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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)

CONTINUING CONNECTED TRANSACTION
ENTERING INTO THE NEW QIONGMING EXPRESSWAY ENTRUSTED OPERATION AND MANAGEMENT CONTRACT

ENTERING INTO THE NEW QIONGMING EXPRESSWAY ENTRUSTED OPERATION AND MANAGEMENT CONTRACT

Reference is made to the announcement of the Company dated 28 December 2022 in relation to the Original Entrusted Operation and Management Contract entered into between Operation Company and Chengming Company.

The Board hereby announces that, as the validity of the Original Entrusted Operation and Management Contract and the annual caps of the continuing connected transactions contemplated thereunder will expire on 31 December 2025, on 29 December 2025, Operation Company and Chengming Company entered into the New Entrusted Operation and Management Contract with a term of three years commencing from 1 January 2026 and ending on 31 December 2028.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Operation Company is a wholly-owned subsidiary of the Company, Communications Investment Construction and Management is a controlling shareholder of the Company and Chengming Company is held as to 51% and 49% by the Company and Communications Investment Construction and Management, respectively. Accordingly, Chengming Company is a connected subsidiary of the Company and the transactions contemplated under the New Entrusted Operation and Management Contract constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) thereof exceeds 0.1% but all of such applicable percentage ratios are less than 5%, the transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from circular and independent shareholders' approval requirements.

I. BACKGROUND

Reference is made to the announcement of the Company dated 28 December 2022 in relation to the Original Entrusted Operation and Management Contract entered into between Operation Company and Chengming Company.

The Board hereby announces that, as the validity of the Original Entrusted Operation and Management Contract and the annual caps of the continuing connected transactions contemplated thereunder will expire on 31 December 2025, on 29 December 2025, Operation Company and Chengming Company entered into the New Entrusted Operation and Management Contract with a term of three years commencing from 1 January 2026 and ending on 31 December 2028.

II. NEW ENTRUSTED OPERATION AND MANAGEMENT CONTRACT

1. Principal Terms of the New Entrusted Operation and Management Contract

The principal terms of the New Entrusted Operation and Management Contract are set out below:

Date	:	29 December 2025
Parties	:	(1) Chengming Company (as the principal) (2) Operation Company (as the trustee)
Scope of entrusted operation and management	:	Operation Company shall be entrusted by Chengming Company to take charge of the management of Qiongming Expressway and all of the operation and management of its supporting facilities, primarily including toll collection, mechanical and electrical system operation management and maintenance, road inspection and road property maintenance, daily road maintenance, road overhaul and medium repair and bidding, implementation and acceptance check of special engineering construction, fixed asset management, development and exploitation of inefficient and ineffective assets, disposal of obsolete assets, accident wrecker and rescue, safety production matters, public information services, operation and financial management, performance appraisal and personnel management. Operation Company shall be responsible for the unified management and appraisal of staff dispatched to the Qiongming Expressway and Chengming Company, including those involved in toll collection, monitoring, highway patrol and rescue operations.

Mode of entrustment : (1) Chengming Company shall entrust Operation Company with full authority to be responsible for the overall operation and management of Qiongming Expressway, and to, within the scope entrusted, independently formulate operating policies and management process in line with laws, regulations and government industry management requirements, and adopt advanced management philosophies and methods, so as to enhance the overall brand image and industry position of Qiongming Expressway, contribute to the long-term steady development and boom of Chengming Company. Personnel from Chengming Company who are involved in the work within the scope entrusted will be managed and assigned by Operation Company.

(2) Chengming Company shall authorise Operation Company to go through daily work exchange and business negotiations on behalf of Chengming Company with its superiors, including but not limited to attending meetings, business engagements and accepting inspections from relevant departments. During the term of entrusted operation and management, unless as otherwise agreed between the two parties, Chengming Company shall follow and cooperate with Operation Company in centralised operation and management of Qiongming Expressway.

(3) Resolution and approval procedures of matters and plans falling within the annual budget and final accounts of Chengming Company shall be implemented according to the policies and regulations of Operation Company without the need to obtain separate authorisation or approval from Chengming Company, and such procedures performed by Operation Company shall be deemed as resolved and approved by Chengming Company. Where cooperation from Chengming Company is required, it shall provide assistance based on the relevant procedures of Operation Company. Resolution and approval procedures of matters and plans not covered in the annual budget and final accounts of Chengming Company shall be implemented according to the policies and regulations of Operation Company after approval from Chengming Company is obtained, and such procedures performed by Operation Company shall be deemed as resolved and approved by Chengming Company.

(4) Chengming Company shall recognise business operations conducted by Operation Company in its own name or in the name of Chengming Company representing Chengming Company within the scope entrusted and bear legal responsibilities thereof. Where Chengming Company suffers losses caused by Operation Company, Operation Company shall assume full responsibility and make compensations accordingly. Acts conducted by Operation Company beyond the entrusted scope are not related with Chengming Company and Operation Company alone shall be held accountable in this regard.

Term of entrusted operation and management : From 1 January 2026 to 31 December 2028, which may be early terminated upon agreement by both parties due to change of controlling shareholder or actual controller of Chengming Company, and may be extended upon agreement by both parties after expiration, provided that requirements of the then applicable Listing Rules are complied with.

Entrusted operation and management service fee and payment method	:	Operation Company shall charge a certain percentage of entrusted operation and management service fee based on the toll income (exclusive of tax) achieved after it is entrusted to take over relevant business of Chengming Company. Set out below is the detailed settlement and payment method: (1) 3% of the annual total toll income (exclusive of tax) shall be charged as the annual entrusted operation and management service fee; (2) Payment method: on a monthly basis, Chengming Company shall pay Operation Company entrusted operation and management service fee of the previous month within 10 business days based on the cleared revenue (exclusive of tax) of Chengming Company as stated in the monthly "Toll Income Clearing Statement" (《通行費收入清分報表》) issued by Sichuan Intelligent Transportation System Management Co., Ltd. (四川智能交通系統管理有限責任公司); and (3) Annual settlement method: Chengming Company shall, within 10 business days from completion of annual audit, pay Operation Company entrusted operation and management service fee of the previous year based on the annual toll income (exclusive of tax) as set out in the audited financial statements subject to the charge standard agreed in the New Entrusted Operation and Management Contract on a "make-even" basis.
Pricing policy	:	The entrusted operation and management service fee is arrived at after arm's-length negotiations between the two parties with reference to (i) calculations based on the toll revenue (exclusive of tax) generated from the relevant business of entrusted operation and management of Qiongming Expressway; (ii) the charge standards applied to expressways invested in and operated by other subsidiaries of the Company which are under entrusted operation and management by Operation Company; and (iii) traffic volume forecast of Qiongming Expressway in the forthcoming years.

2. Annual Caps for the Three Years Ending 31 December 2028

Historical transaction amounts

Set out below are the historical transaction amounts of the annual entrusted operation and management service fees paid to Operation Company by Chengming Company (exclusive of tax):

	For the year ended 31 December 2023 *(RMB million)*	**For the year ended 31 December 2024** *(RMB million)*	**For the eleven months ended 30 November 2025** *(RMB million)*
Annual entrusted operation and management service fee paid to Operation Company by Chengming Company	6.60	5.89	5.54*(Note)*

Note: The Company expects that the actual transaction amount for the year ending 31 December 2025 will not exceed the established annual cap.

Annual caps

The annual caps determined by the Board for the three years ending 31 December 2026, 2027 and 2028 are set out below (exclusive of tax):

	Annual cap for the year ending 31 December 2026 *(RMB million)*	**Annual cap for the year ending 31 December 2027** *(RMB million)*	**Annual cap for the year ending 31 December 2028** *(RMB million)*
Annual entrusted operation and management service fee payable to Operation Company by Chengming Company	6.60	6.60	7.20

Basis for determining the annual caps

In determining the above annual caps, the Company adopted the calculation basis of "estimated annual entrusted operation and management service fee = estimated annual total toll revenue * 3%" and "estimated annual total toll revenue = estimated annual traffic volume * average vehicle toll price (i.e., the daily average toll per vehicle)" and primarily considered the following factors:

(i) the estimated annual traffic volume for 2026 to 2028 arrived at based on the estimated annual traffic volume for 2025 and the growth rates for traffic volume from 2025 to 2028 calculated with reference to the forecasted traffic volume for Qiongming Expressway from 2025 to 2028 in the Qiongming Expressway Traffic Volume Analysis and Forecast Study Report issued to the Company by Sichuan Highway Planning, Survey, Design and Research Institute Co., Ltd. (an independent third party) in July 2023;

(ii) the average vehicle toll price was determined with reference to the average vehicle toll price from 2023 to the first eleven months of 2025, and based on the average vehicle toll price for the first eleven months of 2025; and

(iii) historical transaction amounts of the entrusted operation and management service fees paid to Operation Company by Chengming Company.

3. Reasons for and Benefits of Entering into the New Entrusted Operation and Management Contract

Operation Company was established by the Company on 29 April 2020 as a wholly-owned subsidiary of the Company which is designated to take over the management of, among others, toll collection, maintenance, asset operation and development business of Chengguan Expressway, Chengpeng Expressway, Chengwenqiong Expressway and Qiongming Expressway, and with the proposal of gradually expanding management services to external expressways. Through the entrusted operation and management model and leveraging its professional operation and management model and economies of scale, Operation Company has significantly reduced the administrative expenses and maintenance costs while enhancing operational efficiency of Chengming Company, and effectively improved the operational capabilities of Qiongming Expressway.

The Directors (including independent non-executive Directors) are of the opinion that, the New Entrusted Operation and Management Contract is entered into in the usual and ordinary course of business of the Group on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

III. LISTING RULES IMPLICATIONS

As of the date of this announcement, Operation Company is a wholly-owned subsidiary of the Company, Communications Investment Construction and Management is a controlling shareholder of the Company and Chengming Company is held as to 51% and 49% by the Company and Communications Investment Construction and Management, respectively. Accordingly, Chengming Company is a connected subsidiary of the Company and the transactions contemplated under the New Entrusted Operation and Management Contract constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) thereof exceeds 0.1% but all of such applicable percentage ratios are less than 5%, the transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from circular and independent shareholders' approval requirements.

No Director has a material interest in the transactions contemplated under the New Entrusted Operation and Management Contract and is required to abstain from voting on the relevant resolution at the Board meeting.

IV. GENERAL INFORMATION OF THE PARTIES

Operation Company

Operation Company is a wholly-owned subsidiary of the Company, and is an expressway operation and management company which integrates operation and management as well as asset management of expressways. The Group is primarily engaged in the operation, management and development of expressways in and around Chengdu, Sichuan Province, carries out retail of refined oil and also expands into operation of natural gas. The ultimate controlling shareholder of the Company is Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司), which is principally engaged in the investment, the financing of and the construction, development, operation and management of transportation infrastructure in Sichuan Province, and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government (成都市國有資產監督管理委員會).

Chengming Company

Chengming Company is a subsidiary of the Company and is entitled to the service concession rights of Qiongming Expressway. It is primarily engaged in management and operation of Qiongming Expressway.

V. DEFINITIONS

In this announcement, unless otherwise indicated, the following terms shall have the meanings set out below:

"Board"	the board of Directors of the Company
"Chengming Company"	Sichuan Chengming Expressway Co., Ltd. (四川成名高速公路有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company, which is held as to 51% and 49% by the Company and Communications Investment Construction and Management, one of the controlling shareholders of the Company, respectively
"Communications Investment Construction and Management"	Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司), formerly known as Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a company incorporated in the PRC with limited liability, which is one of the controlling shareholders of the Company
"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
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are listed and traded on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Entrusted Operation and Management Contract"	the Qiongming Expressway Entrusted Operation and Management Contract entered into between Operation Company and Chengming Company on 29 December 2025

"Operation Company"	Chengdu Expressway Operation Management Co., Ltd. (成都高速運營管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Original Entrusted Operation and Management Contract"	the Qiongming Expressway Entrusted Operation and Management Contract entered into between Operation Company and Chengming Company on 28 December 2022
"PRC"	the People's Republic of China, for the purpose of this announcement only, excluding the Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
"Qiongming Expressway"	the section from Qionglai (邛崍) to Mingshan (名山) on the 318 national expressway
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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

Chengdu, the PRC, 29 December 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; Ms. Wu Haiyan, Mr. Pan Xin 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.