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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)**

**CONTINUING CONNECTED TRANSACTION  
ENTERING INTO THE SUPPLEMENTAL AGREEMENTS TO THE REFINED  
OIL PURCHASE AND SALE CONTRACTS**

**ENTERING INTO THE SUPPLEMENTAL AGREEMENTS TO THE REFINED OIL  
PURCHASE AND SALE CONTRACTS**

Reference is made to the Announcement in relation to, among other things, entering into of the Huamin Refined Oil Purchase and Sale Contract and the Xinhua Refined Oil Purchase and Sale Contract between Energy Operation and Management Company and each of Huamin Petrol Station and Xinhua Petrol Station, pursuant to which, Energy Operation and Management Company shall sell refined oil to the Petrol Stations. The Refined Oil Purchase and Sale Contracts will expire on 31 August 2023.

On 27 July 2023, Energy Operation and Management Company entered into the Huamin Supplemental Agreement and the Xinhua Supplemental Agreement with each of Huamin Petrol Station and Xinhua Petrol Station to extend the duration of the Refined Oil Purchase and Sale Contracts until 27 April 2025, and make certain amendments to the Refined Oil Purchase and Sale Contracts mainly regarding the pricing policies and payment methods.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, as the entity in charge (capital contributor) of each of Huamin Petrol Station (holding the entire equity interest in Shiling Petrol Station) and Xinhua Petrol Station has been changed to Chengdu Communications Investment, the Petrol Stations are associates of Chengdu Communications Investment, and hence are connected persons of the Company. Since Energy Operation and Management Company is an indirect subsidiary of the Company, the transactions contemplated under the Supplemental Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the transactions contemplated under the Supplemental Agreements when calculated on an aggregated basis exceeds 0.1% but all of such ratios are lower than 5%, the Supplemental Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement.

## ENTERING INTO THE SUPPLEMENTAL AGREEMENTS TO THE REFINED OIL PURCHASE AND SALE CONTRACTS

Reference is made to the Announcement in relation to, among other things, entering into of the Huamin Refined Oil Purchase and Sale Contract and the Xinhua Refined Oil Purchase and Sale Contract between Energy Operation and Management Company and each of Huamin Petrol Station and Xinhua Petrol Station, pursuant to which, Energy Operation and Management Company shall sell refined oil to the Petrol Stations. The Refined Oil Purchase and Sale Contracts will expire on 31 August 2023.

On 27 July 2023, Energy Operation and Management Company entered into the Huamin Supplemental Agreement and the Xinhua Supplemental Agreement with each of Huamin Petrol Station and Xinhua Petrol Station to extend the duration of the Refined Oil Purchase and Sale Contracts until 27 April 2025, and make certain amendments to the Refined Oil Purchase and Sale Contracts mainly regarding the pricing policies and payment methods.

### I. Huamin Supplemental Agreement

Set out below are the principal terms of the Huamin Supplemental Agreement:

Date: 27 July 2023

Parties: (1) Huamin Petrol Station; and  
(2) Energy Operation and Management Company.

Amendments: (1) Duration: the valid term of the Huamin Refined Oil Purchase and Sale Contract has been amended as follows: for a term commencing from the effective date thereof and ending on 27 April 2025.

(2) Pricing policy: the pricing policy under the Huamin Refined Oil Purchase and Sale Contract has been amended as follows: the unit price of the respective oil products shall be determined based on the arithmetic average of the daily average selling prices of Chengdu Sinopec and Chengdu PetroChina as published by the Refined Oil Price Centre of JLC (<http://www.315i.com/>) (“JLC”) on the business day immediately preceding the date of any sales order entered into between the parties, and, in case that no such price is available on the business day immediately preceding the date of any sales order, the arithmetic average of the latest daily average selling prices of Chengdu Sinopec and Chengdu PetroChina immediately preceding the date of any sales order as published by the Refined Oil Price Centre of JLC shall apply (the aforesaid prices shall include transportation expenses).

- (3) Payment: the payment method under the Huamin Refined Oil Purchase and Sale Contract has been amended as follows: payments before delivery, that is, the purchaser shall remit the payments to the designated account of the vendor upon confirmation of the quantities and amount payable between the parties based on the pricing policy.
- (4) Settlement cycle: agreements regarding the settlement cycle under the Huamin Refined Oil Purchase and Sale Contract (please refer to the section headed “Subject of Transaction” as set out in the Announcement for details) shall cease to be applicable.

Miscellaneous: Upon coming into effect, the Huamin Supplemental Agreement shall become an integral part of, and will be equally binding with, the Huamin Refined Oil Purchase and Sale Contract. Save for those parts explicitly corrected or supplemented by the Huamin Supplemental Agreement, other parts of the Huamin Refined Oil Purchase and Sale Contract shall remain in force.

Since Chengdu Sinopec and Chengdu PetroChina occupy a large market share in Chengdu, their oil prices basically represent the oil price in Chengdu where the Petrol Stations are located and are therefore selected as the basis for determining the unit price of oil products.

## **II. Xinhua Supplemental Agreement**

Save and except for the change of counterparty from Huamin Petrol Station to Xinhua Petrol Station, and the change of the subject term “Huamin Refined Oil Purchase and Sale Contract” as referred to in the Huamin Supplemental Agreement to “Xinhua Refined Oil Purchase and Sale Contract”, the other terms of the Xinhua Supplemental Agreement are in substance the same as those set out in the Huamin Supplemental Agreement.

For details of the original agreements under the Refined Oil Purchase and Sale Contracts, please refer to the Announcement.

## ANNUAL CAPS

### Historical transaction amounts and original annual caps of the continuing connected transactions contemplated under the Refined Oil Purchase and Sale Contracts

|  | Historical transaction<br>amounts for the year<br>ended 31 December<br>2022<br><i>(RMB million)</i> | Historical transaction<br>amounts for the six<br>months ended 30 June<br>2023<br><i>(RMB million)</i> | Annual cap<br>for the year ended<br>31 December 2022<br><i>(RMB million)</i> | Transaction cap<br>for the eight<br>months ending<br>31 August 2023<br><i>(RMB million)</i> |
|--|---|---|--|---|
| Transaction amount of supplying refined oil to Huamin Petrol Station and Shiling Petrol Station by Energy Operation and Management Company under the Huamin Refined Oil Purchase and Sale Contract | 26.51   | 45.70   | 53   | 82  |
| Transaction amount of supplying refined oil to Xinhua Petrol Station by Energy Operation and Management Company under the Xinhua Refined Oil Purchase and Sale Contract                            | 27.33   | 26.62   | 36   | 32  |

As of the date of this announcement, none of the actual transaction amounts of the continuing connected transactions contemplated under the Refined Oil Purchase and Sale Contracts exceeded the original caps set for the eight months ending 31 August 2023 as set out above.

## Annual caps under the Amended Refined Oil Purchase and Sale Contracts

In view of the amendments as set out in the Supplemental Agreements, the Board has determined the annual caps of the continuing connected transactions contemplated under the Amended Refined Oil Purchase and Sale Contracts for the two years ending 31 December 2024 and the period commencing from 1 January 2025 and ending on 27 April 2025 as follows:

|  | For the<br>year ending<br>31 December 2023<br><i>(RMB million)</i> | For the<br>year ending<br>31 December 2024<br><i>(RMB million)</i> | For the period<br>commencing from<br>1 January 2025 and<br>ending on 27 April 2025<br><i>(RMB million)</i> |
|--|--|--|--|
| Transaction amount of supplying refined oil to Huamin Petrol Station and Shiling Petrol Station by Energy Operation and Management Company under the Amended Huamin Refined Oil Purchase and Sale Contract | 81.1   | 81.1   | 27.0   |
| Transaction amount of supplying refined oil to Xinhua Petrol Station by Energy Operation and Management Company under the Amended Xinhua Refined Oil Purchase and Sale Contract                            | 48.0   | 48.0   | 16.5   |

### Basis of determining the annual caps

In determining the annual caps under the Amended Refined Oil Purchase and Sale Contracts, the Company has benchmarked the unit price of oil products against the arithmetic average of the monthly average selling prices of Chengdu PetroChina and Chengdu Sinopec as published by the JLC in June 2023, and has taken into account the following factors:

- (1) the actual transaction amounts incurred by the Petrol Stations in the first half of 2023, and a potential decrease in oil demand of the Petrol Stations from Energy Operation and Management Company in the second half of 2023 as compared with the first half due to an anticipated diversification in oil purchase channels of the Petrol Stations. It is expected that the purchase amount of Huamin Petrol Station and Shiling Petrol Station from Energy Operation and Management Company under the Amended Huamin Refined Oil Purchase and Sale Contract will not exceed 9,221 tonnes in 2023; while the purchase amount of Xinhua Petrol Station from Energy Operation and Management Company under the Amended Xinhua Refined Oil Purchase and Sale Contract will not exceed 5,427 tonnes in 2023;
- (2) it is expected that the purchase amount of the Petrol Stations from Energy Operation and Management Company under the Amended Refined Oil Purchase and Sale Contracts for 2024 and 2025 will remain basically flat with that in 2023; and
- (3) the Amended Refined Oil Purchase and Sale Contracts will expire on 27 April 2025.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENTS**

As stated in the Announcement, the supply of oil to the Petrol Stations under the Refined Oil Purchase and Sale Contracts could boost the sales volume of Energy Operation and Management Company and enhance its bargaining power when purchasing oil products, which will in turn improve the revenue stream and profitability of the Group. The Supplemental Agreements extended the duration of the Refined Oil Purchase and Sale Contracts, and thus will enable the Group to secure revenue and profit through ongoing supply of oil to the Petrol Stations. In addition, the Supplemental Agreements have changed the payment methods of the continuing connected transactions under the Refined Oil Purchase and Sale Contracts from the original “delivery before payments” to “payments before delivery”, and amended the pricing policies and payment arrangements thereunder, which may shorten the capital turnover days of Energy Operation and Management Company, and helps to mitigate its financial burden.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that, the Supplemental Agreements and the transactions contemplated thereunder are entered into in the usual and ordinary course of business of the Group on normal commercial terms, are fair and reasonable and in the interests of the Company and the shareholders as a whole.

As stated in the Announcement and the announcement of the Company dated 22 April 2022, the Company shall at all times be entitled to exercise the rights (such as the acquisition option) under the Non-competition Agreement entered into between the Company and Chengdu Communications Investment following the completion of registration of change in capital contributor of the Petrol Stations and Chengdu Chengke Huanghua Petrol Station by Chengdu Communications Investment with the market administration and regulation authorities and settlement of the issues relating to the property ownership and labor and personnel of the Petrol Stations and Chengdu Chengke Huanghua Petrol Station. As at the date of this announcement, the entity in charge (capital contributor) of each of Huamin Petrol Station (holding the entire equity interests in Shiling Petrol Station) and Xinhua Petrol Station has been changed to Chengdu Communications Investment, while issues relating to the property ownership and labor and personnel of the Petrol Stations have yet to be settled, and the Petrol Stations have not completed restructuring, thus falling short of the conditions for an equity or interest transfer of the Petrol Stations to the Company. Upon being transferred to the Company, the Petrol Stations will cease to be connected persons of the Company and the supply of refined oil to the Petrol Stations by Energy Operation and Management Company will cease to constitute a connected transaction of the Company. If the aforesaid transfer fails to be materialised and Energy Operation and Management Company continues to supply refined oil to the Petrol Stations at the maturity of the Amended Refined Oil Purchase and Sale Contracts, Energy Operation and Management Company will fulfill the approval and disclosure obligations (including but not limited to renewing the Refined Oil Purchase and Sale Contracts) as required under the Listing Rules in a timely manner to comply with relevant requirements under Chapter 14A of the Listing Rules. Chengdu Chengke Huanghua Petrol Station is currently either not operated or managed by Chengdu Communications Investment, and instead purchases oil from an independent third party. If Energy Operation and Management Company commences to supply oil to Chengdu Chengke Huanghua Petrol Station, the Company will also comply with the relevant requirements in relation to connected transaction.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, as the entity in charge (capital contributor) of each of Huamin Petrol Station (holding the entire equity interest in Shiling Petrol Station) and Xinhua Petrol Station has been changed to Chengdu Communications Investment, the Petrol Stations are associates of Chengdu Communications Investment, and hence are connected persons of the Company. Since Energy Operation and Management Company is an indirect subsidiary of the Company, the transactions contemplated under the Supplemental Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the transactions contemplated under the Supplemental Agreements when calculated on an aggregated basis exceeds 0.1% but all of such ratios are lower than 5%, the Supplemental Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement.

As at the date of this announcement, none of the Directors have any material interest in the Supplemental Agreements and the transactions contemplated thereunder, and therefore none of them are required to abstain from voting on the relevant resolution at the Board meeting.

## **GENERAL INFORMATION OF THE PARTIES**

### **Energy Operation and Management Company and the Group**

Energy Operation and Management Company is an indirect non-wholly-owned subsidiary of the Company, which is mainly engaged in the operation of petrol stations or gas stations and positions itself for three major businesses, i.e. oil and gas operation, comprehensive operation of service areas and operation of new energy business. The Group is primarily engaged in 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.

### **Xinhua Petrol Station**

Xinhua Petrol Station is a wholly people-owned enterprise (全民所有制企業) incorporated in the PRC, whose entity in charge (capital contributor) is Chengdu Communications Investment and is mainly engaged in the retail of refined oil (restricted to hazardous chemicals), retail of tobacco products, food business (sales of prepackaged foods), repair and maintenance of motor vehicles, car washing services, etc. Chengdu Communications Investment is a controlling shareholder of the Company, and is primarily engaged in the investment, financing of and construction, development, operation and management of transportation infrastructure in Sichuan Province, 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).

## Huamin Petrol Station

Huamin Petrol Station is a collective-owned enterprise (集體所有制企業) incorporated in the PRC, whose entity in charge (capital contributor) is Chengdu Communications Investment and is mainly engaged in the operation of refined oil (retail of petrol and diesel oil), vehicle cleaning services and automobile beauty services. Huamin Petrol Station established and wholly owns Shiling Petrol Station, which is mainly engaged in the retail of refined oil (restricted to hazardous chemicals), sales of health food, food business (only selling prepackaged foods), car washing services, etc.

## DEFINITIONS

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| “Amended Huamin Refined Oil Purchase and Sale Contract” | the Huamin Refined Oil Purchase and Sale Contract entered into between Energy Operation and Management Company and Huamin Petrol Station on 28 April 2022 and amended on 27 July 2023 pursuant to the Huamin Supplemental Agreement  |
| “Amended Refined Oil Purchase and Sale Contracts”       | collectively, the Amended Huamin Refined Oil Purchase and Sale Contract and the Amended Xinhua Refined Oil Purchase and Sale Contract  |
| “Amended Xinhua Refined Oil Purchase and Sale Contract” | the Xinhua Refined Oil Purchase and Sale Contract entered into between Energy Operation and Management Company and Xinhua Petrol Station on 28 April 2022 and amended on 27 July 2023 pursuant to the Xinhua Supplemental Agreement  |
| “Announcement”  | the announcement of the Company dated 28 April 2022 in relation to, among other things, entering into of the Huamin Refined Oil Purchase and Sale Contract and the Xinhua Refined Oil Purchase and Sale Contract between Energy Operation and Management Company and each of Huamin Petrol Station and Xinhua Petrol Station |
| “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 on 16 March 2007, which is one of the controlling shareholders of the Company   |
| “Chengdu PetroChina”                                    | PetroChina Company Limited Sichuan Chengdu Sales Branch (中國石油天然氣股份有限公司四川成都銷售分公司)   |
| “Chengdu Sinopec”                                       | Sinopec Sales Company Limited Sichuan Chengdu Petroleum Branch (中國石化銷售股份有限公司四川成都石油分公司)   |
| “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 of Hong Kong Limited  |



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| “connected person(s)”                           | has the meaning ascribed thereto under the Listing Rules  |
| “Director(s)”                                   | the director(s) of the Company  |
| “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 |
| “Huamin Petrol Station”                         | Chengdu Huamin Municipal Petrol Station (成都市華民市政加油站), an enterprise incorporated in the PRC   |
| “Huamin Refined Oil Purchase and Sale Contract” | the Refined Oil Purchase and Sale Contract entered into between Energy Operation and Management Company and Huamin Petrol Station on 28 April 2022  |
| “Huamin Supplemental Agreement”                 | the supplemental agreement to the Huamin Refined Oil Purchase and Sale Contract entered into between Energy Operation and Management Company and Huamin Petrol Station on 27 July 2023                            |
| “Listing Rules”                                 | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “Petrol Stations”                               | collectively, Xinhua Petrol Station, Huamin Petrol Station and Shiling Petrol Station   |
| “refined oil”                                   | 0# diesel oil for vehicles (VI), 92# petrol for vehicles (VIB) and 95# petrol for vehicles (VIB), for the purpose of this announcement only   |
| “Refined Oil Purchase and Sale Contracts”       | collectively, the Huamin Refined Oil Purchase and Sale Contract and the Xinhua Refined Oil Purchase and Sale Contract   |
| “RMB”   | Renminbi, the lawful currency of the PRC  |
| “Shiling Petrol Station”                        | Chengdu Municipal Shiling Petrol Station (成都市市政十陵加油站), an enterprise incorporated in the PRC which is established and wholly-owned by Huamin Petrol Station   |
| “Supplemental Agreements”                       | collectively, the Huamin Supplemental Agreement and the Xinhua Supplemental Agreement   |
| “Xinhua Petrol Station”                         | Chengdu Xinhua Petrol Station (成都市新華加油站), an enterprise incorporated in the PRC   |

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|---|--|
| “Xinhua Refined Oil Purchase and Sale Contract” | the Refined Oil Purchase and Sale Contract entered into between Energy Operation and Management Company and Xinhua Petrol Station on 28 April 2022                                     |
| “Xinhua Supplemental Agreement”                 | the supplemental agreement to the Xinhua Refined Oil Purchase and Sale Contract entered into between Energy Operation and Management Company and Xinhua Petrol Station on 27 July 2023 |
| “%”   | per cent   |

On behalf of the Board  
**Chengdu Expressway Co., Ltd.**  
**Yang Tan**  
*Chairman*

Chengdu, the PRC, 27 July 2023

*As at the date of this announcement, the Board comprises Mr. Yang Tan and Mr. Ding Dapan as executive Directors, Ms. Wu Haiyan and Mr. Yang Bin as non-executive Directors, and Mr. Leung Chi Hang Benson, Mr. Qian Yongjiu and Mr. Wang Peng as independent non-executive Directors.*