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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)

CONTINUING CONNECTED TRANSACTION

SALES AGENCY AGREEMENT

The Board hereby announces that, on 26 August 2016, Renshou Landmark Company, a subsidiary of the Company, and Sichuan Trading Real Estate entered into the Sales Agency Agreement, pursuant to which, Renshou Landmark Company agreed to entrust Sichuan Trading Real Estate to conduct marketing plan and be the exclusive sales agent for the North Town Times Project for a term from 26 August 2016 to 31 December 2018.

Listing Rules Implications

As at the date of this announcement, STI is the controlling shareholder of the Company holding approximately 33.87% of the issued share capital of the Company. Therefore STI is a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Meanwhile, as Sichuan Trading Real Estate is an indirect wholly-owned subsidiary of STI, Sichuan Trading Real Estate is an associate of STI and a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Therefore, the transactions contemplated under the Sales Agency Agreement constitute continuing connected transactions of the Company under Chapter 14A of Listing Rules.

As one or more applicable percentage ratios (as defined in Rule 14A.07 of the Listing Rules) (other than the profit ratio) in respect of the transactions contemplated under the Sales Agency Agreement are, on an annual basis, over 0.1% but lower than 5%, the Sales Agency Agreement is subject to the reporting, annual review and announcement requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SALES AGENCY AGREEMENT

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The principal terms of the Sales Agency Agreement are set out as follows:

- Date : 26 August 2016
- Term : From 26 August 2016 to 31 December 2018
- Parties : Renshou Landmark Company as the principal; and
Sichuan Trading Real Estate as the trustee
- Nature of transaction : During the term of the agreement, Renshou Landmark Company entrusts Sichuan Trading Real Estate to conduct marketing plan for and be the exclusive sales agent for the North Town Times Project to be in charge of, among other things, market research, competition monitoring, product modification recommendation, determination of sales prices and preparation of sales plan, marketing plan, development of marketing scheme, sales targets and pricing strategies, as well as sales preparation and implementation and after-sales service assistance, etc.
- Pricing policy : The sales agency commission payable to Sichuan Trading Real Estate by Renshou Landmark Company shall be calculated at a rate of 2% on the sales turnover based on the contractual amount with reference to the actual sales achieved by Sichuan Trading Real Estate.

The aforementioned pricing policy was determined by both parties through arm's length negotiation based on normal commercial terms. Renshou Landmark Company has consulted with at least two properties sales agency companies, both being independent third parties, in relation to similar sales agency services, so as to ensure that the pricing and terms under the Sales Agency Agreement to be fair and reasonable and no less favorable than those available from independent third parties.

Payment method : Sichuan Trading Real Estate shall provide the monthly sales statements to Renshou Landmark Company for verification and settlement before the 30th day of each month. Upon receipt of the statements, Renshou Landmark Company shall confirm by signing within 7 working days. Where no objection is raised as to relevant amounts in the verification of sales statements, Renshou Landmark Company shall calculate and pay the sales commission for the month to Sichuan Trading Real Estate based on the amounts as set out in the sales statements.

Annual caps and basis for determining the annual caps

The proposed annual caps for the transactions under the Sales Agency Agreement for the three financial years ending 31 December 2016, 2017 and 2018 are set out as follows:

	Sales agency commission for the year ending 31 December		
	2016	2017	2018
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Annual cap	6,400,000	16,000,000	20,000,000

In considering the annual caps for the Sales Agency Agreement, the Board has considered a number of factors including the expected sales amounts of the North Town Times Project for each of the financial years ending 31 December 2016, 2017 and 2018.

DIRECTORS' OPINIONS ON THE INTERNAL CONTROL PROCEDURES FOR THE TRANSACTION TERMS INCLUDING PRICING POLICY AND PAYMENT METHOD OF THE CONTINUING CONNECTED TRANSACTIONS

The Directors are of the view that, in respect of the Sales Agency Agreement, the Group has implemented complete internal control procedures and steps in executing the transaction terms including pricing policy and payment method of the continuing connected transactions. Meanwhile, in order to protect the interests of the Company and the Shareholders as a whole, the Company has adopted the following measures in monitoring the transactions under the Sales Agency Agreement. Details of the internal control procedures and steps and the measures adopted for protecting the interests of the Company and the Shareholders as a whole are as follows:

- (1) After the above continuing connected transactions were reported by the department responsible for connected transaction business, Directors (including independent Directors) of the Company verified the necessity and reasonableness of connected transactions and fairness of the pricing, and considered that the above continuing connected transactions were proceeded for satisfying the needs of Renshou Landmark Company for daily normal business operation, and the transaction terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.
- (2) The Directors and Supervisory Office (董監事會辦公室) and the manager of the Discipline Inspection (Audit) Unit (紀檢監察(審計)部) of the Company will review the connected transactions under the Sales Agency Agreement regularly, to consider (i) the effective implementation of the pricing policies and the payment method, the evaluation of balances of annual caps; and (ii) the discovery of management weakness, and recommendations for improvement policy to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective and where the weaknesses are identified, the Company will take measures to address them as soon as practicable.
- (3) The Discipline Inspection (Audit) Unit of the Company will conduct internal review at least twice a year to ensure that internal control measures in respect of the transactions under the Sales Agency Agreement remain complete and effective.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALES AGENCY AGREEMENT

The Group 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 within Sichuan Province. The Group also engaged in the development and construction of the real estate projects in Chengbei New Town of Renshou County through Renshou Landmark Company, a non-wholly owned subsidiary of the Group. The Company believes that the Sales Agency Agreement is entered into in order to meet the ordinary business needs of Renshou Landmark Company. Sichuan Trading Real Estate can provide better sales agency services with relatively low price and the terms under the Sales Agency Agreement were arrived at by both parties through arm's length negotiation which were normal commercial terms and no less favorable than those obtained by the Company from independent third parties.

Opinions of the Directors on the continuing connected transactions

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms contained in the Sales Agency Agreement are normal commercial terms arrived at after arm's length negotiation between the parties, and the annual caps and terms of the Sales Agency Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Mr. Zhou Liming, Mr. Tang Yong, Mr. Huang Bin and Mr. Wang Shuanming are regarded as being interested in the Sales Agency Agreement due to their positions held in STI and therefore have avoided participating in any decision in relation to the approval of the Sales Agency Agreement.

Listing Rules Implications

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Information on the Company, Renshou Landmark Company and Sichuan Trading Real Estate

The Group 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.

Renshou Landmark Company, a company incorporated in the PRC with limited liability, a subsidiary of the Company which is owned as to approximately 91% by the Company as at the date of this announcement. It is principally engaged in real estate development and management; housing demolition; greening projects; municipal project; urban properties consolidation; property services; project investment and management; asset management; hotel management services; wholesale and retail of building materials and hardware; general merchandise retail and wholesale and rental housing (The above items are exclusive of those as restricted and prohibited by the national laws, regulations and rules).

Sichuan Trading Real Estate is a company incorporated in the PRC with limited liability. As at the date of this announcement, Sichuan Trading Real Estate is an indirect wholly-owned subsidiary of STI, the controlling shareholder of the Company. Sichuan Trading Real Estate is principally engaged in real estate marketing planning, real estate intermediary services, advertising design, agency, production and release, conference and exhibition services, corporate management consulting, large-scale activity organization services, online trade agency, online real estate intermediary agency, interior decoration and renovation (The above items are exclusive of those as restricted and prohibited by the national laws, regulations and rules).

DEFINITIONS

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

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
Director(s)	the director(s) of the Company

Group	The Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
North Town Times Project	the real estate projects in Chengbei New Town covering a land area of 645 mu, which is located on the Central Business Avenue, Wenlin Town, Renshou County, Meishan City, Sichuan Province and developed and constructed by Renshou Landmark Company. As at the date of this announcement, part of the real estate project has been completed and the pre-selling of which has commenced
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
Renshou Landmark Company	Renshou Trading Landmark Company Limited* (仁壽交投置地有限公司), a company incorporated in the PRC and a subsidiary of the Company owned as to approximately 91% by the Company as at the date of this announcement
RMB	Renminbi, the lawful currency of the PRC
Sales Agency Agreement	The connected transaction framework agreement of sales agency entered into between Renshou Landmark Company (as the principal) and Sichuan Trading Real Estate (as trustee) on 26 August 2016
Shareholders	Registered holder(s) of the Shares
Sichuan Trading Real Estate	Sichuan Trading Real Estate Marketing and Planning Co., Ltd*(四川交投房地產營銷策劃有限公司), a company incorporated in the PRC, is a subsidiary of STI which is indirectly owned as to 100% by STI As at the date of this announcement
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

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substantial Shareholder(s) has the meaning ascribed to it under the Listing Rules

% per cent

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

Chengdu, Sichuan, the PRC
26 August 2016

As at the date of this announcement, the Board comprises Mr. Zhou Liming (Chairman), Mr. Gan Yongyi (Vice Chairman) and Mr. Luo Maoquan as executive Directors, Mr. Zheng Haijun (Vice Chairman), Mr. Tang Yong, Mr. Huang Bin, Mr. Wang Shuanming and Mr. Ni Shilin as non-executive Directors, and Mr. Sun Huibi, Mr. Guo Yuanxi, Mr. Yu Haizong and Madam Liu Lina as independent non-executive Directors.

** For identification purposes only*