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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)

**CONTROLLING SHAREHOLDER WON
THE BID OF EXPRESSWAY CONSTRUCTION AND OPERATION PROJECT**

This announcement is made in compliance with the disclosure obligations in the section headed “Relationship with our Controlling Shareholders” as set out in the prospectus published on 28 December 2018 (“**Prospectus**”) by Chengdu Expressway Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”).

Pursuant to the Non-competition Agreement entered into between the Company and its controlling shareholder, Chengdu Communications Investment Group Co., Ltd. (“**Chengdu Communications Investment**”), Chengdu Communications Investment undertakes that, Chengdu Communications Investment and its subsidiaries (excluding the Group) will not, during the term of the Non-competition Agreement, and will procure their associates not to directly or indirectly, engage in, individually or jointly, with other entities, or assist to engage in or participate in any business which competes with the principal business of the Company in Sichuan province. If Chengdu Communications Investment and its subsidiaries (excluding the Group) identify any new business opportunities which compete, directly or indirectly, or may compete with the principal business of the Company (the “**New Business Opportunities**”), they shall immediately notify the Company in writing to enable the Company to consider whether to accept such New Business Opportunities.

The Company has previously received a letter from Chengdu Communications Investment 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 Tianfu New District – Meishan – Leshan Expressway (天府新區經眉山至樂山高速公路) project (the “**Project**”). Parties to the consortium will jointly set up a project company (the “**Project Company**”) to be responsible for the investment, financing, construction, management and operation of the Project.

After making analysis of the Project, all independent non-executive directors of the Company are of the view that: (i) the Company proposes to focus on acquiring or investing in expressway projects with a reasonable return on investment. The Project, although with certain profitability, has a relatively low return on investment; (ii) the Project will take a longer investment payback period, and the Company is expected to suffer long-term and continuous losses if it invests in the Project, the amount of which will have a material negative impact on the results of the Company; and (iii) estimated based on the total investment amount, expected investment participation of 19.5% shareholding in the Project Company and the assumption of registered capital of the Project Company being 20% of the total investment amount of the Project, the Company is expected to contribute approximately RMB1.19 billion to the registered capital of the Project Company (and the Company may also bear the guarantee liabilities for debt financing of the Project in subsequent periods) if it is to participate in the Project, which will exert substantial pressure on the liquidity of the Company and have a relatively material impact on its follow-up financing capacity.

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, provided that the Company shall at all times be entitled to exercise the acquisition option, right of first refusal and other rights under the Non-competition Agreement.

The Company was recently informed that the consortium comprising Sichuan Expressway Construction & Development Group Co., Ltd. (四川高速公路建設開發集團有限公司), as the initiator, and Chengdu Communications Investment, China Railway 17th Bureau Group Co., Ltd. (中鐵十七局集團有限公司), China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司) and Sichuan Transportation Construction Group Co., Ltd. (四川省交通建設集團股份有限公司) as members, participated in and won the bid for the Project at a price of RMB30.54648 billion. If the Company exercises relevant rights under the Non-competition Agreement in respect of the Project, 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.
Xiao Jun
Chairman

Chengdu, the PRC, 8 October 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Yang Tan, Ms. Wang Xiao, Mr. Zhang Dongmin and Mr. Luo Dan as executive directors, Mr. Xiao Jun and Mr. Yang Bin as non-executive directors, and Mr. Shu Wa Tung, Laurence, Mr. Ye Yong and Mr. Li Yuanfu as independent non-executive directors.