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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 limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00107)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION: PROPOSED AMENDMENTS TO THE TERMS OF ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SICHUAN CHENGLE EXPRESSWAY COMPANY LIMITED;

(2) PROPOSED MODIFICATION OF USE OF PROCEEDS FROM ISSUE OF A SHARES

Financial adviser

招商證券(香港)有限公司
CHINA MERCHANTS SECURITIES (HK) CO., LTD.

SUPPLEMENTAL AGREEMENT TO THE S&P AGREEMENT

The Board announces that on 2 April 2009, the Company and the Vendors entered into the Supplemental Agreement, pursuant to which the parties conditionally agreed to amend certain terms of the S&P Agreement in relation to the acquisition of 100% equity interest in SC Expressway. The amendments include, among other things, deleting a condition precedent and adjusting the timing for completion and payment of the balance of the Consideration.

PROPOSED MODIFICATION OF USE OF PROCEEDS OF THE A SHARE ISSUE

The Board also proposes to modify the use of proceeds of the A Share Issue from "(1) the payment of the Consideration and (2) the partial repayment of the bank loans of SC Expressway" to "(1) the payment of the Consideration or replacement of the funds raised by the Company (including but not limited to by debt financing such as bank loans) for the acquisition of equity interest in SC Expressway and (2) the partial repayment of the bank loans of SC Expressway".

GENERAL

As the Supplemental Agreement involves a material change of the terms of the S&P Agreement, and as Sichuan Highway Development was interested in approximately 39.30% of the issued share capital of the Company as at the date of this announcement, the Supplemental Agreement is subject to the approval by the Independent Shareholders in an extraordinary general meeting of the Company. Sichuan Highway Development and its associates shall abstain from voting on the proposed resolution in respect of the Supplemental Agreement.

The proposed modification of use of proceeds of the A Share Issue is subject to approval by the Independent Shareholders in an extraordinary general meeting and class meetings of the Company respectively. Sichuan Highway Development and its associates, which are considered to have a material interest in the matter, shall abstain from voting on the proposed resolution in respect of the modification of use of proceeds of the A Share Issue.

An independent board committee will be established by the Company to provide recommendation to the Independent Shareholders in respect of the Supplemental Agreement. Grand Vinco has been appointed as the independent financial adviser to advise the independent board committee of the Company and the Independent Shareholders in respect of the Supplemental Agreement.

A circular containing, among other things, further details of the Supplemental Agreement, the proposed modification of use of proceeds of the A Share Issue, a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Supplemental Agreement, a letter of advice from Grand Vinco to the independent board committee of the Company and the Independent Shareholders in respect of the Supplemental Agreement, as well as the notices of an extraordinary general meeting and the class meetings of holders of Domestic Shares and holders of H Shares respectively, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

Despite the Company's endeavour to proceed, there is no assurance that the A Share Issue will be completed. Investors are advised to exercise caution in dealings in the H Shares. Further details about the A Share Issue will be disclosed by the Company in the PRC in due course and the relevant information will be disclosed in Hong Kong concurrently in accordance with the Listing Rules.

References are made to the Company's announcements dated 5 October 2007 and 25 November 2008 and circulars dated 26 October 2007 (the "2007 Circular") and 8 December 2008 respectively in relation to, among other things, the Acquisition and the A Share Issue. Terms used in this announcement shall have the same meanings as those defined in the 2007 Circular unless the context requires otherwise.

BACKGROUND

On 26 September 2007, Sichuan Highway Development and Xing Yuan as vendors and the Company as purchaser, entered into the S&P Agreement in respect of the transfer of 100% equity interest in SC Expressway. The S&P Agreement and the transactions contemplated thereunder constituted a discloseable and connected transaction of the Company under the Listing Rules, which had been approved by the Independent Shareholders in the EGM held on 12 December 2007. The A Share Issue had also been approved by the Shareholders, holders of Domestic Shares and holders of H Shares in the EGM and the CSM held on the same day respectively. The mandate granted to the Board to issue A Shares had been extended for 12 months by the Shareholders in the extraordinary general meeting and the class meetings of the Company held on 23 January 2009.

Pursuant to the terms of the S&P Agreement, the relevant transfer of equity interest in SC Expressway is conditional on, among other things, the successful issue of A Shares by the Company. In view of the time uncertainty of the A Share Issue, the Company entered into a supplemental agreement (the "Supplemental Agreement") to the S&P Agreement with the Vendors to amend certain provisions thereof. Particulars of such amendments are set out below.

THE SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are as follows:

Date:

2 April 2009

Parties:

(1) Vendors:

(i) Sichuan Highway Development, being the holder of 99.18% equity interest in SC Expressway; and

(ii) Xing Yuan, a state-owned enterprise established in the PRC, being the holder of 0.82% equity interest in SC Expressway.

Sichuan Highway Development was interested in approximately 39.30% in the issued share capital of the Company as at the date of this announcement, and is principally engaged in the development, management and operation of highways within Sichuan Province, the PRC.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, Xing Yuan is a third party independent of and not connected with any connected persons of the Company. Xing Yuan is principally engaged in the investment and development of transportation foundation facilities projects in the PRC.

(2) Purchaser:

The Company

Subject matter of the Supplemental Agreement:

Pursuant to the Supplemental Agreement, the Vendors and the Company have conditionally agreed to amend certain terms of the S&P Agreement to the effect that, among other things,

(1) the remaining balance of the Consideration in the amount of RMB998,320,800 shall be satisfied to the Vendors and Completion shall take place within 30 working days from the day on which (i) the Supplemental Agreement and the transactions contemplated thereunder and (ii) the proposed modification of use of proceeds of the A Share Issue are approved by the Independent Shareholders in an extraordinary general meeting and class meetings (as the case may be) of the Company to be convened for such purposes;

(2) the condition precedent to the S&P Agreement "the approval of the A Share Issue by the Securities Issue Approval Committee (股票發行審核委員會) of the CSRC and completion of the A Share Issue" shall be removed and deleted in its entirety.

Consideration:

The Supplemental Agreement does not involve any consideration of money value. The consideration for the Acquisition is not altered by the Supplemental Agreement and remains as RMB1,098,320,800. In accordance with the S&P Agreement, the Company shall be legally entitled to or be liable for all economic gains or losses of SC Expressway from the Valuation Date (i.e. 31 August 2007) to the date of Completion. However, as the Acquisition has not been legally completed, the results of SC Expressway have not been consolidated into the financial statements of the Group.

Conditions precedent:

The Supplemental Agreement shall take effect upon approval of (i) the Supplemental Agreement and the transactions contemplated thereunder and (ii) the proposed modification of use of proceeds of the A Share Issue by the Independent Shareholders in an extraordinary general meeting and class meetings (as the case may be) of the Company to be convened for such purposes. If the A Share Issue is completed before the Supplemental Agreement has taken effect, the Supplemental Agreement shall not take effect and Sichuan Highway Development, Xing Yuan and the Company shall continue to perform the S&P Agreement.

INFORMATION ON SC EXPRESSWAY

Background of SC Expressway

SC Expressway was formerly known as Sichuan Xinan Expressway Stock Co., Ltd. (四川西南高速公路股份有限公司) ("Sichuan Xinan") incorporated on 26 May 1994 by five promoters, of which Sichuan Highway Development and Xing Yuan were amongst the promoters. On 31 August 1999, Sichuan Xinan was transformed into SC Expressway with limited liability in the PRC. The registered share capital of SC Expressway at that time was RMB120,000,000 which has already been fully paid up and owned as to 98% by Sichuan Highway Development and 2% by Xing Yuan. On 23 March 2004, the shareholders of SC Expressway passed a resolution for the increase in the registered capital from RMB120,000,000 to RMB560,790,000 through capitalizing the actual funding injected by the respective shareholders since the date of establishment of SC Expressway. The relevant industrial and commerce registration changes in relation to such increase in registered share capital were completed on 17 May 2004. Upon completion of such increase in registered capital, the registered share capital of SC Expressway is owned as to 99.18% by Sichuan Highway Development and 0.82% by Xing Yuan.

SC Expressway is a project company incorporated to carry out the fund raising, construction, operation and management of the project of Sichuan Chengle Expressway. SC Expressway was granted the provisional rights to receive and collect toll fare for the period from 1 January 2000 to 30 June 2001 by the Sichuan Provincial Department of Communications (四川省交通廳) and Sichuan Provincial Price Bureau (四川省物價局) pursuant to the "Approval regarding trial receipt and collection of toll fare of Sichuan Chengle Expressway" (關於成樂高速公路試行收取車輛通行費的批覆) dated 1 November 1999. On 5 June 2001, such rights to receive and collect toll fare was extended to 30 June 2002 in accordance with the "Approval regarding the extension of trial period on receipt and collection of toll fare of Sichuan Chengle Expressway" (關於同意成樂高速公路延長試行收取車輛通行費的批覆) issued by the Sichuan Provincial Department of Communications (四川省交通廳) and Sichuan Provincial Price Bureau (四川省物價局). Upon expiry of the extension period, on 14 July 2003, Sichuan Provincial Department of Communications (四川省交通廳) and Sichuan Provincial Price Bureau (四川省物價局) further granted the extension of the rights to receive and collect toll fare of Sichuan Chengle Expressway to SC Expressway with no fixed expiry date. As at the date of this announcement, Sichuan Chengle Expressway has obtained the formal rights to receive and collect toll fare of Sichuan Chengle Expressway from the period commencing on 1 January 2000 until 31 December 2029. As at the date of this announcement, SC Expressway has obtained the relevant land use rights of Sichuan Chengle Expressway and related facilities by way of leasing in accordance with the laws of the PRC.

The Directors have been advised by the PRC legal adviser that SC Expressway has obtained all necessary legal rights to receive and collect toll fare and has also obtained the relevant land use rights of Sichuan Chengle Expressway by way of leasing in accordance with the laws of the PRC, the necessary ownership rights to the buildings required for the operation of the Sichuan Chengle Expressway in accordance with the laws of the PRC. Pursuant to the PRC Highway Law (中華人民共和國公路法), expressway/highway projects adopt the principle of "investors share the benefits". SC Expressway has invested in Sichuan Chengle Expressway and obtained the rights to receive and collect toll fare of Sichuan Chengle Expressway, SC Expressway therefore has the legal operating rights of Sichuan Chengle Expressway.

Information on Sichuan Chengle Expressway

Sichuan Chengle Expressway is an approximately 25 meters wide and 86.44 kilometers long dual two-lane expressway in central Sichuan Province (四川省), the PRC. Construction of Sichuan Chengle Expressway commenced in December 1996 and it opened to traffic in December 1999. Sichuan Chengle Expressway interconnects with Chengya Expressway (成雅高速公路), stretches from the south at Gu Li Ba (辜李霸) of Leshan (樂山) to Qinglongchang (青龍場) of Pengshan (彭山), leading to Chengdu (成都). It passes through the main tourist route of central Sichuan Province and has eight toll fee collection points at Qinglongchang (青龍場), Pengshan (彭山), Meishan (眉山), Zhangkan (張坎), Jiajiang (夾江), Guanyintan (觀音灘), Meizhu (棉竹) and Leshan (樂山) respectively.

Operational data of Sichuan Chengle Expressway

The audited toll revenue of SC Expressway for the 12 months ended 31 December 2007 prepared pursuant to the PRC generally accepted accounting principles by a qualified PRC auditor was approximately RMB210 million, representing an increase of approximately 25% as compared with the previous year. The same figure for the 12 months ended 31 December 2008 was approximately RMB272 million, representing an increase of approximately 29% as compared with that of 2007.

The weighted average daily traffic volume as segments of Sichuan Chengle Expressway for the 12 months ended 31 December 2007 was 13,337 vehicle/km/day, representing an increase of approximately 4.12% as compared with the previous year. The same figure for the 12 months ended 31 December 2008 was approximately 15,442 vehicle/km/day, representing an increase of approximately 15.78% as compared with that of 2007.

PROPOSED MODIFICATION OF USE OF PROCEEDS FROM THE A SHARE ISSUE

As the previous mandate granted by the Shareholders to the Board to issue A Shares requires that the proceeds of issue are to be applied to (1) the payment of the Consideration and (2) the partial repayment of the bank loans of SC Expressway only, in view of the Supplemental Agreement and the proposed new payment arrangement under the S&P Agreement, the Company proposes to seek the approval of the Independent Shareholders to modify the above use of proceeds to (1) the payment of the Consideration or replacement of the funds raised by the Company (including but not limited to by debt financing such as bank loans) for the acquisition of equity interest in SC Expressway and (2) the partial repayment of the bank loans of SC Expressway.

Currently, the Company has a number of financing channels, including but not limited to obtaining bank loans and issuance of short term commercial papers at interest/coupon rates ranging from 2.1% to 4.77% per annum. The Company will consider and adopt the most appropriate mode of financing for raising funds to acquire the equity interest of SC Expressway. If all such funds for acquiring the equity interest of SC Expressway are raised through debt financing, the Group's annual finance costs will increase by approximately RMB21 million to RMB47.7 million per annum.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT AND THE PROPOSED MODIFICATION OF USE OF PROCEEDS OF THE A SHARE ISSUE

The Supplemental Agreement

The participation in the management and operation of expressways is the ordinary and usual course of business of the Group. The Group will continue to strive for greater investment in expressways by seizing opportunities of developing traffic in Sichuan Province.

Sichuan Chengle Expressway, being the key established expressway between Chengdu City and Leshan City, is one of the important tourist routes in Sichuan Province. The Directors believe that the Acquisition will allow the Group to further consolidate its participation in the management and operation of toll highways and expressways in Sichuan Province and the western region of the PRC and thus the Company entered into the S&P Agreement with the Vendors.

Pursuant to the terms of the S&P Agreement, the relevant transfer of equity interest in SC Expressway is conditional on, among other things, the successful issue of A Shares by the Company. In view of the time uncertainty of the A Share Issue, the Company entered into the Supplemental Agreement to remove the said condition precedent so that the Company may proceed with the completion of the Acquisition with other sources of funds. The proposed modification of use of proceeds of the A Share Issue will provide flexibility to the Company to enhance its capital structure after the A Share Issue is completed.

The Directors consider that the Supplemental Agreement is (i) on normal commercial terms; (ii) the entering into of the same is in the ordinary and usual course of business of the Group; and (iii) fair and reasonable so far as the Independent Shareholders are concerned, and that the Supplemental Agreement and the proposed modification of use of proceeds of the A Share Issue are in the interests of the Group and the Shareholders as a whole.

GENERAL

The Company is principally engaged in the investment, construction and operation management of toll roads in Sichuan Province, the PRC.

As the Supplemental Agreement involves a material change of the terms of the S&P Agreement, and as Sichuan Highway Development was interested in approximately 39.30% of the issued share capital of the Company as at the date of this announcement, the Supplemental Agreement is subject to the approval by the Independent Shareholders in an extraordinary general meeting of the Company. Sichuan Highway Development and its associates shall abstain from voting on the proposed resolution in respect of the Supplemental Agreement.

The proposed modification of use of proceeds of the A Share Issue is subject to approval by the Independent Shareholders in an extraordinary general meeting and class meetings of the Company respectively. Sichuan Highway Development and its associates, which are considered to have a material interest in the matter, shall abstain from voting on the proposed resolution in respect of the proposed modification of use of proceeds of the A Share Issue.

An independent board committee will be established by the Company to provide recommendation to the Independent Shareholders in respect of the Supplemental Agreement. Grand Vinco has been appointed as the independent financial adviser to advise the independent board committee of the Company and the Independent Shareholders in respect of the Supplemental Agreement.

A circular containing, among other things, further details of the Supplemental Agreement, the proposed modification of use of proceeds of the A Share Issue, a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Supplemental Agreement, a letter of advice from Grand Vinco to the independent board committee of the Company and the Independent Shareholders in respect of the Supplemental Agreement, as well as the notices of an extraordinary general meeting and the class meetings of holders of Domestic Shares and holders of H Shares respectively, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

Despite the Company's endeavour to proceed, there is no assurance that the A Share Issue will be completed. Investors are advised to exercise caution in dealings in the H Shares. Further details about the A Share Issue will be disclosed by the Company in the PRC in due course and the relevant information will be disclosed in Hong Kong concurrently in accordance with the Listing Rules.

By order of the Board
Zhang Yongnian
Company Secretary

Chengdu, Sichuan, the PRC
2 April 2009

In this announcement, the English names of the PRC entities are translation of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

As at the date of this announcement, the board of directors of the Company comprises: Mr. Tang Yong, Mr. Zhang Zhiying, Madam Zhang Yang, Mr. Gao Chun, Mr. Zhou Liming, Mr. Wang Shuanming, Mr. Liu Mingli, Mr. Liu Xianfu, Madam Luo Xia#, Mr. Feng Jian#, Mr. Zhao Zesong# and Mr. Xie Bangzhu#.

\# *Independent non-executive director*

* *For identification purposes only*