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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE CHENGWENQIONG EXPRESSWAY EXPANSION PROJECT CIVIL CONSTRUCTION CONTRACT OF TJ6 BIDDING SECTION

References are made to the announcements dated 12 May 2023 and 1 March 2023, as well as the circular dated 14 April 2023 (the "**Circular**") of the Company in relation to the investment in the Chengwenqiong Expressway Expansion Project, which involved the Company as the project investor and Chengwenqiong Expressway Company, a subsidiary of the Company, as the project owner to conduct its financing and construction work.

CIVIL CONSTRUCTION CONTRACT OF TJ6 BIDDING SECTION

Reference is made to the announcement of the Company dated 27 May 2025 in relation to the completion of the open tender for the civil construction of the TJ6 bidding section of the Chengwenqiong Expressway Expansion Project by Chengwenqiong Company and the issuance of the notification of successful bid to the successful bidder of the construction.

As part of the Chengwenqiong Expressway Expansion Project, on 5 June 2025, Chengwenqiong Expressway Company and Xinjiang Beixin Road & Bridge Group entered into the Civil Construction Contract of TJ6 Bidding Section at a contract price of RMB779,814,935 (inclusive of tax).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Civil Construction Contract of TJ6 Bidding Section exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Civil Construction Contract of TJ6 Bidding Section and the transaction contemplated thereunder constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but are exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

1. INTRODUCTION

References are made to the announcements dated 12 May 2023 and 1 March 2023, as well as the circular dated 14 April 2023 (the "**Circular**") of the Company in relation to the investment in the Chengwenqiong Expressway Expansion Project, which involved the Company as the project investor and Chengwenqiong Expressway Company, a subsidiary of the Company, as the project owner to conduct its financing and construction work.

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2. CIVIL CONSTRUCTION CONTRACT OF TJ6 BIDDING SECTION

The principal terms of the Civil Construction Contract of TJ6 Bidding Section are as follows:

Parties:	(i) Chengwenqiong Expressway Company (a subsidiary of the Company); and (ii) Xinjiang Beixin Road & Bridge Group
Subject Matter:	Xinjiang Beixin Road & Bridge Group (as the successful bidder of the construction) will undertake the civil construction of the section of TJ6 bidding section starting from K47+700.00 to the termination of K56+792.32 (total length of approximately 9.09 kilometers). Main construction includes the roadbase, roadway, bridge and culvert, and interchanges within the scope of the bidding section, including 2 medium bridges and 11 small bridges. Main construction sites are the Dayi West Interchange, the Dayi Parking Area, the Wangsi Interchange and the Sangyuan Interchange. The entire project route adopts the technical standard of two-way eight-lane highway, with a design speed of 100 kilometers per hour, roadbed width of 41 meters, bridge and culvert design vehicle loading level of highway – Class I, and asphalt concrete pavement.
Construction Period:	30 months

Contract Price:	RMB779,814,935 (inclusive of tax), subject to adjustments based on actual construction changes agreed to be accepted by Chengwenqiong Expressway Company, fluctuation of prices of construction materials and changes in relevant PRC laws and regulations and value-added tax. Chengwenqiong Expressway Company does not currently anticipate any material adjustment to the contract price. If there is a material increase in the contract price of the Civil Construction Contract of TJ6 Bidding Section, the Company will comply with applicable requirements under the Listing Rules. Chengwenqiong Expressway Company intends to pay the contract price through, among other things, internal resources and bank loans.
Basis of Determination of Contract Price:	Chengwenqiong Expressway Company conducted open tender procedures for the Civil Construction Contract of TJ6 Bidding Section through the Sichuan Provincial Public Resources Trading Center* (四川省公共資源交易中心). According to the requirements of the relevant regulations and management documents of the PRC and Sichuan Province on the management of tenders and the compilation of bill of quantities, Chengwenqiong Expressway Company compiled the relevant tender documents and set the maximum bidding price. After filing with the relevant departments, a public tender notice was issued. Chengwenqiong Expressway Company established a bid evaluation committee in accordance with the requirements of relevant laws and regulations, and awarded the contract to Xinjiang Beixin Road & Bridge Group after considering the bidders' bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of RMB779,814,935 was determined based on the bidding price provided by Xinjiang Beixin Road & Bridge Group.
Advance Payment:	The amount of advance payment for commencement is 10% of the contract price (net of provisional sum and provisional valuation), which shall be paid after the Civil Construction Contract of TJ6 Bidding Section comes into effect and the completion of the preparations for the commencement of construction by Xinjiang Beixin Road & Bridge Group according to the requirements of Chengwenqiong Expressway Company (including, but not limited to, the entry of personnel, equipment and materials) after review of the superintendent and approval of Chengwenqiong Expressway Company. The advance payment for commencement shall be set off against the incurred contract amount at an agreed ratio after the incurred contract amount reaching 30% of the contract price (net of provisional sum and provisional valuation).

The amount of the material advance payment shall be 75% of the cost listed on the on-site material bill of cement, rebar, steel strand, fuel oil, pavement crushed stone, asphalt and commercial concrete materials, which shall be deducted in three equal installments from the next progress payment certificate for the period in which the material advance payment is made.

Payment Arrangement: Incurred contract amount will be paid by Chengwenqiong Expressway Company to Xinjiang Beixin Road & Bridge Group by instalments based on the construction progress of not less than RMB2,000,000 each time.

(1) During the construction period, Chengwenqiong Expressway Company pays 90% of the current period's measured progress payment for each period;

(2) Upon satisfactory delivery and acceptance, transfer of project information and completion of the audit of the project delivery settlement by the costing organization, payment to Xinjiang Beixin Road & Bridge Group shall be made up to 95% of the audited amount of the delivery settlement;

(3) After the second review by Chengwenqiong Expressway Company or the higher unit, payment of 97% of the amount of the second review shall be made. After the completion and acceptance of the project, Chengwenqiong Expressway Company shall pay the remaining project price. If the Project is audited again by the administrative department after second review, Xinjiang Beixin Road & Bridge Group shall accept the audit unconditionally. The portion to be adjusted by the administrative department as provided for shall be implemented in accordance with the regulations. If Xinjiang Beixin Road & Bridge Group does not cooperate with the settlement work, Chengwenqiong Expressway Company shall have the right to penalize Xinjiang Beixin Road & Bridge Group for breach of contract at the rate of 1% of the contract amount.

Performance Guarantee:	Xinjiang Beixin Road & Bridge Group shall provide a performance guarantee equivalent to 10% of the contract price within 30 days after the receipt of the notification of successful bid and prior to the signing of the Civil Construction Contract of TJ6 Bidding Section. Xinjiang Beixin Road & Bridge Group shall guarantee that its performance deposit (the letter of guarantee) shall be valid until the issuance of the certificate of project delivery by Chengwenqiong Expressway Company. When the project is delivered and accepted and after the submission of the quality guarantee deposit, Chengwenqiong Expressway Company shall return the performance deposit.
Quality Guarantee Deposit and Defect Liability Period:	The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of Xinjiang Beixin Road & Bridge Group's obligation to rectify defects during the defect liability period (24 months from the date of issuance of the delivery acceptance). The quality guarantee deposit shall be paid in one lump sum within 14 days after the delivery and acceptance of the construction. Meanwhile, Chengwenqiong Expressway Company shall refund its performance deposit. Completion documents shall be submitted in full and audited by Chengwenqiong Expressway Company to issue the completion audit report. If completion and acceptance are in good condition and within 28 days after the expiry of the defect liability period of the construction and the issue of a certificate of termination of defect liability by the supervising engineer, the quality guarantee deposit shall be refunded by Chengwenqiong Expressway Company to Xinjiang Beixin Road & Bridge Group.
Effectiveness:	The Civil Construction Contract of TJ6 Bidding Section shall be signed and sealed by the authorized representatives of both parties or their delegated agents after Xinjiang Beixin Road & Bridge Group has provided the performance deposit. The final contract shall come into effect after the Company (as the investor of the Project) has fulfilled the relevant procedures for scrutiny and approval.

3. INFORMATION ON THE PARTIES

Chengwenqiong Expressway Company and the Group

Chengwenqiong Expressway Company, a wholly-owned subsidiary of the Company, is primarily engaged in the renovation, construction, operation, maintenance and repair of Chengwenqiong Expressway and collection of tolls from vehicles travelling through the expressway. The Group is primarily engaged in the operation, management and development of expressways located in and around Chengdu, Sichuan Province and also carries out retail of refined oil and operation of natural gas.

Xinjiang Beixin Road & Bridge Group

Xinjiang Beixin Road & Bridge Group is a joint stock limited company established in the PRC and listed on the main board of the Shenzhen Stock Exchange (stock code: 002307.SZ), which is owned as to approximately 46.34% by Xinjiang Production and Construction Corps Construction Engineering (Group) Co., Ltd. * (新疆生產建設兵團建設工程(集團)有限責任公司), which is owned as to approximately 90.24% by the State-owned Assets Supervision and Administration Committee of the 11th Division of Xinjiang Production and Construction Corps* (新疆生產建設兵團第十一師國有資產監督管理委員會) and as to approximately 9.76% by the State-owned Assets Supervision and Administration Committee of Xinjiang Production and Construction Corps* (新疆生產建設兵團國有資產監督管理委員會), respectively, and each of the remaining Shareholders owns not more than 1% equity interest in Xinjiang Beixin Road & Bridge Group.

Xinjiang Beixin Road & Bridge Group is a road and bridge construction enterprise with business operations in both domestic and overseas markets, mainly engaged in the construction of high-grade road projects, bridge projects and water conservancy projects. It has the qualification of Grade 1 National Highway Construction General Contractor, Grade 1 Highway Pavement Engineering Professional Contractor and Grade 1 Highway Roadbed Engineering Professional Contractor.

To the best of the knowledge, information and belief of the Directors of the Company having made all reasonable enquiries, each of Xinjiang Beixin Road & Bridge Group and its ultimate beneficial owners is an independent third party independent of the Company and connected persons of the Company.

4. INFORMATION ON CHENGWENQIONG EXPRESSWAY

Chengwenqiong Expressway is a major part of the S8 provincial expressway and is of economic and cultural significance to western Chengdu. It is also the only expressway gateway within the region that connects Wenjiang, Chongzhou, Dayi, Qionglai and other major satellite cities of Chengdu.

Chengwenqiong Expressway starts from Wenjiachang Junction Interchange on Chengdu Ring Expressway and terminates at Sangyuan Interchange, Qionglai City, connecting Wenjiang District, Chongzhou City and Dayi County, with a designed speed of 100km per hour. It was completed and open to traffic in 2004, and has a total mileage of 65.6km, including two-way 6-lane section from Wenjiachang Junction Interchange to Chongzhou City, and two-way 4-lane section from Chongzhou City to Qionglai City. Since commencement of operation, Chengwenqiong Expressway has maintained a rapid increase in traffic volume, and currently suffers increasingly intensified traffic congestion.

5. INFORMATION ON THE CHENGWENQIONG EXPRESSWAY EXPANSION PROJECT

As stated in the Circular, Chengwenqiong Expressway serves as an important passage connecting western Chengdu. The Chengwenqiong Expressway Expansion Project has been incorporated into the Sichuan Expressway Network Planning (2022-2035) (《四川省高速公路網佈局規劃(2022-2035年)》), Sichuan Province's Plan to Strengthen the Transportation Infrastructure Construction of Chengdu-Chongqing Dual-city Economic Circle (《四川省加強成渝地區雙城經濟圈交通基礎設施建設規劃》), Sichuan Province's List of Key Projects of Comprehensive Transportation Construction Development Plan in the "14th Five-Year Period" (《四川省"十四五"綜合交通建設發展規劃重點項目清單》) and Chengdu's Key Projects Plan in 2025 (《2025年成都市重點項目計劃》).

The content of the Chengwenqiong Expressway Expansion Project is to expand Chengwenqiong Expressway along its original route subject to the two-way 8-lane standard. The Project will be constructed in the "Build-Operate-Transfer" (BOT) model, and will involve the Company as the project investor and Chengwenqiong Expressway Company as the project owner to conduct its financing and construction work. The total investment of the Project is approximately RMB12.652 billion. The Project will be financed by, among other things, the Company's self-owned funds and bank loans. In August 2024, the Group obtained the approval from Sichuan Development and Reform Commission, thereby satisfying the conditions precedent for commencement of the Project.

6. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACT

As mentioned above, the implementation of the Chengwenqiong Expressway Expansion Project is supported by policy stimulus and the government. In addition, the feasibility study report of the Project has been prepared, and having taken into account the internal rate of return, the Company expects that the Project will also bring favourable financial income to the Group.

As an important passage connecting urban agglomeration in western Chengdu, Chengwenqiong Expressway has an imminent demand for expansion given prolonged congestion on most of its road sections with the economic development. The Project will effectively mitigate the pressure on radial passages extending to western Chengdu, further shorten the time travelling from western counties and cities to downtown Chengdu, and enhance the economic influence of downtown Chengdu over western counties and cities. In addition, the successful implementation of the Project will expand the asset scale of the Company, strengthen the sustainability of the operation of quality assets of the Company, instill new vitality into the Company and improve the capability for sustainable development and operating quality of the Company.

The operation, management and development of highways is one of the principal activities of the Group. The entering into of the Civil Construction Contract of TJ6 Bidding Section is a necessary step for the implementation of the Chengwenqiong Expressway Expansion Project (which has been considered and approved by the Board). Xinjiang Beixin Road & Bridge Group, the successful bidder of the Civil Construction Contract of TJ6 Bidding Section, was the bidder that had passed the tendering procedures stipulated in the PRC tendering laws and regulations and ranked first in the tender evaluation of the construction tender section. The ranking was determined by an independent bid evaluation committee in accordance with the bid evaluation method reviewed and approved by the Sichuan Provincial Department of Transportation* (四川省交通運輸廳).

Taking into account the reasons for and benefits as stated above, the Board is of the view that the entering into of the Civil Construction Contract of TJ6 Bidding Section and the transactions contemplated thereunder are fair and reasonable, carried out on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

7. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Civil Construction Contract of TJ6 Bidding Section exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Civil Construction Contract of TJ6 Bidding Section and the transaction contemplated thereunder constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but are exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

8. DEFINITIONS

"Board"	the board of Directors of the Company
"Chengwenqiong Expressway"	the expressway connects Chengdu to Qionglai via Wenjiang
"Chengwenqiong Expressway Company"	Chengdu Chengwenqiong Expressway Co., Ltd. (成都成溫邛高速公路有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
"Chengwenqiong Expressway Expansion Project" or "Project"	the expansion and renovation construction project of Chengdu Wenjiang-Qionglai expressway
"Civil Construction Contract of TJ6 Bidding Section"	on 5 June 2025, Chengwenqiong Expressway Company and Xinjiang Beixin Road & Bridge Group entered into the civil construction contract of TJ6 bidding section of the expansion project of Chengdu-Wenjiang-Qionglai expressway

"Company"	Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed and traded on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, excluding, for the purpose of this announcement only, Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	registered holders(s) of the shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Xinjiang Beixin Road & Bridge Group"	Xinjiang Beixin Road & Bridge Group Co., Ltd. (新疆北新路橋集團股份有限公司), a joint stock limited company established in the PRC and listed on the main board of the Shenzhen Stock Exchange (stock code: 002307.SZ)
"%"	per cent

On behalf of the Board
Chengdu Expressway Co., Ltd.
Yang Tan
Chairman

Chengdu, the PRC, 5 June 2025

As at the date of this announcement, the Board of the Company comprises Mr. Yang Tan, Mr. Ding Dapan and Mr. Xia Wei as executive Directors; Mr. Li Xiao, Ms. Wu Haiyan and Mr. Jiang Xinliang as non-executive Directors; and Mr. Leung Chi Hang Benson, Mr. Qian Yongjiu and Mr. Wang Peng as independent non-executive Directors.

* *For identification purpose only*