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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)**

**PROPOSED ALIGNMENT IN PREPARATION OF FINANCIAL STATEMENTS  
IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS  
FOR BUSINESS ENTERPRISES  
AND  
PROPOSED CESSATION OF RE-APPOINTMENT OF  
THE INTERNATIONAL AUDITOR**

**PROPOSED ALIGNMENT IN PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE  
WITH THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

Chengdu Expressway Co., Ltd. (the “**Company**”) has adopted the International Financial Reporting Standards and the China Accounting Standards for Business Enterprises in preparing its financial statements since listing of the H shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

Pursuant to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Hong Kong Stock Exchange in December 2010, and the “Pilot Work Plan for Accounting Firms Engaged in Audit Business for H Share Enterprises” (《會計師事務所從事H股企業審計業務試點工作方案》) jointly issued by the Accounting Division of the Ministry of Finance of the People’s Republic of China (the “**MOF**”) and the Accounting Department of the China Securities Regulatory Commission (the “**CSRC**”), PRC-incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with the China Accounting Standards for Business Enterprises, and PRC accounting firms approved by the MOF and the CSRC are allowed to audit such financial statements pursuant to the China Accounting Standards for Business Enterprises.

To save auditing fees, improve efficiency and reduce discrepancies in information disclosure, the board of directors of the Company (the “**Board**”) has passed a resolution on 25 March 2021 to propose alignment in preparation of financial statements in accordance with the China Accounting Standards for Business Enterprises and disclosing corresponding financial information by the Company commencing from 2021.

The Company is of the opinion that alignment in preparation of financial statements in accordance with the China Accounting Standards for Business Enterprises will not have a material impact on the financial position, operating results and cash flows of the Company in 2021 and future periods.

Proposed alignment in preparation of financial statements in accordance with the China Accounting Standards for Business Enterprises will be submitted to the 2020 annual general meeting of the Company by way of an ordinary resolution for consideration and approval by the shareholders of the Company.

#### **PROPOSED CESSATION OF RE-APPOINTMENT OF THE INTERNATIONAL AUDITOR**

Ernst & Young currently serves as the international auditor of the Company to audit the financial statements of the Company prepared pursuant to the International Financial Reporting Standards. Given the proposed alignment in preparation of financial statements in accordance with the China Accounting Standards for Business Enterprises by the Company, the Board has passed a resolution on 25 March 2021 to propose to cease the re-appointment of Ernst & Young, who provides overseas auditing services in accordance with the International Financial Reporting Standards. Ernst & Young has confirmed with the Company that there are no matters in relation to cessation of its re-appointment as the international auditor of the Company that needs to be brought to the attention of the shareholders and creditors of the Company. The Company did not have any disagreement with Ernst & Young regarding cessation of re-appointment of Ernst & Young as the international auditor of the Company. The Company would like to extend sincere appreciation to Ernst & Young for its dedication throughout the years.

Ernst & Young Hua Ming LLP has been recognised by the MOF and the CSRC as qualified certified public accountants to provide auditing services to PRC-incorporated issuers listed in Hong Kong pursuant to the China Accounting Standards for Business Enterprises. The Board has proposed to appoint Ernst & Young Hua Ming LLP as the auditor of the Company for 2021, who will audit the financial statements of the Company for 2021 in accordance with the China Accounting Standards for Business Enterprises and assume the obligations of international auditors under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The proposed cessation of re-appointment of the international auditor and the proposed appointment of Ernst & Young Hua Ming LLP as the auditor of the Company will be submitted to the 2020 annual general meeting of the Company by way of ordinary resolutions for consideration and approval by the shareholders of the Company.

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

Chengdu, the PRC, 25 March 2021

*As at the date of this announcement, the Board comprises Mr. Yang Tan, Ms. Wang Xiao, Mr. Zhang Dongmin 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.*