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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)

ANNOUNCEMENT ON CHANGES IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATE

This announcement is made by the board of directors (the "**Board**") of Chengdu Expressway Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the inside information provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

CHANGES IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATE

On 26 March 2026, the Board approved the following changes in accounting policy and accounting estimate: (i) effective from 1 January 2025, the accounting treatment for government grants shall be changed from the net method to the gross method (the "**Change in Accounting Policy**"); and (ii) effective from 31 December 2025, adjustments shall be made to the traffic flow data over the remaining operating period used for the amortization of the intangible asset related to the concession right of the Qiongming Expressway within the scope of consolidated financial statements (the "**Change in Accounting Estimate**").

REASONS FOR THE CHANGE IN ACCOUNTING POLICY AND THE CHANGE IN ACCOUNTING ESTIMATE

I. Change in Accounting Policy

To enable the financial reports to more accurately reflect the substance of the Group's economic business and the needs of its operational development, and to enhance the transparency and comparability of accounting information, the Company has decided to change the accounting treatment for government grants from the net method to the gross method.

II. Change in Accounting Estimate

According to the Company's accounting policy for intangible assets – highway operating rights, amortization is calculated using the units-of-production method (traffic flow method), whereby the annual amortization rate is calculated based on the ratio of the actual daily average traffic flow for the entire route for the year to the sum of the actual daily average traffic flow for the entire route for the year and the total forecasted traffic flow over the remaining years. The Qiongming Expressway originally relied on a forecast report issued in July 2023. Given the significant deviation between the actual traffic flow of the Qiongming Expressway in 2024 and 2025 and the original forecast data, in order to present the amortization cost of the expressway assets more objectively and fairly, the Company engaged an independent professional agency to re-forecast the traffic flow over the remaining operating period of the Qiongming Expressway. Effective from 31 December 2025, the amortization expense of the intangible asset related to the concession right of this expressway shall be calculated based on the adjusted traffic flow data over the remaining operating period.

EXPECTED IMPACT OF THE CHANGES IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATE

I. Change in Accounting Policy

The Change in Accounting Policy is accounted for using the retrospective adjustment method. Based on the Company's preliminary calculations using currently available information, it is expected that the following retrospective adjustments will be made to the relevant financial data in the balance sheet and income statement of the Group for the year ended 31 December 2024:

(i) Total assets as at 31 December 2024 will increase by approximately RMB15.42 million, and deferred income will increase by approximately RMB15.42 million, primarily due to the recognition of asset-related government grants as deferred income rather than deducting them from the carrying amount of the relevant assets;

(ii) Costs and expenses for the year ended 31 December 2024 will increase by approximately RMB12.69 million in aggregate, and other income will increase by approximately RMB12.69 million, primarily due to the recognition of the portion of income-related government grants that compensate the Group for incurred costs, expenses or losses as other income rather than deducting them from the relevant costs and expenses.

The Change in Accounting Policy has no impact on the Group's operating revenue, total profit, net profit and cash flows for all prior periods.

II. Change in Accounting Estimate

The Change in Accounting Estimate is accounted for using the prospective application method, and no retrospective adjustments are required. It will not have any impact on the Group's financial position and operating results in prior years.

Based on the carrying amount of the Group's intangible asset – highway operating rights as at 31 December 2025, the Change in Accounting Estimate is expected to increase the Group's amortization of intangible assets for the year 2026 by approximately RMB5.87 million, and decrease both net profit and owners' equity by approximately RMB4.99 million.

OPINION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE OF THE BOARD

The audit and risk management committee of the Board has reviewed and agreed to the Change in Accounting Policy and the Change in Accounting Estimate, considering that: (i) these changes are made based on the reasons stated above, which help to more accurately reflect the Group's financial position and operating results; (ii) they comply with the relevant accounting standards for enterprises; and (iii) they will not jeopardize the overall interests of the Company and its shareholders. Therefore, the audit and risk management committee of the Board has agreed to the Group's adoption of these changes.

The estimated financial information contained in this announcement is only a preliminary assessment based on the Group's currently available information, and such information has not been audited or reviewed by the auditor of the Company, and therefore may be subject to adjustments if necessary.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Chengdu, the PRC, 26 March 2026

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.