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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)

**DISCLOSEABLE TRANSACTION IN RELATION
TO THE CHENGWENQIONG EXPRESSWAY EXPANSION PROJECT
PRECAST CONCRETE COMPONENT PROCUREMENT CONTRACT OF
YZ 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.

PRECAST CONCRETE COMPONENT PROCUREMENT CONTRACT OF YZ BIDDING SECTION

As part of the Chengwenqiong Expressway Expansion Project, on 15 July 2026, Chengwenqiong Expressway Company and Chengdu Chengtou Urban Construction entered into the Precast Concrete Component Procurement Contract of YZ Bidding Section at a contract price of RMB234,218,772 (inclusive of tax).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Precast Concrete Component Procurement Contract of YZ Bidding Section exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Precast Concrete Component Procurement Contract of YZ 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 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.

As part of the Chengwenqiong Expressway Expansion Project, Chengwenqiong Expressway Company has completed the public tender for procurement of precast concrete components of YZ bidding section of the Chengwenqiong Expressway Expansion Project. On 15 July 2026, Chengwenqiong Expressway Company and Chengdu Chengtou Urban Construction entered into the Precast Concrete Component Procurement Contract of YZ Bidding Section at a contract price of RMB234,218,772 (inclusive of tax).

2. PRECAST CONCRETE COMPONENT PROCUREMENT CONTRACT OF YZ BIDDING SECTION

The principal terms of the Precast Concrete Component Procurement Contract of YZ Bidding Section are as follows:

Parties:	(i) Chengwenqiong Expressway Company (a subsidiary of the Company); and (ii) Chengdu Chengtou Urban Construction
Subject Matter:	Chengdu Chengtou Urban Construction will undertake the supply of precast concrete small box girders, precast pier columns and precast cap beams for YZ bidding section, which mainly includes the production of the above precast concrete components (including the procurement of all raw materials), transportation services and technical services (including providing technical personnel to guide and coordinate on site installation).
Delivery Period:	30 months
Contract Price:	RMB234,218,772 (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, formula set out in the contract 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 Precast Concrete Component Procurement Contract of YZ Bidding Section, the Company will comply with applicable requirements under the Listing Rules.

Chengwenqiong Expressway Company intends to pay the contract price through self-raised funds.

Basis of Determination of
Contract Price:

Chengwenqiong Expressway Company conducted open tender procedures for the Precast Concrete Component Procurement Contract of YZ 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 and a bid determination committee in accordance with the requirements of relevant laws and regulations, and awarded the contract to Chengdu Chengtuo Urban Construction after considering the bidders' bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of RMB234,218,772 (inclusive of tax) was determined based on the bidding price provided by Chengdu Chengtuo Urban Construction.

Payment Arrangement:

Chengwenqiong Expressway Company shall pay the contract price to Chengdu Chengtuo Urban Construction in accordance with key milestones and monthly supply progress as follows:

- (1) Upon delivery and inspection of the precast concrete component moulds to the site and completion of site and equipment configuration, 10% of the contract price (net of provisional sum) shall be paid;
- (2) (i) if the relevant month adopts an installment delivery and payment method, 50% of the progress payment for that month shall be paid within 30 days after the completion of the calculation based on the quantity of precast concrete components actually produced and accepted in that month; and 80% of the progress payment for that month shall be paid within 30 days after the completion of the calculation based on the quantity of precast concrete components delivered to the site and accepted in that month; (ii) if the relevant month adopts a direct delivery and payment method, 80% of the progress payment for that month shall be paid within 30 days after the completion of the calculation based on the quantity of precast concrete components directly delivered and accepted in that month;

- (3) Upon completion of all supply, payment shall be made up to 95% of the audited settlement amount;
- (4) Within 30 days after completion of the delivery settlement, payment shall be made up to 97% of the total delivery settlement amount;
- (5) After the completion and acceptance of the project, the remaining balance of the contract price shall be paid. If the Project is subject to a further audit by the administrative department, Chengdu Chengtou Urban Construction shall unconditionally accept such audit, and the adjustments made by the administrative department in accordance with the regulations shall be implemented accordingly. If Chengdu Chengtou Urban Construction fails to cooperate with the settlement work, Chengwenqiong Expressway Company shall have the right to penalize Chengdu Chengtou Urban Construction for breach of contract at the rate of 1% of the contract amount.

Performance Guarantee:

Chengdu Chengtou Urban Construction shall provide a performance guarantee equivalent to 10% of the contract price within 30 days after the issuance of the notification of successful bid and prior to the signing of the Precast Concrete Component Procurement Contract of YZ Bidding Section. Chengdu Chengtou Urban Construction shall guarantee that its performance deposit shall be valid throughout the implementation and completion of the supply works.

Within 28 days after Chengdu Chengtou Urban Construction has submitted the quality guarantee deposit and after Chengwenqiong Expressway Company has confirmed the completion of delivery and acceptance, Chengwenqiong Expressway Company shall return the performance deposit to Chengdu Chengtou Urban Construction.

Quality Guarantee Deposit and Warranty Period:

The amount of the quality guarantee deposit is capped at 3% of the contract price. The quality guarantee deposit is intended to ensure that during the warranty period (being 24 months from the date of completion and acceptance of the civil construction TJ1 and TJ2 bidding sections using the supplied materials), Chengdu Chengtou Urban Construction shall be responsible for rectification of issues and bear all associated costs.

The quality guarantee deposit shall be paid in one lump sum within 14 days after the delivery and acceptance of the construction.

The quality guarantee deposit shall be returned by Chengwenqiong Expressway Company to Chengdu Chengtuo Urban Construction within 28 days after the submission of all completion documents and receipt of the certificate of termination of liability period upon expiry of the warranty period.

Effectiveness:

The Precast Concrete Component Procurement Contract of YZ Bidding Section shall be signed and sealed by the authorized representatives of both parties or their delegated agents after Chengdu Chengtuo Urban Construction 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 as well as retail of refined oil products, and also expands into operation of natural gas and new energy business.

Chengdu Chengtuo Urban Construction

Chengdu Chengtuo Urban Construction is a limited liability company established in the PRC, principally engaged in the production, sale and related technical services of precast concrete components. Chengdu Chengtuo Urban Construction is held as to 50.00% by Chengdu Chengtuo Construction Materials Group Co., Ltd.* (成都城投建材集團有限公司), 33.33% by CCCC Second Harbour Engineering Co., Ltd.* (中交第二航務工程局有限公司), 8.33% by China Railway 23rd Bureau Group Rail Transit Engineering Co., Ltd.* (中鐵二十三局集團軌道交通工程有限公司), 5.56% by China Municipal Engineering Southwest Design and Research Institute Co., Ltd.* (中國市政工程西南設計研究總院有限公司) and 2.78% by Chengdu Municipal Engineering Design and Research Institute Co., Ltd.* (成都市市政工程設計研究院有限公司). In particular, Chengdu Chengtuo Construction Materials Group Co., Ltd.* (成都城投建材集團有限公司) is wholly owned by Chengdu Urban Construction Investment Management Group Co., Ltd.* (成都城建投資管理集團有限責任公司), which is in turn held as to 90.80% by the State-owned Assets Supervision and Administration Commission of Chengdu* (成都市國有資產監督管理委員會) and 9.20% by the Department of Finance of Sichuan Province* (四川省財政廳).

To the best of the knowledge, information and belief of the Directors of the Company having made all reasonable enquiries, each of Chengdu Chengtuo Urban Construction 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

With a total mileage of 65.6 km, Chengwenqiong Expressway starts from Wenjiachang Junction Interchange on Chengdu Ring Expressway and terminates at Sangyuan Interchange, Qionglai City. It 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 District, Chongzhou City, Dayi County, Qionglai City and other major satellite cities of Chengdu.

Chengwenqiong Expressway was completed and open to traffic in 2004 with a designed speed of 100km per hour, 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, it 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, 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. The construction of the Project officially commenced on 29 August 2025.

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 Precast Concrete Component Procurement Contract of YZ Bidding Section is a necessary part for the implementation of the Chengwenqiong Expressway Expansion Project (which has been considered and approved by the Board). Chengdu Chengtou Urban Construction, the successful bidder of the Precast Concrete Component Procurement Contract of YZ 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 tender section. The ranking was determined by an independent bid determination committee in accordance with the bid determination 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 Precast Concrete Component Procurement Contract of YZ 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 all payments under the Precast Concrete Component Procurement Contract of YZ Bidding Section will be capitalised and, during the construction period, construction revenue will be recognised based on the progress of performance obligations, and the related costs will be transferred to contract assets as presented in the balance sheet. Upon completion of all construction performance obligations under the Project and when the Project reaches its intended operational state, the accumulated contract assets will be fully transferred to intangible assets for accounting treatment. Accordingly, the entering into of the Precast Concrete Component Procurement Contract of YZ Bidding Section constitutes a transaction of the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Precast Concrete Component Procurement Contract of YZ Bidding Section exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Precast Concrete Component Procurement Contract of YZ 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
“Chengdu Chengtou Urban Construction”	Chengdu Chengtou Urban Construction Technology Co., Ltd.* (成都城投城建科技有限公司), a limited liability company established in the PRC
“Chengwenqiong Expressway”	the expressway connects Chengdu to Qionglai via Wenjiang
“Chengwenqiong Expressway Company”	Chengdu Chengwenqiong Expressway Co., Ltd. (成都成温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
“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
“Precast Concrete Component Procurement Contract of YZ Bidding Section”	the contract for procurement of precast concrete small box girders, precast pier columns and precast cap beams of YZ bidding section of the expansion project of Chengdu-Wenjiang-Qionglai expressway entered into between Chengwenqiong Expressway Company and Chengdu Chengtou Urban Construction on 15 July 2026
“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

“%”

per cent

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

Chengdu, the PRC, 15 July 2026

As at the date of this announcement, the Board of the Company comprises Mr. Yang Tan, Mr. Ding Dapan and Mr. Pan Xin as executive Directors; 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*