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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 CONSTRUCTION COMPENSATION AGREEMENT**

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The Board hereby announces that due to the implementation of the Fenghuang Interchange Construction Project at the MK2+460~MK5+511.60 section of Chengming Expressway (Chengwenqiong Section) by Xingrongxi Urban Construction and Development Company (a non-wholly owned subsidiary of Chengdu Communications Investment, a controlling shareholder of the Company), which needs to occupy and damage part of the road and greening of such section, and such section is operated, maintained and managed by Operation Company (a wholly-owned subsidiary of the Company) as entrusted by Chengwenqiong Expressway Company (a wholly-owned subsidiary of the Company). On 23 January 2025, Operation Company, Xingrongxi Urban Construction and Development Company and Chengwenqiong Expressway Company entered into the Construction Compensation Agreement, pursuant to which Operation Company agreed to allow Xingrongxi Urban Construction and Development Company to carry out the Project Construction, and Xingrongxi Urban Construction and Development Company shall pay the construction compensation to Chengwenqiong Expressway Company.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Xingrongxi Urban Construction and Development Company is a non-wholly owned subsidiary of Chengdu Communications Investment, a controlling shareholder of the Company, and is an associate of Chengdu Communications Investment under Chapter 14A of the Listing Rules, and is therefore a connected person of the Company. The Construction Compensation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transaction exceeds 0.1% but all of them are less than 5%, the transaction shall be subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

The Board hereby announces that due to the implementation of the Fenghuang Interchange Construction Project at the MK2+460~MK5+511.60 section of Chengming Expressway (Chengwenqiong Section) by Xingrongxi Urban Construction and Development Company (a subsidiary of Chengdu Communications Investment, a controlling shareholder of the Company), which needs to occupy and damage part of the road and greening of such section, and such section is operated, maintained and managed by Operation Company (a wholly-owned subsidiary of the Company) as entrusted by Chengwenqiong Expressway Company (a wholly-owned subsidiary of the Company). On 23 January 2025, Operation Company, Xingrongxi Urban Construction and Development Company and Chengwenqiong Expressway Company entered into the Construction Compensation Agreement, pursuant to which Operation Company agreed to allow Xingrongxi Urban Construction and Development Company to carry out the Project Construction, and Xingrongxi Urban Construction and Development Company shall pay the construction compensation to Chengwenqiong Expressway Company.

## **THE CONSTRUCTION COMPENSATION AGREEMENT**

The principal terms of the Construction Compensation Agreement are set out below:

Date: 23 January 2025

Parties:

- (1) Operation Company;
- (2) Xingrongxi Urban Construction and Development Company;
- (3) Chengwenqiong Expressway Company

Subject matter: Operation Company agreed to allow Xingrongxi Urban Construction and Development Company to carry out the construction of the Fenghuang Interchange Construction Project at the MK2+460~MK5+511.60 section (Chengwenqiong Section), and Xingrongxi Urban Construction and Development Company shall pay the construction compensation to Chengwenqiong Expressway Company.

Amount and payment of compensation:

After arm's length negotiation between the parties, within 15 working days from the date of signing of the Construction Compensation Agreement, Xingrongxi Urban Construction and Development Company shall pay a fixed compensation fee totaling RMB27,983,873.46 to Chengwenqiong Expressway Company in one lump sum based on the following standards:

1. Temporary occupation fee: RMB24,545,760 (tax inclusive).

In accordance with the relevant provisions on temporary occupation compensation standards as stipulated in the Opinions on the Coordination of Construction Management of Highway, Railway and Transmission Line Intersection and Crossing or Relocation Projects (Chuan Fa Gai Xiang Mu [2010] No. 393) (《公路、鐵路、輸電綫路相互交叉跨(穿)越或遷改工程建設管理協調意見》(川發改項目[2010]393號)), the Notice on Compensation for Highway Property Damage and Occupation (Chuan Fa Gai Jia Ge [2012] No. 811) (《關於公路路產損壞、佔用賠(補)償費的通知》(川發改價格[2012]811號)) and the Notice of the Sichuan Provincial Department of Transportation on Forwarding the Notice of the Sichuan Provincial Development and Reform Commission and the Sichuan Provincial Department of Finance on Continuing to Implement the Compensation Standards for Highway Property Damage and Occupation in Sichuan Province (Chuan Jiao Gong Lu Bian [2024] No. 408) (《四川省發展和改革委員會四川省財政廳關於繼續執行我省公路路產損壞、佔用賠(補)償收費標準的通知》(川交公路便[2024]408號)), the fee shall be determined by "unit price of temporary occupation fee \* area of occupation \* time of occupation". The Project Construction will temporarily occupy six road sections, which mainly include the area of difference in width of Baotong Road and the area of difference in width of overpass of the southern half of the elevated road; and the unit price of temporary occupation fee and the number of days of occupation vary for different occupied locations, with the unit price ranging from RMB1/day/ m<sup>2</sup> to RMB1.5/day/ m<sup>2</sup>, the number of days of occupation ranging from 30 days to 230 days and the temporary occupation area of each location ranging from 1,100 m<sup>2</sup> to 41,711 m<sup>2</sup>.

2. Permanent occupation fee: RMB846,233.46 (tax inclusive).

In accordance with the relevant provisions on permanent occupation compensation standards as stipulated in relevant documents of the governmental authorities of Chengdu, the fee shall be determined by “unit price of permanent occupation fee \* area of occupation”. The Project Construction will permanently occupy a road section with an area of 1,880.5 m<sup>2</sup> (equivalent to approximately 2.82 mu) at a unit price of RMB300,000/mu.

3. Greening compensation fee: RMB2,441,880 (tax inclusive).

In accordance with the relevant provisions of the Notice on Compensation for Highway Property Damage and Occupation (Chuan Fa Gai Jia Ge [2012] No. 811) (《關於公路路產損壞、佔用賠(補)償費的通知》(川發改價格[2012]811號)) and the Notice of the Sichuan Provincial Department of Transportation on Forwarding the Notice of the Sichuan Provincial Development and Reform Commission and the Sichuan Provincial Department of Finance on Continuing to Implement the Compensation Standards for Highway Property Damage and Occupation in Sichuan Province (Chuan Jiao Gong Lu Bian [2024] No. 408) (《四川省發展和改革委員會四川省財政廳關於繼續執行我省公路路產損壞、佔用賠(補)償收費標準的通知》(川交公路便[2024]408號)), the fee shall be determined by “unit price of greening compensation fee \* damaged quantity”. The Project Construction will damage certain types of green plants and seedlings totaling approximately 4,000 plants (bushes), and the unit price varies for different types of green plants and seedlings, ranging from RMB120/plant (bush) to RMB2,400/plant (bush).

4. Safety monitoring and construction coordination fee: RMB150,000 (tax inclusive).

In accordance with the relevant provisions of the Opinions on the Coordination of Construction Management of Highway, Railway and Transmission Line Intersection and Crossing or Relocation Projects (Chuan Fa Gai Xiang Mu [2010] No. 393) (《公路、鐵路、輸電綫路相互交叉跨(穿)越或遷改工程建設管理協調意見》(川發改項目[2010]393號)), the fee shall be determined based on the fixed fee of RMB50,000 per section. There are three sections on the Project Construction that require safety monitoring and construction coordination by Operation Company.

*Note:* The construction of the Fenghuang Interchange Construction Project will not affect vehicular traffic and therefore no traffic flow compensation is required.

Payment and refund of  
performance deposit

In order to ensure construction safety, Xingrongxi Urban Construction and Development Company shall, within 15 working days from the date of signing the Construction Compensation Agreement, pay RMB5,000,000 in one lump sum to Chengwenqiong Expressway Company as performance deposit for road property restoration and urban and rural environmental protection.

After Xingrongxi Urban Construction and Development Company passes the project delivery and acceptance inspection and provides the delivery and acceptance report, Chengwenqiong Expressway Company will refund the aforesaid performance deposit without any interest within 30 working days from the date of completion of relevant settlement procedures. If Xingrongxi Urban Construction and Development Company breaches the contract, Chengwenqiong Expressway Company may deduct the amount from the performance deposit for road property restoration and urban and rural environmental protection, and any shortfall shall be made up by Xingrongxi Urban Construction and Development Company within 10 working days from the date of deduction.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE CONSTRUCTION COMPENSATION AGREEMENT**

The new Fenghuang Interchange Construction Project of Chengming Expressway (Chengwenqiong Section) is located between the Chengdu Ring Expressway and the Second Ring Expressway, which will help the Ring Expressway to divert urban transit traffic, meet the needs of regular national highways passing through Chengdu, and play a crucial role in promoting Chengdu's construction as a comprehensive transportation hub and strengthening Chengdu's radiating influence throughout the province and even in Western China.

The Project Construction will occupy and damage part of the roads and greening of Chengwenqiong Expressway. But through the signing of the Construction Compensation Agreement, Chengwenqiong Expressway Company can receive fair and reasonable compensation for the said occupation and damage, and the completion of the project can enhance the efficiency of the road traffic and improve the distribution of the expressway network, which has a positive impact on the operation of Chengwenqiong Expressway.

The Directors (including the independent non-executive Directors) consider that the Construction Compensation Agreement is not entered into in the ordinary and usual course of business of the Company and on normal commercial terms, but the terms and conditions of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Chengdu Communications Investment is one of the controlling shareholders of the Company, holds 72.46% equity interests in the Company directly and indirectly through Communications Investment Construction and Management, and Xingrongxi Urban Construction and Development Company is a non-wholly owned subsidiary of Chengdu Communications Investment and an associate of Chengdu Communications Investment under Chapter 14A of the Listing Rules, and is therefore a connected person of the Company. The Construction Compensation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transaction exceeds 0.1% but all of them are less than 5%, the transaction shall be subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, none of the Directors has a material interest in the Construction Compensation Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolution at the Board meeting.

## **GENERAL INFORMATION OF THE PARTIES**

### **Operation Company**

Operation Company is a wholly-owned subsidiary of the Company, and is an expressway operation and management company which integrates operation and management as well as asset management of expressways. 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.

### **Chengwenqiong Expressway Company**

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.

### **Xingrongxi Urban Construction and Development Company**

Xingrongxi Urban Construction and Development Company is a company incorporated in the PRC with limited liability and is a non-wholly owned subsidiary of Chengdu Communications Investment, and is primarily engaged in construction, construction engineering design, road management and maintenance. As at the date of this announcement, Xingrongxi Urban Construction and Development Company is held as to approximately 62.67% by Chengdu Communications Investment (including directly holding approximately 51% and through two of its wholly-owned subsidiaries, Communications Investment Construction and Management and Chengdu Communications Investment Construction Co., Ltd. (成都交投建設有限公司), holding approximately 10.67% and 1%, respectively), and as to approximately 33.33%, 3% and 1% by the other shareholders, namely, CCCC First Harbour Engineering Co., Ltd. (中交第一航務工程局有限公司), Chengdu Wenjiang Xingrongxi City Operation Group Co., Ltd. (成都溫江興蓉西城市運營集團有限公司) and PowerChina Road and Bridge Group Co., Ltd. (中電建路橋集團有限公司), respectively. Chengdu Communications Investment is one of the controlling shareholders of the Company, and is primarily engaged in the investment, the financing of and the construction, development, operation and management of transportation infrastructure in Sichuan province, and its ultimate beneficial owner is Chengdu Municipal State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會).

## DEFINITIONS

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

“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
“Chengwenqiong Expressway”	the expressway connects Chengdu to Qionglai via Wenjiang
“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
“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
“Construction Compensation Agreement”	the Agreement on Safety Management and Road Property Compensation for the New Fenghuang Interchange Construction Project of Chengming Expressway (Chengwenqiong Section) (《成名高速(成溫邛段)新增鳳凰互通立交工程項目安全管理與路產賠(補)償協議》) entered into between Operation Company, Xingrongxi Urban Construction and Development Company and Chengwenqiong Expressway Company on 23 January 2025
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and/or 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 listed and traded on the Stock Exchange
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Operation Company”	Chengdu Expressway Operation Management Co., Ltd. (成都高速運營管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Project Construction”	the proposed construction of the Fenghuang Interchange Construction Project at the MK2+460~MK5+511.60 section of Chengming Expressway (Chengwenqiong Section) by Xingrongxi Urban Construction and Development Company
“percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, 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
“Xingrongxi Urban Construction and Development Company”	Chengdu Communications Investment Xingrongxi Urban Construction and Development Co., Ltd. (成都交投興蓉西城市建設開發有限公司), a company incorporated in the PRC with limited liability
“%”	per cent

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

Chengdu, the PRC, 23 January 2025

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