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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 IN RELATION TO  
THE NEW NON-COMPETITION AGREEMENT  
CONTROLLING SHAREHOLDER WON THE BID OF  
EXPRESSWAY CONSTRUCTION AND OPERATION PROJECT**

Reference is made to the circular of the Company dated 14 September 2022 (the “**Circular**”) in relation to the New Non-competition Agreement entered into between the Company, Chengdu Communications Investment and Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (“**Construction and Management Group**”), both being Controlling Shareholders, to supersede the Original Non-competition Agreements. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular. This announcement is made in compliance with the disclosure obligation set out in the section headed “Corporate Governance Measures” in the Circular.

Pursuant to the New Non-competition Agreement, Construction and Management Group undertakes that during the term of the New Non-competition Agreement, except for relevant stipulations of the New Non-competition Agreement and the Relevant Petrol Stations, Construction and Management Group and its subsidiaries (excluding the Group) shall not engage in the Competing Businesses in any form. Construction and Management Group and its subsidiaries (excluding the Group) shall, upon identifying any New Business opportunities, notify the Company in writing to enable the Company to consider whether to engage in such New Business opportunities.

The Company has previously received a letter from Construction and Management Group inquiring with the Company on whether to exercise the relevant rights as stated above to join with other bidders as a consortium to participate in the Chengdu-Emeishan Expressway (成都至峨眉山高速公路) project (the “**Project**”). Parties to the consortium will jointly set up a project company (the “**Project Company**”) to be responsible for the investment, construction, operation and management of the Project. It also confirms that if it wins the bid of the Project, the Company may exercise the acquisition option and the right of first refusal in accordance with the relevant terms of the New Non-competition Agreement during the investment, construction, operation and transfer of the Project.

After making analysis of the Project, all independent non-executive directors of the Company are of the view that: (i) the financial estimates of the Project are poor, the expected return is low and the risk is high; and (ii) the Project has a long loss-making period and the impact on the financial statements is significant. Participation in the Project will significantly drag down the Company's financial indicators, which is not in line with the requirements of financial stability and will be detrimental to the interests of the Shareholders. Taking into comprehensive consideration of the above factors, all independent non-executive directors of the Company have resolved that the Company will not participate in the investment, construction and operation of the Project.

The Company was recently informed that the consortium comprising Construction and Management Group, China Railway City Development and Investment Group Co., Ltd. and Chengdu Construction Engineering Group Co., Ltd. participated in and won the bid for the Project with an estimated total investment amount of RMB18.821 billion. If the Company exercises relevant rights under the New Non-competition Agreement in respect of the Project in the future, the Company will comply with approval procedures and disclosure obligations in accordance with applicable laws and regulations as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Chengdu, the PRC, 18 December 2024

*As at the date of this announcement, the board of directors of the Company comprises Mr. Yang Tan, Mr. Xia Wei and Mr. Ding Dapan as executive Directors; Ms. Wu Haiyan as non-executive Director; and Mr. Leung Chi Hang Benson, Mr. Qian Yongjiu and Mr. Wang Peng as independent non-executive Directors.*