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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)

VOLUNTARY ANNOUNCEMENT EXPLANATION OF DIVIDEND POLICY

This announcement is made by Chengdu Expressway Co., Ltd. (the “**Company**”) on a voluntary basis.

Given the recent enquires and feedbacks lodged by shareholders regarding the Company’s dividend policy to be proposed at the extraordinary general meeting of the Company on 26 October 2022, the Company would like to explain to the shareholders and potential investors as follows:

1. As disclosed in the circular of the Company dated 10 October 2022 (the “**Circular**”), (i) the Company proposes to introduce the following article to the articles of association of the Company which will come into effect upon completion of the proposed A-share offering of the Company: “Article 233 (ii) Specific profit distribution policy is set out below: 2 The Company’s profit distribution in cash each year shall be not less than 20% of distributable profit for the year. The specific cash payout ratio each year shall be determined by the Company with reference to relevant laws and regulations, regulatory documents, these Articles of Association and the operating results of the Company subject to consideration at the general meeting.” Such amendments were proposed to satisfy the relevant requirements of the China Securities Regulatory Commission on A-share listing, and have been determined based on the relevant requirements of the Guidelines on Articles of Association of Listed Companies issued by the China Securities Regulatory Commission, i.e. companies shall specify, among other things, “the minimum cash dividend amount or payout ratio, if any, for each period” in the articles of association; and (ii) according to the aforementioned proposed amendments to the articles of association of the Company, the Company further formulated the specific shareholder dividend plan for the three years after the initial public offering and listing of RMB-denominated ordinary shares (A shares) (the “**Shareholder Dividend Plan**”), pursuant to which, “The Company’s profit distribution in cash for each of the future three years shall be no less than 20% of the profit available for distribution generated for the year. The specific cash dividend payout ratio each year shall be proposed in accordance with applicable laws and regulations, regulatory documents, the Articles of Association and business conditions of the Company, subject to consideration and approval at the general meeting.”

The Company wishes to emphasise that the dividend payout ratio of 20% as stated in the above proposed amendments to the articles of association of the Company and the Shareholder Dividend Plan represents the minimum dividend payout ratio for the Company to make a profit distribution in compliance with laws and regulations, which has been specified to further protect the rights and interests of shareholders in receiving dividends.

2. As disclosed in the prospectus of the Company dated 28 December 2018 (the “**Prospectus**”), “We expect to distribute approximately 60.0% to 70.0% of our annual distributable profits as dividend in the future. However, there is no assurance that we will be able to distribute dividend of such amount or any amount in every year or any year in the future. We will decrease our dividend payment ratio accordingly, if we have significant investment or acquisition plan for the same year. The payment and the amount of dividends will be at the discretion of our Directors and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant.”

The Company hereby confirms that the above expected payout ratio as disclosed in the Prospectus shall remain true, accurate and valid.

In view of the above, the proposed amendments to the articles of association of the Company constitute a guaranteed undertaking regarding dividend distribution to the shareholders in accordance with the relevant regulatory requirements governing listing of A shares. Following the listing of its A shares, the Company will, conditional upon fulfilling such guaranteed undertaking, continue to endeavor to create values to and achieve win-win with the shareholders in accordance with the expected payout ratio as disclosed in the Prospectus.

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

Chengdu, the PRC, 12 October 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. Yang Tan, Mr. Ding Dapan and Mr. Luo Dan as executive directors, Mr. Xiao Jun, Mr. Yang Bin and Ms. Wu Haiyan as non-executive directors, and Mr. Leung Chi Hang Benson, Mr. Wang Peng and Mr. Qian Yongjiu as independent non-executive directors.