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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)**

**POSSIBLE DISCLOSEABLE TRANSACTION OR MAJOR TRANSACTION:  
LAND REQUISITION AND RELOCATION AGREEMENT FOR  
CHONGZHOU SECTION IN RELATION TO  
THE CHENGWENQIONG EXPRESSWAY EXPANSION PROJECT**

References are made to the announcements dated 12 May 2023 and 1 March 2023, as well as the circular dated 14 April 2023 of the Company in relation to the investment in the Chengwenqiong Expressway Expansion Project, which involved the Company as the project investor and Chengwenqiong Expressway Company, a subsidiary of the Company, as the project owner to conduct its financing and construction work.

**LAND REQUISITION AND RELOCATION AGREEMENT FOR CHONGZHOU SECTION**

Given that the Chengwenqiong Expressway Expansion Project will extend through Chongzhou City, as part of the Chengwenqiong Expressway Expansion Project, Chengwenqiong Expressway Company intends to enter into the Land Requisition and Relocation Agreement for Chongzhou Section for the land requisition arrangements of Chongzhou City to be carried out by Chongzhou Municipal People's Government.

**LISTING RULES IMPLICATIONS**

Subject to size test results at the time of the entering into of the Land Requisition and Relocation Agreement for Chongzhou Section, the transaction contemplated thereunder may constitute a discloseable transaction or a major transaction for the Company. When the Land Requisition and Relocation Agreement for Chongzhou Section is entered into, if the highest applicable percentage ratio exceeds 25% but is less than 100%, pursuant to Chapter 14 of the Listing Rules, the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder will constitute a major transaction of the Company, and accordingly are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules; if the highest applicable percentage ratio exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder will constitute a discloseable transaction of the Company, and accordingly are subject to the reporting and announcement requirements, but are exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, none of the Shareholders and their respective associates has any material interest in the Land Requisition and Relocation Agreement for Chongzhou Section, and no Shareholder is required to abstain from voting in favour of the resolution approving the entering into the Land Requisition and Relocation Agreement for Chongzhou Section. As of the date of this announcement, Communications Investment Construction and Management (one of the controlling shareholders of the Company) which directly holds 900,000,000 Shares in the Company, representing approximately 54.34% of the issued share capital of the Company, has provided a written consent for the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder (i.e. the possible major transaction) in accordance with Rule 14.44 of the Listing Rules, in lieu of convening a general meeting of the Company. Therefore, in accordance with Rule 14.44 of the Listing Rules, the Company will not convene a general meeting for approving the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder.

If the the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder constitutes a major transaction, a circular containing, among other things, relevant information of the Land Requisition and Relocation Agreement for Chongzhou Section is expected to be sent to the Shareholders on or before 6 January 2025 (i.e. within 15 business days after the publication of this announcement).

## **I. INTRODUCTION**

References are made to the announcements dated 12 May 2023 and 1 March 2023, as well as the circular dated 14 April 2023 of the Company in relation to the investment in the Chengwenqiong Expressway Expansion Project, which involved the Company as the project investor and Chengwenqiong Expressway Company, a subsidiary of the Company, as the project owner to conduct its financing and construction work.

As stated in the circular of the Company dated 14 April 2023, Chengwenqiong Expressway serves as an important passage connecting western Chengdu, and the successful implementation of the Chengwenqiong Expressway Expansion Project will expand the asset scale of the Company, strengthen the sustainability of the operation of quality assets of the Company, instill new vitality into the Company and improve the capability for sustainable development and operating quality of the Company. Further details are set out in the section headed "V. INFORMATION ON THE CHENGWENQIONG EXPRESSWAY EXPANSION PROJECT" of this announcement.

## **II. LAND REQUISITION AND RELOCATION AGREEMENT FOR CHONGZHOU SECTION**

Given that the Chengwenqiong Expressway Expansion Project will extend through Chongzhou City, as part of the Chengwenqiong Expressway Expansion Project, Chengwenqiong Expressway Company intends to enter into the Land Requisition and Relocation Agreement for Chongzhou Section with Chongzhou Municipal People's Government.

The principal terms of the Land Requisition and Relocation Agreement for Chongzhou Section are summarised as below:

<b>Parties</b>	<ul style="list-style-type: none"><li>(i). Chengwenqiong Expressway Company; and</li><li>(ii). Chongzhou Municipal People's Government</li></ul>
<b>Requisition matters</b>	<p>Chengwenqiong Expressway Company shall be responsible for the following matters, including:</p> <ul style="list-style-type: none"><li>(i). Engage entities with relevant qualifications to complete the preparation of special reports and the assembling of documents for land requisition, and pay relevant costs in time;</li><li>(ii). Submit land application materials to Chongzhou Municipal People's Government, for which Chongzhou Municipal People's Government shall be responsible for the project land application process and Chengwenqiong Expressway Company shall proactively cooperate to complete the application process;</li><li>(iii). Bear the land requisition and relocation compensation costs for permanent land use by the Project, which shall be paid in accordance with the standards set out in this agreement;</li><li>(iv). Assist Chongzhou Municipal People's Government in the construction land lineation activities, take responsibility for the accuracy of land charts and plans provided, confirm in time the land area requiring corrections and additional land requisition, and bear the costs in accordance with the standards set out in this agreement;</li><li>(v). As agreed upon in this agreement, pay relevant costs on land requisition and relocation to Chongzhou Municipal People's Government in time, and has the right to supervise and inspect the land requisition compensation and resettlement progress of Chongzhou Municipal People's Government;</li><li>(vi). Publicize to, educate and manage the parties involved in the construction for safe and good construction practices;</li><li>(vii). Submit a land use plan to Chongzhou Municipal People's Government according to the construction plan and arrangements;</li><li>(viii). Bear the additional land requisition and relocation costs incurred due to the reasons on the part of Chengwenqiong Expressway Company; and</li></ul>

- (ix). Fulfill other obligations that shall be assumed by Chengwenqiong Expressway Company according to law.

Chongzhou Municipal People's Government shall be responsible for the following matters, including:

- (i). Establish a coordination unit for land requisition and relocation. Assist Chengwenqiong Expressway Company in timely completing the assembling of documents for construction land (including additional land due to design changes) of the Project, take responsibility for perfecting the land use procedures, and assist Chengwenqiong Expressway Company in obtaining the land title certificates according to law upon its request and after Chengwenqiong Expressway Company obtains the approval of land requisition;
- (ii). Complete the land requisition, relocation and resettlement compensation work within the land to be requisitioned for Chongzhou City section of the Project according to law; take responsibility for the prefabrication of boundary markers and lineation of construction land (including corrections and additional land requisition) of the Project, as well as land (forest) survey, review of land reclamation plan, etc.; according to the land use needs in construction, deliver construction land on time based on the land use plan provided by Chengwenqiong Expressway Company;
- (iii). Coordinate relevant entities and departments to provide cooperation proactively and effectively;
- (iv). Establish the working rules for land requisition and relocation, and notify Chengwenqiong Expressway Company of the land requisition and relocation progress in writing on a monthly basis;
- (v). Formulate financial management measures for the land requisition and relocation funds, to ensure that the land requisition and relocation funds are used exclusively for their designated purposes, and notify Chengwenqiong Expressway Company in writing of the utilization of such special funds within 10 business days upon its request;
- (vi). Ensure the relocatees to timely receive compensation in accordance with policies, and make production, living, personnel resettlement and social security arrangements for the relocatees effectively;

- (vii). Timely coordinate and resolve the disputes related to land requisition, and preclude and crack down on illegal acts according to law;
- (viii). Assist in completing the legal procedures for temporary land facilities, borrow pits and spoil grounds used in construction of the Project;
- (ix). Provide assistances in the extended review process related to land requisition and relocation; and
- (x). Fulfill other obligations that shall be assumed by Chongzhou Municipal People's Government according to law.

**Land requisition area**      The actual surveyed land area confirmed based on the approved construction design drawings (including design changes) of the Project shall be adopted as the basis for final settlement.

**Total compensation amount and its basis of determination**      The total estimated costs under the agreement are RMB810,696,200, subject to the final settlement amount. The total compensation amount for land requisition shall be determined based on the final land requisition area as well as the relocation workload including buildings, structures and other attachments, poles, pipelines and cables and off-line construction, auxiliary road relocation, land for temporary use, and relocation of off-line poles, pipelines and cables in respect of the land to be requisitioned, with reference to the compensation standards and plan determined by relevant government authorities.

**Arrangement for payment of compensation amount**      Chengwenqiong Expressway Company shall pay the compensation amount to Chongzhou Municipal People's Government in the following manner:

- (i). Prepayment stage: After entering into the agreement, Chengwenqiong Expressway Company shall, within 15 business days from receiving a payment request letter of Chongzhou Municipal People's Government, pay 30% of the total estimated costs, which shall be used by Chongzhou Municipal People's Government for the preliminary preparation work of land requisition and relocation;

- (ii). Assembling of documents and submission stage: After Chongzhou Municipal People's Government completes the pre-approval work for construction land of the Project and completes the assembling of documents which are submitted to the system for review and approval level by level, Chengwenqiong Expressway Company shall, within 30 days from receiving a payment request letter of Chongzhou Municipal People's Government, pay 20% of the total estimated costs as the start-up funds for land requisition and relocation;
- (iii). Land use planning stage: After the construction land plan submitted by Chengwenqiong Expressway Company is reviewed and confirmed by Chongzhou Municipal People's Government, Chengwenqiong Expressway Company shall, within 30 days from receiving a payment request letter of Chongzhou Municipal People's Government, pay 10% of the total estimated costs;
- (iv). Land delivery stage: When the construction land delivered by Chongzhou Municipal People's Government reaches 80% or more of the total planned land area within its administration as verified and confirmed by Chengwenqiong Expressway Company, Chengwenqiong Expressway Company shall, within 30 days from receiving a payment request letter of Chongzhou Municipal People's Government, have paid 90% of the costs preliminarily reviewed by both parties;
- (v). Review and settlement stage: After all land requisition and relocation procedures are completed, relevant documents, land use procedures and other formalities are perfected, and a review process of the land requisition and relocation area is completed by a third-party expert with a report issued and relevant costs settled, Chengwenqiong Expressway Company shall, within 30 days from receiving a payment request letter of Chongzhou Municipal People's Government, pay the remaining portion of the final settlement amount in full;
- (vi). The land requisition and relocation costs shall be paid by Chengwenqiong Expressway Company directly to Chongzhou Municipal People's Government;
- (vii). The land requisition and relocation costs shall be settled in accordance with the agreed-upon standards and based on the land requisition and relocation area reviewed by a third-party expert; and

(viii). Chongzhou Municipal People's Government shall, within 7 days from receiving each payment of the land requisition and relocation compensation costs from Chengwenqiong Expressway Company, issue to Chengwenqiong Expressway Company a settlement certificate (including but not limited to invoice, payment receipt, etc.) in full amount for the land requisition and relocation costs paid, and provide relevant information for the corresponding stage.

**Effective date**

The Land Requisition and Relocation Agreement for Chongzhou Section shall take effect from the date of signing.

As at the date of this announcement, the signing of the Land Requisition and Relocation Agreement for Chongzhou Section has not been completed. The Company will comply with applicable requirements under the Listing Rules when the Land Requisition and Relocation Agreement for Chongzhou Section is formally signed or when there arise any major changes in its terms.

**Land requisition  
schedule**

Conditional upon the payments of the land requisition and relocation funds in full amount and in accordance with the payment schedule above, Chongzhou Municipal People's Government shall deliver the construction land on time according to the construction land plan provided by Chengwenqiong Expressway Company to meet the needs of construction schedule.

### **III. GENERAL INFORMATION ON THE PARTIES**

Chengwenqiong Expressway Company, a wholly-owned subsidiary of the Company, is primarily engaged in the renovation, construction, operation, maintenance and repair of Chengwenqiong Expressway and collection of tolls from vehicles travelling through the expressway. The Group is primarily engaged in the operation, management and development of expressways located in and around Chengdu, Sichuan Province and also carries out retail of refined oil and operation of natural gas.

Chongzhou Municipal People's Government, being a government authority in Sichuan Province, is responsible for land requisition and relocation and related compensation in accordance with the approved compensation standards for land requisition and relocation.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Chongzhou Municipal People's Government is a third party independent of the Company and its connected persons.

#### **IV. INFORMATION ON CHENGWENQIONG EXPRESSWAY**

Chengwenqiong Expressway is a major part of the S8 provincial expressway and is of economic and cultural significance to western Chengdu. It is also the only expressway gateway within the region that connects Wenjiang, Chongzhou, Dayi, Qionglai and other major satellite cities of Chengdu.

Chengwenqiong Expressway starts from Wenjiachang Junction Interchange on Chengdu Ring Expressway and terminates at Sangyuan Interchange, Qionglai City, connecting Wenjiang District, Chongzhou City and Dayi County, with a designed speed of 100km per hour. It was completed and open to traffic in 2004, and has a total mileage of 65.6km, including two-way 6-lane section from Wenjiachang Junction Interchange to Chongzhou City, and two-way 4-lane section from Chongzhou City to Qionglai City. Since commencement of operation, Chengwenqiong Expressway has maintained a rapid increase in traffic volume, and currently suffers increasingly intensified traffic congestion.

#### **V. INFORMATION ON THE CHENGWENQIONG EXPRESSWAY EXPANSION PROJECT**

As stated in the circular of the Company dated 14 April 2023, Chengwenqiong Expressway serves as an important passage connecting western Chengdu. The Chengwenqiong Expressway Expansion Project has been incorporated into the Sichuan Expressway Network Planning (2022-2035) (《四川省高速公路網佈局規劃(2022-2035年)》), Sichuan Province's Plan to Strengthen the Transportation Infrastructure Construction of Chengdu-Chongqing Dual-city Economic Circle (《四川省加強成渝地區雙城經濟圈交通基礎設施建設規劃》), Sichuan Province's List of Key Projects of Comprehensive Transportation Construction Development Plan in the "14th Five-Year Period" (《四川省“十四五”綜合交通建設發展規劃重點項目清單》) and Chengdu's Key Projects Plan in 2023 (《2023年成都市重點項目計劃》).

The content of the Chengwenqiong Expressway Expansion Project is to expand Chengwenqiong Expressway along its original route subject to the two-way 8-lane standard. The Project will be constructed in the "Build-Operate-Transfer" (BOT) model, and will involve the Company as the project investor and Chengwenqiong Expressway Company as the project owner to conduct its financing and construction work. In March 2023, the General Office of the People's Government of Sichuan Province issued the official reply to Chengdu Municipal People's Government, pursuant to which, the aforementioned arrangement has been approved.

The Chengwenqiong Expressway Expansion Project is scheduled to begin construction within 2024, with a construction period of three years. The actual toll policy after the expansion of the Project will be subject to the final approval of the provincial government after completion of the Project. The estimated total investment is approximately RMB12.652 billion. The Project will be financed by, among other things, the Company's self-owned funds and bank loans. In August 2024, the Group obtained the approval from Sichuan Development and Reform Commission, thereby satisfying the conditions precedent for commencement of the Project.



## **VI. REASONS FOR AND BENEFITS OF THE INVESTMENT IN THE CHENGWENQIONG EXPRESSWAY EXPANSION PROJECT AND THE ENTERING INTO THE LAND REQUISITION AND RELOCATION AGREEMENT FOR CHONGZHOU SECTION**

Chengwenqiong Expressway serves as an important passage connecting western Chengdu. The Chengwenqiong Expressway Expansion Project has been incorporated into the Sichuan Expressway Network Planning (2022-2035) (《四川省高速公路網佈局規劃(2022-2035年)》), Sichuan Province's Plan to Strengthen the Transportation Infrastructure Construction of Chengdu-Chongqing Dual-city Economic Circle (《四川省加強成渝地區雙城經濟圈交通基礎設施建設規劃》), Sichuan Province's List of Key Projects of Comprehensive Transportation Construction Development Plan in the "14th Five-Year Period" (《四川省“十四五”綜合交通建設發展規劃重點項目清單》) and Chengdu's Key Projects Plan in 2023 (《2023年成都市重點項目計劃》), and thus it is supported by policy stimulus and the government. Having taken into account the internal rate of return, the Company expects that the Project will also bring favourable financial income to the Group.

As an important passage connecting urban agglomeration in western Chengdu, Chengwenqiong Expressway has an imminent demand for expansion given prolonged congestion on most of its road sections with the economic development. The Project will effectively mitigate the pressure on radial passages extending to western Chengdu, further shorten the time travelling from western counties and cities to downtown Chengdu, and enhance the economic influence of downtown Chengdu over western counties and cities. In addition, the successful implementation of the Project will expand the asset scale of the Company, strengthen the sustainability of the operation of quality assets of the Company, instill new vitality into the Company and improve the capability for sustainable development and operating quality of the Company.

Taking into account the reasons for and benefits of the Chengwenqiong Expressway Expansion Project as stated above, and considering that the entering into of the Land Requisition and Relocation Agreement for Chongzhou Section is a necessary step for implementing the Project (which has been considered and approved by the Board), the Board is of the view that the entering into of the transactions contemplated under the Land Requisition and Relocation Agreement for Chongzhou Section is fair and reasonable, carried out on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

## **VII. LISTING RULES IMPLICATIONS**

Subject to size test results at the time of the entering into of the Land Requisition and Relocation Agreement for Chongzhou Section, the transaction contemplated thereunder may constitute a discloseable transaction or a major transaction for the Company. When the Land Requisition and Relocation Agreement for Chongzhou Section is entered into, if the highest applicable percentage ratio exceeds 25% but is less than 100%, pursuant to Chapter 14 of the Listing Rules, the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder will constitute a major transaction of the Company, and accordingly are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules; if the highest applicable percentage ratio exceeds 5% but is less than 25%, pursuant to Chapter 14 of the Listing Rules, the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder will constitute a discloseable transaction of the Company, and accordingly are subject to the reporting and announcement requirements, but are exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, none of the Shareholders and their respective associates has any material interest in the Land Requisition and Relocation Agreement for Chongzhou Section, and no Shareholder is required to abstain from voting in favour of the resolution approving the entering into the Land Requisition and Relocation Agreement for Chongzhou Section. As of the date of this announcement, Communications Investment Construction and Management (one of the controlling shareholders of the Company) which directly holds 900,000,000 Shares in the Company, representing approximately 54.34% of the issued share capital of the Company, has provided a written consent for the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder (i.e. the possible major transaction) in accordance with Rule 14.44 of the Listing Rules, in lieu of convening a general meeting of the Company. Therefore, in accordance with Rule 14.44 of the Listing Rules, the Company will not convene a general meeting for approving the Land Requisition and Relocation Agreement for Chongzhou Section and the transaction contemplated thereunder.

## VIII. DEFINITIONS

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

“Board”	the board of Directors of the Company
“Chengwenqiong Expressway Company”	Chengdu Chengwenqiong Expressway Co., Ltd. (成都成溫邛高速公路有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Chengwenqiong Expressway Expansion Project” or “Project”	the expansion project of Chengdu-Wenjiang-Qionglai expressway
“Chongzhou Municipal People's Government”	Chongzhou Municipal People's Government of Sichuan Province
“Chengwenqiong Expressway”	the expressway connects Chengdu to Qionglai via Wenjiang
“Communications Investment Construction and Management”	Chengdu Communications Investment Transportation Construction and Management Group Co., Ltd. (成都交投交通建設管理集團有限公司), formerly known as 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

“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
“Director(s)”	the director(s) 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
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Land Requisition and Relocation Agreement for Chongzhou Section”	the land requisition and relocation implementation agreement (for Chongzhou section) to be entered into between Chengwenqiong Expressway Company and Chongzhou Municipal People’s Government for the Chengwenqiong Expressway Expansion Project
“PRC”	the People’s Republic of China, excluding, solely for the purpose of this announcement, Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share(s)” or “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
“Shareholder(s)”	registered holders(s) of the Shares

“toll policy”

toll rates and toll periods

“%”

per cent

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

Chengdu, the PRC, 11 December 2024

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