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四川成渝高速公路股份有限公司

Sichuan Expressway Company Limited*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00107)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 85% EQUITY INTEREST IN THE TARGET COMPANY

Financial Adviser to the Company

Lego Corporate Finance Limited
力高企業融資有限公司

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

八方金融有限公司
OCTAL Capital Limited

INTRODUCTION

The Board is pleased to announce that on 19 December 2025, Shunan Company, a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Shudao Innovation Investment, pursuant to which, Shunan Company conditionally agreed to purchase, and Shudao Innovation Investment conditionally agreed to sell, the Target Equity Interest (i.e. 85% equity interest in the Target Company) at the Consideration of RMB2,409,421,220.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in relation to the Acquisition exceed 5% but are all less than 25% under the Listing Rules, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the controlling Shareholder of the Company is Shudao Investment (holding 1,035,915,462 A Shares and 183,064,200 H Shares, totaling 1,218,979,662 Shares, representing approximately 39.86% of the total issued share capital of the Company). Shudao Investment (the controlling Shareholder of the Company) collectively holds 100% equity interest in Shudao Capital through itself and its two other wholly-owned subsidiaries, and Shudao Capital holds 100% equity interest in Shudao Innovation Investment. Therefore, Shudao Innovation Investment is a connected person of the Company under the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, has been formed to advise the Independent Shareholders on the Acquisition. Octal Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL INFORMATION

An EGM of the Company will be convened to consider and, if thought fit, approve, among other things, the Acquisition.

According to the Listing Rules, a circular containing (i) further details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the recommendations of the Independent Board Committee in respect of the Equity Transfer Agreement; (iii) the advice of the Independent Financial Adviser in respect of the Equity Transfer Agreement; (iv) the Valuation Report; (v) the Traffic Study Report; and (vi) a notice convening the EGM is to be despatched to the Shareholders within 15 business days after publication of this announcement, being on or before 14 January 2026.

INTRODUCTION

The Board is pleased to announce that on 19 December 2025, Shunan Company, a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Shudao Innovation Investment, pursuant to which, Shunan Company conditionally agreed to purchase, and Shudao Innovation Investment conditionally agreed to sell, the Target Equity Interest (i.e. 85% equity interest in the Target Company) at the Consideration of RMB2,409,421,220.

As at the date of this announcement, the Target Company is owned as to 85% and 15% by Shudao Innovation Investment and Jin Hao Group, respectively. To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, Jin Hao Group and its ultimate beneficial owners are Independent Third Parties.

Upon completion of the Acquisition, the Target Company will become an indirect non-wholly-owned subsidiary of the Company with an 85% equity interest. The financial results of the Target Company will be consolidated into the consolidated financial statements of the Company.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date	19 December 2025
Parties	1. Shunan Company (as the purchaser); and 2. Shudao Innovation Investment (as the vendor and performance guarantor of the Target Company).
Subject matter	In accordance with the terms and conditions of the Equity Transfer Agreement, Shunan Company conditionally agreed to purchase, and Shudao Innovation Investment conditionally agreed to sell, the Target Equity Interest (i.e. 85% equity interest in the Target Company).
Consideration and basis of determination	The Consideration of the Acquisition is RMB2,409,421,220. The Consideration was determined after arm's length negotiations between Shunan Company and Shudao Innovation Investment with reference to the market value of RMB2,834,613,200 of 100% equity interest in the Target Company (including equivalent market value of the Target Equity Interest of RMB2,409,421,220) as at the Valuation Benchmark Date as appraised by the PRC Valuer. The PRC Valuer considered both the asset-based approach and the income approach, and eventually adopted the income approach with the use of the discounted cash flow method in arriving at the conclusion on the valuation of the market value of the Target Company as at the Valuation Benchmark Date, which constitutes the profit forecast under Rule 14.61 of the Listing Rules.

The principal assumptions adopted by the PRC Valuer in the Valuation Report are set out in the section headed "Valuation Assumptions" in this announcement. Ernst & Young, the reporting accountants of the Company, has reported on the arithmetic accuracy of the calculations of the discounted cash flow forecast underlying the Valuation. The full text of Ernst & Young's report is set out in Appendix I to this announcement. Lego, the financial adviser to the Company, has confirmed that the future cash flow forecast underlying the valuation has been prepared after due and careful enquiry by the Directors. The full text of the letter from Lego is set out in Appendix II to this announcement.

The Consideration will be funded by Shunan Company's internal resources and/or bank loans.

Payment terms

Pursuant to the terms and conditions of the Equity Transfer Agreement, Shunan Company shall make payment to the bank designated by Shudao Innovation Investment in cash as follows:

1. First installment: within 5 working days after the Equity Transfer Agreement becomes effective, Shunan Company shall pay Shudao Innovation Investment no less than 30% of the Consideration; and

2. Second installment: within 30 natural days from the Completion Date, Shunan Company shall pay the remaining Consideration plus accrued interest. The interest shall be calculated as: remaining Consideration × (LPR/365) × (number of days from the date of payment of the first installment to the date of payment of the second installment).

Arrangement for Transitional Period

The profit or loss of the Target Company during the Transitional Period shall be handled in accordance with the following principles:

1. Normal operational profit or loss shall be borne and enjoyed by Shunan Company; and

2. Abnormal profit or loss (including but not limited to profit or loss arising from events or acts affecting the profitability or value of the Target Company such as theft, loss or man-made damage of assets, excluding abnormal profit or loss not attributable to Shudao Innovation Investment's performance of its fiduciary duties of good management) shall be borne by Shudao Innovation Investment as to shareholding proportion originally held by it in the Target Company.

Profit guarantee

From 1 January 2026 to 31 December 2028, Shudao Innovation Investment shall provide a performance guarantee for the annual Net Profit (Excluding Extraordinary Gains and Losses) of the Target Company, which shall not be less than the following amounts:

Relevant period	**Guaranteed Net Profit (Excluding Extraordinary Gains and Losses) amount**
From 1 January 2026 to 31 December 2026	Not less than RMB235,055,967.05
From 1 January 2027 to 31 December 2027	Not less than RMB246,808,308.53
From 1 January 2028 to 31 December 2028	Not less than RMB269,908,801.85

If the actual audited Net Profit (Excluding Extraordinary Gains and Losses) of the Target Company in any of the above years fails to reach the corresponding guaranteed amount, Shudao Innovation Investment shall compensate Shunan Company in cash for the performance shortfall as follows:

(1) Compensation amount to be paid by Shudao Innovation Investment for the year = (guaranteed Net Profit (Excluding Extraordinary Gains and Losses) amount of the Target Company for the year – actual audited Net Profit (Excluding Extraordinary Gains and Losses) amount for the year) × 85%.

(2) Shudao Innovation Investment shall pay performance compensation to Shunan Company within 30 calendar days commencing from the date of issuance of respective annual audit report of the Target Company. If Shudao Innovation Investment fails to fully pay such compensation in a timely manner, it shall bear interest on the unpaid compensation calculated from the payment maturity date. When Shudao Innovation Investment fully settles the compensation, it shall pay such interest accrued as of that date to Shunan Company at the same time. The interest shall be calculated as:

Interest = unpaid compensation amount × (LPR/365) × (number of days from 30th calendar days commencing from the date of issuance of respective annual audit report of the Target Company to the date of full payment of compensation).

If the actual performance of the above profit guarantee fails to meet the relevant guarantee, the Company will comply with relevant disclosure requirements (including Rule 14A.63 of the Listing Rules).

Government grant and its guarantee

Two government grants below have been included into the valuation set out in the Valuation Report issued by the PRC Valuer:

1. The Yichang Municipal People's Government Industry Support Funds: from 1 January 2027 to 31 December 2037, industry support funds intended to be received annually by the Target Company are RMB15,307,291.54 in 2027, RMB20,950,005.57 in 2028, RMB19,256,860.65 in 2029, RMB20,115,763.26 in 2030, RMB22,282,192.83 in 2031, RMB13,040,269.56 in 2032, RMB13,811,111.69 in 2033, RMB14,610,719.61 in 2034, RMB15,427,394.12 in 2035, RMB16,065,437.78 in 2036, and RMB17,561,960.01 in 2037, respectively.

2. The Jingmen Municipal People's Government Grants: the Target Company is intended to receive grants of RMB4 million annually from 2025 to 2036 and RMB36 million in 2037.

In accordance with the Equity Transfer Agreement, guarantees regarding the above two government grants to be received by the Target Company provided by Shudao Innovation Investment are as follows, with 2025 as the first fiscal year and subsequent three-fiscal-year periods as settlement periods, among which 2037 serves as the last settlement period:

1. If the amount of government grants actually received accumulatively for every settlement period by the Target Company exceeds each guaranteed amount above, Shunan Company shall pay to Shudao Innovation Investment in cash. Specifically, amount payable by Shudao Innovation Investment = (amount of government grants actually received by the Target Company accumulatively for the settlement period – amount of government grants guaranteed by Shudao Innovation Investment for the settlement period) x 85%.

2. If the amount of government grants actually received accumulatively for every settlement period by the Target Company is less than each guaranteed amount above, Shudao Innovation Investment shall pay and supplement to Shunan Company in cash. Specifically, amount payable by Shudao Innovation Investment = (amount of government grants guaranteed by Shudao Innovation Investment accumulatively for the settlement period – amount of government grants actually received by the Target Company for the settlement period) x 85%.

3. Shudao Innovation Investment or Shunan Company shall pay performance compensation to the other party within 30 calendar days commencing from the date of issuance of the audit report of the Target Company for the last fiscal year of every settlement period. If Shudao Innovation Investment or Shunan Company fails to fully pay such compensation in a timely manner, it shall bear interest on the unpaid compensation calculated from the payment due date. When Shudao Innovation Investment or Shunan Company fully settles the compensation, it shall pay such interest accrued as of that date to the other party at the same time. The calculation of interest is as follows: Interest = Unpaid amount x (LPR/365) x (Date of full payment – Original due date).

Litigations

The Target Company has involved two lawsuits (the Target Company being the plaintiff in both lawsuits), including: (i) Dispute over Liabilities for Jeopardising Company's Interests against Jin Hao Group and Jiali Hengde by the Target Company; and (ii) Dispute over Liabilities for Jeopardising Company's Interests against Jin Hao Group and Hu Hejian by the Target Company.

The Valuation Report issued by the PRC Valuer has not included the two lawsuits above. In accordance with the Equity Transfer Agreement, Shunan Company and Shudao Innovation Investment agreed that, should the final outcome of the above two lawsuits result in any additional equity interest to the Target Company, such equity interest shall belong to the Target Company; Shunan Company or the Target Company as authorised by Shunan Company shall pay 85% of the amount corresponding to the above equity interest after deducting accumulated litigation expenses to Shudao Innovation Investment or any third party designated by Shudao Innovation Investment within 30 calendar days commencing from the date of the Target Company receiving the amount corresponding to the above equity interest.

Conditions precedent

The Equity Transfer Agreement shall come into effect upon the fulfillment of the following conditions:

1. the Equity Transfer Agreement having been duly signed and sealed by each of Shunan Company and Shudao Innovation Investment;

2. the Acquisition having been approved by the relevant regulatory authorities (including but not limited to relevant government departments, domestic and overseas securities regulatory authorities, etc.);

3. the Company having complied with the relevant requirements under the Listing Rules in respect of the Equity Transfer Agreement and the transactions contemplated thereunder, including but not limited to reporting to the Stock Exchange and the SSE, making announcements and obtaining Independent Shareholders' approval in respect of the Equity Transfer Agreement; and

4. the right of first refusal held by Jin Hao Group with respect to the Target Company becoming void.

As at the date of this announcement, the above-mentioned condition 1 has been fulfilled.

Termination

In accordance with the Equity Transfer Agreement, the Equity Transfer Agreement will forthwith be terminated or canceled in any of the following conditions, including but not limited to:

1. Shunan Company and Shudao Innovation Investment having agreed to terminate the Equity Transfer Agreement upon negotiations;

2. If any of the following circumstances occurs, Shunan Company or Shudao Innovation Investment can unilaterally terminate the Equity Transfer Agreement: (a) the purpose of the Equity Transfer Agreement cannot be achieved due to the majeure force or reasons unaccountable to parties; (b) Shunan Company or Shudao Innovation Investment losses its ability to perform; (c) Shunan Company or Shudao Innovation Investment commits a material breach that renders the purpose of the agreement cannot be achieved; and

3. If the Acquisition is ordered to be terminated by a government department or authority, the Company shall have the right to terminate the Equity Transfer Agreement and request Shudao Innovation Investment to refund all Consideration received together with interest calculated in accordance with the bank's LPR for the corresponding period.

VALUATION ASSUMPTIONS

Pursuant to Rule 14.60A of the Listing Rules, the principal assumptions for preparing the Valuation Report are set out as below:

(I) Premise assumptions

1. Based on the following considerations, the PRC Valuer assumes that the Target Company will continue operations by maintaining its current product mix, business scale, and operating model.

   (1) After the appraisal objective is achieved, although there may be changes in controlling interests, the primary business direction and operational strategies will not undergo significant changes;

   (2) Existing financial policies, pricing policies, and market share will not undergo significant changes as a result of achieving the appraisal objectives;

   (3) There is no significant change in the utility of non-operating assets and surplus assets before and after the Valuation Benchmark Date;

   (4) Although the PRC Valuer has conducted necessary assessment and analysis on independence and professional competence of the entity preparing the specialised traffic volume report, given the limitations of the PRC Valuer's professional capabilities, the valuation assumes that there is no significant deviation between estimated traffic volume and toll revenue set out in the specialised report and the final actual traffic volume and toll revenue.

(II) Special assumptions

2. The PRC Valuer estimates the enterprise value by simulating the operational performance of the Jingyi Expressway under typical market conditions, taking into account the appraisal objectives and the Target Company's potential future business outlook. Factors considered include the following:

   (1) As highway toll rates are regulated by the government, any price adjustments require approval from relevant national authorities. Consequently, the timing and magnitude of future toll rate adjustments for the Jingyi Expressway remain highly uncertain. Given limitations in professional expertise and capabilities, the PRC Valuer are unable to predict the timing or extent of future toll rate changes. Therefore, the PRC Valuer assumes that toll rates for the Jingyi Expressway will remain at current levels throughout the concession period;

   (2) The cost of providing products or services takes into account the full cost incurred by the enterprise after accounting for all necessary expenses and charges associated with delivering these offerings;

   (3) The tax policy for enterprises takes into account the actual tax burden that enterprises must bear after achieving the appraisal objectives;

   (4) The determination of non-operating assets and surplus assets of an enterprise is not based on the enterprise's current utility, but rather on the assessment of the enterprise's operational status after the appraisal objective has been achieved.

3. Pursuant to the concession agreement and documents such as the Notice of the Provincial Department of Transportation on Extending the Term of Toll Roads (《省交通運輸廳關於延長收費公路期限的通知》), the toll collection period for the Jingyi Expressway spans from 25 December 2007 to 13 March 2038. This valuation assumes that the concession term will remain unchanged.

4. As of the Valuation Benchmark Date, the interest-bearing debt of the Target Company consists of shareholder loans provided by its parent company, Shudao Innovation Investment, with a book principal balance of RMB938.0667 million. According to the management of the Target Company and the bank loan agreements (a total of RMB900 million from China Construction Bank and Industrial and Commercial Bank of China, with an interest rate of 2.43%), the Target Company proposes to obtain bank loans to replace the shareholder loans from Shudao Innovation Investment. The bank loans are expected to be received no later than 31 December 2025. On the day the bank loans are obtained, the Target Company intends to repay in full the remaining principal and interest of the shareholder loans from Shudao Innovation Investment in a lump sum. Prior to repayment of all shareholder loan principal, the existing shareholder loans will continue to accrue interest at 3.6%. The valuation assumes that the Target Company will obtain the bank loans on 31 December 2025 and simultaneously repay the loans from Shudao Innovation Investment, with the related fund settlement carried out in the manner described above. Forecasts are made based on the interest rate and repayment schedule stipulated in the provided bank loan agreements.

5. It is assumed that during the future operating period of the Target Company, its operating costs and expenses will not undergo significant changes or fluctuations from the current level.

6. Unless otherwise stated, it is assumed that the Target Company fully complies with all relevant laws and regulations, and that its management responsibly fulfils the obligations of the asset owner and has competently exercised effective management over the relevant assets.

(III) General assumptions

7. It is assumed that the current industrial policies of the industry will not undergo any significant changes, and that no new laws or regulations (whether favorable or unfavorable) will be promulgated.

8. It is assumed that the existing national laws, regulations, and policies, as well as the national macroeconomic conditions, will not experience any major changes; that the political, economic, and social environments of the regions in which the parties to this transaction operate will not undergo significant changes; and that no other unforeseeable or force majeure events will cause materially adverse impacts.

9. The PRC Valuer fully understands the current macroeconomic conditions, including the fluctuations in RMB interest rates and exchange rates. However, due to limitations in professional capacity and competence, it is unable to predict their future trends. Therefore, the PRC Valuer assumes that RMB interest rates and exchange rates will not experience significant changes from their current levels.

10. With respect to the information and materials provided by the client and other parties that form the basis of the valuation conclusion, the PRC Valuer assumes such information to be reliable and has conducted necessary verification in accordance with valuation procedures. However, the PRC Valuer makes no guarantees regarding the truthfulness, legality, or completeness of such information and materials.

11. It is assumed that all licenses, permits, consents, or other legal or administrative authorisation documents required for the asset utilisation method underlying the value estimation, whether issued by relevant local or national government authorities, private organisations, or groups, have already been obtained or can be renewed at any time.

Ernst & Young confirms that it has reviewed the calculations for the discounted cash flow forecast underlying the valuation.

Lego has confirmed that the future cash flow forecast underlying the valuation has been compiled after due and careful enquiry by the Directors.

The report from Ernst & Young and the letter from Lego are set out in the Appendices I and II, respectively to this announcement in accordance with Rule 14.60A of the Listing Rules.

EXPERT QUALIFICATION AND CONSENTS

The qualifications of the experts who have given their opinion(s) or advice in this announcement are as follows:

Name	**Qualification**
Ernst & Young	Certified Public Accountants
Lego	A corporation licensed by the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, each of Ernst & Young and Lego is an Independent Third Party and as at the date of this announcement:

1. none of the above experts has any shareholding in any member of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate any person to subscribe for securities in any member of the Group;

2. each of the above experts has given and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its letter(s), report(s), opinion(s) and/or references to its name in the form and context in which they are included; and

3. none of the above experts has any interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited annual financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

BACKGROUND INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC on 18 November 2002, and its main business is to invest in, construct, operate, and manage Jingyi Expressway.

As at the date of this announcement, the registered capital of the Target Company is RMB850 million which is fully paid-up and held by Shudao Innovation Investment and Jin Hao Group as to 85% and 15%, respectively. On 21 November 2019, Shudao Innovation Investment acquired 85% equity interest in the Target Company from Hanggang Financial Holding Investment Co., Ltd.* (航港金控投資有限公司), an Independent Third Party, at the consideration of RMB2,420 million.

The Target Company currently owns the concession rights of Jingyi Expressway. Jingyi Expressway, located in Hubei Province, PRC, is an important part of the Shanghai-Chengdu Expressway in the "National Expressway Network Planning" approved by the State Council and promulgated by the Ministry of Transport. Jingyi Expressway, with a total length of 94.998 kilometers, starts from Zhengjiachong Village in Jingmen City in the east, connecting with Wuhan-Jingmen Expressway and Xiangyang-Jingmen Expressway in Hubei Province, and ends at Gaojiadian Town in Yichang City in the west, connecting with Wuhan-Yichang Expressway and Yichang Yangtze River Bridge. Jingyi Expressway starts from Duodao District, Dongbao District, Jingmen City and Dangyang City, Yiling District and Xiaoting District, Yichang City, connects Yichang-Badong Expressway, Baokang-Yichang Expressway and Yichang-Zhangjiajie Expressway along the route, and is an important hub expressway leading to Xiangyang City, Zhangjiajie City, Badong County and Chengdu. In addition, the operation period of Jingyi Expressway is from 25 December 2007 to 13 March 2038.

For reference, a map showing the location of Jingyi Expressway is depicted below:



FINANCIAL INFORMATION ON THE TARGET COMPANY

The financial information of the Target Company for the two financial years ended 31 December 2023 and 2024 and the seven months ended 31 July 2025 was as follows:

	For the year ended 31 December 2023 (audited) *RMB'000*	**For the year ended 31 December 2024 (audited)** *RMB'000*	**For the seven months ended 31 July 2025 (audited)** *RMB'000*
Net profit before tax	252,322	255,986	198,017
Net profit after tax	167,603	192,057	148,605

As at 31 July 2025, the audited total assets and net assets of the Target Company were approximately RMB1,688 million and RMB574 million, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the investment, construction, operation and management of expressway, green energy industry investment and integrated development of resources along the routes. The principal business of the Target Company is the investment, construction and operation of the Jingyi Expressway.

Upon completion of the Acquisition, the Target Company will become an 85% indirectly owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the consolidated financial statements of the Company. Therefore, the acquisition of the Target Equity Interest helps to expand the expressway projects controlled by the Company, further increasing the Company's asset scale and leveraging economies of scale. Meanwhile, the incorporation of the Target Company will expand the Company's road network, effectively boosting the Company's sustainability, facilitating the Company's assets optimisation and strengthening core competitiveness.

The Directors (excluding the independent non-executive Directors whose opinions will be set forth in the circular of the Company after having been advised by the Independent Financial Adviser) are of the view that the terms and conditions of the Equity Transfer Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

The Company

The main business of the Group is the investment, construction, operation and management of expressway, green energy industry investment and integrated development of resources along the routes.

Shunan Company

Shunan Company is principally engaged in project investment and management, construction, maintenance, design, technical consulting and ancillary services in respect of infrastructures including highways, bridges and tunnels etc.; and construction and lease of ancillary facilities for high-grade highways including petrol stations, advertisement stands and warehouses. As at the date of this announcement, it is a direct wholly-owned subsidiary of the Company.

Shudao Innovation Investment

Shudao Innovation Investment is a company incorporated in the PRC with limited liability, and is principally engaged in equity investment, project investment, venture capital investment, investment management, investment consulting and asset management.

As at the date of this announcement, (1) Shudao Capital holds 100% equity interest in Shudao Innovation Investment; (2) Shudao Investment, STAE and SECD hold 46.1553%, 51% and 2.8447% equity interest in Shudao Capital, respectively. Both STAE and SECD are wholly-owned by Shudao Investment. Accordingly, Shudao Investment controls 100% equity interest in Shudao Capital; and (3) Shudao Investment, the controlling Shareholder of the Company holding approximately 39.86% equity interest in the Company, is wholly-owned by Sichuan Development, which is in turn wholly-owned by the People's Government of Sichuan Province.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in relation to the Acquisition exceed 5% but are all less than 25% under the Listing Rules, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the controlling Shareholder of the Company is Shudao Investment (holding 1,035,915,462 A Shares and 183,064,200 H Shares, totaling 1,218,979,662 Shares, representing approximately 39.86% of the total issued share capital of the Company). Shudao Investment (the controlling Shareholder of the Company) collectively holds 100% equity interest in Shudao Capital through itself and its two other wholly-owned subsidiaries, and Shudao Capital holds 100% equity interest in Shudao Innovation Investment. Therefore, Shudao Innovation Investment is a connected person of the Company under the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, has been formed to advise the Independent Shareholders on the Acquisition. Octal Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

ABSTENTION FROM VOTING ON BOARD RESOLUTIONS AND ABSTENTION FROM VOTING AT THE EGM

As Mr. Li Chengyong and Mr. Chen Chaoxiong, both non-executive Directors, hold positions in certain member companies of the Shudao Investment Group (Mr. Li Chengyong, a non-executive Director, is the head of the Capital Center of Shudao Investment; and Mr. Chen Chaoxiong, a non-executive Director, is a seconded director of Shudao Investment (i.e., a director of a subsidiary of Shudao Investment)), they are deemed to have a direct or indirect interest in the Acquisition, and therefore, they have abstained from voting on the Board resolution in relation to the approval of the Acquisition. Save as disclosed above, none of the Directors of the Company has any direct or indirect interest in the Acquisition and is required to abstain from voting on the Board resolution.

As Shudao Investment is interested in the Acquisition, Shudao Investment (the controlling Shareholder of the Company holding approximately 39.86% equity interest in the Company as at the date of this announcement) and its associates will abstain from voting on the relevant resolution to be proposed at the EGM for the approval of the Acquisition.

GENERAL INFORMATION

An EGM of the Company will be convened to consider and, if thought fit, approve, among other things, the Acquisition.

According to the Listing Rules, a circular containing (i) further details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the recommendations of the Independent Board Committee in respect of the Equity Transfer Agreement; (iii) the advice of the Independent Financial Adviser in respect of the Equity Transfer Agreement; (iv) the Valuation Report; (v) a Traffic Study Report; and (vi) a notice convening the EGM is to be despatched to the Shareholders within 15 business days after publication of this announcement, being on or before 14 January 2026.

DEFINITIONS

In this announcement, the following expressions shall have the following meaning unless the context requires otherwise:

"A Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
"Acquisition"	the acquisition of the Target Equity Interest held by Shudao Innovation Investment by Shunan Company by way of cash payment pursuant to the Equity Transfer Agreement
"Board"	the board of Directors of the Company

"CCCC Highway Consultants"	CCCC Highway Consultants Co., Ltd. (中交公路規劃設計院有限公司), an independent professional traffic consultant in the PRC
"Company"	Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司), a joint-stock company incorporated in the PRC with limited liability whose H shares are listed and traded on the Main Board of the Stock Exchange (stock code: 00107) and the A Shares are listed and traded on the SSE (stock code: 601107)
"Completion Date"	the date on which the Target Company issues its register of members evidencing that Shunan Company holds 85% of the equity interest in the Target Company
"Consideration"	the total consideration in the sum of RMB2,409,421,220, payable by Shunan Company for the Acquisition, to be settled by way of cash
"Director(s)"	the director(s) of the Company
"Dispute over Liabilities for Jeopardizing Company's Interests against Jin Hao Group and Hu Hejian by the Target Company"	dispute over liabilities for jeopardising company's interests against Jin Hao Group and Hu Hejian by the Target Company where the High People's Court of Beijing Municipality issued Civil Judgment (2021) Jing Min Chu No. 10, ruling that Jin Hao Group and Hu Hejian shall compensate RMB380,351,265.6 to the Target Company and compensate for the interest losses arising from occupied funds. The Supreme People's Court issued Civil Judgment (2024) Zui Gao Fa Min Zhong No. 34 on 8 September 2025, dismissing the appeals filed by Jin Hao Group and Hu Hejian and upholding the original judgment
"Dispute over Liabilities for Jeopardizing Company's Interests against Jin Hao Group and Jiali Hengde by the Target Company"	dispute over liabilities for jeopardising company's interests against Jin Hao Group and Beijing Jiali Hengde Real Estate Development Co., Ltd.* (北京嘉利恒德房地產開發有限公司) by the Target Company where the High People's Court of Beijing Municipality issued Civil Judgment (2016) Jing Min Zhong No. 200 on 15 July 2019, pursuant to which, Jin Hao Group and Beijing Jiali Hengde Real Estate Development Co., Ltd. shall pay occupied funds of RMB90 million to the Target Company and compensate for the interest losses incurred from the date of transfer of occupied funds to the date of repayment
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Acquisition
"Equity Transfer Agreement"	the equity transfer agreement entered into between Shunan Company and Shudao Innovation Investment on 19 December 2025 regarding the Acquisition
"Group"	the Company and its subsidiaries
"H Share(s)"	the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in Hong Kong dollars and traded on the Main Board of the Stock Exchange

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board, comprising all independent non-executive directors (namely Mr. Yu Haizong, Madam Bu Danlu, Mr. Zhou Hua and Mr. Jiang Tao), formed in accordance with the requirements of the Listing Rules and to advise the Independent Shareholders on whether the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and make recommendations as to voting
"Independent Shareholders"	Shareholders other than (i) Shudao Investment and its associates; and (ii) all other Shareholders who are interested or involved in the Equity Transfer Agreement and the transactions contemplated thereunder
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
"Independent Financial Adviser" or "Octal Capital"	Octal Capital Limited, a licensed corporation under the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser of the Company appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Equity Transfer Agreement and the transactions contemplated thereunder
"Jin Hao Group"	Jin Hao Group Limited (金浩集團有限公司)
"Jingmen Municipal People's Government Grants"	one-off grant of RMB3 million from Jingmen Municipal People's Government within 10 days upon the entering into of the contract for Jingmen south toll station's operations, management and maintenance upon the commencement of its operation for which shall be responsible by the Target Company for the purpose of jointly facilitating matters in relation to, among others, the commencement of Jingmen south toll station by both parties and renovation of Jingmen south toll station's electromechanical systems by the Target Company, as agreed in the Commencement and Operation of Jingmen South Toll Station Agreement entered into between the Target Company and Jingmen Municipal People's Government on 3 December 2020 and operation grant (including operating costs and corporate income tax) of RMB100 million to the Target Company granted by Jingmen Municipal People's Government, payable not less than RMB4 million annually over 17 years from the next year after the effective date of the agreement
"Jingyi Expressway"	Jingmen-Yichang Expressway
"Lego"	Lego Corporate Finance Limited, the financial adviser appointed by the Company in respect of the Acquisition
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange and/or the Rules Governing the Listing of Stocks on the SSE, as the case may be

"LPR"	loan prime rate (one-year term) announced by the National Inter-bank Funding Center as authorised by the People's Bank of China
"Net Profit (Excluding Extraordinary Gains and Losses)"	net profit excluding extraordinary gains and losses
"PRC" or "China"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"PRC Valuer" or "Sichuan Tian Jian Huaheng"	Sichuan Tian Jian Huaheng Assets Appraisal Co., Ltd (四川天健華衡資產評估有限公司), an independent qualified valuer in the PRC
"RMB"	the lawful currency of the PRC
"SECD"	Sichuan Expressway Construction and Development Group Co., Ltd.* (四川高速公路建設開發集團有限公司)
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	A Share(s) and/or H Share(s) (as the case may be)
"Shareholder(s)"	the registered holder(s) of the Share(s)
"Shudao Capital"	Shudao Capital Holding Group Co., Ltd. (蜀道資本控股集團有限公司)
"Shudao Innovation Investment"	Shudao (Sichuan) Innovation Investment Development Co., Ltd. (蜀道(四川)創新投資發展有限公司)
"Shudao Investment Group"	Shudao Investment and its subsidiaries (excluding the Group)
"Shudao Investment"	Shudao Investment Group Co., Ltd. (蜀道投資集團有限責任公司)
"Shunan Company"	Sichuan Shunan Investment Management Co., Ltd. (四川蜀南投資管理有限公司)
"Sichuan Development"	Sichuan Development Holding Co., Ltd.* (四川發展(控股)有限責任公司)
"SSE"	the Shanghai Stock Exchange
"STAE"	Sichuan Tibetan Area Expressway Co., Ltd.* (四川藏區高速公路有限責任公司)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Hubei Jingyi Expressway Co., Ltd. (湖北荊宜高速公路有限公司)

"Target Equity Interest"	85% equity interest in the Target Company to be purchased by Shunan Company under the Equity Transfer Agreement
"Traffic Study Report"	the traffic study report on the forecast and evaluation of traffic volume and toll revenue of the Jingyi Expressway issued by CCCC Highway Consultants
"Transitional Period"	the period from the Valuation Benchmark Date to the Completion Date
"Valuation Benchmark Date"	31 July 2025
"Valuation Report"	the valuation report issued by the PRC Valuer in respect of the Target Company
"Yichang Municipal People's Government Industry Support Funds"	the industry support funds amounting to 10% of sum of paid-in value-added tax and corporate income tax of the Target Company funded through budget arrangement by Yichang Municipal People's Government commencing no earlier than 2027 annually for the purpose of jointly facilitating matters in relation to, among others, the construction of interchange between Jingyi Expressway and Xiazhou Avenue and relevant ancillary projects by both parties, as agreed in the Cooperation Framework Agreement between Yichang and Hubei Jingyi Expressway Co., Ltd. entered into between the Target Company and Yichang Municipal People's Government on 29 June 2021
"%"	per cent

By Order of the Board
Sichuan Expressway Company Limited*
Yao Jiancheng
Executive Director and Company Secretary

Chengdu, Sichuan Province, the PRC
19 December 2025

As at the date of this announcement, the Board comprises Mr. Luo Zuyi (Chairman), Mr. You Zhiming (Vice Chairman), Madam Ma Yonghan, Mr. Yao Jiancheng and Madam Mao Yurong as executive Directors, Mr. Yang Shaojun (Vice Chairman), Mr. Li Chengyong and Mr. Chen Chaoxiong as non-executive Directors, and Mr. Yu Haizong, Madam Bu Danlu, Mr. Zhou Hua and Mr. Jiang Tao as independent non-executive Directors.

* *For identification purposes only*

APPENDIX I – REPORT FROM THE REPORTING ACCOUNTANTS

The following is the text of a report from Ernst & Young, the reporting accountants of the Company, for the purpose of inclusion in this announcement.

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF EQUITY INTEREST IN HUBEI JINGYI EXPRESSWAY CO., LTD.

To the directors of Sichuan Expressway Company Limited* (the "Company")

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "Forecast") on which the valuation dated 28 November 2025 prepared by Sichuan Tian Jian Huaheng Assets Appraisal Co., Ltd. in respect of Hubei Jingyi Expressway Co., Ltd. (the "Target Company") as at 31 July 2025 is based. The valuation is in connection with the acquisition of 85% equity interests in the Target Company, as set out in the Company's announcement dated 19 December 2025 (the "Announcement"). The valuation based on the Forecast is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' responsibilities

The directors of the Company (the "Directors") are solely responsible for the preparation of the Forecast in accordance with the bases and assumptions determined by the Directors and as set out in the section headed "Valuation assumptions" of the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Forecast and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast, in all material respects, in accordance with the assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Certified Public Accountants
Hong Kong
19 December 2025

* *For identification purposes only*

The following is the text of the letter from Lego Corporate Finance Limited, the financial adviser to the Company, to the Board prepared for the purpose of incorporation into this announcement.

Lego Corporate Finance Limited
力高企業融資有限公司

The Board of Directors
Sichuan Expressway Company Limited*
252 Wuhouci Da Jie, Chengdu City
Sichuan Province, the PRC

19 December 2025

Dear Sirs or Madams,

We refer to the announcement of the Company dated 19 December 2025 (the "**Announcement**") in relation to the proposed acquisition of 85% equity interest in the Target Company by the Company from Shudao Innovation Investment, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

As disclosed in the Announcement, the Consideration was determined with reference to the appraised market value of 100% equity interest in the Target Company as at 31 July 2025 (the "**Valuation**"), details of which are contained in the valuation report dated 28 November 2025 prepared by the PRC Valuer (the "**Valuation Report**").

According to the Valuation Report, the Valuation has been arrived at using the income approach based on discounted cash flows. As such, the Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules. This letter is issued in compliance with the requirements under Rule 14.60A(3) of the Listing Rules.

For the purpose of preparing this letter, we have reviewed the forecast of future cash flows of the Target Company (the "**Forecast**") underlying the Valuation, for which you as the Directors are solely responsible, and have discussed with the management of the Company and the PRC Valuer on the bases and assumptions upon which the Forecast has been prepared. We have also considered the letter from Ernst & Young, the Company's reporting accountants (the "**Reporting Accountants**"), dated 19 December 2025 addressed to you containing its opinion on the arithmetical accuracy of the calculations of the Forecast, details of which are set out in Appendix I to the Announcement.

We have not independently verified the computations leading to the determination of the Valuation by the PRC Valuer. The assessment, review and discussions carried out by us as described in this letter are based on financial, economic, market and other conditions in effect, and the information made available to us as of the date of this letter and we have, in arriving at our views, relied on information and materials provided to us by the Company, the PRC Valuer and the Reporting Accountants and opinions expressed by, and representations of, the employees and/or management of the Company, the PRC Valuer and the Reporting Accountants. We have assumed, without independent verification, that all the information, materials and representations so provided, including all the information, materials and representations referred to or contained in the Announcement, for which you as the Directors are wholly responsible, were true, accurate, complete and not misleading in all material respects at the time they were provided or made and continued to be so up to the date of this letter, and that no material facts have been withheld or omitted from the information, materials and representations provided. No representation or warranty, expressed or implied, is made by us on the truth, accuracy or completeness of such information, materials, opinions and/or representations referred to or contained in the Announcement, and we have not assumed any responsibility or liability therefor. Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our assessment and review.

It should be noted that the Forecast has been prepared using a set of assumptions which include hypothetical assumptions about future events that may or may not occur and therefore the Forecast may not be appropriate for purposes other than for deriving the Valuation. Even if the events anticipated under the hypothetical assumptions occur, actual financial performance may still differ from the Forecast since such anticipated events frequently may or may not occur as expected and the variation could be material.

On the basis of the foregoing and without giving any other opinion on the Forecast, we are of the opinion that the Forecast, for which you as the Directors are solely responsible, has been made by you after due and careful enquiry. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under Rule 14.60A(3) of the Listing Rules and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work or this letter.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Kristie Ho
Managing Director

* *For identification purposes only*