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)

(1) MAJOR TRANSACTION AND CONNECTED TRANSACTION: ACQUISITION OF 94.49% OF THE TOTAL SHARES OF CHENGDU ENERGY DEVELOPMENT COMPANY (2) CONNECTED TRANSACTION: ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT TO THE NON-COMPETITION AGREEMENT

ACQUISITION OF 94.49% OF THE TOTAL SHARES OF CHENGDU ENERGY DEVELOPMENT COMPANY

The Board is pleased to announce that, the Company entered into the Share Transfer Agreement with Chengdu Communications on 25 May 2020, pursuant which, the Company agreed to acquire and Chengdu Communications agreed to dispose of the Target Shares at the Consideration of RMB727,570,000, which will be fully settled in cash by the Company. Upon Completion of the Acquisition, Chengdu Energy Development Company will become a direct non-wholly-owned subsidiary of the Company.

ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT TO THE NON-COMPETITION AGREEMENT

The Board further announces that, the Company entered into the Supplemental Agreement to the Non-competition Agreement with Chengdu Communications on 25 May 2020 to make certain amendments to the non-competition arrangements following Completion of the Acquisition.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Chengdu Communications is the ultimate controlling shareholder of the Company. Accordingly, it is a connected person of the Company under the Listing Rules. The Acquisition and the entering into of the Supplemental Agreement to the Non-competition Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction and connected transaction of the Company under the Listing Rules. Accordingly, the Acquisition is subject to: (i) the requirements applicable to major transactions under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent shareholders' approval at general meeting requirements under Chapter 14A of the Listing Rules.

Entering into of the Supplemental Agreement to the Non-competition Agreement is subject to the reporting, announcement, circular and independent shareholders' approval at general meeting requirements under Chapter 14A of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened to, among other things, obtain approval from the Independent Shareholders regarding the Share Transfer Agreement and the transactions contemplated thereunder and the Supplemental Agreement to the Non-competition Agreement. Chengdu Communications and Chengdu Expressway Construction will abstain from voting on the relevant resolutions at the extraordinary general meeting.

An Independent Board Committee, comprising all the independent non-executive Directors, being Mr. Shu Wa Tung, Laurence, Mr. Ye Yong and Mr. Li Yuanfu has been established to advise the Independent Shareholders with respect to the Share Transfer Agreement and the transactions contemplated thereunder and the Supplemental Agreement to the Non-competition Agreement. Octal Capital has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) details of the Share Transfer Agreement and the transactions contemplated thereunder; (ii) details of the Supplemental Agreement to the Non-competition Agreement; (iii) a letter from the Independent Board Committee to the Independent Shareholders; and (iv) recommendations from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or around 10 July 2020 as more time is required to finalise the information to be included in the circular.

I. THE SHARE TRANSFER AGREEMENT

The Company entered into the Share Transfer Agreement with Chengdu Communications on 25 May 2020, pursuant to which, the Company agreed to acquire and Chengdu Communications agreed to dispose of the Target Shares, at the Consideration of RMB727,570,000, which will be fully settled in cash by the Company and will be financed by way of self-owned funds in the amount of RMB367,570,000 and a bank loan of RMB360,000,000. Upon Completion of the Acquisition, Chengdu Energy Development Company will become a direct non-wholly-owned subsidiary of the Company.

The principal terms of the Share Transfer Agreement are set out below:

Date

25 May 2020

Parties

1. the Company (as the purchaser), a joint stock company incorporated in the PRC with limited liability and principally engaged in the operation, management and development of expressways located in and around Chengdu, Sichuan province; and

2. Chengdu Communications (as the vendor), a company incorporated in the PRC with limited liability and principally engaged in the investment, financing, construction, development, operation and management of transportation infrastructure in Sichuan province and one of the controlling shareholders of the Company.

Chengdu Communications is the ultimate controlling shareholder of the Company, which holds 72.46% equity interests in the Company directly and indirectly through Chengdu Expressway Construction. The ultimate beneficial owner of Chengdu Communications is Chengdu Municipal State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會).

Assets to be acquired

The Target Shares, which represents 94.49% of the total shares of Chengdu Energy Development Company.

Consideration

The Consideration for the Acquisition is RMB727,570,000, which was determined after arm's-length negotiations between the Company and Chengdu Communications with primary reference to the preliminary valuation of the total shareholders' equity of the Target Group of RMB774,000,000 as at the Valuation Benchmark Date conducted by the Independent Valuer engaged by the Company and the acquisition ratio of the Company (i.e., 94.49%).

The Independent Valuer adopted the market approach in estimating the value of the total shareholders' equity of Chengdu Energy Development Company as at the Valuation Benchmark Date.

Payment of Consideration

The Company shall settle the Consideration payable to Chengdu Communications in one lump sum within five business days from the satisfaction of all of the following conditions:

(1) the passing of a board resolution of Chengdu Communications approving the Acquisition;

(2) the Share Transfer Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at the extraordinary general meeting;

(3) the general meeting of Chengdu Energy Development Company passing a resolution approving the registration of the Company as the shareholder holding 94.49% of its total shares as agreed under the Share Transfer Agreement, and to determine its new register of members, board of directors, supervisory committee and new articles of association as agreed under the Share Transfer Agreement; and

(4) the representations and warranties made by Chengdu Communications under the Share Transfer Agreement remain true, accurate and complete in all material aspects, the Target Company remains in valid existence and there are no matters that have a material adverse impact on the Acquisition.

The above conditions also constitute conditions precedent to the Completion of the Acquisition and cannot be waived. As of the date of this announcement, the first condition had been satisfied.

The Company will finance the above Consideration with self-owned funds of RMB367,570,000 and a bank loan of RMB360,000,000.

Arrangement for the Remaining Shares

Chengdu Communications has undertaken that, following the execution of the Share Transfer Agreement, the Company shall have the right to issue a written notice to Chengdu Communications at any time to acquire the Remaining Shares from Chengdu Communications or its wholly-owned subsidiary, Communications Investment Property through one or multiple transactions. Within 180 days from the issuance of such notice, Chengdu Communications shall procure Communications Investment Property to perform the transfer procedures of the Remaining Shares and enter into relevant legal documents with the Company. The consideration for the acquisition in this regard shall be negotiated between Communications Investment Property and the Company on an arm's-length basis, a valuation report on state-owned assets shall be issued in accordance with the methods and procedures of laws and regulations and legal approval and filing shall be obtained.

Closing

Within five days from settlement of the Consideration, relevant parties of the Share Transfer Agreement shall go through the registration or filing of the Acquisition with the market supervision authority (the "**Registration Authority**"). The date on which the Registration Authority issues the new business license following the share transfer shall be the closing date of the Acquisition.

Corporate governance

Chengdu Energy Development Company shall establish a board of directors comprising five directors. The Company is entitled to nominate three directors while Communications Investment Property is entitled to nominate one director, and the remaining one shall be employee representative director. The employee representative director shall be elected at the employee representative meeting, the employee congress or through other democratic means.

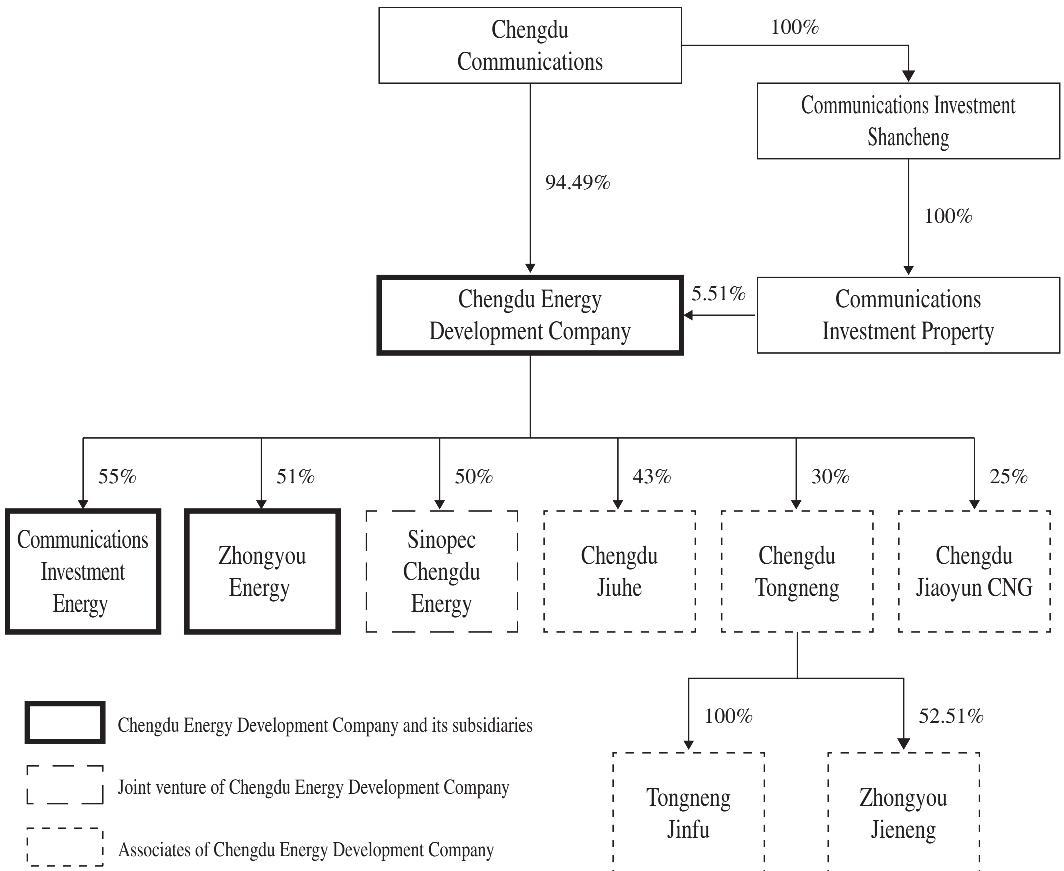
Chengdu Energy Development Company shall establish a supervisory committee comprising of three supervisors. The Company is entitled to nominate one supervisor while Communications Investment Property is entitled to nominate one supervisor, and the remaining one shall be employee representative supervisor.

Validity of the Share Transfer Agreement

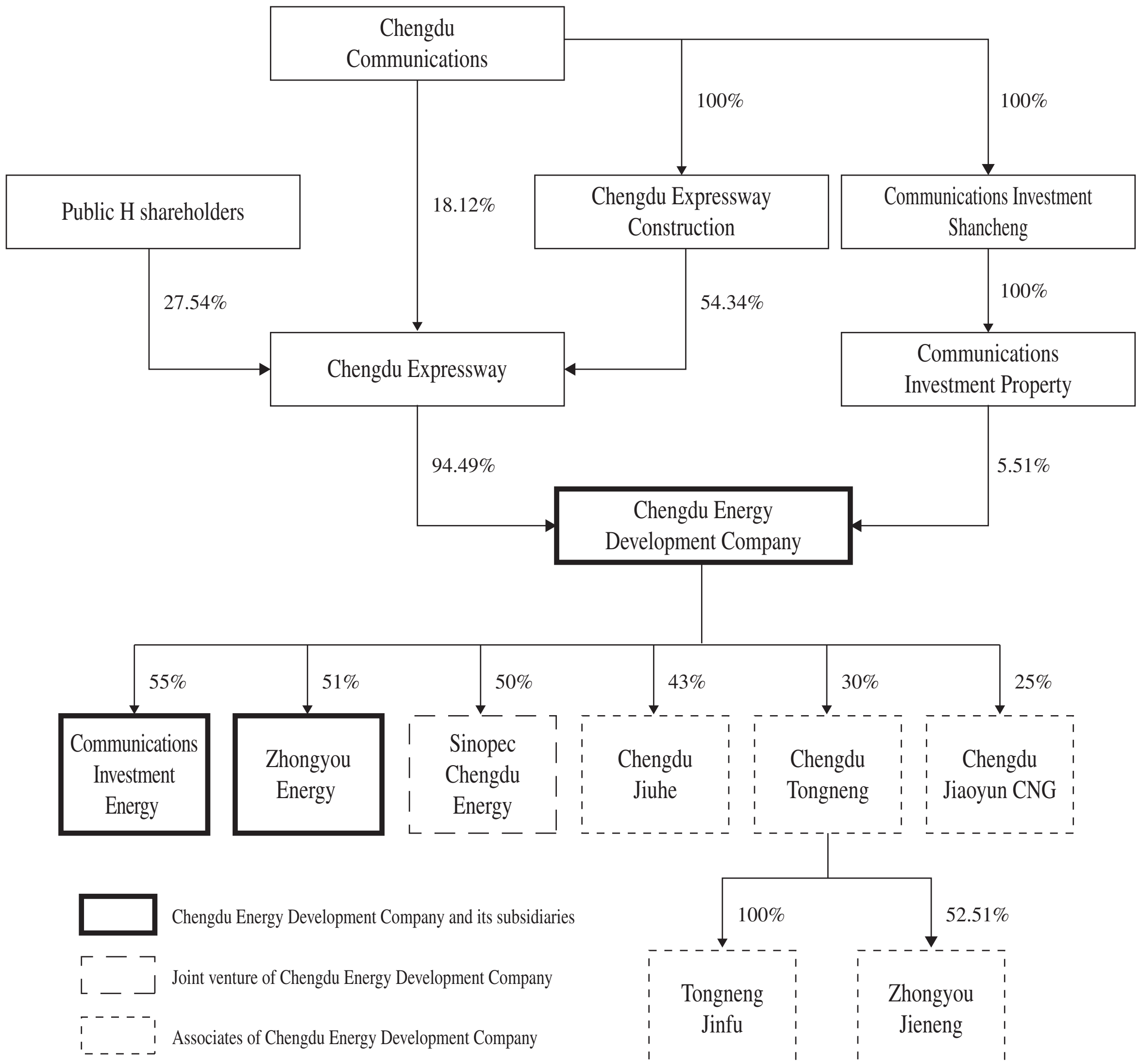
The Share Transfer Agreement shall take effect from approval by the board of directors of Chengdu Communications and the Independent Shareholders at the Company's general meeting.

II. SHAREHOLDING STRUCTURE OF THE TARGET GROUP IMMEDIATELY BEFORE AND AFTER THE COMPLETION

Set forth below is the shareholding structure of the Target Group immediately before the Completion:



Set forth below is the shareholding structure of the Target Group immediately after the Completion:



III. INFORMATION ON CHENGDU ENERGY DEVELOPMENT COMPANY

Chengdu Energy Development Company is a joint stock company incorporated in the PRC with limited liability and principally engaged in investment in petrol station and gas station projects, retail of refined oil and operation of CNG. The registered capital and paid-in capital of Chengdu Energy Development Company is RMB381,000,000 and RMB381,000,000, respectively.

The unaudited consolidated total assets and net assets of the Target Group as of 31 December 2019, prepared in accordance with the International Financial Reporting Standards ("**IFRSs**"), were RMB999,460,000 and RMB918,549,000, respectively, including net assets attributable to the owners of the Target Company of RMB594,714,000. The unaudited consolidated total assets and net assets of the Target Group as of 31 March 2020, prepared in accordance with the IFRSs, were RMB974,060,000 and RMB894,900,000, respectively, including net assets attributable to the owners of the Target Company of RMB581,005,000. The consolidated financial information of the Target Group for the two financial years ended 31 December 2019 and the three months ended 31 March 2020, prepared in accordance with the IFRSs, is set out below:

	Year ended 31 December 2018 (unaudited) *(RMB'000)*	**Year ended 31 December 2019** (unaudited) *(RMB'000)*	**Three months ended 31 March 2020** (unaudited) *(RMB'000)*
Revenue	555,081	1,045,458	181,712
Net profit (loss) before tax	119,965	109,518	(31,183)
Net profit (loss) after tax	108,414	84,465	(23,649)

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE TRANSFER AGREEMENT

As of the date of this announcement , the remaining service concession periods of the expressways controlled or jointly operated by the Group ranged from 4 to 18 years, of which only 4 years have been left for both Chengdu Airport Expressway and Chengbei Exit Expressway, whose concession periods will expire in 2024. As stated in the Prospectus, the Group cannot assure that approval will be obtained from the government to extend or renew the concession periods of its expressways. Therefore, if the Group fails to renew the concession periods of Chengdu Airport Expressway and Chengbei Exit Expressway following expiration, it is probable that the Group cannot continue to operate these two toll expressways, and the losses in revenue and profit arising therefrom will result in an adverse impact on the performance of the Group for the year concerned and thereafter. The Directors consider that, the potential failure to renew the concession rights of expressways upon expiration remains to be the Group's sustainability risk and it is imperative to search for sustainable source of revenue.

Amid the influence of the COVID-19 pandemic, tolls were exempted on expressways controlled or jointly operated by the Group from 00:00 on 17 February 2020 to 00:00 on 6 May 2020 in accordance with the policy issued by the Ministry of Transport of the People's Republic of China. As the Group derives revenue from a single source, being literally toll income, during the implementation of the policy, the Group did not generate operating revenue. As disclosed in the announcement of the Company dated 16 February 2020, it is expected that the performance of the Group for the first half of 2020 will be materially and negatively affected as a result of such policy, which demonstrated that, due to single source of revenue and government-regulated toll rate, adjustment to toll policy will have an instant and substantial impact on the results of the Group. Therefore, the Group is encouraged to pursue diversified business progress and take the initiative to explore new and reliable revenue source to minimise the risk of operating in a single industry.

In March 2020, the Company entered into the Project Investment Agreement with Pidu District Government of Chengdu, pursuant to which, the Company proposes to invest and establish a service area in proximity to Ande Toll Station on Chengguan Expressway. In addition, the Company is also in the process of investing and establishing a service area in proximity to Xinfan Toll Station on Chengpeng Expressway and considering to introduce petrol or gas stations to the above two service areas. During the feasibility study of the above project, after careful research and calculation, the Company found that, (i) petrol station or gas station operation is one of the primary sources of revenue for service area; (ii) the operation of petrol or gas stations requires professional operating team and the retail qualification for refined oil or operation qualification for CNG; and (iii) unlike the concession right of expressways, there is no concession limit for the retail qualification for refined oil and operation qualification for CNG. The Company also noticed that the Target Company is wholly owned by Chengdu Communications, it has obtained the retail qualification for refined oil and operation qualification for CNG through its subsidiaries and associates, has been operating the petrol and gas stations for years and achieved considerable assets, revenue and profit with steady cash flows. Therefore, given our demand for diversified development and the above-mentioned advantages of petrol and gas stations, the Company took the initiative to convey the intention of acquisition to Chengdu Communications and received its support.

For the funds required for the Acquisition, the Company still has sufficient cash available although no revenue was recorded due to the toll exemption policy from 00:00 on 17 February 2020 to 00:00 on 6 May 2020. The Company believed that, a more cost-effective valuation on the acquisition target can be obtained in the midst of short-term economic downturn due to shocks brought about by the COVID-19 pandemic to domestic economy. Upon estimation, the Company proposed to finance the Consideration with self-owned funds and bank loans. It is expected that the Company will commit cash expenditure of RMB727,570,000, including self-owned funds of RMB367,570,000 and a bank loan of RMB360,000,000 with an expected term of 5 years and an interest rate of 5% to 15% below the benchmark interest rate of 4.75%, which is subject to negotiation between the Company and the bank. In this regard, the Group will incur finance cost of up to RMB16,245,000 each year. Taking into account the historical average annual net profit attributable to the parent of the Target Group of approximately RMB55,951,000 from 2017 to 2019, the Directors believe that, the Acquisition could increase the net profit of the Group and will not exert extra capital pressure on the normal operation of the Company.

In view of the above, the Directors are of the opinion that, the Acquisition is feasible and will benefit the Company in the following aspects: (i) the Group will further expand its asset scale and generate continuous and stable cash inflows and profit to strengthen its capacity to operate on an on-going basis; (ii) the business of the Group will be further diversified, so as to minimise the risks from single business operation; (iii) the Group may obtain the retail qualification for refined oil (operation qualification for CNG is held by the associates of the Target Group) through control over the Target Group without going through the complex and lengthy administration and approval procedures, so as to mitigate the negative impact on the Group as a result of possible failure to renew the concession rights of expressways following expiration; and (iv) the Group may draw upon the Target Company's experience in the investment and operation of petrol and gas stations and apply to Ande and Xinfan service areas which are currently under construction.

Based on the above, the Directors (excluding the independent non-executive Directors, whose opinions will be included in the Letter from the Independent Board Committee as set out in the circular to be despatched to the Shareholders) are of the view that, the Share Transfer Agreement is entered into on normal commercial terms and while the transactions contemplated thereunder are not entered into in the ordinary and usual course of business of the Group, the terms and conditions thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

V. ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT TO THE NON-COMPETITION AGREEMENT

The Company entered into the Non-competition Agreement with Chengdu Communications on 29 June 2017, pursuant to which, Chengdu Communications has irrevocably undertaken to the Company that, Chengdu Communications and its subsidiaries (excluding the Group) shall not and shall procure their associates not to, during the term of the Non-competition Agreement, directly or indirectly, individually or collectively with other entities, engage in or assist to engage in any business which competes with the principal business of the Group in Sichuan Province.

Furthermore, Chengdu Communications undertakes to grant to the Company an option to acquire new business opportunities which may compete directly or indirectly with the principal business of the Group and an option of acquisition and a right of first refusal with regard to the new competing business and retained operations.

The Company and Chengdu Communications entered into the Supplemental Agreement to the Non-competition Agreement on 25 May 2020 to make the following amendments to the non-competition arrangements upon the Completion of the Acquisition.

The principal terms of the Supplemental Agreement to the Non-competition Agreement are set out below:

Date

25 May 2020

Parties

(1) the Company; and

(2) Chengdu Communications.

Principal terms

- **Amendments to the definition of "principal business"**: given that upon Completion of the Acquisition, the principal business of the Group will be expanded, therefore, pursuant to the Supplemental Agreement to the Non-competition Agreement, the definition of the "principal business" under the Non-Competition Agreement has been amended to "(1) the business of construction, operation, maintenance and management of toll expressways, or (2) investment in petrol stations and gas stations, retail of gasoline and diesel oil and wholesale and retail of CNG primarily engaged in by the Group in Sichuan province".

- **Amendments to the scope of "retained business":** except for the Target Group, as of the date of this announcement, Chengdu Communications held 49% equity interests and 47.49% equity interests in Chengdu Communications Investment Daguan Oil Management Co., Ltd. (成都交投大觀石油經營有限公司) ("**Communications Investment Daguan**") and Zhongyou Jieneng respectively through its wholly-owned subsidiaries. The refined oil wholesale and retail business engaged in by Communications Investment Daguan and the CNG wholesale and retail business engaged in by Zhongyou Jieneng will compete with the principal business of the Group following the Competition of the Acquisition. As the operating licenses relating to the principal business of Communications Investment Daguan are not complete, the Company did not propose to acquire the 49% equity interests of Communications Investment Daguan held indirectly by Chengdu Communications. Furthermore, as far as the Company is aware, Chengdu Energy Development Company is in the process of acquiring the 47.49% equity interests of Zhongyou Jieneng (no legally-binding transaction agreement has been entered into as of the date of this announcement). The Company therefore also didn't propose to acquire the 47.49% equity interests of Zhongyou Jieneng held indirectly by Chengdu Communications.

Therefore, pursuant to the Supplemental Agreement to the Non-competition Agreement, the definition of "retained business" has been amended to: (1) wholesale and retail of gasoline, diesel oil and lubricating oil and the retail of general merchandise of Chengdu Communications Investment Daguan Oil Management Co., Ltd. retained by Chengdu Communications and its subsidiaries through their 49% equity interests therein which competes directly or indirectly with the principal business of the Company; and (2) the research and development of automobile gas devices and corresponding technical services, compression and refilling of CNG and CNG wholesale and retail business of Zhongyou Jieneng retained by Chengdu Communications and its subsidiaries through their 47.49% equity interests therein which competes directly or indirectly with the principal business of the Company."

Pursuant to the Non-competition Agreement, the Company is entitled to an option of acquisition and a right of first refusal as to the retained business.

Save for the above-mentioned amendments, other terms of the Non-competition Agreement shall remain in effect.

Taking effect of the Supplemental Agreement to the Non-competition Agreement

The Supplemental Agreement to the Non-competition Agreement will take effect from approval of the Supplemental Agreement to the Non-competition Agreement and the Acquisition by the Independent Shareholders at the the Company's general meeting.

VI. REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT TO THE NON-COMPETITION AGREEMENT

The Company and Chengdu Communications entered into the Supplemental Agreement to the Non-competition Agreement and amended the scope of principal business and retained business under the Non-competition Agreement to reflect the addition of principal business of the Group upon Completion of the Acquisition, avoid actual and/or potential competition between the Group and Chengdu Communications and its subsidiaries and investees (excluding the Group) with respect to the new principal business, further safeguard the legitimate rights and interests of the Company and its Shareholders and lay the foundation for the long-term development of the business operation of the Group. In addition, agreements on retained businesses enable the Company to be entitled to an option of acquisition and a right of first refusal for such business, which will facilitate the acquisition by the Company as and when appropriate.

The Directors (excluding the independent non-executive Directors, whose opinions will be included in the Letter from the Independent Board Committee as set out in the circular to be despatched to the Shareholders) are of the view that, the Supplemental Agreement to the Non-competition Agreement is entered into on normal commercial terms and while it is not entered into in the ordinary and usual course of business of the Group, the terms and conditions thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

VII. LISTING RULES IMPLICATIONS

As at the date of this announcement, Chengdu Communications is the ultimate controlling shareholder of the Company. Accordingly, it is a connected person of the Company under the Listing Rules. The Acquisition and the entering into of the Supplemental Agreement to the Non-competition Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction and connected transaction of the Company under the Listing Rules. Accordingly, the Acquisition is subject to: (i) the requirements applicable to major transactions under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent shareholders' approval at general meeting requirements under Chapter 14A of the Listing Rules.

The Supplemental Agreement to the Non-competition Agreement is subject to the reporting, announcement, circular and independent shareholders' approval at general meeting requirements under Chapter 14A of the Listing Rules.

As Mr. Xiao Jun, a non-executive Director, is also a director of Chengdu Communications, he is therefore deemed to be materially interested in the Share Transfer Agreement and the transactions contemplated thereunder and the Supplemental Agreement to the Non-competition Agreement. Accordingly, he has abstained from voting on the relevant resolutions at the Board meeting. Save as disclosed above, no other Directors have material interests in the transactions and are required to abstain from voting on the relevant resolutions at the Board meeting.

VIII. EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened to, among other things, obtain approval from the Independent Shareholders regarding the Share Transfer Agreement and the transactions contemplated thereunder and the Supplemental Agreement to the Non-competition Agreement. Chengdu Communications and Chengdu Expressway Construction will abstain from voting on the relevant resolutions at the extraordinary general meeting.

An Independent Board Committee, comprising all the independent non-executive Directors, being Mr. Shu Wa Tung, Laurence, Mr. Ye Yong and Mr. Li Yuanfu has been established to advise the Independent Shareholders with respect to the Share Transfer Agreement and the transactions contemplated thereunder and the Supplemental Agreement to the Non-competition Agreement. Octal Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) details of the Share Transfer Agreement and the transactions contemplated thereunder; (ii) details of the Supplemental Agreement to the Non-competition Agreement; (iii) a letter from the Independent Board Committee to the Independent Shareholders; and (iv) recommendations from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or around 10 July 2020 as more time is required to finalise the information to be included in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Acquisition"	the acquisition of the Target Shares by the Company from Chengdu Communications in accordance with the Share Transfer Agreement
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"Chengdu Communications"	Chengdu Communications Investment Group Co., Ltd. (成都交通投資集團有限公司), a company incorporated in the PRC with limited liability on 16 March 2007, which is the ultimate controlling shareholder of the Company
"Chengdu Energy Development Company" or "Target Company"	Chengdu Energy Development Co., Ltd. (成都能源發展股份有限公司), a joint stock company incorporated in the PRC with limited liability
"Chengdu Expressway" or "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
"Chengdu Expressway Construction"	Chengdu Expressway Construction and Development Co., Ltd. (成都高速公路建設開發有限公司), a company incorporated in the PRC with limited liability on 25 June 1996, which is a controlling shareholder of the Company
"Chengdu Jiaoyun CNG"	Chengdu Jiaoyun Compressed Natural Gas Development Co., Ltd. (成都交運壓縮天然氣發展有限公司), a company incorporated in the PRC with limited liability and a 25%-owned associate of Chengdu Energy Development Company
"Chengdu Jiuhe"	Chengdu Jiuhe Oil Management Co., Ltd. (成都九河石油經營有限公司), a company incorporated in the PRC with limited liability and a 43%-owned associate of Chengdu Energy Development Company
"Chengdu Tongneng"	Chengdu Tongneng Compressed Natural Gas Co., Ltd. (成都通能壓縮天然氣有限公司), a company incorporated in the PRC with limited liability and a 30%-owned associate of Chengdu Energy Development Company
"CNG"	compressed natural gas

"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 and a 55%-owned subsidiary of Chengdu Energy Development Company
"Communications Investment Property"	Chengdu Communications Investment Property Company Limited (成都交投置業有限公司), a company incorporated in the PRC with limited liability, which is an indirectly wholly-owned subsidiary of Chengdu Communications
"Communications Investment Shancheng"	Chengdu Communications Investment Shancheng Industrial Co., Ltd. (成都交投善成實業有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Chengdu Communications
"Completion" or "Closing"	completion of the Acquisition in accordance with the terms and conditions of the Share Transfer Agreement
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	consideration of the Acquisition, being RMB727,570,000, which shall be fully settled in cash
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are approved to be listed and traded on the Stock Exchange
"Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Board Committee"	the Independent Board Committee comprising all independent non-executive Directors, being Mr. Shu Wa Tung, Laurence, Mr. Ye Yong and Mr. Li Yuanfu, to advise the Independent Shareholders in respect of the Share Transfer Agreement and the transactions contemplated thereunder and the entering into of the Supplemental Agreement to the Non-competition Agreement

"Independent Financial Adviser" or "Octal Capital"	Octal Capital Limited, a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders
"Independent Shareholders"	the Shareholders other than Chengdu Communications and Chengdu Expressway Construction
"Independent Valuer"	Jones Lang LaSalle Corporate Appraisal & Advisory Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Non-competition Agreement"	the Non-competition Agreement dated 29 June 2017 entered into between the Company and Chengdu Communications in respect of the non-competition undertakings
"PRC"	the People's Republic of China, for the purpose of this announcement only, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company dated 28 December 2018
"refined oil"	petrol and diesel oil, for the purpose of this announcement only
"Remaining Shares"	the 21,000,000 shares of Chengdu Energy Development Company held by Communications Investment Property as at the date of this announcement, which accounts for 5.51% of the total shares of Chengdu Energy Development Company
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share Transfer Agreement"	the Share Transfer Agreement entered into between the Company and Chengdu Communications on 25 May 2020
"Share(s)"	the share(s) of the Company, including Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Sinopec Chengdu Energy"	Sinopec Chengdu Energy Co., Ltd. (中石化成都能源有限公司), a company incorporated in the PRC with limited liability and a 50%-owned joint venture of Chengdu Energy Development Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement to the Non-competition Agreement"	the Supplemental Agreement to the Non-competition Agreement entered into between the Company and Chengdu Communications on 25 May 2020
"Target Group"	Chengdu Energy Development Company and its subsidiaries
"Target Shares"	the 360,000,000 shares of Chengdu Energy Development Company held by Chengdu Communications as at the date of this announcement, which accounts for 94.49% of the total shares of Chengdu Energy Development Company
"Tongneng Jinfu"	Chengdu Tongneng Jinfu Natural Gas Co., Ltd. (成都通能金府天然氣有限公司), a company incorporated in the PRC with limited liability and a 100%-owned subsidiary of Chengdu Tongneng
"Valuation Benchmark Date"	31 March 2020
"Zhongyou Energy"	Chengdu Zhongyou Energy Co., Ltd. (成都中油能源有限公司), a company incorporated in the PRC with limited liability and a 51%-owned subsidiary of Chengdu Energy Development Company
"Zhongyou Jieneng"	Zhongyou Jieneng (Chengdu) Environmental Protection Technology Co., Ltd. (中油潔能(成都)環保科技有限公司), a company incorporated in the PRC with limited liability and a 52.51%-owned subsidiary of Chengdu Tongneng

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

Chengdu, the PRC, 25 May 2020

As at the date of this announcement, the Board comprises Mr. Zhang Dongmin, Ms. Wang Xiao 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.