

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
SUBSCRIPTION FOR STRUCTURED DEPOSITS

SUBSCRIPTION FOR STRUCTURED DEPOSITS

Reference is made to the Company's announcement dated 3 July 2023 in relation to the subscription for Structured Deposits by the Company and its subsidiaries. On 3 July 2023, the Company entered into the First Structured Deposit Agreement with BoCD Qintai Sub-branch, pursuant to which the Company subscribed for the Structured Deposit offered by BoCD in an amount of RMB50 million. On 2 November 2023, Communications Investment Energy, a subsidiary of the Company, entered into the Second Structured Deposit Agreement with BoCD Huaxing Sub-branch, pursuant to which Communications Investment Energy subscribed for the Structured Deposit offered by BoCD in an amount of RMB100 million.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as the applicable percentage ratios of each of the First BoCD Structured Deposit Agreement and the Second BoCD Structured Deposit Agreement are lower than 5%, the transactions contemplated thereunder thus do not constitute discloseable transactions of the Company when calculated on a standalone basis. As such transactions are conducted with the same bank and with similar nature, the First BoCD Structured Deposit Agreement and the Second BoCD Structured Deposit Agreement are required to be aggregated as a series of transactions according to Rule 14.22 of the Listing Rules. Given that the highest applicable percentage ratio (as defined under the Listing Rules) of the First BoCD Structured Deposit Agreement and the Second BoCD Structured Deposit Agreement, when aggregated, exceeds 5% but is lower than 25%, the transactions contemplated thereunder hence constitute discloseable transactions of the Company under the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but are exempt from the Shareholders' approval requirement.

SUBSCRIPTION FOR STRUCTURED DEPOSITS

On 2 November 2023, Communications Investment Energy entered into the Second Structured Deposit Agreement with BoCD Huaxing Sub-branch, pursuant to which Communications Investment Energy subscribed for the Structured Deposit offered by BoCD in an amount of RMB100 million. On 3 July 2023, the Company entered into the First Structured Deposit Agreement with BoCD Qintai Sub-branch, pursuant to which the Company subscribed for the Structured Deposit offered by BoCD in an amount of RMB50 million. The salient terms of the Second Structured Deposit Agreement are set out as follows:

The Second BoCD Structured Deposit Agreement

Date:	2 November 2023
Parties:	(1) Communications Investment Energy; and (2) BoCD Huaxing Sub-branch
Principal amount of the subscription:	RMB100 million
Term of investment:	56 days
Commencement date:	3 November 2023
Expiry date:	29 December 2023
Type of the Structured Deposit:	Principal-guaranteed with floating return
Expected annualised rate of return:	1.43% to 2.60%
Observation date:	27 December 2023
Investment target and scope:	Derivative products linked to the exchange rate in the international exchange market
Subject of linkage:	The performance of the exchange rate of the Euro against the US Dollar on the observation date
Guarantee made by BoCD:	If the Structured Deposit is established and Communications Investment Energy holds the Structured Deposit until maturity, or if BoCD early terminates the Structured Deposit, BoCD shall provide a guarantee to Communications Investment Energy on repaying in full the principal to Communications Investment Energy, and shall pay Communications Investment Energy income to be accrued on the Structured Deposit based on the performance of the subject of linkage as agreed. BoCD has guaranteed a lowest annualised rate of return of 1.43%.

Frequency of income payment: Paid in a lump sum upon maturity

Redemption: Communications Investment Energy shall not redeem the principal and income in advance during the term of the Structured Deposit.

The Group subscribed for the Structured Deposits with its own idle funds.

BASIS FOR DETERMINING THE CONSIDERATIONS

The directors of the Company (including the independent non-executive directors) confirmed that, the consideration of RMB100 million for subscription for the Structured Deposit has been determined by the Group and BoCD after arm's length negotiations on commercial terms taking into account the idle cash that is available to the Group for cash management purposes, the risk profiles of the products, investment terms and the annualised rates of return.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

In order to enhance the capital efficiency as well as the return of the capital operation, the Group reasonably utilised its idle funds to subscribe for the Structured Deposit issued by BoCD. Taking into account, among others, (i) the nature of principal-guaranteed with floating return; (ii) the expected rates of return; and (iii) the short terms of 56 days of the Structured Deposit, the Group believes the use of idle funds to subscribe for the Structured Deposit of BoCD will have higher returns on deposits than those generally available from commercial banks and is conducive to improving the efficiency of the use of the Group's own idle funds and increasing the Group's additional income without adversely affecting its normal operation, principal business development and the rights and interests of investors. The condition of the Structured Deposit will be closely and effectively monitored by the Company. The directors of the Company (including independent non-executive directors) are of the view that, the subscription for the Structured Deposit is conducted on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Communications Investment Energy is an indirect non-wholly-owned subsidiary of the Company, and is principally engaged in investment in energy projects and retail of petrol and diesel oil, etc. The Group is primarily engaged in the operation, management and development of expressways in and around Chengdu, Sichuan Province and also carries out operation of refined oil and natural gas. The controlling Shareholder of the Company is Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司), which is principally engaged in the investment, the financing and the construction, development, operation and management of transportation infrastructure in Sichuan Province, and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government (成都市國有資產監督管理委員會).

BoCD is a state-controlled local joint-stock commercial bank, and is mainly engaged in absorbing public deposits and granting loans, etc. The substantial shareholder of BoCD is Chengdu Jiaozi Financial Holding Group Co., Ltd. (成都交子金融控股集團有限公司), and the actual controller of Chengdu Jiaozi Financial Holding Group Co., Ltd. is the State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government. To the best of knowledge, information and belief of the directors of the Company after making all reasonable enquiries, as at the date of this announcement, each of BoCD and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as the applicable percentage ratios of each of the First BoCD Structured Deposit Agreement and the Second BoCD Structured Deposit Agreement are lower than 5%, the transactions contemplated thereunder thus do not constitute discloseable transactions of the Company when calculated on a standalone basis. As such transactions are conducted with the same bank and with similar nature, the First BoCD Structured Deposit Agreement and the Second BoCD Structured Deposit Agreement are required to be aggregated as a series of transactions according to Rule 14.22 of the Listing Rules. Given that the highest applicable percentage ratio (as defined under the Listing Rules) of the First BoCD Structured Deposit Agreement and the Second BoCD Structured Deposit Agreement, when aggregated, exceeds 5% but is lower than 25%, the transactions contemplated thereunder hence constitute discloseable transactions of the Company under the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but are exempt from the Shareholders' approval requirement.

DEFINITIONS

In this announcement, unless otherwise indicated, the following terms shall have the meanings set out below:

“Board”	the board of directors of the Company
“BoCD”	Bank of Chengdu Co., Ltd (成都銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 601838)
“Communications Investment Energy”	Chengdu Communications Investment Energy Development Co., Ltd. (成都交投能源發展有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of the Company
“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 on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“First BoCD Structured Deposit Agreement”	the agreement entered into between the Company and BoCD Quintai Sub-branch on 3 July 2023 in relation to subscription for the Structured Deposit in an amount of RMB50 million by the Company. Please refer to the Company's announcement dated 3 July 2023

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second BoCD Structured Deposit Agreement”	the agreement entered into between Communications Investment Energy and BoCD Huaxing Sub-branch on 2 November 2023 in relation to subscription for the Structured Deposit in an amount of RMB100 million by Communications Investment Energy
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit(s)”	the structured deposit(s) (individually or collectively) issued by BoCD, the salient terms of which are summarised in this announcement and the Company’s announcement dated 3 July 2023
“%”	per cent

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

Chengdu, the PRC, 2 November 2023

As at the date of this announcement, the Board 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.