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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**  
**ACQUISITION OF CHARGING STATION ASSETS**

**ASSET TRANSFER AGREEMENT**

The Board is pleased to announce that on 13 June 2022 (after trading hours), Shudao New Energy Technology, a wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement with Jiaotou New Energy, an indirect subsidiary of Shudao Investment.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Jiaotou New Energy is an indirect subsidiary of Shudao Investment, the Controlling Shareholder of the Company (which holds approximately 36.96% of the issued share capital of the Company), and thus is a connected person of the Company (as defined under the Listing Rules). Therefore, the transaction contemplated under the Asset Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisition of Charging Station Assets is more than 0.1% but less than 5%, the acquisition of Charging Station Assets is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but is exempted from the independent shareholders' approval requirement.

## **INTRODUCTION**

The Board is pleased to announce that on 13 June 2022 (after trading hours), Shudao New Energy Technology, a wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement with Jiaotou New Energy, an indirect subsidiary of Shudao Investment, pursuant to which the Shudao New Energy Technology agreed to acquire, and Jiaotou New Energy agreed to sell the Charging Station Assets for a total cash consideration calculated based on the appraised value of RMB80,224,700 of the Charging Station Assets as at the Valuation Benchmark Date of 31 December 2021. Subject to certain audited adjustments during the Transition Period, the final consideration will not exceed RMB85,840,000 (tax exclusive).

## **ASSET TRANSFER AGREEMENT**

The principal terms of the Asset Transfer Agreement are set out as follows:

Date: 13 June 2022 (after trading hours)

Parties : (i) Shudao New Energy Technology, as the purchaser;  
and

(ii) Jiaotou New Energy, as the vendor

Subject Matter : Pursuant to the terms and conditions of the Asset Transfer Agreement, Shudao New Energy Technology agreed to acquire, and Jiaotou New Energy agreed to sell, the Charging Station Assets.

Consideration : The total consideration payable by Shudao New Energy Technology under the Asset Transfer Agreement shall be calculated based on the appraised value of RMB80,224,700 of the Charging Station Assets as at the Valuation Benchmark Date of 31 December 2021. Subject to certain audited adjustments during the Transition Period, the final consideration will not exceed RMB85,840,000 (tax exclusive). The total consideration shall be determined by both parties in writing within five working days from the date of completion of the Transition Period audit in the following manner (the amount below shall be subject to the results of the Transition Period audit):

The appraised value as at the Valuation Benchmark Date adds the audited new additional construction costs of the Charging Station Assets during the Transition Period deducts the audited decrease in construction costs of the Charging Station Assets during the Transition Period deducts the depreciation amount of the Charging Station Assets during the Transition Period calculated over the assessed depreciation period deducts the impairment loss of the Charging Station Assets during the Transition Period.

The basis of the total consideration was determined after arm's length negotiations between the parties based on the appraised value of the Charging Station Assets of approximately RMB80,224,700 assessed by an independent PRC Valuer using the cost method as at the Valuation Benchmark Date.

The total consideration is expected to be funded out of the Group's internal resources.

Payment:

Pursuant to the Asset Transfer Agreement,

- (i) Shudao New Energy Technology shall pay RMB40,112,350 to Jiaotou New Energy within five working days from the effective date of the Asset Transfer Agreement; and
- (ii) Shudao New Energy Technology shall pay the remaining amount within five working days after the total consideration is determined by both parties in writing.

Effective:

The Asset Transfer Agreement shall be effective from the date when it is signed and sealed by both parties and the internal procedures have been completed and approvals are obtained from Shudao Investment.

Completion:

Upon the Asset Transfer Agreement becomes effective, both parties will proceed with the delivery of the Charging Station Assets.

Jiaotou New Energy shall, within five business days after the Asset Transfer Agreement becomes effective, submit to the relevant approval and supervision platforms to change the legal person of the charging station and its ancillary facilities relating to the Charging Station Assets to Shudao New Energy Technology.

Prior to the Completion Date, Jiaotou New Energy shall cooperate with Shudao New Energy Technology to submit the transfer documents of the registered trademark in the Charging Station Assets to the relevant authorities, and subsequently complete the registration procedures for the transfer of the registered trademark. From the Completion Date to the date of transfer of the registered trademark, Jiaotou New Energy shall grant Shudao New Energy Technology an exclusive license to use such registered trademark at nil consideration.

After the Completion Date, the risk of loss of the Charging Station Assets shall be borne by Shudao New Energy Technology itself.

Rights and obligations of both parties:

The rights and obligations of Jiaotou New Energy are mainly:

- (i) During the Transition Period, it shall cooperate with Shudao New Energy Technology to complete the handover of charging stations and related businesses, and if necessary, assign personnel to conduct on-site guidance on the operation and management of the charging stations, and provide necessary technical support for Shudao New Energy Technology; and
- (ii) Completion and acceptance procedures for the charging stations and ancillary facilities (including but not limited to completion of the final account audit and completion of the settlement) of the Charging Station Assets shall be completed five working days before the Completion Date; and

- (iii) The service fees paid by end users of the charging stations shall be calculated and confirmed on the Completion Date, and shall be paid by Jiaotou New Energy in favour of Shudao New Energy Technology in a lump sum within five working days after confirmation.

Rights and obligations of Shudao New Energy Technology:

- (i) State Grid electricity fee paid for the operation of the Charging Station Assets shall be calculated and confirmed on the Completion Date, and shall be paid by Shudao New Energy Technology in favour of Jiaotou New Energy in a lump sum within five working days after confirmation.

Liability for Breach:

If any party to the Asset Transfer Agreement fails to perform in accordance with the Asset Transfer Agreement, among other things, the defaulting party shall pay the non-defaulting party a daily payment for delay in performance calculated based on the corresponding appraised value of the assets according to the standard of the loan market loan prime rate (Loan Prime Rate, LPR) in the corresponding period, until the completion of the relevant compliance.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group is principally engaged in the investment in, construction, operation and management of road infrastructure projects in Sichuan Province, the PRC as well as the operation of other businesses related to toll roads. In order to optimise the industrial structure of the Company, build up the business segments of transportation emerging industries, and rapidly deploy the charging network of new energy vehicles, the Company proposes to enter into the Asset Transfer Agreement to expand the three major new energy replenishment businesses, namely charging and battery replacement services, battery assets management and hydrogen energy, to build a comprehensive energy replenishment service provider in transportation with Shudao New Energy Technology serving as the subject and thus to promote the industrial integration between new energy and the greater transport sectors.

Among the Charging Station Assets, the public charging stations and their ancillary facilities that have been constructed and put into operation include charging facilities in 42 service areas alongside 17 expressways in Sichuan Province, with a total of approximately 341 charging piles and 624 charging plugs. Currently, they are mainly used to provide charging services for the applicable vehicles passing the service areas along the expressways.

## **DIRECTORS' VIEW ON THE CONNECTED TRANSACTIONS**

The Directors (including the independent non-executive Directors) of the Company are of the view that the terms of the Asset 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 paragraph 1 of Article 18 of Chapter 4 of the “Decision-Making System for Connected Transactions”, the Company’s internal system, “the decision-making authority for the Company’s connected transactions is as follows: the Company may approve the connected transaction with the amount of less than RMB20 million or not exceeding 3% of the absolute value of the latest audited net assets of the Company with the approval of general manager’s office meeting and the confirmation of the chairman of the Board.”

Accordingly, the Asset 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-mentioned agreements. The general manager’s office of the Company has convened a meeting and the majority of the executive Directors have attended the meeting and considered and approved the above-mentioned agreements. As Mr. Li Wenhui, an executive Director, holds positions in Shudao Investment Group, he is regarded to own interests in the Asset Transfer Agreement and he did not attend the aforesaid general manager’s office meeting.

## **INFORMATION ON PARTIES**

### **The Company and Shudao New Energy Technology**

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 related to toll roads.

Shudao New Energy Technology is a wholly-owned subsidiary of the Company and formerly known as Sichuan Chengyu Transportation Technology Development Co., Ltd.\* (四川成渝交通科技發展有限公司), which has changed its company name and its related business scope on 1 June 2022 for the implementation of the Company’s development strategy, optimization of the Company’s industrial structure, building of a business segment of emerging transportation-related industry, rapid layout of a new energy vehicle charging network and active exploration and development in the field of transportation and new energy industry.



## SHUDAO INVESTMENT AND JIAOTOU NEW ENERGY

Shudao Investment is a state-owned enterprise established in the PRC. Its business covers four major segments including highway and railroad investment, construction, operation, related diversified industries (transportation engineering construction, transportation logistics, transportation services, new urbanisation construction along transportation line, engineering design consulting, etc.), smart transportation and industry-financing integration. Shudao Investment is a wholly-owned subsidiary of Sichuan Development Holding Co., Ltd.\* (四川發展(控股)有限責任公司), which is wholly-owned by the People's Government of Sichuan Province.

Jiaotou New Energy is directly held as to 72.66% by Shudao Transport Services Group Co., Ltd., which is directly controlled by Shudao Investment. Therefore, Jiaotou New Energy is an indirect subsidiary of Shudao Investment. Its scope of business includes: permitted projects: gas automobile refueling operations; gas operation; import and export of goods; power generation, transmission and supply business; wholesale of refined oil (limited to hazardous chemicals); installation, repair and testing of power facilities; various engineering construction activities; technology import and export (for projects that are subject to approval as provided for by laws, any business activity is only after approval from relevant departments. The specific business projects shall be subject to the approval documents or permits of relevant departments); general items: asset management services for investment with self-owned funds; research and development of emerging energy technologies; operation of charging infrastructure for electric vehicles; leasing of rechargeable batteries; sales of petroleum products (excluding hazardous chemicals); sales of lubricant oil; sale of chemical products (excluding licensed chemical products); sales of metal materials; sales of charging motor vehicles; sales of electronic products; sales of construction materials; wholesale of hardware products; sales of non-ferrous metal alloys; sales of cement products; electrical equipment repair; sales of power facilities and equipment; sales of electrical equipment; leasing of non-residential properties; leasing of machinery and equipment; leasing of photovoltaic power generation equipment; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; sales of photovoltaic equipment and components; IoT application services; IoT technology services; tendering and agency services; leasing of construction machinery and equipment; automobile rental; sales of new automobiles; corporate management consulting; information technology consulting services; car park services (except for projects subject to approval in accordance with the law, business activities shall be carried out independently with business license in accordance with the law). Sichuan Jiaotou New Energy Co., Ltd.\* (四川交投新能源有限公司) is a company with limited liability established under the laws of the PRC. As at the date of this announcement, Jiaotou New Energy is held as to 72.6568%, 15.4060%, 6.9675% and 4.9697%, respectively by Shudao Transport Services Group Co., Ltd.\* (蜀道交通服務集團有限責任公司) (being an indirect subsidiary of Shudao Investment), Sanchuan Energy Co., Ltd.\* (三川能源股份有限公司), Chengdu Green Energy Enterprise Management Consulting Partnership (Limited Partnership)\* (成都綠能企業管理諮詢合夥企業(有限合夥)) and Sichuan Huizhi Technology Consulting Co., Ltd.\* (四川匯智科技諮詢有限公司). To the best of the Directors' knowledge,

having made all reasonable enquiries, Sanchuan Energy Co., Ltd.\* (三川能源股份有限公司), Chengdu Green Energy Enterprise Management Consulting Partnership (Limited Partnership)\* (成都綠能企業管理諮詢合夥企業 (有限合夥)) and Sichuan Huizhi Technology Consulting Co., Ltd.\* (四川匯智科技諮詢有限公司) are not connected with the Company or its subsidiaries within the meaning of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Jiaotou New Energy is an indirect subsidiary of Shudao Investment, the Controlling Shareholder of the Company (which holds approximately 36.96% of the issued share capital of the Company), and thus is a connected person of the Company (as defined under the Listing Rules). Therefore, the transaction contemplated under the Asset Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisition of Charging Station Assets is more than 0.1% but less than 5%, the acquisition of Charging Station Assets is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but is exempted from the independent shareholders' approval requirement.

## **DEFINITIONS**

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

“A Share(s)”	ordinary shares 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 SSE (stock code: 601107)
“Asset Transfer Agreement”	the asset transfer agreement entered into between Shudao New Energy Technology and Jiaotou New Energy in respect of the acquisition of the Charging Station Assets on 13 June 2022
“Associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	board of Directors of the Company
“Charging Station Assets”	public charging stations which were completed and put into operation, their ancillary facilities including charging equipment in 42 service areas alongside 17 expressways within Sichuan Province, with a total of approximately 341 charging piles and 624 charging plugs and 5 trademarks for which trademark registration procedures have been completed



“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 and the H Shares and A Shares of which are listed on the Stock Exchange and the SSE, respectively
“Completion Date”	the last natural day of the month in which the Asset Transfer Agreement becomes effective is the completion date
“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
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares 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
“Jiaotou New Energy”	Sichuan Jiaotou New Energy Co., Ltd.* (四川交投新能源有限公司), a company with limited liability established under the laws of the PRC, and an indirect subsidiary of Shudao Investment Group
“PRC” or “China”	the People’s Republic of China and, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“PRC Valuer”	Beijing North Asia Asset Assessment Firm (Special General Partnership), an independent and qualified PRC valuer
“Share(s)”	A Shares and H Shares

“Shareholder(s)”	the registered holder(s) of the Shares
“Shudao Investment”	Shudao Investment Group Co., Ltd.* (蜀道投資集團有限責任公司), currently the Controlling Shareholder of the Company
“Shudao Investment Group”	Shudao Investment and its subsidiaries (excluding the Group)
“Shudao New Energy Technology”	Sichuan Shudao New Energy Technology Development Co., Ltd.* (四川蜀道新能源科技發展有限公司), a company with limited liability established under the laws of the PRC, and a wholly-owned subsidiary of the Company, formerly known as “Sichuan Chengyu Transportation Technology Development Co., Ltd.* (四川成渝交通科技發展有限公司)”, which has changed its company name and its related business scope on 1 June 2022
“SSE”	The Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transition Period”	the period from 31 December 2021 to the Completion Date
“Valuation Benchmark Date”	31 December 2021
“%”	per cent.

By order of the Board  
**Sichuan Expressway Company Limited\***  
**Gan Yongyi**  
*Chairman*

Chengdu, Sichuan, the PRC

13 June 2022

*As at the date of this announcement, the Board comprises Mr. Gan Yongyi (Chairman), Mr. Li Wenhui (Vice Chairman), Ms. 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, Ms. Liu Lina, Mr. Yan Qixiang and Ms. Bu Danlu as independent non-executive Directors.*

\* *For identification purposes only*