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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
ACQUISITION OF 16% EQUITY INTERESTS OF CHENGDU TELD**

ACQUISITION OF 16% EQUITY INTERESTS OF CHENGDU TELD

The Board is pleased to announce that, on 30 December 2021, Chengdu Energy Development Company and Shancheng Industrial entered into the Equity Transfer Agreement, pursuant to which, Chengdu Energy Development Company agreed to acquire and Shancheng Industrial agreed to dispose of the Target Equity Interests, at a consideration of RMB60,902,400, which shall be fully settled in cash by Chengdu Energy Development Company.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Shancheng Industrial is a wholly-owned subsidiary of Chengdu Communications Investment, the controlling shareholder of the Company, and hence is a connected person of the Company. The Acquisition therefore constitutes a connected transaction 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 Acquisition exceeds 0.1% but all are lower than 5%, the Acquisition is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement.

I. EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that, on 30 December 2021, Chengdu Energy Development Company and Shancheng Industrial entered into the Equity Transfer Agreement, pursuant to which, Chengdu Energy Development Company agreed to acquire and Shancheng Industrial agreed to dispose of the Target Equity Interests, at a consideration of RMB60,902,400, which shall be fully settled in cash by Chengdu Energy Development Company.

The principal terms of the Equity Transfer Agreement are set out as follows:

Date:	30 December 2021
Parties:	<ol style="list-style-type: none">1. Chengdu Energy Development Company (as the Purchaser); and2. Shancheng Industrial (as the Seller)
Assets to be acquired:	the Target Equity Interests
Consideration and basis of determination:	the Consideration of the Acquisition shall be RMB60,902,400, which is determined after arm's-length negotiations between Chengdu Energy Development Company and Shancheng Industrial with reference to the appraised value of the Target Equity Interests as at 31 August 2021 of RMB60,902,400 based on the income approach. The Target Equity Interests were obtained by Chengdu Communications Investment through capital increase of RMB32 million to Chengdu Teld in 2017, which were subsequently transferred to Shancheng Industrial in 2018.
Payment of the Consideration:	<p>Chengdu Energy Development Company shall settle the Consideration to Shancheng Industrial in one lump sum within five working days from satisfaction of all the following conditions:</p> <ol style="list-style-type: none">(1) Shancheng Industrial having obtained the approval of Chengdu Communications Investment for the Acquisition and Equity Transfer Agreement;(2) the Board having approved the Acquisition and Equity Transfer Agreement; and

- (3) the representations and warranties made by Shancheng Industrial under the Equity Transfer Agreement remaining true, accurate and complete in all material aspects, Chengdu Teld remaining in valid existence and there being no matters that have a material adverse impact on the Acquisition.

Chengdu Energy Development Company will finance the Consideration with the Group's internal resources.

Completion:	the record date on which Chengdu Energy Development Company becomes the holder of the Target Equity Interests as shown in the National Enterprise Credit Information Publicity System shall be the completion date of the equity transfer (the “ Completion Date ”), which shall be no longer than 30 working days from payment by Chengdu Energy Development Company. If such date is beyond 30 working days due to Shancheng Industrial, it will be deemed as a default by Shancheng Industrial and Shancheng Industrial shall pay 0.1% of the Consideration as penalty on each of the overdue days.
Profit or loss during the Transition Period and voting rights arrangement:	profit or loss generated/incurred by Chengdu Teld during the Transition Period shall be attributable to the Purchaser. Upon settlement of the Consideration, Shancheng Industrial agrees to irrevocably entrust Chengdu Energy Development Company to exercise the voting rights attached to the Target Equity Interests until Chengdu Energy Development Company becomes the registered holder of the Target Equity Interests.
Validity of the Equity Transfer Agreement:	the Equity Transfer Agreement shall come into effect upon being sealed by the Purchaser and the Seller.

II. INFORMATION ABOUT CHENGDU TELD

Chengdu Teld is a company incorporated in the PRC with limited liability and is primarily engaged in development of new energy technology and design, technical consultation, construction, operation management and maintenance services of new energy electric vehicle charging facilities. As of the date of this announcement, Chengdu Teld has two wholly-owned subsidiaries and two non-wholly-owned subsidiaries which are primarily engaged in the operation of electric vehicle charging infrastructure; centralized fast charging stations; sales of motor vehicle charging facilities; sales of charging piles; sales of new energy electric vehicle accessories; sales of IoT equipment; Internet sales (excluding goods subject to license); and information consultation services (excluding information consultation services subject to license) and other services. As of the date of this announcement, 16% equity interests of Chengdu Teld is held by the Seller, and its remaining equity interests are held by Teld New Energy Co., Ltd. (特來電新能源股份有限公司) and Chengdu Advanced Manufacturing Industry Investment Co., Ltd. (成都先進製造產業投資有限公司) as to 66% and 18%, respectively.

The audited consolidated total assets and net assets of Chengdu Teld as of 31 August 2021, prepared under the China Accounting Standards for Business Enterprises, are RMB592,137,921.00 and RMB299,667,406.46, respectively. Set out below are the audited consolidated net profits of Chengdu Teld for the two financial years ended 31 December 2020 and the eight months ended 31 August 2021 prepared under the China Accounting Standards for Business Enterprises:

	Year ended 31 December 2019	Year ended 31 December 2020	Eight months ended 31 August 2021
	(audited)	(audited)	(audited)
	(RMB)	(RMB)	(RMB)
Net profit before taxation	35,369,801.14	42,975,739.89	20,535,057.47
Net profit after taxation	30,698,740.96	40,154,219.02	22,545,769.40

III. REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AGREEMENT

In order to achieve the integration of new energy business and enhance the economies of scale of the energy segment, Chengdu Energy Development Company proposes to acquire the 16% equity interests of Chengdu Teld from Shancheng Industrial. Upon Completion of the Acquisition, leveraging resource integration, the professional standards of the Company's energy segment will be further enhanced, and the Company will better tap into the economies of scale of the energy segment, and realize the coordinated development of the new energy operations, which will in turn improve the Company's overall profitability.

As such, the Directors (including the independent non-executive Directors) are of the opinion that, the Equity Transfer Agreement is entered into on normal commercial terms, and although the transactions contemplated thereunder are not conducted in the usual and ordinary course of business of the Group, the terms and conditions thereof are fair and reasonable and in the interests of the Company and the shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

As of the date of this announcement, Shancheng Industrial is a wholly-owned subsidiary of Chengdu Communications Investment, the controlling shareholder of the Company, and hence is a connected person of the Company. The Acquisition therefore constitutes a connected transaction 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 Acquisition exceeds 0.1% but all are lower than 5%, the Acquisition is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement.

As Mr. Xiao Jun, a non-executive Director, is also a director of Chengdu Communications Investment, he is therefore considered to be materially interested in the Equity Transfer Agreement and the transactions contemplated thereunder and has abstained from voting on relevant resolution at the Board meeting. Save as disclosed above, none of the other Directors have any material interests in the Equity Transfer Agreement and the transactions contemplated thereunder and therefore are required to abstain from voting on relevant resolution at the Board meeting.

V. GENERAL INFORMATION OF THE PARTIES

Chengdu Energy Development Company

Chengdu Energy Development Company is a non-wholly-owned subsidiary of the Company and is primarily engaged in retail of refined oil, and meanwhile carries out operation of natural gas through its joint venture and associates. The Group is primarily engaged in the operation, management and development of expressways in Chengdu, Sichuan Province and its surrounding areas, and also carries out retail of refined oil and operation of natural gas.

Shancheng Industrial

Shancheng Industrial is a wholly-owned subsidiary of Chengdu Communications Investment and is primarily engaged in, among others, construction of transportation hub stations, land consolidation, real estate development, asset management and property services. Chengdu Communications Investment is a controlling shareholder of the Company, and is primarily engaged in the investment in, the financing of and the construction, development, operation and management of transportation infrastructure in Sichuan province, and its ultimate beneficial owner is Chengdu State-owned Assets Supervision and Administration Commission.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	the acquisition of the Target Equity Interests by Chengdu Energy Development Company from Shancheng Industrial pursuant to the Equity Transfer Agreement
“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, the ultimate controlling shareholder of the Company
“Chengdu Energy Development Company” or “Purchaser”	Chengdu Energy Development Co., Ltd. (成都能源發展股份有限公司), a non-wholly-owned subsidiary of the Company
“Chengdu Teld” or “Target Company”	Chengdu Teld New Energy Co., Ltd. (成都特來電新能源有限公司), a company incorporated in the PRC with limited liability
“Company”	Chengdu Expressway Co., Ltd. (成都高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange

“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Equity Transfer Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 30 December 2021 entered into between Chengdu Energy Development Company and Shancheng Industrial
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shancheng Industrial” or “Seller”	Chengdu Communications Investment Shancheng Industrial Co., Ltd. (成都交投善成實業有限公司), a wholly-owned subsidiary of Chengdu Communications Investment
“Target Equity Interests”	the 16% equity interests of Chengdu Teld held by Shancheng Industrial as at the date of this announcement
“Transition Period”	the period from 31 August 2021 to the date on which the Acquisition is completed

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

Chengdu, the PRC, 30 December 2021

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.