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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:

I. STIP EQUITY INTEREST TRANSFER AGREEMENT; AND
II. SHUDAO TRANSPORT SERVICES EQUITY INTEREST
TRANSFER AGREEMENT

STIP EQUITY INTEREST TRANSFER AGREEMENT AND SHUDAO
TRANSPORT SERVICES EQUITY INTEREST TRANSFER AGREEMENT

The Board is pleased to announce that, on 13 December 2021 (after trading hours), (i) the Company and Shudao Investment entered into the STIP Equity Interest Transfer Agreement, pursuant to which, the Company agreed to dispose of and Shudao Investment agreed to purchase 0.6% equity interest in STIP at an aggregate consideration of RMB16,635,600 in cash; and (ii) the Company and Shudao Investment entered into Shudao Transport Services Equity Interest Transfer Agreement, pursuant to which, the Company agreed to dispose of and Shudao Investment agreed to purchase 2.6606% equity interest in Shudao Transport Services at an aggregate consideration of RMB53,940,100 in cash.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shudao Investment is a controlling shareholder of the Company, holding approximately 35.865% of the issued shares of the Company, and is therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. As such, the transactions contemplated under the STIP Equity Interest Transfer Agreement and Shudao Transport Services Equity Interest Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.81 of the Listing Rules, the transactions contemplated under the STIP Equity Interest Transfer Agreement and Shudao Transport Services Equity Interest Transfer Agreement should be aggregated. As the highest applicable percentage ratio (after aggregation) in respect of the Disposals exceeds 0.1% but less than 5%, the Disposals are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 13 December 2021 (after trading hours), (i) the Company and Shudao Investment entered into the STIP Equity Interest Transfer Agreement, pursuant to which, the Company agreed to dispose of and Shudao Investment agreed to purchase 0.6% equity interest in STIP at an aggregate consideration of RMB16,635,600 in cash; and (ii) the Company and Shudao Investment entered into Shudao Transport Services Equity Interest Transfer Agreement, pursuant to which, the Company agreed to dispose of and Shudao Investment agreed to purchase 2.6606% equity interest in Shudao Transport Services at an aggregate consideration of RMB53,940,100 in cash.

STIP EQUITY INTEREST TRANSFER AGREEMENT

The principal terms of the STIP Equity Interest Transfer Agreement are set out as follows:

Date	:	13 December 2021 (after trading hours)
Parties	:	(i) the Company, as the vendor; and (ii) Shudao Investment, as the purchaser
Subject Matter	:	Subject to terms and conditions under the STIP Equity Interest Transfer Agreement, the Company agreed to dispose of and Shudao Investment agreed to purchase 0.6% equity interest in STIP. Upon the Completion of the STIP Equity Interest Disposal, the Company will no longer hold equity interest in STIP.

Consideration and Payment : The aggregate consideration payable by Shudao Investment pursuant to the STIP Equity Interest Transfer Agreement shall be RMB16,635,600. The STIP Equity Interest Consideration was determined by the parties after arm's length negotiation based on the appraised value of the STIP Sale Equity Interest as at the Valuation Benchmark Date as appraised by the PRC Valuer using the asset-based approach, being approximately RMB16,635,600.

Pursuant to the STIP Equity Interest Transfer Agreement, Shudao Investment shall pay the consideration to the Company within 20 working days after the completion of the relevant procedures for change of shareholders and transfer of shares.

Conditions Precedent : The STIP Equity Interest Transfer Agreement shall come into effect upon the fulfillment of all of the following conditions:

- (i) the STIP Equity Interest Transfer Agreement having been duly executed by the Company and Shudao Investment; and
- (ii) the Company having complied with the relevant requirements under the Listing Rules in respect of the transactions contemplated under the STIP Equity Interest Transfer Agreement, including but not limited to reporting to the Stock Exchange and the SSE, making announcements and obtaining independent Shareholder's approval (if applicable) in respect of the STIP Equity Interest Transfer Agreement.

Information on STIP : As at the date of this announcement, STIP is a non-wholly owned subsidiary of Shudao Investment, and its shareholders and their shareholding percentage are: Shudao Investment (97%), Sichuan Expressway Construction & Development Group Co., Ltd. (1.2%), Sichuan Port and Channel Development Co., Ltd. (1.2%) and the Company (0.6%). Its business scope covers real estate development and operation, construction of building decoration and renovation projects, property management, house leasing, wholesale and retail of building materials, tourism resource development, greening projects, municipal projects, land consolidation, hotel business management services, asset management, project investment and management, etc.

The table below illustrates the audited financial information of STIP for the two years ended 31 December 2020:

	For the year ended 31 December 2019 (audited) <i>RMB</i>	For the year ended 31 December 2020 (audited) <i>RMB</i>
Revenue	138,635,572.70	166,834,516.18
(Loss)/profit before taxation	-84,870,895.09	-39,313,611.95
(Loss)/profit after taxation	-86,253,048.36	-49,733,401.72

Based on the valuation on the STIP Sale Equity Interest performed by the PRC Valuer, the appraised total assets and net assets value of STIP as at the Valuation Benchmark Date were approximately RMB7,027.3943 million and RMB2,772.5931 million, respectively.

SHUDAO TRANSPORT SERVICES EQUITY INTEREST TRANSFER AGREEMENT

The principal terms of the Shudao Transport Services Equity Interest Transfer Agreement are set out as follows:

- Date : 13 December 2021 (after trading hours)
- Parties : (i) the Company, as the vendor; and
(ii) Shudao Investment, as the purchaser
- Subject Matter : Subject to terms and conditions under the Shudao Transport Services Equity Interest Transfer Agreement, the Company agreed to dispose of and Shudao Transport Services agreed to purchase 2.6606% equity interest in Shudao Transport Services. Upon the Completion of the Shudao Transport Services Equity Interest Disposal, the Company will no longer hold equity interest in Shudao Transport Services.
- Consideration and Payment : The aggregate consideration payable by Shudao Investment pursuant to the Shudao Transport Services Equity Interest Transfer Agreement shall be RMB53,940,100. The Shudao Transport Services Equity Interest Consideration was determined by the parties after arm's length negotiation based on the appraised value of the Shudao Transport Services Sale Equity Interest as at the Valuation Benchmark Date as appraised by the PRC Valuer using the asset-based approach, being approximately RMB53,940,100.
- Pursuant to the Shudao Transport Services Equity Interest Transfer Agreement, Shudao Investment shall pay the consideration to the Company within 20 working days after the completion of the relevant procedures for change of shareholders and transfer of shares by Shudao Transport Services.

- Conditions Precedent : The Shudao Transport Services Equity Interest Transfer Agreement shall come into effect upon the fulfillment of all of the following conditions:
- (i) the Shudao Transport Services Equity Interest Transfer Agreement having been duly executed by the Company and Shudao Investment; and
 - (ii) the Company having complied with the relevant requirements under the Listing Rules in respect of the transactions contemplated under the Shudao Transport Services Equity Interest Transfer Agreement, including but not limited to reporting to the Stock Exchange and the SSE, making announcements and obtaining independent Shareholder's approval (if applicable) in respect of the Shudao Transport Services Equity Interest Transfer Agreement.
- Information on Shudao Transport Services : As at the date of this announcement, Shudao Transport Services is a non-wholly owned subsidiary of Shudao Investment, and its shareholders and their shareholding percentage are: Shudao Investment (46%), Sichuan Expressway Construction & Development Group Co., Ltd. (46%), Sichuan Tibet Expressway Co., Ltd (2.6789%), Sichuan Port and Channel Development Co., Ltd. (2.6606%) and the Company (2.6606%). Its business scope covers project investment and asset management services for investment; billboard, car rental; department store retail; landscape design and construction; property management; wholesale and retail of chemical products, metals and metal ores, coal, building materials, electrical and mechanical equipment and electronic products; warehousing services; advertising design, production, distribution; retail of refined oil.

The table below illustrates the audited financial information of Shudao Transport Services for the two years ended 31 December 2020:

	For the year ended 31 December 2019 (audited) <i>RMB</i>	For the year ended 31 December 2020 (audited) <i>RMB</i>
Revenue	10,569,755,577.27	12,693,312,295.04
(Loss)/profit before taxation	220,384,322.37	262,440,632.57
(Loss)/profit after taxation	182,425,866.59	219,314,038.28

Based on the valuation on the Shudao Transport Services Sale Equity Interest performed by the PRC Valuer, the appraised total assets and net assets value of Shudao Transport Services as at the Valuation Benchmark Date were approximately RMB4,152.9002 million and RMB2,027.3675 million.

FINANCIAL EFFECTS OF THE DISPOSALS

Following the Completion of the STIP Equity Interest Disposal and the Completion of the Shudao Transport Services Equity Interest Disposal, the Company will no longer hold any equity interest in STIP and Shudao Transport Services.

Assuming the Completion of the STIP Equity Interest Disposal took place on 13 December 2021, the estimated net proceeds from the STIP Equity Interest Disposal will be approximately RMB16,635,600 (calculated based on the STIP Equity Interest Consideration less professional fees and other related expenses) and it is expected that there will generate a capital gain of approximately RMB1,635,600 (subject to audit) and an increase in net assets and total assets of approximately RMB1,635,600, which are not expected to have an impact on the income statement.

Assuming the Completion of the Shudao Transport Services Equity Interest Disposal took place on 13 December 2021, the estimated net proceeds from the Shudao Transport Services Equity Interest Disposal will be approximately RMB53,940,100 (calculated based on the Shudao Transport Services Equity Interest Consideration less professional fees and other related expenses) and it is expected that there will generate a capital gain of approximately RMB23,940,100 (subject to audit) and an increase in net assets and total assets of approximately RMB23,940,100, which are not expected to have an impact on the income statement.

The actual gain or loss in connection with the Disposals will be assessed after the completion of the Disposals.

REASONS FOR AND BENEFIT OF THE DISPOSALS

The Group is principally engaged in the investment, construction, operation and management of expressway infrastructure projects in Sichuan Province, the PRC, as well as the operation of other businesses relating to toll roads.

The Disposals will allow the Group to optimise its asset structure, focus on its principal business and improve its resources utilisation efficiency, with no circumstances that would be detrimental to the interests of the Company and its shareholders and would not have an adverse impact on the financial position and results of operations of the Company.

The estimated proceeds from the Disposals in the total sum of not exceeding approximately RMB70,575,700 will be used as the Company's working capital to enhance the robustness of the Group's operations.

DIRECTORS' VIEW ON THE CONNECTED TRANSACTIONS

The Directors (including the independent non-executive Directors) consider that the terms of the STIP Equity Interest Transfer Agreement and Shudao Transport Services Equity Interest Transfer Agreement were on normal commercial terms, which are fair and reasonable and in the interests of the Group and its Shareholders as a whole.

ABSTENTION FROM VOTING ON BOARD RESOLUTIONS

According to Clause one of Article 18 of Chapter 4 of the Decision-making System for Related Party Transactions, the Company's internal system, "the decision-making authority for the Company's related party transactions is as follows: after being reviewed and approved by the general manager's office meeting and then signed and confirmed by the chairman of the Board, the Company's transactions with transaction amount of less than RMB20 million or not exceeding 3% of the absolute value of the latest audited net assets of the Company could be approved."

The STIP Equity Interest Transfer Agreement and Shudao Transport Services Equity Interest Transfer Agreement and the transactions contemplated thereunder shall be subject to the approval by the general manager's office meeting of the Company instead of being passed by the Board through relevant resolution. The independent Directors of the Company have given their prior approval and independent opinions on the consideration and approval of the above agreements. The general manager's office of the Company has convened a meeting and substantially all of the executive Directors have attended and considered and approved the above agreements. As Mr. Li Wenhui, an executive Director, holds positions in Shudao Investment Group, he is regarded as being interested in the Service Agreement and he did not attend the above general manager's office meeting.

GENERAL INFORMATION

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

Shudao Investment is a state-owned enterprise established in the PRC. Its business covers four major sectors including road and railway investment, construction, operation, related diversified industries (transportation engineering construction, transportation logistics, transportation services, new urbanization construction along transportation line, engineering design consulting, etc.), smart transportation and industry-finance integration.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shudao Investment is a controlling shareholder of the Company, holding approximately 35.865% of the issued shares of the Company, and is therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. As such, the transactions contemplated under the STIP Equity Interest Transfer Agreement and Shudao Transport Services Equity Interest Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.81 of the Listing Rules, the transactions contemplated under the STIP Equity Interest Transfer Agreement and Shudao Transport Services Equity Interest Transfer Agreement should be aggregated. As the highest applicable percentage ratio (after aggregation) in respect of the Disposals exceeds 0.1% but less than 5%, the Disposals are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“A Share(s)”	the ordinary share(s) of the Company with a par 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 in 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
“Completion of the Shudao Transport Services Equity Interest Disposal”	the completion of the Shudao Transport Services Equity Interest Disposal pursuant to Shudao Transport Services Equity Interest Transfer Agreement
“Completion of the STIP Equity Interest Disposal”	the completion of the STIP Equity Interest Disposal pursuant to the STIP Equity Interest Transfer Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposals”	the STIP Equity Interest Disposal and the Shudao Transport Services Equity Interest Disposal
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) of the Company with a par 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange and/or the rules governing the listing of stocks on the SSE, as the case may be
“PRC” or “China”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Valuer”	Beijing Zhongfeng Assets Evaluation Co., Ltd. (北京中鋒資產評估有限責任公司), an independent certified PRC valuer

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Shudao Investment”	Shudao Investment Group Company Limited* (蜀道投資集團有限責任公司), the controlling shareholder of the Company, subject to the completion of the share transfer procedures disclosed in the announcement of the Company dated 28 May 2021 by Shudao Investment
“Shudao Investment Group”	Shudao Investment and its subsidiaries (excluding the Group)
“Shudao Transport Services”	Shudao Transport Services Group Co., Ltd. (蜀道交通服務集團有限責任公司), which is owned as to 46%, 46%, 2.6789%, 2.6606% and 2.6606% by Shudao Investment, Sichuan Expressway Construction & Development Group Co., Ltd., Sichuan Tibet Expressway Co., Ltd, Sichuan Port and Channel Development Co., Ltd. and the Company, respectively (formerly known as Sichuan Jiaotou Industrial Co., Ltd.* (四川交投實業有限公司))
“Shudao Transport Services Equity Interest Consideration”	the consideration for the equity interest to be disposed of under the Shudao Transport Services Equity Interest Transfer Agreement, being RMB53,940,100
“Shudao Transport Services Equity Interest Disposal”	the disposal of the Shudao Transport Services Sale Equity Interest to Shudao Investment by the Company pursuant to the Shudao Transport Services Equity Interest Transfer Agreement
“Shudao Transport Services Equity Interest Transfer Agreement”	the Shudao Transport Services Equity Interest Transfer Agreement entered into between the Company and Shudao Investment in respect of the Shudao Transport Services Equity Interest Disposal on 13 December 2021
“Shudao Transport Services Sale Equity Interest”	the 2.6606% equity interest in Shudao Transport Services currently held by the Company
“SSE”	the Shanghai Stock Exchange

“STIP”	Sichuan Transportation Investment Property Company Limited* (四川交投地產有限公司), which is owned as to 97%, 1.2%, 1.2% and 0.6% by Shudao Investment, Sichuan Expressway Construction & Development Group Co., Ltd., Sichuan Port and Channel Development Co., Ltd. and the Company, respectively
“STIP Equity Interest Consideration”	the consideration for the equity interest to be disposed of under the STIP Equity Interest Transfer Agreement, being RMB16,635,600
“STIP Equity Interest Disposal”	the disposal of STIP Sale Equity Interest to Shudao Investment by the Company pursuant to the STIP Equity Interest Transfer Agreement
“STIP Equity Interest Transfer Agreement”	the STIP Equity Interest Transfer Agreement entered into between the Company and Shudao Investment in respect of the STIP Equity Interest Disposal on 13 December 2021
“STIP Sale Equity Interest”	the 0.6% equity interest in STIP currently held by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Benchmark Date”	30 June 2021
“%”	percent

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

Chengdu, Sichuan Province, the PRC
13 December 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. Liu Changsong (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 purpose only