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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 TRANSACTIONS**  
**FACTORING COOPERATION AGREEMENT**

The Board is pleased to announce that, on 14 September 2021, Sichuan Chengyu Commercial Factoring entered into the Factoring Cooperation Agreement with Transportation Investment Logistics.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shudao Investment is the controlling shareholder of the Company holding approximately 35.86% of the issued share capital of the Company. Transportation Investment Logistics is a subsidiary of Shudao Investment and thus an associate of Shudao Investment, therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules, accordingly, the transactions contemplated under the Factoring Cooperation Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more applicable percentage ratios (other than the profits ratio) in respect of the Factoring Cooperation Agreement are over 0.1% but lower than 5%, it is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **FACTORING COOPERATION AGREEMENT**

On 14 September 2021, Sichuan Chengyu Commercial Factoring entered into the Factoring Cooperation Agreement with Transportation Investment Logistics, the principal terms and details of which are set out as follows:

### **Parties**

- i. Sichuan Chengyu Commercial Factoring; and
- ii. Transportation Investment Logistics.

### **Factoring credit line and term**

Pursuant to the Factoring Cooperation Agreement, Sichuan Chengyu Commercial Factoring shall grant a revolving factoring credit line of not exceeding RMB200 million in aggregate to Transportation Investment Logistics.

The Factoring Cooperation Agreement shall be for a term of two years commencing on 14 September 2021 and ending on 13 September 2023, which is same as the term of the factoring credit line. Upon expiration of the agreement, the unutilized factoring credit line will automatically lapse.

### **Principal terms**

Principal terms of the Factoring Cooperation Agreement are as follows:

- i. The factoring business shall include reverse factoring and standard factoring. Reverse factoring refers to that Sichuan Chengyu Commercial Factoring will accept the transfer of the accounts receivable payable to the suppliers of Transportation Investment Logistics and provide factoring financing, accounts receivable management and other factoring services to such suppliers; standard factoring refers to that Sichuan Chengyu Commercial Factoring will accept the transfer of the accounts receivable payable to Transportation Investment Logistics by its downstream purchasers and provide factoring financing, accounts receivable management and other factoring services to Transportation Investment Logistics. Based on the type of business, Sichuan Chengyu Commercial Factoring and Transportation Investment Logistics or its suppliers will enter into a separate factoring contract within the credit line.

- ii. Under the above factoring business type, the interest of the factoring business is 6% per annum, which will be paid quarterly from the effective date of the factoring contract specified therein, and the payment date is the 20th day of the last month of each quarter; if Sichuan Chengyu Commercial Factoring fails to timely collect the accounts receivable or the factoring financing in full, interest will be charged on the factoring business at the rate of 8% per annum from the overdue date until Sichuan Chengyu Commercial Factoring collects the amount in full.
- iii. The conditions for withdrawing of the factoring credit line are: the application for factoring financing is made within the term of the agreement; Sichuan Chengyu Commercial Factoring has agreed to accept the transfer of the accounts receivable corresponding to the application for the factoring financing; since the Factoring Cooperation Agreement took effect, the operating condition and financial condition of Transportation Investment Logistics have not experienced significant and adverse changes.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FACTORING COOPERATION AGREEMENT**

The Factoring Cooperation Agreement has been entered into by Sichuan Chengyu Commercial Factoring in its usual and ordinary course of business. The entering into of the Factoring Cooperation Agreement between Sichuan Chengyu Commercial Factoring and Transportation Investment Logistics will help increase the Group's revenue, and is in line with the business development strategy of the Group and Sichuan Chengyu Commercial Factoring.

## **DIRECTORS' OPINION ON THESE CONNECTED TRANSACTIONS**

The Directors believe that the Group has implemented complete internal control procedures and steps in respect of the Factoring Cooperation Agreement when executing the transaction terms of the connected transactions. The Directors (including independent Directors) of the Company have conducted review on the necessity and reasonableness of the entering into of the Factoring Cooperation Agreement, and Directors (including independent non-executive Directors) are of the view that the terms of the Factoring Cooperation Agreement have been entered into on normal commercial terms in the usual and ordinary course of business of Sichuan Chengyu Commercial Factoring, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **ABSTENTION IN BOARD RESOLUTION**

According to the internal rules of the Company, the Factoring Cooperation Agreement and the transactions contemplated thereunder shall be subject to the approval of the general manager's office of the Company instead of being passed by the Board as relevant resolution. Therefore, none of the Directors has any material interest in the Factoring Cooperation Agreement and is accordingly required to abstain from voting on the Board resolution in relation to the Factoring Cooperation Agreement.

## **GENERAL INFORMATION**

The Company is principally engaged in the investment, construction, operation and management of highway infrastructure projects in Sichuan Province, the PRC, as well as the operation of other businesses related to toll highways.

Sichuan Chengyu Commercial Factoring is a limited liability company incorporated in the PRC and is principally engaged in commercial factoring business; commercial factoring related consulting services; supply chain management; logistic information consultation; financial consulting; non-financing guarantee; provision of financing through the way of accepting the transfer of accounts receivable; receipt and payment, settlement, management and collection of accounts receivable; management of subsidiary ledger (ledger); customer credit investigation and assessment; refactoring services; the transfer and underwriting of financial accounts receivable assets; commercial acceptance bills discount and re-discount services; factoring agents (non-banking financing); management and collection of accounts receivable under entrustment by financial institutions, provision of financial information technology outsourcing services under entrustment by financial institutions, provision of financial knowledge process outsourcing services under entrustment by financial institutions, provision of bill intermediary outsourcing services under entrustment by financial institutions; investment management services; development and sales of technologies for credit risk management platform software and development of technologies for credit risk management software.

Transportation Investment Logistics is a limited liability company incorporated in the PRC and is principally engaged in road freight transportation, operation of non-vessel operating common carry, loading and unloading, freight transport agency, cargo inspection agency services, combined transportation agency services, full service agency for package, loading and unloading and transportation, logistics agency services, warehousing agency services, warehousing services (excluding hazardous articles), wholesale and retail of building materials, wholesale and retail of chemical products (excluding hazardous articles), wholesale and retail of metals and metal ores, wholesale and retail of machinery and equipment, hardware products and electronic products, trade brokerage and agency; sales of automobiles and their spare and accessory parts, wholesale of cereals, pulses and potatoes, wholesale and retail of prepackaged foods, import and export of goods and technologies.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Shudao Investment is the controlling shareholder of the Company, holding approximately 35.86% of the issued share capital of the Company. Transportation Investment Logistics is a subsidiary of Shudao Investment and thus an associate of Shudao Investment, therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules, accordingly, the transactions contemplated under the Factoring Cooperation Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (other than the profits ratio) in respect of the Factoring Cooperation Agreement are over 0.1% but lower than 5%, it is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“A Shares”	ordinary share(s) 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)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Factoring Cooperation Agreement”	the factoring cooperation agreement dated 14 September 2021 entered into between Sichuan Chengyu Commercial Factoring and Transportation Investment Logistics
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign 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)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s) other than Shudao Investment and its associates, and those who are not involved in or interested in the transactions contemplated under Factoring Cooperation Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	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 Share(s) and H Share(s)
“Shareholder(s)”	registered holder(s) of the Shares
“Shudao Investment”	Shudao Investment Group Company Limited * (蜀道投資集團有限責任公司), currently the controlling shareholder of the Company
“Sichuan Chengyu Commercial Factoring”	Sichuan Chengyu Commercial Factoring Company Limited* (四川成渝商業保理有限公司), a limited liability company established under the law of the PRC and a subsidiary of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transportation Investment Logistics”	Sichuan Transportation Investment Logistics Company Limited* (四川交投物流有限公司), a limited liability company established under the law of the PRC
“%”	per cent

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

Chengdu, Sichuan, the PRC  
14 September 2021

*As at the date of this announcement, the Board comprises Mr. Gan Yongyi (Chairman), Mr. Li Wenhui (Vice Chairman), Madam Ma Yonghan, Mr. You Zhiming and Mr. He Zhuqing as executive Directors, Mr. Yang Guofeng (Vice Chairman) and Mr. Li Chengyong as non-executive Directors, Mr. Yu Haizong, Madam Liu Lina, Mr. Yan Qixiang and Madam Bu Danlu as independent non-executive Directors.*

\* *For identification purposes only*