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If you have sold or transferred all your shares in **Chengdu Expressway Co., Ltd.**, you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors 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
“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
“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
“Domestic Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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

DEFINITIONS

“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
“Latest Practicable Date”	20 January 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding, solely for the purpose of this circular, 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of the Company, including Domestic Shares and H Shares
“Shareholder(s)”	registered holders(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yang Tan
Mr. Xia Wei
Mr. Ding Dapan

Non-executive Directors:

Ms. Wu Haiyan
Mr. Jiang Xinliang

Independent non-executive Directors:

Mr. Leung Chi Hang Benson
Mr. Qian Yongjiu
Mr. Wang Peng

Registered office:

9th Floor, Youyi Data Building
No. 28 Jingyuan East Road
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Pidu District
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Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

24 January 2025

To the Shareholders

Dear Sir or Madam,

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

I. INTRODUCTION

References are made to:

- (i). the announcements dated 12 May 2023 and 1 March 2023, as well as the circular dated 14 April 2023 (the “**Circular**”) 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; and
- (ii). the announcement dated 11 December 2024 of the Company in relation to the proposed entering into of the Land Requisition and Relocation Agreement for Chongzhou Section.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details regarding, among other things, the Land Requisition and Relocation Agreement for Chongzhou Section.

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:

Parties	<ul style="list-style-type: none">(i). Chengwenqiong Expressway Company; and(ii). Chongzhou Municipal People's Government
Requisition matters	<p>Chengwenqiong Expressway Company shall be responsible for the following matters, including:</p> <ul style="list-style-type: none">(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;(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;(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;(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;(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;

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- (vi). Publicize to, educate and manage the parties involved in the construction for safe and good construction practices;
- (vii). Submit a land use plan to Chongzhou Municipal People's Government according to the construction plan and arrangements;
- (viii). Bear the additional land requisition and relocation costs incurred due to the reasons on the part of Chengwenqiong Expressway Company; and
- (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;

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- (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 approximately RMB810.70 million, including demolition fee for approximately 1,236.7 mu of land of approximately RMB742.03 million, and expected auxiliary road relocation subsidy and off-line construction cost of approximately RMB68.66 million, 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 the Chengdu Municipal Government.

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As the compensation amounts for the Project are uniformly determined in accordance with the policy documents determined by the Chengdu Municipal Government after study, the Board considers that the basis of the determination of the consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

**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;

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- (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 Latest Practicable Date, 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.

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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 Latest Practicable Date, Chongzhou Municipal People's Government is a third party independent of the Company and its connected persons.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Chongzhou Municipal People's Government, and any ultimate beneficial owner(s) who can exert influence on the transactions contemplated under the Land Requisition and Relocation Agreement for Chongzhou Section; and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the transactions contemplated under the Land Requisition and Relocation Agreement for Chongzhou Section.

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, 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 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.

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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. 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. On 1 March 2023, the People’s Government of Sichuan Province issued the Reply Letter on Matters Relating to the Construction of Chengdu-Wenjiang-Qionglai Expressway Expansion Project (Chuan Ban Han [2023] No. 16) (《關於建設成都經溫江至邛峽高速公路擴容項目有關事宜的復函》(川辦函[2023]16號)). 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.

Currently, the ownership of the Chengwenqiong Expressway belongs to the state, and the concession right belongs to Chengwenqiong Expressway Company. The current operating period will expire in January 2035. According to relevant policies and regulations, after the completion of the construction of the Project, the tolling policy (including tolling period, tolling standard and tolling mode) will be re-determined by and subject to the final approval of the Sichuan Provincial People’s Government, which may bring further financial benefits to the Group. The Company will continue to maintain communication with the relevant government authorities to strive for the most favorable tolling policy.

According to the pre-project feasibility study and internal estimates, after the completion of the Project, the traffic volume is expected to rise, and the investment in the Project will be recovered within the expected re-determined tolling period. The expected internal rate of return of the Project is higher than the five-year loan prime rate published by the National Interbank Funding Center, and the net present value is positive. Therefore, it is expected that the Project will bring favourable financial income to the Group.

LETTER FROM THE BOARD

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 any of 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 on the resolution approving the entering into of the Land Requisition and Relocation Agreement for Chongzhou Section. Communications Investment Construction and Management 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.

LETTER FROM THE BOARD

For Shareholders' reference, the Directors are of the view that the Land Requisition and Relocation Agreement for Chongzhou Section and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole, and would have recommended the Shareholders to vote in favour of such resolution based on the reasons set out in this letter if the Company were to convene a general meeting for the approval of the Land Requisition and Relocation Agreement for Chongzhou Section and voting was required.

By order of the Board
Chengdu Expressway Co., Ltd.
Yang Tan
Chairman

1. FINANCIAL OVERVIEW OF THE GROUP

The financial information of the Company for the year ended 31 December 2023 is set out in the 2023 annual report of the Company, the financial information of the Company for the year ended 31 December 2022 is set out in the 2022 annual report of the Company, and the financial information of the Company for the year ended 31 December 2021 is set out in the 2021 annual report of the Company, which are available for inspection on the websites of the Company (www.chengdugs.com) and the Stock Exchange (www.hkexnews.hk).

- The 2023 annual report of the Company is available at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042400574.pdf?code=01785>

- The 2022 annual report of the Company is available at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0413/2023041300421.pdf?code=01785>

- The 2021 annual report of the Company is available at:

www1.hkexnews.hk/listedco/listconews/sehk/2022/0406/2022040600812.pdf?code=01785

2. INDEBTEDNESS STATEMENT OF THE GROUP

As at 30 November 2024, being the most recent practicable date of the Group, for the purpose of this statement of indebtedness, the Group had the following outstanding indebtedness:

(a) Bank loans and medium term notes

- (i) As at 30 November 2024, the Group had total interest-bearing bank loans of RMB2,176,281,765, of which RMB1,855,000,000 were pledged and guaranteed, RMB143,000,000 were pledged, RMB64,281,765 were mortgaged, RMB42,000,000 were guaranteed, and RMB72,000,000 were unsecured; and
- (ii) As at 30 November 2024, the Group had outstanding medium term notes of RMB300,000,000 issued to domestic institutional investors participating in the PRC interbank debt market.

(b) Contingent Liabilities

As at 30 November 2024, the Group had no material contingent liabilities and guarantees.

(c) Lease Liabilities

As at 30 November 2024, Group had lease liabilities of RMB51,005,000. These lease liabilities were unsecured and unguaranteed.

Save as those disclosed above or elsewhere in this circular and except for the inter-group liabilities during the ordinary course of business and normal trade payables, as at 30 November 2024, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance leases commitments, guarantees or other contingent liabilities.

3. WORKING CAPITAL OF THE GROUP

The Directors are of the opinion that, following completion of the Land Requisition and Relocation Agreement for Chongzhou Section and in the absence of unforeseeable circumstances, after taking into account the Group's business prospects, internal resources and available credit facilities, the Group will have sufficient working capital for its requirements for at least the next 12 months from the date of this circular.

4. FINANCIAL AND OPERATING PROSPECT OF THE GROUP

China's economy has a stable foundation, multiple advantages, strong resilience and great potential, and a series of incremental policies to be implemented in 2025 will form a strong support for economic growth. Despite the complex external environment, the fundamentals of China's economy remain unchanged in the long term. Under this macro environment, the Group will persist in focusing on its principal business, tapping business potentials and coordinating operations.

In terms of the expressway segment, firstly, the Group will continuously improve the quality of scientific management and maintenance, strengthen the brand effect, and continue to maintain its operational service advantages; secondly, the Group will fully implement safety responsibilities, focus on the investigation and management of potential hazards, safety precautions during flood seasons and safety management of severe weather conditions in winter, and strive to prevent all kinds of sudden safety hazards and accidents caused by extreme weather conditions and ensure traffic safety; thirdly, the Group will seek investment and merger and acquisition opportunities for high-quality projects, and continue to advance into extended industries such as service area operations and expressway entrusted operations, forming part of the "Expressway+" business, in order to expand, strengthen and optimize the overall performance of this segment; and fourthly, the Group will speed up the implementation of Chengwenqiong Expressway Expansion Project, and proactively make arrangements and traffic organisation following commencement of construction, so as to minimise the impact of construction on traffic flow.

In terms of the energy segment, the Group will continue to implement measures to reduce costs and increase efficiency, focus on the daily operation and management of petrol stations, and provide high-level and diversified management services for vehicles passing through. At the same time, relying on the resources of existing stations, the Group will make overall plans to promote the construction of new energy vehicle charging stations and the expansion of operation services, strive to cultivate new growth drivers and promote the rapid development of new energy business.

5. FINANCIAL IMPACT OF TRANSACTIONS CONTEMPLATED UNDER THE LAND REQUISITION AND RELOCATION AGREEMENT FOR CHONGZHOU SECTION

The Project will be financed by, among other things, the Company's self-owned funds and bank loans. The Group's cash and cash equivalents are expected to decrease, and the Group's external financing may increase after the completion of the transactions contemplated under the Land Requisition and Relocation Agreement for Chongzhou Section.

The Group also expects that all amounts paid under the Land Requisition and Relocation Agreement for Chongzhou Section will be recorded and included in the Group's consolidated balance sheet as concession rights under intangible assets in an amount of approximately RMB810.70 million after completion of the transactions contemplated under the Land Requisition and Relocation Agreement for Chongzhou Section. The book value of the concession rights under intangible assets was RMB4,587,513,386 as of 30 November 2024.

The interest costs of external financing (where applicable) attributable to the transactions contemplated under the Land Requisition and Relocation Agreement for Chongzhou Section are expected to be determined based on the actual borrowing amount, borrowing interest rate, borrowing term and the construction period of the Chengwenqiong Expressway Expansion Project and included in the Group's consolidated balance sheet as concession rights under intangible assets. Therefore, the Group expects that such interest costs will not affect the Group's consolidated income statements and net profit before completion of the Chengwenqiong Expressway Expansion Project.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, based on the information available to the Company and to the best knowledge of the Directors, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, based on the information available to the Company and to the best knowledge of the Directors, the following persons (other than the Company's Directors, Supervisors and chief executive) or corporations had interests or short positions in the Shares or underlying Shares of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 336 of the SFO:

Domestic Shares

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Chengdu Communications Investment ¹	Interest in controlled corporation	Domestic Shares	Long position	900,000,000	100%	72.46%
	Beneficial owner	Domestic Shares	Long position	300,000,000		
Communications Investment Construction and Management ²	Beneficial owner	Domestic Shares	Long position	900,000,000	75%	54.34%

Notes:

- Chengdu Communications Investment is held by the State-owned Assets Supervision and Administration Commission of Chengdu Municipal Government and Sichuan Provincial Finance Department as to 90% and 10%, respectively.
- Communications Investment Construction and Management is wholly owned by Chengdu Communications Investment.

H Shares

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Guangdong Provincial Communication Group Company Limited (廣東省交通集團有限公司) ¹	Interest in controlled corporation	H Shares	Long position	100,000,000	21.92%	6.04%
Xin Yue Company Limited (新粵有限公司) ¹	Beneficial owner	H Shares	Long position	100,000,000	21.92%	6.04%
Chengdu Jiaozi Financial Holding Group Co., Ltd. (成都交子金融控股集團有限公司)	Beneficial owner	H Shares	Long position	50,000,000	10.96%	3.02%
Chengdu Rail Transit Group Co., Ltd. (成都軌道交通集團有限公司) ²	Interest in controlled corporation	H Shares	Long position	49,950,000	10.95%	3.02%
Chengdu Rail Industrial Investment Group Co., Ltd. (成都軌道產業投資集團有限公司)(formerly known as Chengdu Rail Industrial Investment Co., Ltd. (成都軌道產業投資有限公司)) ²	Beneficial owner	H Shares	Long position	49,950,000	10.95%	3.02%
Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司) ³	Investment manager	H Shares	Long position	49,900,000	10.94%	3.01%
Chengdu Urban Construction Investment Management Group Co., Ltd. (成都城建投資管理集團有限責任公司)	Beneficial owner	H Shares	Long position	49,900,000	10.94%	3.01%
Chengdu Environment Investment Group Company Limited (成都環境投資集團有限公司)	Beneficial owner	H Shares	Long position	45,450,000	9.96%	2.74%
Chengdu Tianfu New Area Investment Group Co., Ltd. (成都天府新區投資集團有限公司) ⁴	Interest in controlled corporation	H Shares	Long position	42,939,000	9.41%	2.59%

Name of Shareholders	Nature of interest and capacity	Class of Shares	Long position/ Short position	Number of Shares interested	Percentage of relevant class of Shares	Percentage of total issued Share capital
Sichuan Tianfu New Area Capital Investment Co., Ltd. (四川天府新區資本投資有限公司) ⁴	Trust beneficiary	H Shares	Long position	42,939,000	9.41%	2.59%
Chengdu Industry Investment Group Co., Ltd. (成都產業投資集團有限公司) ⁵	Interest in controlled corporation	H Shares	Long position	25,646,000	5.62%	1.55%
Chengdu Advanced Manufacturing Industry Investment Co., Ltd. (成都先進製造產業投資有限公司) ⁵	Beneficial owner	H Shares	Long position	25,646,000	5.62%	1.55%

Notes:

- (1) Guangdong Provincial Communication Group Company Limited holds interests in 100,000,000 H Shares of the Company through its wholly-owned subsidiary, Xin Yue Company Limited.
- (2) Chengdu Rail Industrial Investment Group Co., Ltd. is wholly-owned by Chengdu Rail Transit Group Co., Ltd.. Chengdu Rail Industrial Investment Group Co., Ltd. holds interests in 49,950,000 H Shares of the Company through investment in the trust scheme of China Credit Trust Co., Ltd (中誠信託有限責任公司).
- (3) As an investment manager, Fullgoal Fund Management Co., Ltd. holds interests in 49,900,000 H Shares of the Company. The fund it manages is the Fullgoal Fund Global Allocation No. 6 QDII-Asset Management Plan (富國基金全球配置6號QDII – 資產管理計劃).
- (4) Chengdu Tianfu New Area Investment Group Co., Ltd. holds 100% interests in Sichuan Tianfu New Area Capital Investment Co., Ltd. (formerly known as Chengdu Tianfu Capital Investment Co., Ltd. (成都天府資本投資有限公司)). Sichuan Tianfu New Area Capital Investment Co., Ltd. holds interests in 42,939,000 H Shares of the Company through investment in the trust scheme of China Credit Trust Co., Ltd..
- (5) Chengdu Advanced Manufacturing Industry Investment Co., Ltd. is wholly owned by Chengdu Industry Investment Group Co., Ltd. Chengdu Advanced Manufacturing Industry Investment Co., Ltd. is interested in 25,646,000 H Shares of the Company through investment in the Chengxin No. 103 Trusted Overseas Wealth Management Project of China Credit Trust (中誠信託誠信海外配置103號受託境外理財項目).

Save as disclosed above, as at the Latest Practicable Date, the Company is not aware of any other person (other than Directors, Supervisors or chief executive of the Company) or corporation which had an interest or short position in the Shares or underlying Shares of the Company which would be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no material adverse change in the financial or operating condition of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group was not involved in any litigation or claim of material importance pending or threatened against it.

6. INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or Supervisors or any of their respective close associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group.

7. INTERESTS OF DIRECTORS AND SUPERVISORS IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since 31 December 2023, being the date of the latest published audited financial statements of the Group. None of the Directors or Supervisors or any of their respective associates was materially interested in any contract or arrangement which was significant in relation to the business of the Group subsisting as at the Latest Practicable Date.

8. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors had entered, or proposed to enter, into a service contract with any member of the Group which will not expire within one year nor determinable by the employer within one year without payment of compensation (other than statutory compensation).

9. DIRECTORS' AND SUPERVISORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following Directors and Supervisors were in the employment of those companies which had interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Director/Supervisor	Positions held in substantial shareholders
Ms. Wu Haiyan	supervisor of Communications Investment Construction and Management
Mr. Jiang Xinliang	head of the investment and operation department of Xin Yue Company Limited (新粤有限公司)
Ms. Jiang Yan	director of Communications Investment Construction and Management
Mr. Zhang Chengyi	party committee secretary and chairman of the board of directors of Communications Investment Construction and Management
Mr. Zhang Yi	director of investment and operation department of Communications Investment Construction and Management

10. MATERIAL CONTRACTS

No material contracts (not being contracts entered into in the ordinary course of business) have been entered into by any member of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date.

11. MISCELLANEOUS

- a. the company secretary of the Company is Ms. Kwong Yin Ping, Yvonne. Ms. Kwong received a bachelor's degree in accounting from Hong Kong Polytechnic University in November 1997. She has been a fellow of The Hong Kong Institute of Chartered Secretaries and a fellow of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) since December 2012;
- b. the registered office of the Company is situated at 9th Floor, Youyi Data Building, No. 28 Jingyuan East Road, Deyuan town (Jingrong town), Pidu District, Chengdu, Sichuan, the PRC, and its principal place of business in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong;
- c. the H Share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

12. DOCUMENTS ON DISPLAY

The proposed Land Requisition and Relocation Agreement for Chongzhou Section to be entered into will be published on the HKEx news website (<http://www.hkexnews.hk>) and the website of the Company (<http://www.chengdugs.com/>) for 14 days from the date of this circular (both days inclusive).