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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)**

**ANNOUNCEMENT**  
**ENTERING INTO THE PROJECT INVESTMENT AGREEMENT WITH**  
**CHENGDU PIDU DISTRICT PEOPLE'S GOVERNMENT**

This announcement is made by Chengdu Expressway Co., Ltd. (the “**Company**”) in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby announces that, the Company entered into the Project Investment Agreement with the People's Government of Pidu District in Chengdu, Sichuan province (“**Pidu District Government**”) on 4 March 2020, pursuant to which, Pidu District Government shall support the Company to invest in the construction of a Class B expressway service area in proximity to Ande Toll Station (near K22 of Chengguan Expressway) within Pidu District (the “**Project**”). Details of the Project are as follows: (1) core area (Phase I): to establish essential functions featuring Class B service areas such as petrol and gas stations, parking and maintenance, fast food chains and specialty stores; and (2) expansion area (Phase II): based on ensuring the necessary functions of the service area, to develop the “service area +” integration development project depending on the availability of land by exploring the integrated development of the service area with, among other things, tourism, logistics, culture and new energy to promote the construction of “service area + tourism” and “service area + local characteristics”.

According to the Project Investment Agreement, the Company undertakes to establish a project company (the “**Project Company**”) which will be absolutely controlled by the Company to be responsible for the investment and construction of the Project. The registered capital of the Project Company shall not be less than RMB100 million to be contributed in three years. Pidu District Government undertakes to be responsible for the supporting infrastructure of the Project, and to offer preferential policies including the existing industrial talent programs in Pidu District and other incentives. Upon establishment of the Project Company, it proposes to invest in fixed assets of approximately RMB150 million for the core area (Phase I), and invest in fixed assets of approximately RMB350 million for the expansion area (Phase II) which is subject to the availability of land. The Project Company will finance the investment through various financing channels, including shareholder contribution.

The Project is in line with the strategic planning of the Company to consolidate its primary business operation capacity and actively cultivate “expressway +” industry, which will facilitate to enhancing the travelling experience on Chengguan Expressway and tapping on new profit streams for the Company. Meanwhile, the Project echoes the national policy on supporting the construction of theme service areas and corresponds to the development needs of the rural revitalisation strategy of Chengdu Pidu District, which will be beneficial to further promoting the economic development of areas surrounding the service area.

During the implementation of the Project Investment Agreement, the Company will comply with all applicable requirements of the Listing Rules as and when appropriate and fulfill its disclosure obligations in a timely manner.

**As there exist uncertainties during implementation of the Project (including but not limited to the availability of land and progress and delivery of the construction), shareholders of the Company and potential investors are advised to exercise caution while dealing in the shares of the Company.**

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

Chengdu, the PRC, 4 March 2020

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