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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  
STEEL STRUCTURE CONSTRUCTION CONTRACT OF  
GJG BIDDING SECTION**

References are made to the announcements dated 1 March 2023 and 12 May 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.

**STEEL STRUCTURE CONSTRUCTION CONTRACT OF GJG BIDDING SECTION**

As part of the Chengwenqiong Expressway Expansion Project, on 23 October 2026, Chengwenqiong Expressway Company and China Railway Baoji Bridge entered into the Steel Structure Construction Contract of GJG Bidding Section at a contract price of RMB379,760,123 (inclusive of tax).

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the transaction contemplated under the Steel Structure Construction Contract of GJG Bidding Section exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Steel Structure Construction Contract of GJG 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 1 March 2023 and 12 May 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 steel structure construction of GJG bidding section of the Chengwenqiong Expressway Expansion Project. On 23 October 2026, Chengwenqiong Expressway Company and China Railway Baoji Bridge entered into the Steel Structure Construction Contract of GJG Bidding Section at a contract price of RMB379,760,123 (inclusive of tax).

## **2. STEEL STRUCTURE CONSTRUCTION CONTRACT OF GJG BIDDING SECTION**

The principal terms of the Steel Structure Construction Contract of GJG Bidding Section are as follows:

|                      |                                                                                                                                                                                                                                                                                           |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Parties:             | (i) Chengwenqiong Expressway Company (a subsidiary of the Company); and<br><br>(ii) China Railway Baoji Bridge                                                                                                                                                                            |
| Subject Matter:      | China Railway Baoji Bridge will undertake the steel structure construction of GJG bidding section, which comprises the steel structures of the mainline bridges, ramp bridges, overpass bridges and footbridges along the entire line, as well as the steel stairways of certain bridges. |
| Construction Period: | 30 months                                                                                                                                                                                                                                                                                 |
| Contract Price:      | RMB379,760,123 (inclusive of tax), subject to price adjustment arising from fluctuations in commodity prices as agreed in the contract.                                                                                                                                                   |

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 Steel Structure Construction Contract of GJG Bidding Section, the Company will comply with applicable requirements under the Listing Rules.

The Group intends to pay the contract price through self-raised funds and bank loans.

Payment Arrangement: Chengwenqiong Expressway Company shall pay the contract price to China Railway Baoji Bridge in accordance with key milestones and monthly construction progress as follows:

- (1) During the construction period, construction progress will be measured on a monthly basis, and 90% of the measured progress payment for the relevant period as stated in the progress payment application reviewed and signed by the supervisor shall be paid on a monthly basis;
- (2) Upon satisfactory completion acceptance and handover of the project documentation, and completion of the audit of the completion settlement of the Project by a cost consultant, payment shall be made up to 95% of the audited amount of completion settlement;
- (3) Upon the second review by Chengwenqiong Expressway Company or a higher-level entity, payment shall be made up to 97% of the amount determined by such second review;
- (4) The remaining construction price shall be paid upon completion of the final acceptance.

If, after the second review, the Project is subject to a further audit by the administrative department, China Railway Baoji Bridge shall unconditionally accept such audit, and the adjustments made by the administrative department in accordance with the regulations shall be implemented accordingly. If China Railway Baoji Bridge fails to cooperate with the settlement work, Chengwenqiong Expressway Company shall have the right to penalize China Railway Baoji Bridge for breach of contract at the rate of 1% of the contract price.

Performance Deposit: China Railway Baoji Bridge shall provide a performance deposit equivalent to 10% of the contract price within 30 days from the date of issuance of the notification of successful bid and prior to the signing of the Steel Structure Construction Contract of GJG Bidding Section. If the performance deposit is provided in the form of a bank guarantee, China Railway Baoji Bridge shall guarantee that its performance deposit remains valid until Chengwenqiong Expressway Company issues the construction completion certificate.

After China Railway Baoji Bridge has submitted the quality guarantee deposit and Chengwenqiong Expressway Company has confirmed the satisfactory completion acceptance of the construction, Chengwenqiong Expressway Company shall return the performance deposit to China Railway Baoji Bridge.

Quality Guarantee Deposit: The amount of the quality guarantee deposit is capped at 3% of the contract price and may be paid in cash or by way of a bank guarantee.

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

After the completion documents have been fully submitted and reviewed by Chengwenqiong Expressway Company, which has issued a completion settlement audit report, the final acceptance has achieved a good rating, and the defects liability period of the works has expired and the supervising engineer has issued a certificate of termination of the defects liability period, the quality guarantee deposit shall be returned by Chengwenqiong Expressway Company to China Railway Baoji Bridge within 28 days.

The defects liability period shall be 24 months from the date of issue of the completion acceptance certificate, and the warranty period shall be 5 years from the actual date of completion.

Effectiveness: The Steel Structure Construction Contract of GJG Bidding Section shall be signed and sealed by the legal representatives of both parties or their delegated agents after China Railway Baoji Bridge has provided the performance deposit. The final contract shall come into effect after the investor of the Project (i.e., the Company) has fulfilled the relevant approval procedures.

### **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.

## **China Railway Baoji Bridge**

China Railway Baoji Bridge is a limited liability company established in the PRC and is principally engaged in the manufacture and installation of steel structures and turnouts. China Railway Baoji Bridge is wholly owned by China Railway Hi-Tech Industry Corporation Limited\* (中鐵高新工業股份有限公司) (stock code: 600528.SH), which is listed on the Shanghai Stock Exchange.

To the best of the knowledge, information and belief of the Directors of the Company, having made all reasonable enquiries, each of China Railway Baoji Bridge 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 kilometers, 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 significant economic and cultural importance 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 100 kilometers 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 RMB12.65 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. BASIS OF DETERMINATION OF THE CONTRACT PRICE**

Chengwenqiong Expressway Company compiled the relevant tender documents in accordance with 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. After filing with the relevant departments, it published the tender notice for the Steel Structure Construction Contract of GJG Bidding Section through the Sichuan Provincial Public Resources Trading Center\* (四川省公共資源交易中心) and the Department of Transport of Sichuan Province, and conducted the open tender procedure through the Sichuan Provincial Public Resources Trading Center.

According to the open tender notice, bidders were required to meet the following key qualification criteria: (i) possessing a Grade I qualification for specialised contracting of steel structure works and a Grade II or above qualification for specialised contracting of bridge works issued by the housing and urban-rural development authorities. Bidders must be included in the register of enterprises with highway engineering construction qualifications in the “National Highway Construction Market Supervision and Administration System” of the Ministry of Transport, and the name and qualifications of the bidder must be exactly the same as the corresponding enterprise name and qualifications in such register; (ii) having a financial return on net assets for the year of 2025 greater than or equal to 0 (the financial return on net assets being calculated as the percentage of annual net profit divided by net assets at the end of the year); (iii) having completed at least three newly built or reconstructed/expanded expressway projects in the PRC involving steel structure bridges between 1 January 2023 and the bid closing date; and (iv) having a credit rating of Grade C or above for key highway construction entities in Sichuan Province as published on the website of the Department of Transport of Sichuan Province, and not being within a period of administrative penalty prohibiting bidding. A total of 15 bidding documents were received for the open tender of this section.

Chengwenqiong Expressway Company established a bid evaluation committee with seven members in accordance with the requirements of relevant laws and regulations to determine the bid candidates. In accordance with the requirements of the Implementation Rules for the Management of Tendering and Bidding of Highway Construction Projects in Sichuan Province (《四川省公路工程建設項目招標投標管理實施細則》), the bid evaluation of construction tenders for highway construction projects shall generally adopt the reasonable low price method. As this tender project is a construction tender project, the reasonable low price method is adopted as the bid evaluation method (i.e., for bidders that have passed the qualification and compliance review, no separate scoring is conducted for their construction organisation plan, project management structure, technical capabilities and other factors; instead, scoring is based solely on the evaluated bid price and the bid evaluation benchmark price, and bid candidates are ranked by score). Chengwenqiong Expressway Company also set the tender control price (i.e., the maximum bidding price) at RMB434,951,996 and a below-cost review mechanism (see below) to prevent malicious low-price bidding, and adopted a bid award separation mechanism (i.e., bid evaluation and bid award are separated).

The bid evaluation benchmark price was calculated using the random weighting method with the following formula: Bid evaluation benchmark price =  $A \times K1 \times Q1 + B \times K2 \times Q2$ , where A is the arithmetic mean of the evaluated bid prices of bidders within the calculation scope (if the number of evaluated bid prices exceeds a certain threshold, a certain number of the highest and lowest evaluated bid prices are excluded before taking the mean), B is the maximum bidding price, Q1 and Q2 are the weighting coefficients for A and B respectively ( $Q1 + Q2 = 1$ ), and K1 and K2 are the downward adjustment coefficients for A and B respectively (the value range of K2 is linked to the randomly drawn M value). The specific values of Q1, K1, K2 and the M value were determined by random draw at the bid opening site for the quotation documents, and the drawing process was notarised on site by a notary institution, so as to ensure that the bid evaluation benchmark price was not subject to human intervention.

The evaluated bid price was determined by the bidding price stated in the bid letter in the bidder's quotation documents (the amount in words shall prevail). To ensure the reasonableness of the bidding prices, any evaluated bid price that is lower than 85% of the maximum bidding price shall not be included in the calculation of the bid evaluation benchmark price; if all evaluated bid prices are lower than 85% of the maximum bidding price, 85% of the maximum bidding price shall be taken as the bid evaluation benchmark price. Where a bidder's price is obviously low and may be below cost, the bid evaluation committee will require a written explanation, and if a reasonable explanation cannot be provided, the bid will be determined as below-cost bidding and rejected.

The evaluated bid price score of each bidder was then calculated based on the deviation rate of its evaluated bid price from the bid evaluation benchmark price in accordance with the scoring formula set out in the tender documents; the lower the deviation rate, the higher the score.

The bid determination committee consisted of five members, who assessed the bid candidates based on the following three factors: (i) price factor: the reasonableness of the bidding price; (ii) bid proposal: the resource input plan, production plan and supply plan for the supply of steel components for the Project, the production sites and equipment proposed to be deployed for the Project, the possession of a well-established intelligent production control system and green electricity consumption intelligent control system, the production processes and plans for each category of steel components, the transportation plan and the information system; and (iii) product and service quality: the assurance measures for production quality, progress, safety and environmental protection.

Having taken the above factors into comprehensive consideration, and upon evaluation by the bid determination committee, China Railway Baoji Bridge was determined as the successful bidder with 4 votes, mainly on the following considerations: (i) its bidding price is reasonable and is at the middle level of the prices quoted by all bid candidates; (ii) its resource input plan, production plan and supply plan for the supply of steel components for the Project, and the production sites and equipment proposed to be deployed, can fully satisfy the production needs of the Project, and it possesses an intelligent production control system and a green electricity consumption intelligent control system; (iii) its transportation plan is practicable, can safeguard the needs of the construction site, and its information system is superior; and (iv) its assurance measures for production quality, progress, safety and environmental protection are clear and balanced, with notable advantages in the control of production quality and workmanship.

The contract price of RMB379,760,123 (inclusive of tax) was determined based on the bidding price submitted by China Railway Baoji Bridge in the above open tender procedures.

Given that this tender was conducted openly through the Sichuan Provincial Public Resources Trading Center\* (四川省公共資源交易中心) in strict compliance with the tendering and bidding laws and regulations of the PRC and the relevant administrative requirements of Sichuan Province, the tender procedures were lawful, compliant, open and transparent. The bid evaluation committee conducted its review in accordance with the established bid evaluation rules and the below-cost review mechanism, ensuring that the winning price was within a reasonable range (the ratio of the evaluated bid price of China Railway Baoji Bridge to the tender control price was approximately 87.3%); and the bid determination committee, after comprehensive assessment, determined China Railway Baoji Bridge as the successful bidder with 4 votes (out of 5). The Board (including the independent non-executive Directors) is of the view that the contract price is fair and reasonable, and the Steel Structure Construction Contract of GJG Bidding Section was entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **7. 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 on equity capital, 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 Steel Structure Construction Contract of GJG Bidding Section is a necessary part for the implementation of the Chengwenqiong Expressway Expansion Project (which has been considered and approved by the Board). In accordance with the requirements of the bid award scheme in the tender documents, the voting method was adopted to determine China Railway Baoji Bridge, which ranked first in the number of votes, as the successful bidder for the Steel Structure Construction Contract of GJG Bidding Section.

Taking into account the basis of determination of the contract price and the reasons and benefits as stated above, the Board is of the view that the entering into of the Steel Structure Construction Contract of GJG Bidding Section and the transaction 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.

## **8. LISTING RULES IMPLICATIONS**

As all payments under the Steel Structure Construction Contract of GJG Bidding Section will be capitalised, 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 Steel Structure Construction Contract of GJG 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 Steel Structure Construction Contract of GJG Bidding Section exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Steel Structure Construction Contract of GJG 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.

## 9. DEFINITIONS

|                                                           |                                                                                                                                                                                                     |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”                                                   | the board of Directors of the Company                                                                                                                                                               |
| “Chengwenqiong Expressway”                                | the expressway connecting Chengdu to Qionglai via Wenjiang                                                                                                                                          |
| “Chengwenqiong Expressway Company”                        | Chengdu Chengwenqiong Expressway Co., Ltd. (成都成溫邛高速公路有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company                             |
| “Chengwenqiong Expressway Expansion Project” or “Project” | the expansion and renovation construction project of Chengdu Wenjiang-Qionglai expressway                                                                                                           |
| “China Railway Baoji Bridge”                              | China Railway Baoji Bridge Group Co., Ltd.* (中鐵寶橋集團有限公司), a limited liability company established in the PRC                                                                                        |
| “Company”                                                 | Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed and traded on the Stock Exchange                |
| “Director(s)”                                             | the director(s) of the Company                                                                                                                                                                      |
| “Group”                                                   | the Company and its subsidiaries                                                                                                                                                                    |
| “Listing Rules”                                           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                 |
| “PRC”                                                     | the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan |
| “RMB”                                                     | Renminbi, the lawful currency of the PRC                                                                                                                                                            |
| “Shareholder(s)”                                          | registered holder(s) of the shares                                                                                                                                                                  |

|                                                                |                                                                                                                                                                                                                                               |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Steel Structure Construction Contract of GJG Bidding Section” | the contract for steel structure construction of GJG bidding section of the expansion project of Chengdu-Wenjiang-Qionglai expressway entered into between Chengwenqiong Expressway Company and China Railway Baoji Bridge on 23 October 2026 |
| “Stock Exchange”                                               | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                       |
| “%”                                                            | per cent                                                                                                                                                                                                                                      |

On behalf of the Board  
**Chengdu Expressway Co., Ltd.**  
**Ding Dapan**  
*Chairman*

Chengdu, the PRC, 23 October 2026

*As at the date of this announcement, the Board of the Company comprises Mr. Ding Dapan and Mr. Wu Xiao as executive Directors; Ms. Jiang Na 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*