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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**

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The Company entered into the Second Structured Deposit Agreement with Chengdu Binjiang Sub-branch of ICBC on 14 March 2022, pursuant to which the Company subscribed for the Structured Deposit offered by ICBC for RMB60 million. In addition, the Company entered into the First Structured Deposit Agreement with Chengdu Binjiang Sub-branch of ICBC on 5 January 2022, pursuant to which the Company subscribed for the Structured Deposit offered by ICBC for RMB120 million.

**LISTING RULES IMPLICATIONS**

As the applicable ratios of each of the First Structured Deposit Agreement and the Second Structured Deposit Agreement are less than 5% under Rule 14.07 of the Listing Rules, these subscriptions did not constitute discloseable transactions of the Company on a standalone basis.

As the transactions are entered into with the same bank and are similar in nature, the First Structured Deposit Agreement and the Second Structured Deposit Agreement are required to be aggregated as a series of transactions under Rule 14.22 of the Listing Rules. As the maximum applicable ratios (as defined in the Listing Rules) of the structured deposit agreements, when aggregated, exceed 5% but are less than 25%, the transactions constitute discloseable transactions of the Company for the purposes of 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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## First Structured Deposit Agreement

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

Contract date:	5 January 2022
Parties:	(1) the Company; and (2) Chengdu Binjiang Sub-branch of ICBC
Principal amount of the subscription:	RMB120 million
Term of investment:	168 days
Commission date:	5 January 2022
Commencement date:	7 January 2022
Expiry date:	24 June 2022
Type of Structured Deposit:	Principal-guaranteed with floating return
Expected annualised rate of return:	1.30% to 3.40%
Observation period:	7 January 2022 to 22 June 2022 (both days 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 US dollar against the Japanese yen exchange rate in the international market during the observation period. The Group's income depends on the performance of the US dollar against the Japanese yen exchange rate 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, 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 as expressly stated 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 term of investment

## Second Structured Deposit Agreement

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

Contract date:	14 March 2022
Parties:	(1) the Company; and (2) Chengdu Binjiang Sub-branch of ICBC
Principal amount of the subscription:	RMB60 million
Term of investment:	98 days
Commission date:	14 March 2022
Commencement date:	17 March 2022
Expiry date:	23 June 2022
Type of Structured Deposit:	Principal-guaranteed with floating return
Expected annualised rate of return:	1.30% to 3.29%
Observation period:	17 March 2022 to 21 June 2022 (both days 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 US dollar against the Japanese yen exchange rate in the international market during the observation period. The Group's income depends on the performance of the US dollar against the Japanese yen exchange rate 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, 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 as expressly stated 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 term of investment

The Group will subscribe for the Structured Deposit 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 RMB180 million for the subscription for the Structured Deposit has been determined by the Company and Chengdu Binjiang Sub-branch of 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 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 ICBC. Taking into account, among others, (i) the nature of principal-guaranteed with floating return; (ii) expected rate of return; and (iii) short term of 168 and 98 days of the Structured Deposit, the Group believes the use of idle funds to subscribe for the Structured Deposit of ICBC 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, 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 of the Company) 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 Group is primarily engaged in the operation, management and development of expressways in and around Chengdu, Sichuan Province and also carries out retail of refined oil and operation of natural gas.

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 (財政部), and Central Huijin Investment Ltd. (中央滙金投資有限責任公司) 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.

## 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
“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 Chengdu Binjiang Sub-branch of ICBC on 5 January 2022, in relation to the subscription for Structured Deposit of RMB120 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 (中國工商銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 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 the Company and Chengdu Binjiang Sub-branch of ICBC on 14 March 2022, in relation to the subscription for Structured Deposit of RMB60 million
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit”	the two structured deposit 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, 14 March 2022

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