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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 RMB380 million on 5 January 2021.

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 5 January 2021. The salient terms of the Structured Deposit Agreements are as follows:

Contract date:	5 January 2021
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:	RMB380 million

Term of investment:	165 days
Commission date:	5 January 2021
Commencement date:	8 January 2021
Expiry date:	22 June 2021
Type of Structured Deposit:	Principal-guaranteed with floating return
Expected annualised rate of return:	1.54%-3.40%
Observation period:	Commencement date of the product to two Tokyo business days prior to the expiry of the product (both days inclusive) (i.e. 8 January 2021 to 18 June 2021)
Investment scope:	The principal of the Structured Deposit will be integrated into the internal capital management of CCB, and the income 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 of the Company (including independent non-executive directors) confirm that, the consideration of RMB380 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 165 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 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.

As disclosed in the Company's announcement dated 27 August 2020, the structured deposit of RMB200 million offered by CCB and subscribed by the Company on 27 August 2020 has expired on 25 December 2020, and has been fully redeemed by the Company. As of the date of this announcement, other than the Structured Deposit proposed to be subscribed by the Company from CCB pursuant to the Structured Deposit Agreements, the Company does not subscribe any structured deposit or wealth management product from CCB.

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 of the Company 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 independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

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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 (中國建設銀行股份有限公司), 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 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
“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
“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

