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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
SUBSCRIPTION FOR STRUCTURED DEPOSITS

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Communications Investment Energy, a subsidiary of the Company, entered into the Second Structured Deposit Agreement with ICBC Chengdu Dongda Sub-branch on 28 October 2022, pursuant to which Communications Investment Energy subscribed for the Structured Deposit offered by ICBC for RMB100 million. In addition, the Company entered into the First Structured Deposit Agreement with ICBC Chengdu Binjiang Sub-branch on 7 July 2022, pursuant to which the Company subscribed for the Structured Deposit offered by ICBC for RMB130 million.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as the applicable percentage ratios of each of the First Structured Deposit Agreement and the Second Structured Deposit Agreement are lower than 5%, the subscriptions thus do not constitute discloseable transactions of the Company when calculated on a standalone basis.

As the transactions are conducted with the same bank and with similar nature, the First Structured Deposit Agreement and the Second 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 Structured Deposit agreements, when aggregated, exceeds 5% but is lower than 25%, the transactions contemplated thereunder 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.

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The First Structured Deposit Agreement

The salient terms of the First Structured Deposit Agreement are as follows:

Contract date:	7 July 2022
Parties:	(1) the Company; and (2) ICBC Chengdu Binjiang Sub-branch
Principal amount of the subscription:	RMB130 million
Term of investment:	164 days
Commission date:	7 July 2022
Commencement date:	11 July 2022
Expiry date:	22 December 2022
Type of Structured Deposit:	Principal-guaranteed with floating return
Expected annualised rate of return:	1.30% to 3.40%
Observation period:	11 July 2022 (inclusive) to 20 December 2022 (inclusive)
Investment scope:	The principal of the Structured Deposit will be integrated into the internal capital management of ICBC, and the income will be invested in derivative products linked to the exchange rate of the US Dollar against the Japanese Yen. The income of the Structured Deposit shall be linked to the performance of the exchange rate of the US Dollar against the Japanese Yen in the international market during the observation period. The Group's income depends on the performance of the exchange rate of the US Dollar against the Japanese Yen during the observation period.

Guarantee made by ICBC: ICBC will provide a guarantee for the principal and the minimum income to be earned at the lowest expected annualised rate of return, observe the exchange rate of the US Dollar against the Japanese Yen during the observation period according to market conditions based on the principle of fairness and justice, and will pay the income to the Group in strict accordance with the terms explicitly agreed in the relevant contract.

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

Redemption: The Company shall not redeem the principal and income in advance during the term of the Structured Deposit

The Second Structured Deposit Agreement

The salient terms of the Second Structured Deposit Agreement are as follows:

Contract date: 28 October 2022

Parties: (1) Communications Investment Energy; and
(2) ICBC Chengdu Dongda Sub-branch

Principal amount of the subscription: RMB100 million

Term of investment: 58 days

Commission date: 28 October 2022

Commencement date: 1 November 2022

Expiry date: 29 December 2022

Type of Structured Deposit: Principal-guaranteed with floating return

Expected annualised rate of return: 0.95% to 3.20%

Observation period: 1 November 2022 (inclusive) to 27 December 2022 (inclusive)

Investment scope:	The principal of the Structured Deposit will be integrated into the internal capital management of ICBC, and the income will be invested in derivative products linked to the exchange rate of the US Dollar against the Japanese Yen. The income of the Structured Deposit shall be linked to the performance of the exchange rate of the US Dollar against the Japanese Yen in the international market during the observation period. The Group's income depends on the performance of the exchange rate of the US Dollar against the Japanese Yen during the observation period.
Guarantee made by ICBC:	ICBC will provide a guarantee for the principal and the minimum income to be earned at the lowest expected annualised rate of return, observe the exchange rate of the US Dollar against the Japanese Yen during the observation period according to market conditions based on the principle of fairness and justice, and will pay the income to the Group in strict accordance with the terms explicitly agreed in the relevant contract.
Frequency of income payment:	Paid in a lump sum upon maturity
Redemption:	The Company 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 CONSIDERATION

The directors of the Company (including independent non-executive directors) confirmed that, the consideration of RMB230 million for the subscription for the Structured Deposits has been determined by the Company and ICBC on the basis of arm's length negotiations on commercial terms after considering the idle cash that is available to the Group for cash management purposes, the products' risks, 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 Deposits issued by ICBC. 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 164 days and 58 days of the Structured Deposits, the Group believes the use of idle funds to subscribe for the Structured Deposits of ICBC 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 Deposits 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 Deposits 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 ON 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 of 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).

ICBC is a large commercial bank established in the PRC with the approval from the China Banking Regulatory Commission, mainly engaged in absorbing public deposits, granting loans, handling domestic and foreign settlements, handling bills acceptance and discount, issuing financial bonds and other business. Its substantial shareholders are Central Huijin Investment Ltd. (中央滙金投資有限責任公司) and the Ministry of Finance of the PRC, of which Central Huijin Investment Ltd. is ultimately wholly-owned by the State Council (國務院). 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 ICBC and its ultimate beneficial owners is an independent third party independent of the Company and its connected persons.

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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
“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 Structured Deposit Agreement”	the agreement entered into between the Company and ICBC Chengdu Binjiang Sub-branch on 7 July 2022 in relation to the subscription for Structured Deposit in an amount of RMB130 million
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China Limited, a joint stock limited company incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 601398) and the Stock Exchange (stock code: 1398)
“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 Structured Deposit Agreement”	the agreement entered into between Communications Investment Energy and ICBC Chengdu Dongda Sub-branch on 28 October 2022 in relation to the subscription for Structured Deposit in an amount of RMB100 million
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit(s)”	both/either of the two structured deposits issued by ICBC, the salient terms of which are summarised in this announcement
“%”	per cent

On behalf of the Board
Chengdu Expressway Co., Ltd.
Xiao Jun
Chairman

Chengdu, the PRC, 28 October 2022

As at the date of this announcement, the Board comprises Mr. Yang Tan, Mr. Luo Dan and Mr. Ding Dapan as executive directors, Mr. Xiao Jun, Mr. Yang Bin and Ms. Wu Haiyan as non-executive directors, and Mr. Leung Chi Hang Benson, Mr. Wang Peng and Mr. Qian Yongjiu as independent non-executive directors.