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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 DEPOSIT

SUBSCRIPTION FOR STRUCTURED DEPOSIT

The Company subscribed for the Structured Deposit offered by CCB for RMB200 million on 27 August 2020.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the subscription amount of the Structured Deposit exceed 5% but less than 25% under Rule 14.07 of the Listing Rules, for the purpose of the Listing Rules, the subscription for the Structured Deposit constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but is exempt from the Shareholders' approval requirement.

SUBSCRIPTION FOR STRUCTURED DEPOSIT

The Board announces that, the Company entered into the Structured Deposit Agreements with Chengdu No.1 Sub-branch of CCB on 27 August 2020. The salient terms of the Structured Deposit Agreements are as follows:

Contract date: 27 August 2020

Parties: (1) the Company; and
(2) Chengdu No.1 Sub-branch of CCB

Rating results of product's risk (the internal risk rating of CCB):	Low risk
Principal amount of the subscription:	RMB200 million
Term of investment:	119 days
Commission date:	27 August 2020
Commencement date:	28 August 2020
Expiry date:	25 December 2020
Type of Structured Deposit:	Principal-guaranteed with floating return
Expected annualised rate of return:	1.54% – 3.40%
Investment scope:	The principal part of the Structured Deposit will be integrated into the internal capital management of CCB, and the income part will be invested in derivative products linked to the exchange rate of the euro against the US dollar. The income of the Structured Deposit shall be linked to the performance of the euro against the US dollar exchange rate in the international market during the observation period. The Group's income depends on the performance of the euro against the US dollar exchange rate during the observation period.
Guarantee made by CCB:	Based on the principle of fairness and justice, CCB will observe the exchange rate of the euro against the US dollar during the observation period according to market conditions, and will pay the income to the Group in strict accordance with the agreed income terms explicitly set out in the contract.
Frequency of income payment:	Paid in a lump sum upon the maturity
Redemption:	The Company shall not redeem the principal and income in advance during the duration

The Group will subscribe for the Structured Deposit with its own idle funds and will not use the proceeds from the global offering.

BASIS FOR DETERMINING THE CONSIDERATION

The directors (including independent non-executive directors) confirm that, the consideration of RMB200 million for the subscription for the Structured Deposit has been determined by the Company and Chengdu No.1 Sub-branch of CCB 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 product's risks, investment terms and the annualised rate 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 CCB. Taking into account, among others, (i) the nature of principal-guaranteed with floating return; (ii) low risk; (iii) expected rate of return; and (iv) short term of 119 days of the Structured Deposit of CCB, the Group believes the use of idle funds to subscribe for the Structured Deposit of CCB will have higher returns on deposits than those generally available from commercial banks and is conducive to improving the efficiency of the Group's own idle funds and increasing the Group's additional income without adversely affecting its normal operations, main 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 (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 ON THE PARTIES

The Company is primarily engaged in the operation, management and development of expressways in Chengdu, Sichuan Province, the PRC and its surrounding areas. Its controlled companies, joint ventures and associates include companies engaged in expressway toll collection, operation and maintenance, investment and construction of service areas and other relevant business such as Chengdu Chengwenqiong Expressway Co., Ltd. (成都成溫邛高速公路有限公司) as well as Chengdu Energy Development Co., Ltd. (成都能源發展股份有限公司) and its subsidiaries, joint ventures and associates (including subsidiaries of associates).

CCB 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 controlling shareholder is Central Huijin Investment Ltd. (中央滙金投資有限責任公司), which is ultimately wholly-owned by the State Council (國務院). To the best of knowledge, information and belief of the directors after making all reasonable enquiries, as at the date of this announcement, each of CCB and its ultimate beneficial owner is an independent third party 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
“CCB”	China Construction Bank Corporation, a joint-stock company incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 601939) and the Stock Exchange (stock code: 939)
“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 shares of which are listed on the main board of the Stock Exchange
“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
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit”	the structured deposit issued by CCB, the salient terms of which are summarized in this announcement
“Structured Deposit Agreements”	the agreements entered into between the Company and Chengdu No.1 Sub-branch of CCB in relation to the subscription for Structured Deposit
“%”	per cent

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

Chengdu, the PRC, 27 August 2020

As at the date of this announcement, the Board of the Company comprises Mr. Yang Tan, 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.