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四川成渝高速公路股份有限公司
Sichuan Expressway Company Limited*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00107)

CONNECTED TRANSACTION

BUILDING CONSTRUCTION AGREEMENT

On 15 September 2014, Suiguang Suixi Company, a wholly-owned subsidiary of the Company, entered into the Building Construction Agreement with Expressway Construction Company, pursuant to which the Company agreed to engage Expressway Construction Company as the contractor to undertake the construction project of Section SX-FJ1 of Suixi Building Construction Project at the consideration of RMB49,517,584.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Expressway Construction Company is a subsidiary controlled by Sichuan Highway Development, which is in turn wholly-owned by STI, the controlling shareholder of the Company. As such, pursuant to Rule 14A.07(4) of the Listing Rules, Expressway Construction Company is a connected person of the Company and the transaction contemplated under the Building Construction Agreement constitutes a connected transaction of the Company.

As one or more applicable percentage ratios (other than the profits ratio) in respect of the transaction contemplated under the Building Construction Agreement is over 0.1% but less than 5%, the Building Construction Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

BUILDING CONSTRUCTION AGREEMENT

On 15 September 2014, Suiguang Suixi Company, a wholly-owned subsidiary of the Company, entered into the Building Construction Agreement with Expressway Construction Company, the principal terms of which are set out as follows:

Date	:	15 September 2014
Parties	:	Suiguang Suixi Company (as contractee) Expressway Construction Company (as contractor)
Construction Area	:	Section SX-FJ1 (from K0+000 to K67+644) of Suixi Expressway, with a total length of approximately 67.644 km.
Contents of Construction Work	:	The construction of management offices, toll stations, housing within the service area together with ancillary water supply, drainage, power supply and communication facilities and field areas, etc. within the construction area.
Consideration	:	RMB49,517,584

The contractor (i.e. Expressway Construction Company) was selected and the consideration was determined in accordance with the relevant tender laws, including the Tender Law of the People's Republic of China (《中華人民共和國招標投標法》) and industry regulations through public tender chaired and assessed by a bidding evaluation committee comprised of 2 tender representatives from Suiguang Suixi Company and 5 economic or technical experts randomly chosen from the Comprehensive Evaluation Experts Base of Sichuan (四川省綜合評標專家庫) pursuant to the evaluation and review procedures in the bidding documents. The bidding evaluation committee had considered the price quotations, construction plans, qualifications and reputations of the tenderors, etc. in selection of the contractor.

Payment term : The consideration shall be paid on a monthly basis with reference on the volume of construction work completed in that particular month. If the monthly payment is less than RMB500,000, the balance will be accrued in the payment next month. Suiguang Suixi Company may retain 5% of such monthly payment as retention money. The total amount of the retention money withheld is 5% of the total consideration (including any adjustments).

Suiguang Suixi Company shall release half of such retention money to Expressway Construction Company within 28 days from the issuance date of the Completion Certificate (as defined below), and release the other half within 28 days from the issuance date of the Certificate of Termination of Defect Liability (as defined below).

The consideration will be paid in cash financed by internal resources and/or bank borrowings of Suiguang Suixi Company.

Construction Period : 10 months.

Maintenance Period : After completion and examination of the construction work by Construction Quality Supervision Bureau of Sichuan Provincial Transportation Department (四川省交通運輸廳工程質量監督局) and the local municipal transport construction quality supervision office, Suiguang Suixi Company will issue a completion certificate (the “**Completion Certificate**”).

The maintenance period is 24 months (of which the maintenance period of the waterproof works of rooftops, bathrooms with waterproof requirements, and anti-leakage work of rooms and outer-walls is 60 months) commencing from the date of the Completion Certificate.

Upon expiry of the maintenance period, a qualified supervising engineer will issue the certificate of termination of defect liability (the “**Certificate of Termination of Defect Liability**”).

Performance Guarantee : Expressway Construction Company shall pay 10% of total consideration (i.e. RMB4,951,758) as performance bank guarantee and excessive performance guarantee in cash of RMB72,750,000 to Suiguang Suixi Company. The performance bank guarantee shall be returned to Expressway Construction Company within 14 days from the issuance date of the Completion Certificate. The excessive performance guarantee in cash shall be returned by Suiguang Suixi Company after the commencement of the construction work in accordance with the construction progress of Expressway Construction Company, of which 10% will be returned at the first settlement, while the remaining amount will be returned by installments with reference to the performance such as contractor’s construction progress, quality, safety, environmental protection, management on workers’ salaries, etc. and requirements of the competent authorities (including the prevailing interest of current bank deposit).

REASONS FOR AND BENEFITS OF ENTERING INTO THE BUILDING CONSTRUCTION AGREEMENT

Reference is made to the announcements and circular of the Company dated 19 October 2011, 21 November 2011 and 28 November 2011 in relation to, among other things, the Group’s investment in the Suiguang-Suixi Expressways BOT Project and the reasons for and benefits of such investment. As the Building Construction Agreement forms part of the construction of the Suixi Expressway under Suiguang-Suixi Expressways BOT Project, it satisfies the construction requirements of Suiguang-Suixi Expressways BOT project carried out by Suiguang Suixi Company.

The Directors (including the independent non-executive Directors) are of the view that the Building Construction Agreement is entered into in the ordinary and usual course of business of the Group and the terms contained therein are normal commercial terms and the transaction contemplated under the Building Construction Agreement takes place through public bidding, is fair and reasonable and in the interests of the Group and the Shareholders taken as a whole.

According to the internal rules of the Company, the relevant resolutions in respect of the Building Construction Agreement and the transactions contemplated thereunder shall be subject to approval of general manager's office of the Company instead of the Board's approval. Therefore, none of the Directors is required to abstain from voting at the board meeting.

INFORMATION OF SUIGUANG SUIXI COMPANY AND EXPRESSWAY CONSTRUCTION COMPANY

Suiguang Suixi Company is a limited company established in the PRC which is wholly-owned by the Company as at the date of this announcement. It mainly engages in the preparation, construction, operation, management and transfer of Suiguang-Suixi Expressways BOT Project.

Expressway Construction Company is a limited company established in the PRC which is a subsidiary controlled by Sichuan Highway Development, a wholly-owned subsidiary of STI. It mainly engages in businesses including housing construction, municipal public works, highway roadbed engineering, highway pavement engineering, architectural decoration engineering, electrical and mechanical equipment installation works; wholesale and retail of goods.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Expressway Construction Company is a subsidiary controlled by Sichuan Highway Development, which is in turn wholly-owned by STI, the controlling shareholder of the Company. As such, pursuant to Rule 14A.07(4) of the Listing Rules, Expressway Construction Company is a connected person of the Company and the transaction contemplated under the Building Construction Agreement constitutes a connected transaction of the Company.

As one or more applicable percentage ratios (other than the profits ratio) in respect of the transaction contemplated under the Building Construction Agreement is over 0.1% but less than 5%, the Building Construction Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	ordinary shares of the Company with a nominal value of RMB1.00 each, which are issued in the PRC, subscribed for in RMB and listed on the Shanghai Stock Exchange (stock code: 601107)
“Board”	the board of directors of the Company
“Company”	Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Building Construction Agreement”	the agreement entered into between Suiguang Suixi Company and Expressway Construction Company on 15 September 2014 in relation to construction work of Section SX-FJ1 of Suixi Building Construction Project
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Expressway Construction Company”	Sichuan Expressway Construction Company Limited* (四川高路建筑工程有限公司), a subsidiary controlled by Sichuan Highway Development

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed shares of the Company with a nominal value of RMB1.00 each, which are issued in Hong Kong, subscribed for in Hong Kong dollars and listed on the main board of the Stock Exchange (stock code: 00107)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Shares and H Shares
“Shareholders”	Registered holder(s) of the Shares
“Sichuan Highway Development”	Sichuan Highway Development Holding Company* (四川高速公路建設開發總公司), a wholly-owned subsidiary of STI
“STI”	Sichuan Transportation Investment Group Corporation* (四川省交通投資集團有限責任公司), the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suiguang Suixi Company”	Sichuan Suiguang Suixi Expressway Company Limited* (四川遂廣遂高速公路有限責任公司), a wholly-owned subsidiary of the Company

“Suixi Building Construction Project”	Building construction project of Suining-Xichong expressway construction project at public bidding carried out by Suiguang Suixi Company
“Suiguang Expressway”	Sichuan Suiguang (Suining-Guang’an) Expressway
“Suixi Expressway”	Sichuan Suixi (Suining-Xichong) Expressway
“Suiguang Suixi Expressways BOT Project”	the project on Suiguang Expressway and Suixi Expressway in the form of BOT (build-operate-transfer)
“%”	per cent

By order of the Board
Sichuan Expressway Company Limited*
Zhang Yongnian
Company Secretary

Chengdu, Sichuan, the PRC
15 September 2014

As at the date of this announcement, the Board comprises Mr. Zhou Liming (Chairman), Mr. Gan Yongyi (Vice Chairman) and Mr. He Zhuqing as executive Directors, Mr. Wu Xinhua (Vice Chairman), Mr. Tang Yong, Mr. Huang Bin, Mr. Wang Shuanming as non-executive Directors, and Mr. Sun Huibi, Mr. Guo Yuanxi, Mr. Chen Weizheng and Mr. Yu Haizong as independent non-executive Directors.

* *For identification purposes only*