Mr. Ye Yong and Mr. Li Yuanfu as independent non-executive Directors.