

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
SIGNING BUILDING CONSTRUCTION AGREEMENT

BUILDING CONSTRUCTION AGREEMENT

On 26 June 2017, 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 alteration and improvement project of Section SX-FJ1 of Suixi Building Construction Project at a consideration of RMB24,850,000.

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 SCI, 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 26 June 2017, 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	:	26 June 2017
Parties	:	(1) Suiguang Suixi Company (2) Expressway Construction Company
Construction Area	:	Section SX-FJ1 of Suixi Expressway.
Contents of Construction Work	:	The construction of ancillary and supporting facilities for Suining North, Mingyue, Pengxi North, Qibaosi, Xichong toll station, Nanchong management office and buildings within the Pengxi service area.
Consideration	:	RMB24,850,000

The consideration under the Building Construction Agreement is calculated with reference to the trading unit price of the tender of Section SX-FJ1 of the building construction project of Suining-Xichong expressway, which means to calculate based on the volume as set out in the revised project list and the unit price as set out in the former project list; or (in the event that there is no unit price for reference) implement the provisions in relation to price adjustment due to changes in construction project under the Standard Highway Construction Tender Document issued by the Transportation Department of the People's Republic of China(《公路工程標準施工招標文件》).

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

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 the remaining shall be released 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.

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 issuance 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**”).

REASONS FOR AND BENEFITS OF ENTERING INTO THE BUILDING CONSTRUCTION AGREEMENT

References are 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 further satisfies the construction requirements of Suiguang Suixi Expressways BOT project carried out by Suiguang Suixi Company and makes further improvements to Section SX-FJ1 of Suixi Expressway.

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, fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

According to the internal rules of the Company, the Building Construction 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 resolutions. Therefore, none of the Directors is required to abstain from voting at the Board meeting.

INFORMATION ABOUT THE COMPANY

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

INFORMATION ABOUT SUIGUANG SUIXI COMPANY

Suiguang Suixi Company is a limited liability 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.

INFORMATION ABOUT EXPRESSWAY CONSTRUCTION COMPANY

Expressway Construction Company is a limited liability company established in the PRC, which is a subsidiary controlled by Sichuan Highway Development, a wholly-owned subsidiary of SCI. 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, and 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 SCI, 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 specifies, 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
“Building Construction Agreement”	the agreement dated 26 June 2017 entered into between Suiguang Suixi Company and Expressway Construction Company in relation to the alteration and improvement project of Section SX-FJ1 of Suixi Building Construction Project
“Company”	Sichuan Expressway Company Limited* (四川成渝高速公路股份有限公司), a joint stock 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

“Expressway Construction Company”	Sichuan Expressway Construction Company Limited* (四川高路建築工程有限公司), 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 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)
“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, Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SCI”	Sichuan Communications Investment Group Co. Ltd* (四川省交通投資集團有限責任公司), the controlling shareholder of the Company
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suiguang Expressway”	Sichuan Suiguang (Suining-Guang’an) Expressway

“Suiguang Suixi Company”	Sichuan Suiguang Suixi Expressway Company Limited* (四川遂廣遂西高速公路有限責任公司), a wholly-owned subsidiary of the Company
“Suiguang Suixi Expressways BOT Project”	the project about Suiguang Expressway and Suixi Expressway in the form of BOT (build-operate-transfer)
“Suixi Building Construction Project”	Building construction project of Suining-Xichong expressway construction project at public bidding carried out by Suiguang Suixi Company
“Suixi Expressway”	Sichuan Suixi (Suining-Xichong) Expressway
“%”	per cent

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

Chengdu, Sichuan, the PRC
26 June 2017

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*