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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)

**CONNECTED TRANSACTION:
ENTERING INTO THE NEW NON-COMPETITION AGREEMENT
CLOSURE OF THE REGISTER OF MEMBERS**

ENTERING INTO THE NEW NON-COMPETITION AGREEMENT

Given that the Company proposes to publicly issue A Shares and list the same on a domestic stock exchange, in order to comply with relevant requirements of the regulatory authorities and stock exchanges of both the A-share and H-share markets, and further regulate the non-competition issues between the Company and the Controlling Shareholders, the parties entered into the New Non-competition Agreement on 9 September 2022 to regulate relevant issues. Upon approval by the Independent Shareholders at the EGM, the New Non-competition Agreement will supersede the Original Non-competition Agreements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as Chengdu Communications Investment and Chengdu Expressway Construction are Controlling Shareholders of the Company, each of Chengdu Communications Investment and Chengdu Expressway Construction is therefore a connected person of the Company under the Listing Rules. Accordingly, entering into of the New Non-competition Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the requirements including reporting, announcement, circular and Independent Shareholders' approval at a general meeting under Chapter 14A of the Listing Rules.

EGM

An EGM will be convened to, among other things, obtain approval from the Independent Shareholders of the New Non-competition Agreement. Both Chengdu Communications Investment and Chengdu Expressway Construction will abstain from voting on the relevant resolution at the EGM. 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 New Non-competition Agreement. Octal Capital has been appointed as the Independent Financial Adviser by the Board to advise the Independent Board Committee and the Independent Shareholders in this regard. A circular containing, among other things, (i) details of the New Non-competition Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, will be despatched to the Shareholders on or before 15 September 2022.

I. ENTERING INTO THE NEW NON-COMPETITION AGREEMENT

1. Background

References are made to the Prospectus and the circular of the Company dated 10 July 2020 in relation to the entering into of the Original Non-competition Agreements. Pursuant to the Original Non-competition Agreements, Chengdu Communications Investment has irrevocably undertaken to the Company that, Chengdu Communications Investment and its subsidiaries (excluding the Group) will not, during the term of the non-competition agreement, and will procure their associates not to, directly or indirectly, engage in, individually or jointly with other entities, or assist to engage in or participate in any business which competes with the Group's principal business in Sichuan Province. Furthermore, Chengdu Communications Investment undertakes to grant an option to the Company to acquire New Business opportunities that may compete, directly or indirectly, with the Group's principal business, and an option to acquire and a right of first refusal with regard to the new competing businesses and retained businesses.

Given that the Company proposes to publicly issue RMB-denominated ordinary shares (the "A Shares") and list the same on a domestic stock exchange (the "A-share Listing"), in order to comply with relevant requirements of the regulatory authorities and stock exchanges of both the A-share and H-share markets, and further regulate the non-competition issues between the Company and Chengdu Expressway Construction and Chengdu Communications Investment (collectively, the "Controlling Shareholders"), the parties entered into the New Non-competition Agreement on 9 September 2022 to regulate relevant issues. Upon approval by the Independent Shareholders at the EGM, the New Non-competition Agreement will supersede the Original Non-competition Agreements.

2. New Non-competition Agreement

The principal terms of the New Non-competition Agreement are as follows:

Date

9 September 2022

Parties

- (1) The Company;
- (2) Chengdu Communications Investment;
- (3) Chengdu Expressway Construction.

Principal Terms

Scope of non-competition

The principal business that the Group operates or intends to operate in Sichuan Province, where the principal business refers to: (1) the operation, management and development of expressways and the sale of refined oil and Natural Gas in Sichuan Province that the Group is currently engaged in, and (2) the design, construction, operation, management and maintenance services of charging pile facilities for electric new energy vehicles that the Group proposes to operate in Sichuan Province.

Undertakings on non-competition

Except for the stipulations in the sections below headed “New Business opportunity option” (in the case of New Business opportunities), “Business acquisition option” and “Right of first refusal”, the Controlling Shareholders irrevocably undertake that during the term of the New Non-competition Agreement, except for the Relevant Petrol Stations, the Controlling Shareholders and their subsidiaries shall not engage in the Competing Businesses in any form. For the avoidance of doubt, the foregoing stipulations shall not apply to the cases where the Controlling Shareholders and their subsidiaries acquire or hold other companies that compete or might compete with the principal business of the Group, provided that such investment shall not result in the investee becoming a subsidiary of the Controlling Shareholders, and shall be subject to the stipulations in the sections below headed “New Business opportunity option” (in the case of New Business opportunities), “Business acquisition option” and “Right of first refusal” (the “**Permitted Investment Circumstances**”). As at the date of this announcement, as disclosed in the Company’s announcements dated 11 March 2019, 18 November 2020, 21 July 2021, 8 October 2021 and 22 April 2022 and stated in subparagraph (4) in the section headed “Major Differences Between the New Non-competition Agreement and the Original Non-competition Agreements, and the Reasons for and Benefits of Entering into the New Non-competition Agreement” in this announcement, Chengdu Communications Investment held interests in certain Competing Businesses. Out of such Competing Businesses, for those relating to the expressway business, the Company plans to initiate the acquisition process as soon as practicable after the construction of the relevant expressways is completed and the relevant expressways commence operation and achieve break-even; and for those relating to the energy business, the Company will commence the acquisition as soon as practicable after the issues concerning the assets, personnel and certificates of relevant Competing Businesses are resolved.

Regarding the Relevant Petrol Stations, Chengdu Communications Investment undertakes that the Company will continue to have the right to exercise the “business acquisition option” and “right of first refusal” on the Relevant Petrol Stations, and Chengdu Communications Investment shall negotiate with the Company on the operating arrangements of the Relevant Petrol Stations prior to the completion of the acquisition of the Relevant Petrol Stations by the Company to ensure that the Company will be responsible for the operation of the Relevant Petrol Stations as soon as practicable. In order to satisfy the needs of A-share Listing, Chengdu Communications Investment will issue a special undertaking to the Company in respect of the above undertaking prior to submission of A-share Listing application documents by the Company to a domestic stock exchange. As at the date of this announcement, Chengdu Communications Investment has entrusted the management of overall corporate operation of Huamin Petrol Station (including Shiling Petrol Station established with its capital contribution) and Xinhua Petrol Station to Energy Operation and Management Company, a subsidiary of the Company (the operation of Chengdu Chengke Huanghua Petrol Station has been entrusted to an independent third party for management prior to its transfer to Chengdu Communications Investment and is currently still under the management of such independent third party). For details, please refer to the announcement of the Company dated 29 August 2022. As stated in the announcement of the Company dated 22 April 2022, following the completion of registration of change in capital contributor of the enterprises owning the Relevant Petrol Stations by Chengdu Communications Investment with the market administration and regulation authorities and settlement of the property ownership and labor and personnel issues of the Relevant Petrol Stations, the Company will exercise the “business acquisition option” and/or “right of first refusal” at any time to acquire the Relevant Petrol Stations subject to applicable approval procedures and disclosure obligations as required under applicable laws and regulations and the Listing Rules.

New Business opportunity option

- (1) The Controlling Shareholders undertake that during the term of the New Non-competition Agreement, the Controlling Shareholders or their subsidiaries shall, upon identifying any New Business opportunity, notify the Company in writing and provide the Company with all information necessary to consider whether to engage in the aforesaid business opportunity and to use its best endeavours to procure that such business opportunity is first offered to the Group on reasonable and fair terms and conditions.
- (2) The Group shall notify the Controlling Shareholders in writing on a timely basis and within 30 days from its decision not to take the aforesaid New Business opportunity for any reason. Upon receiving the written confirmation of the Company, or if the Company fails to make a written reply within the specified time limit, the Controlling Shareholders or their subsidiaries may, on their own, participate in the aforesaid New Business opportunity through equity investment, provided that such investment shall not result in the investee becoming a subsidiary of the Controlling Shareholders.
- (3) The Controlling Shareholders shall ensure that they and their subsidiaries (excluding the Group) provide the Group the prioritised access to any New Business opportunity.

Business acquisition option

- (1) For those businesses which are developed by the Controlling Shareholders under the Permitted Investment Circumstances or have been invested (but not controlled) by the Controlling Shareholders as of the date of the New Non-competition Agreement, and compete or might compete, directly or indirectly, with the principal business of the Group:
 - (i) The Controlling Shareholders undertake to give the Group an option during the term of the agreement that, to the extent permissible under applicable laws and regulations, the Group has the right to acquire any equity interests, assets and other interests in the Competing Businesses from the Controlling Shareholders or their subsidiaries (excluding the Group) at any time through one or multiple transactions, or opt to operate any asset or business owned by the Controlling Shareholders in the Competing Businesses through, including but not limited to, entrusted operation, lease or contracting.
 - (ii) Notwithstanding the preceding provision, if a third party has and is to exercise, under the same terms and conditions, a statutory right of first refusal under relevant laws and the Articles of Association, the preceding provision shall not apply. But in such case the Controlling Shareholders shall, in their best endeavor, procure the third party to give up its statutory right of first refusal.
- (2) The Controlling Shareholders also undertake to ensure their subsidiaries (excluding the Group) to extend the same option to the Group.
- (3) If the exercise of the aforesaid option by the Group involves transfer of state-owned assets, the relevant consideration shall be negotiated on an arm's length basis between the Controlling Shareholders or their subsidiaries (excluding the Group) and the Group, and the state-owned assets shall be valued in accordance with the methodology and procedures required by applicable laws, subject to approval or registration according to law.

Right of first refusal

- (1) The Controlling Shareholders undertake that during the term of the New Non-competition Agreement, if the Controlling Shareholders or their subsidiaries (excluding the Group) propose to a third party to transfer, sell, lease, license to use or otherwise transfer or permit to use any equity interests, assets and other interests in the businesses that are acquired by the Controlling Shareholders under the Permitted Investment Circumstances or have been invested (but not controlled) by the Controlling Shareholders as of the date of the New Non-competition Agreement and compete or might compete, directly or indirectly, with the principal business of the Group, the Controlling Shareholders shall give the Company a prior written notice (“**Transfer Notice**”), attached with the terms and conditions for transfer, sale, lease or licensed use of the Competing Businesses or any interest therein to such third party by the Controlling Shareholders and reasonable relevant information for the Company to make an investment decision. The Company shall give a written reply to the Controlling Shareholders within 30 days upon receiving the Transfer Notice. Before receiving such written reply from the Company, the Controlling Shareholders shall not give a third party any Transfer Notice or intention (whether legally binding or not) in respect of the proposed transfer, sale, lease or licensed use of the Competing Businesses or any interest therein. If (i) the Company refuses to acquire the Competing Businesses or any interest therein or fails to reply to the Controlling Shareholders or their subsidiaries on the Transfer Notice within the aforesaid 30-day period, or (ii) the Company refuses to accept the terms contained in the Transfer Notice but has issued to the Controlling Shareholders, within the aforesaid 30-day period, a written notice specifying the acceptable transfer terms and conditions, but the parties fail to reach an agreement on the acquisition, then the Controlling Shareholders may transfer, sell, lease or license to use the Competing Businesses or any interest therein to a third party on the same terms and conditions set out in the Transfer Notice.
- (2) The Controlling Shareholders undertake to ensure their subsidiaries (excluding the Group) to extend the same right of first refusal to the Company.
- (3) If the exercise of the aforesaid right of first refusal by the Group involves transfer of state-owned assets, the assets shall be valued in accordance with the methodology and procedures required under applicable laws, subject to approval or registration according to law.

Further undertakings of the Controlling Shareholders

- (1) The Controlling Shareholders shall provide all information necessary for the Company’s independent non-executive Directors, upon their request, to carry out annual review on the implementation of the undertakings under the New Non-competition Agreement and the compliance therewith of the Controlling Shareholders;

- (2) The Controlling Shareholders shall provide all information necessary for disclosing the review decision of independent non-executive Directors in respect of the implementation of and compliance with the New Non-competition Agreement in annual reports and/or announcements of the Company, and shall agree on such disclosure;
- (3) The Controlling Shareholders shall make a representation on an annual basis in respect of their compliance with the undertakings under the New Non-competition Agreement, and agree with the Company for disclosing such representation in its annual reports and/or announcements.

Validity Term

Upon being affixed with corporate seals of the parties, the New Non-competition Agreement shall take effect from the date of approval at the EGM, until the Company's Shares are delisted on the Stock Exchange and other internationally recognised stock exchanges. The Original Non-competition Agreements shall be terminated upon the date of taking effect of the New Non-competition Agreement.

3. Major Differences Between the New Non-competition Agreement and the Original Non-competition Agreements, and the Reasons for and Benefits of Entering into the New Non-competition Agreement

Major differences between the New Non-competition Agreement and the Original Non-competition Agreements are set out below:

- (1) New party to the agreement – Chengdu Expressway Construction, a controlling Shareholder of the Company, becomes a new party to the New Non-competition Agreement to provide non-competition undertakings to the Group.
- (2) Changes in the principal business of the Group – In order to better align the New Non-competition Agreement with the actual business conditions and future development direction of the Group, business with promising prospect that the Group proposes to undertake, i.e. the “electric new energy vehicles charging pile business”, has been added to the description of principal business of the Company in the New Non-competition Agreement, and the expressions of “construction and maintenance of expressways” and “investment in petrol station and gas station projects” were removed from the description of principal business of the Company in the New Non-competition Agreement in order to provide a more clear and precise description of the Group's existing principal business.

In particular, for “construction and maintenance of expressways”, at present, the Group only engages third-party contractors to provide construction and maintenance services to expressways operated and managed by the Group (including expressways under entrusted management), rather than providing expressway construction and maintenance services to third parties. The accounting items “construction revenue in respect of service concession arrangements” and “construction cost” as stated in the Group’s financial report for year 2020 and previous years were derived from upgrade of the Group’s own expressways, and were recognised as revenue and cost in respect of construction and upgrade services under service concession arrangements pursuant to the International Accounting Standards 15 “Revenue from Contracts with Customers”. Revenue recognised by the Group for expressway upgrade and expansion services was measured at the fair value of the considerations received or receivable. Such construction revenue was non-cash and non-recurring in nature. The construction revenue recognised by the Group was equal to the construction cost incurred for the same period. Accordingly, the Group does not record profit from construction of expressways. As of the date of this announcement, the Group does not possess the qualifications required for construction and maintenance of expressways, and has no intention towards forging the expressway construction and maintenance business into its principal business.

For “investment in petrol station and gas station projects”, as the Group’s principal business under the energy segment is limited to operation of petrol stations and gas stations (i.e. “sale of refined oil and Natural Gas” as currently stated in the definition of “principal business” in the New Non-competition Agreement) and the term “investment in petrol station and gas station projects” is defined in a broad sense, removal of relevant term will reflect the Group’s actual principal business in the energy segment more clearly and accurately to align with the actual condition.

Given that such amendments will clarify and accurately reflect the Group’s principal business, so as to better define the Group’s business positioning, the Company believes that removal of the terms of “construction and maintenance of expressways” and “investment in petrol station and gas station projects” from the definition of “principal business” under the Original Non-competition Agreements is in the best interest of the Company and its Shareholders as a whole. To reflect the Group’s principal businesses more accurately, the Group also proposes to describe its principal businesses in the future in the same manner as that presented in the New Non-competition Agreement.

For the avoidance of doubt, “expressway construction” as mentioned above refers to survey, design and road construction works carried out for the construction of expressways; “expressway maintenance” refers to the regular or irregular maintenance services to guarantee the quality of the constructed expressways; and “expressway upgrading” refers to a series of renovation and expansion services such as road widening and paving to meet the requirements of road network and improve the performance of constructed expressways. “Expressway development” as stated in the principal business of the Group refers to the development and expansion of expressway operation and management business. As the Group only engages third-party contractors to provide upgrade services to expressways operated and managed by the Group (including expressways under entrusted management), expressway upgrade does not constitute the principal business of the Group, and therefore is not covered by the Competing Businesses.

- (3) Strict prohibition – Pursuant to Question 15 in Several Q&As Regarding Initial Public Offering of Shares (《首發業務若干問題解答》) issued by the China Securities Regulatory Commission, the New Non-competition Agreement provides stricter requirements regarding the undertaking of not engaging in the Competing Businesses by the Controlling Shareholders and their subsidiaries. Except for the Relevant Petrol Stations which cannot be acquired by the Company for the time being due to property ownership and labor and personnel issues, the Controlling Shareholders and their subsidiaries are strictly prohibited from engaging in the Competing Businesses under the New Non-competition Agreement, and are only allowed access to the Competing Businesses through equity investment, provided that the investee(s) cannot become a subsidiary(ies) of the Controlling Shareholders. In contrast, under the Original Non-competition Agreements, if the Company gives up any new business opportunity, Chengdu Communications Investment and its subsidiaries are allowed to participate in such opportunities relating to the Competing Businesses, or account for such New Business opportunities as their subsidiary(ies) through acquisition.
- (4) Change in the scope of procurement obligation of the Controlling Shareholders – In order to reflect and comply with relevant requirements of the regulatory authorities and stock exchanges in both A-share and H-share markets and increase the practicality of the New Non-competition Agreement, and with reference to the practices adopted by many A/H listed companies, the scope of companies that the Controlling Shareholders shall procure to comply with the non-competition obligation is adjusted under the New Non-competition Agreement, i.e. Chengdu Communications Investment shall no longer be required to procure its associates, other than subsidiaries, not to engage in the Competing Businesses, and Chengdu Communications Investment shall no longer be required to procure its associates, other than subsidiaries, associated companies and their respective associates, to grant the Company the relevant New Business opportunity option, right of first refusal and business acquisition option. Meanwhile, given that Chengdu Communications Investment shall no longer be required to procure its associates, other than subsidiaries, not to engage in the Competing Businesses, terms in respect of the “Retained Businesses” (i.e. wholesale and retail of gasoline, diesel oil and lubricants and grocery retail business which are retained by Chengdu Communications Investment and its subsidiary through their 49%-owned Chengdu Communications Investment Dagan Oil Management Co., Ltd. (成都交投大觀石油經營有限公司) (“**Communications Investment Dagan**”)) under the Original Non-competition Agreements have accordingly been removed, which, however, will not have an impact on the substantive rights of the Company (i.e. the business acquisition option and right of first refusal) in Communications Investment Dagan under the New Non-competition Agreement.

With respect to the equity interests in Communications Investment Dagan indirectly held by Chengdu Communications Investment as mentioned above, Chengdu Communications Investment has issued a letter of undertaking to the Company on the same date of the New Non-competition Agreement, pursuant to which, Chengdu Communications Investment and its subsidiary shall, in their best endeavour, procure Communications Investment Dagan to eliminate the defects relating to its qualifications and assets, i.e. Communications Investment Dagan has not obtained all the operation permits required for its principal business, and upon resolution of relevant issues, the Company shall have the right to exercise, at any time, the business acquisition option and right of first refusal under the New Non-competition Agreement, and complete the acquisition of the equity interests in Communications Investment Dagan held by Chengdu Communications Investment and its subsidiary. Provided that the relevant defects cannot be eliminated within 5 years from the date of issuance of the letter of undertaking, Chengdu Communications Investment and its subsidiary shall, within 5 years from the issuance of such letter of undertaking, transfer all of the equity interests held in Communications Investment Dagan to a non-related third party. If, prior to the completion of the abovementioned transactions, Communications Investment Dagan is to hold general meeting(s) for the purpose of considering undertaking business(es) that compete(s) or may compete, either directly or indirectly, with the principal business of the Group, Chengdu Communications Investment/subsidiary of Chengdu Communications Investment shall vote against such resolution(s) at relevant meeting(s) and shall not approve relevant resolution(s) or matters(s) under consideration by any other means.

The Directors (excluding the independent non-executive Directors, whose opinions are included in the Letter from the Independent Board Committee) are of the view that, the New Non-competition Agreement is entered into on normal commercial terms and although 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.

4. Corporate Governance Measures

To guarantee and procure the Controlling Shareholders and their subsidiaries to comply with the New Non-competition Agreement, the Company will continue to implement the following measures:

- (1) the independent non-executive Directors shall be responsible for, after taking into account the compatibility of the geographical characteristics and the business nature of the New Business opportunity(ies)/businesses and the Group's strategies and prospects, reviewing and determining whether to accept such New Business opportunity(ies) provided by the Controlling Shareholders or their subsidiaries, and whether to exercise the business acquisition option or the right of first refusal (as the case may be). Upon receiving any notice on New Business opportunity(ies) or the transfer notice issued by the Controlling Shareholders or their subsidiaries, the same shall be immediately reported to the independent non-executive Directors;

- (2) announcement(s) will be made by the Company on its decision to accept or refuse any New Business opportunity(ies) and the basis thereof, and sufficient disclosure will be made in the Company's annual reports. The Company will also comply with applicable requirements under the Listing Rules while exercising the business acquisition option and right of first refusal under the New Non-competition Agreement;
- (3) any Directors and/or any of their respective close associates with a material interest in any matter to be considered by the Board regarding compliance or implementation of the New Non-competition Agreement shall not vote in respect of relevant Board resolution(s) approving such matter, and shall not be counted in the quorum of the relevant meeting; and
- (4) the Company will pay close attention to the implementation of undertakings given by the Controlling Shareholders under the section headed "Further undertakings of the Controlling Shareholders", and request relevant information from the Controlling Shareholders depending on the actual needs of the Company.

5. General Information of the Parties

The Company

The Company is primarily engaged in the operation, management and development of Chengguan Expressway. 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.

Chengdu Expressway Construction

Chengdu Expressway Construction is an immediate controlling shareholder of the Company, and is principally engaged in the construction and development of toll expressways, large-scale overpasses, stations, ancillary facilities and properties alongside toll expressways in Sichuan Province. It is one of the Controlling Shareholders and is owned as to 81.51% by Chengdu Communications Investment.

Chengdu Communications Investment

Chengdu Communications Investment is principally engaged in the investment, the financing of and the construction, development, operation and management of transportation infrastructure in Sichuan Province. It is one of the Controlling Shareholders and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government (成都市國有資產監督管理委員會).

6. Listing Rules Implications

As at the date of this announcement, as Chengdu Communications Investment and Chengdu Expressway Construction are Controlling Shareholders of the Company, each of Chengdu Communications Investment and Chengdu Expressway Construction is therefore a connected person of the Company under the Listing Rules. Accordingly, entering into of the New Non-competition Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The New Non-competition Agreement is subject to the requirements including reporting, announcement, circular and Independent Shareholders' approval at a general meeting under Chapter 14A of the Listing Rules.

As Mr. Xiao Jun, being a non-executive Director, is also a director of Chengdu Communications Investment, he is therefore deemed to be materially interested in the New Non-competition Agreement, and has thus abstained from voting on the relevant resolution at the Board meeting. Save as disclosed above, no other Director has a material interest in the transaction contemplated thereunder and was required to abstain from voting on the relevant resolution at the Board meeting.

II. EGM

The EGM of the Company will be held at the 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 PRC at 10:00 a.m. on Friday, 30 September 2022, for the purpose of considering and approving the New Non-competition Agreement. Chengdu Communications Investment and Chengdu Expressway Construction will abstain from voting on the relevant resolution at the EGM.

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 New 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 New Non-competition Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, will be despatched to the Shareholders on or before 15 September 2022.

III. CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of holding the EGM, the register of members of the Company (the “**Register of Members**”) will be closed from Tuesday, 27 September 2022 to Friday, 30 September 2022 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the EGM, 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 as soon as practicable and in any event no later than 4:30 p.m. on Monday, 26 September 2022. The Shareholders whose names appear on the Register of Members on Tuesday, 27 September 2022 are entitled to attend and vote at the EGM.

DEFINITIONS

“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Chengdu Communications Investment”	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, which is one of the controlling Shareholders of the Company
“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, which is one of the controlling Shareholders of the Company
“Competing Businesses”	any business that competes or may compete, either directly or indirectly, with the principal business engaged in or proposed to be engaged in by the Group in Sichuan Province
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“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
“EGM”	the extraordinary general meeting of the Company to be held at the 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 PRC at 10:00 a.m. on Friday, 30 September 2022
“Energy Operation and Management Company”	Chengdu Communications Investment Energy Operation and Management Co., Ltd. (成都交投能源經營管理有限公司), a company incorporated in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company
“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
“Huamin Petrol Station”	Chengdu Huamin Municipal Petrol Station (成都市華民市政加油站)
“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 entering into of the New 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 Investment and Chengdu Expressway Construction
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Natural Gas”	compressed natural gas and liquefied natural gas
“New Business”	business newly identified or introduced upon entering into the New Non-competition Agreement which competes or may compete, directly or indirectly, with the principal business of the Company
“New Non-competition Agreement”	the Non-competition Agreement entered into between the Company, Chengdu Communications Investment and Chengdu Expressway Construction on 9 September 2022

“Original Non-competition Agreements”	the Non-competition Agreement entered into between the Company and Chengdu Communications Investment on 29 June 2017, and the Supplemental Agreement to the Non-competition Agreement entered into between the Company and Chengdu Communications Investment on 25 May 2020
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding the Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 28 December 2018
“Relevant Petrol Stations”	Chengdu Chengke Huanghua Petrol Station (成都成科皇花加油站), Xinhua Petrol Station, Huamin Petrol Station and Shiling Petrol Station
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of the Company, including Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shiling Petrol Station”	Chengdu Municipal Shiling Petrol Station (成都市市政十陵加油站)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Xinhua Petrol Station”	Chengdu Xinhua Petrol Station (成都市新華加油站)
“%”	per cent

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

Chengdu, the PRC, 9 September 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.