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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)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting for the year 2021 (the “**AGM**”) of Chengdu Expressway Co., Ltd. (the “**Company**”) will be held at meeting room 1 of Chengdu Expressway Co., Ltd., 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the People’s Republic of China (the “**PRC**”) at 10:00 a.m. on Friday, 13 May 2022, for the purpose of considering, and if thought fit, passing the following resolutions:

**ORDINARY RESOLUTIONS**

1. To consider and approve the report of the board of directors of the Company (the “**Board**”) for 2021.
2. To consider and approve the report of the supervisory committee of the Company (the “**Supervisory Committee**”) for 2021.
3. To consider and approve the 2021 final accounts report of the Company.
4. To consider and approve the profit distribution plan of the Company for 2021 and the payment of dividend.
5. To consider and approve the 2022 financial budget of the Company.
6. To consider and approve the re-appointment of Ernst & Young Hua Ming LLP as the auditor of the Company to hold office until the conclusion of the next annual general meeting, and to authorise the Board to determine its remuneration.

7. To consider and approve the authorisation to the Board to invest in structured deposits subject to an authorised cap of RMB800 million (or equivalent amount in foreign currencies) and within a term of 36 months commencing from approval at the AGM, during which period the Board shall be authorised to exercise the decision-making power in determining the specific amount and term for each investment, and person(s) delegated by the Board shall execute or sign all relevant documents subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and shall perform the required approval procedures thereunder.

#### **SPECIAL RESOLUTION**

8. To consider and approve the issue of bond financing instruments (including but are not limited to mid-term notes (including long-term restricted mid-term notes), short-term financing bonds, ultra-short-term financing bonds, asset-backed notes, corporate bonds, private placement bonds, overseas bonds or other new categories of bonds) (the “**Bond Financing Instruments**”) within the permissible size under the applicable laws and regulations in one or multiple tranche(s), the details of which are indicated in Appendix II to this notice, and authorise the Board to deal with the followings in accordance with the specific needs of the Company and market conditions subject to the principal terms of the issue of Bond Financing Instruments as set out therein:
- (i) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the issuance (including, but not limited to, the issue size, actual principle amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set put-back terms, cross-default clause, accelerated maturity, redemption or early redemption clause, credit rating, guarantee, repayment term, detailed fund-raising arrangements within the scope of use approved by the shareholders’ meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the issuance);
  - (ii) to carry out all necessary and ancillary actions and procedures relating to the issuance (including, but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issuance on behalf of the Company, execute all necessary legal documents, select bonds trustee manager for the issuance, formulate rules for the bondholders’ meeting and handle any other matters relating to the issuance and trading);
  - (iii) to approve, confirm and ratify any action or procedure relating to the issuance as mentioned above already taken by the Company;
  - (iv) to make adjustments to the relevant matters such as the specific proposals for the issuance in accordance with the comments from the regulatory authorities or the prevailing market conditions within the authority granted at a general meeting, except where voting at a general meeting is required by any relevant laws and regulations and the Articles of Association;
  - (v) to determine and handle all relevant matters relating to the listing of the issued Bond Financing Instruments upon the completion of the issuance;

- (vi) in the case of issuance of Bond Financing Instruments by the Company, during the term of Bond Financing Instruments, to determine not to distribute dividends to the shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and/or coupon interests of such bonds as they fall due;
- (vii) to approve, execute and dispatch any announcements or circulars relating to the issuance and make any related disclosure in accordance with the applicable regulatory requirements of the relevant jurisdiction where the shares of the Company are listed; and
- (viii) to authorise the Board to delegate the authorisations set forth in items (i) to (vi) above to the general manager and the chief financial officer of the Company; and to authorise the Board to delegate the authorisation set forth in item (vii) above to the secretary of the Board.

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

Chengdu, the PRC, 7 April 2022

*As at the date of this notice, the Board 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.*

*Notes:*

**1. CLOSURE OF REGISTER OF MEMBERS FOR THE AGM**

For the purpose of holding the AGM, the register of members of the Company (the “**Register of Members**”) will be closed from Wednesday, 13 April 2022 to Friday, 13 May 2022 (both days inclusive), during which period no transfer of shares can be registered.

In order to qualify for attending and voting at the AGM, for holders of H shares, all transfer documents accompanied by the relevant share certificates shall be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, before 4:30 p.m. on Tuesday, 12 April 2022; while for holders of domestic shares, all transfer documents accompanied by the relevant share certificates shall be lodged with the Company’s Board Office in the PRC at 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC, before 4:30 p.m. on Tuesday, 12 April 2022.

Shareholders whose names appear on the Register of Members on Wednesday, 13 April 2022 shall be eligible to attend and vote at the AGM.

**2. REPORT OF THE BOARD FOR 2021**

The report of the Board for 2021 is set out in the 2021 annual report of the Company.

**3. REPORT OF THE SUPERVISORY COMMITTEE FOR 2021**

The report of the Supervisory Committee for 2021 is set out in the 2021 annual report of the Company.

#### 4. 2021 FINAL ACCOUNTS REPORT

The audited consolidated financial statements prepared under the China Accounting Standards for Business Enterprises of the Company for 2021 and the auditor's report are set out in the 2021 annual report of the Company.

#### 5. PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR 2021 AND THE PAYMENT OF DIVIDEND

The Board has recommended a final cash dividend for the year ended 31 December 2021 of RMB233,510,382 in aggregate and based on the current total number of shares of the Company of 1,656,102,000, RMB0.141 per share (tax inclusive) (the "Final Dividend").

##### (i) Entitlement to the Final Dividend

For the purpose of the distribution of the Final Dividend, the Register of Members will be closed from Thursday, 19 May 2022 to Tuesday, 24 May 2022 (both days inclusive) during which period no transfer of H shares will be registered. If the resolution regarding the payment of the Final Dividend is approved by the shareholders at the AGM, it is expected to be distributed on Tuesday, 12 July 2022 to the shareholders whose names appear on the Register of Members on Tuesday, 24 May 2022.

In order to be qualified to receive the Final Dividend, for holders of H shares, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 18 May 2022.

##### (ii) Taxation on Dividends

Pursuant to the Enterprise Income Tax Law of the PRC and its implementing regulations (hereinafter collectively referred to as the "EIT Law"), the tax rate of the enterprise income tax applicable to the income of non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organisations or entities, shall be deemed as shares held by non-resident enterprise shareholders as defined under the EIT Law. The Company will distribute the Final Dividend to non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

According to the Circular on Issues Concerning Taxation and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the Company shall withhold and pay individual income tax for individual shareholders of the H shares. If the individual shareholders of the H shares are Hong Kong or Macau residents or residents of the countries or regions which have an agreed tax rate of 10% under the relevant tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders.

If the individual shareholders of the H shares are residents of the countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders. If such shareholders claim refund of the amount in excess of the individual income tax payable under the tax treaties, the Company can apply on behalf of such shareholders according to the relevant tax treaties for the relevant agreed preferential tax treatment provided that the relevant shareholders submit the relevant documents and information in a timely manner required by the Administrative Rules on Enjoying Treatment under Taxation Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement, 2015, No. 60) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to approval of the competent tax authority.

If the individual shareholders of the H shares are residents of the countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such shareholders.

If the individual holders of the H shares are residents of the countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such shareholders.

Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H shares of the Company in the PRC and in Hong Kong and other tax effects.

## 6. 2022 FINANCIAL BUDGET

Details of the financial budget of the Company for the year 2022 are set out below:

### I. Preparation Scope

The investment, financing and operation activities by the Company and its subsidiaries have been included in the preparation scope for the annual budget.

### II. Preparation Principles

Investment budget: following the Interim Measures for the Budget Management (《預算管理暫行辦法》) of the Company to refine the physical progress and capital demand progress of project investment and construction.

Financing budget: seeking self-balances of operational projects and matching the investment with the budget.

Operation budget: based on the actual operation of the Company in 2021, fully anticipating the significant impact on revenue to be caused by changes in external environments in 2022.

## 7. AUTHORISATION ON INVESTMENT IN STRUCTURED DEPOSITS

Details regarding the authorisation on investment in structured deposits are set out in Appendix I to this notice.

## 8. AUTHORISATION ON ISSUE OF BOND FINANCING INSTRUMENTS

Details regarding the authorisation on issue of Bond Financing Instruments are set out in Appendix II to this notice.

## 9. RECOMMENDATIONS

The directors of the Company are of the opinion that, all of the resolutions as set out in the notice of the AGM are in the interests of the Company and the shareholders as a whole and accordingly, recommend the shareholders to vote in favor of all the resolutions to be proposed at the AGM.

## 10. APPOINTMENT OF PROXIES

Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.

In order to be valid, the proxy form must be deposited, for the holders of H shares, at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or for the holders of domestic shares, at the Board Office of the Company in the PRC not less than 24 hours before the time for holding the AGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited with the proxy form at the same address as mentioned above. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the AGM or any adjourned meetings should you so wish.

Shareholders shall produce their identity documents and supporting documents in respect of the shares of the Company held when attending the AGM. If corporate shareholders appoints authorised representative to attend the AGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the shareholders or their attorney when attending the AGM.

## **11. JOINT SHAREHOLDERS**

In the case of joint holders of shares of the Company, only holder whose name stands first in the Register of Members shall alone be entitled to vote at the AGM either in person or by proxy in respect of such shares.

## **12. REPLY SLIP**

Shareholders who intend to attend the AGM should complete the reply slip and return it to the Board Office of the Company in the PRC by hand, by post or by fax on or before Friday, 22 April 2022. The contact details are as follows:

|                 |  |
|-----------------|--|
| Contact Person: | Mr. Zhang Guangwen   |
| Telephone No.:  | 86 28 86056037   |
| Fax No.:        | 86 28 86056067   |
| Address:        | 9th Floor, Chengnan Tianfu Building, No. 66 Shenghe 1st Road, High-Tech Zone, Chengdu, Sichuan Province, the PRC |

## **13. REMINDERS REGARDING COVID-19 PANDEMIC PREVENTION AND CONTROL**

In case that the prevention and control measures against the COVID-19 are still ongoing at the time of the AGM, to cooperate with the relevant preventative measures, safeguard the health and safety of the shareholders and attendees and ensure that shareholders may exercise such rights as they are entitled to, the Company recommends that the shareholders and shareholder proxies attend and vote at the AGM via off-site means. You may choose to complete and return the form of proxy for the purpose of voting, that is, you may indicate how you wish your vote to be casted and appoint the chairman of the AGM as your proxy to vote on site on your behalf.

If the shareholders or shareholder proxies choose to attend the AGM on site, they must follow relevant policies and requirements of Chengdu regarding COVID-19 prevention. Please get well protected on your way to and from the meeting and at the meeting venue. Upon arrival at the meeting venue, please follow the instructions of the coordinating staff, and follow the requirements for pandemic prevention such as attendee registration, temperature check, wearing facial masks, etc.

## **14. MISCELLANEOUS**

The AGM is expected to take for less than half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.

## **APPENDIX I – DETAILS OF THE AUTHORISATION PLAN FOR STRUCTURED DEPOSITS**

Details of the Company’s authorisation plan for structured deposits to be submitted for approval at the AGM are set out below:

### **I. BACKGROUND**

Pursuant to subparagraph (ix) under Article 145 of the Articles of Association to the effect that “the Board of Directors shall be accountable to the shareholders’ general meetings, and shall exercise the relevant powers, including to determine, to the extent authorized by the shareholders’ general meetings, on such matters as the external investments, purchase or sale of assets, assets pledge, external guarantee, entrusted financing and related transactions of the Company” and Article 14 of Chapter II in the Investment Management Measures to the effect that “without approval at the shareholders’ general meeting, the Company and its member companies shall not invest in equities, wealth management products and financial derivative products on the secondary market, including but not limited to futures, options, forwards and swaps”, investment in structured deposits, which constitute wealth management products, is therefore subject to consideration and approval at the general meeting of the Company.

According to the resolution considered and approved at the 2018 annual general meeting of the Company held on 27 June 2019, the Board was granted the authorisation to exercise the decision-making power regarding investment in structured deposits within a term of 36 months from the date of the meeting, which will expire on 26 June 2022. In order to further improve the fund utilisation efficiency of the Company and the yields of working capital, the Company proposes to continue to use idle self-owned funds to subscribe for structured deposits in due course without affecting its normal production and operation as well as capital security. Details are as follows:

## II. DESCRIPTION OF THE SPECIFIC PROPOSAL ON STRUCTURED DEPOSITS:

- (1) Investment products: : Structured deposit products that banks and financial institutions can provide principal guarantee commitments and such products are bank wealth management products. The Company will conduct a strict evaluation on wealth management products and select those with high safety, low risk, high liquidity and relatively high return on investment.

Based on the return of wealth management products achieved in the past, the expected annualised rate of return ranges from 1.53% to 3.5% subject to the specific subscription agreement of individual product.

The counterparty for the purchase of structured deposit products shall be a third party independent from the Company and its connected persons.

- (2) Investment limit and duration: : The total amount of structured deposits to be subscribed for by the Company and its subsidiaries shall not exceed RMB800 million (or equivalent amount in foreign currency), within which the funds can be used on a rolling basis within one year. The investment period of a single bank structured deposit product shall not exceed 6 months.

- (3) Source of funds: : On the premise of not affecting the normal production and operation and capital security, it is proposed to use the idle self-owned funds of the Company and its subsidiaries to subscribe for structured deposit products, which will not affect the capital demand of the Company's daily operation and capital turnover.



- (4) Investment risk and risk control measures: : Although the purchase of structured deposits is a low-risk investment, the fluctuation of the rate of return due to macroeconomic influence cannot be ruled out. In response to investment risks, the Company plans to take the following measures:
- (1) the Company will timely analyse and keep track of the product investment target and project progress, and will take corresponding measures in time to control investment risks if there are risk factors that may affect the Company's capital safety identified in the evaluation.
  - (2) the Audit Department of the Company is responsible for the daily supervision of the use and custody of the invested funds, and auditing and verifying the use of funds from time to time.
  - (3) the supervisory committee of the Company shall supervise and inspect the use of investment funds.
- (5) Disclosure and announcement obligations: : Where the Company is required to make relevant disclosure and/or obtain shareholders' approval in accordance with the Listing Rules for the above-mentioned subscription of structured deposit products, the Company will perform relevant procedures in a timely manner.
- (6) Duration of authorisation: : The authorisation shall be valid for 36 months from the date of approval at the shareholders' general meeting.

## **APPENDIX II DETAILS OF AUTHORISATION ON ISSUE OF BOND FINANCING INSTRUMENTS**

Details of the authorisation on issue of Bond Financing Instruments of the Company proposed to be submitted for approval at the AGM are set out as follows:

### **I. BACKGROUND**

The authorization granted by the shareholders of the Company to the Board on issue of Bond Financing Instruments at the general meeting held on 27 June 2019 will expire on 26 June 2022. According to the capital balance of the Company, principal and interest payment condition and the funding plan of the investment project, the Company plans to issue Bond Financing Instruments to ensure the capital liquidity and the capital demand of the investment project, a special resolution will be proposed at the AGM to grant a general mandate to the Board to issue the Bond Financing Instruments.

### **II. PRINCIPAL TERMS OF BOND FINANCING INSTRUMENTS**

- (i) Issuer: the Company and/or its wholly-owned or controlled subsidiaries, and the specific issuer shall be determined by the Company according to the needs of issuance
- (ii) Placing arrangement: no preferential placement to the shareholders
- (iii) Issue size: subject to that the balance of the Bond Financing Instruments outstanding shall be within the permissible size prescribed by the relevant laws and regulations and specified by regulatory authorities, and the specific issue size shall be determined by the Board according to the capital needs and the market situations
- (iv) Term and type: not more than 15 years (excluding perpetual bonds) for one single-term instrument or a portfolio of instruments with various terms, and the specific terms composition and the issue size of instruments with various terms shall be determined by the Board according to the relevant regulations and market situations and in compliance with the Company's financial policy
- (v) Use of proceeds: the proceeds to be raised from the issuance are intended to be used towards meeting the demand of the Company's operations, replenishing its working capital, funding its project investments, adjusting its debt structure or capital expenditure, among others, and the specific use of proceeds shall be determined by the Board according to the capital needs
- (vi) Duration of authorisation: 36 months from the date of the passing of the resolution at the AGM