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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)

2013 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

- Revenue increased by approximately 19.30% to approximately RMB8,570,140,000
- Profit attributable to owners of the Company decreased by approximately 14.04% to approximately RMB1,015,142,000
- Earnings per share decreased by approximately 13.99% to approximately RMB0.332
- Proposed payment of 2013 final cash dividend of RMB0.08 (tax inclusive) (2012: RMB0.08 (tax inclusive)) per share

The Board of Sichuan Expressway Company Limited* (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2013, prepared in conformity with the accounting principles generally accepted in Hong Kong as stated in details in note 2.1, together with comparative figures for last year as follows (the data herein are presented in Renminbi ("**RMB**") except where otherwise indicated).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
REVENUE	3,4	**8,570,140**	7,183,670
Cost of sales and other direct operating costs		**(6,780,936)**	(5,545,882)
Gross profit		**1,789,204**	1,637,788
Other income and gains	4	**155,174**	183,916
Administrative expenses		**(170,867)**	(144,433)
Other expenses		**(24,560)**	(13,359)
Finance costs	5	**(450,609)**	(240,791)
Share of profits and losses of associates		**11,594**	16,707
PROFIT BEFORE TAX	6	**1,309,936**	1,439,828
Income tax expense	7	**(229,226)**	(228,917)
PROFIT FOR THE YEAR		**1,080,710**	1,210,911

	Notes	2013 RMB'000	2012 RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale investments		**(6,627)**	2,899
Reclassification adjustments for gains included in profit or loss		**(257)**	—
Income tax effect		**1,228**	(538)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**(5,656)**	2,361
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,075,054**	1,213,272
Profit attributable to:			
Owners of the Company		**1,015,142**	1,180,931
Non-controlling interests		**65,568**	29,980
		1,080,710	1,210,911
Total comprehensive income attributable to:			
Owners of the Company		**1,009,486**	1,183,291
Non-controlling interests		**65,568**	29,981
		1,075,054	1,213,272
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic and diluted	8	**RMB0.332**	RMB0.386

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**612,204**	636,334
Service concession arrangements	9	**16,907,851**	14,136,239
Prepaid land lease payments		**442,717**	475,041
Other intangible assets		**2,329**	—
Investments in associates		**65,970**	69,326
Available-for-sale investments		**115,967**	70,302
Long term compensation receivables		**61,649**	65,527
Other receivables		**—**	90,270
Payments in advance		**30,051**	3,957
Interests in land held for property development		**708,703**	—
Pledged deposits		**112,150**	—
Deferred tax assets		**252**	155
Total non-current assets		**19,059,843**	15,547,151
CURRENT ASSETS			
Properties under development		**982,356**	—
Inventories		**82,613**	38,120
Due from customers for contract works		**71,069**	56,755
Trade and other receivables	10	**1,974,925**	1,796,047
Pledged deposits		**26,313**	77,651
Cash and cash equivalents		**1,791,963**	1,820,676
Total current assets		**4,929,239**	3,789,249

	Notes	2013 RMB'000	2012 RMB'000
CURRENT LIABILITIES			
Tax payable		**123,217**	204,922
Trade and other payables	11	**2,425,160**	1,825,240
Interest-bearing bank and other loans	12	**1,203,909**	765,727
Total current liabilities		**3,752,286**	2,795,889
NET CURRENT ASSETS		**1,176,953**	993,360
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,236,796**	16,540,511
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans	12	**8,685,504**	6,085,867
Deferred tax liabilities		**6,682**	8,218
Deferred income	11	**13,969**	—
Total non-current liabilities		**8,706,155**	6,094,085
Net assets		**11,530,641**	10,446,426
EQUITY			
Equity attributable to owners of the Company			
Issued capital	13	**3,058,060**	3,058,060
Reserves	14	**7,701,798**	6,950,521
Proposed final dividend	15	**244,645**	244,645
		11,004,503	10,253,226
Non-controlling interests		**526,138**	193,200
Total equity		**11,530,641**	10,446,426

Notes:

1. CORPORATE INFORMATION

Sichuan Expressway Company Limited is a limited liability company established in the PRC. The registered office of the Company is located at 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC.

During the Year, the principal activities of the Group were investment holding, the construction, management and operation of expressways and a high-grade toll bridge, operation of gas stations along expressways and property development.

In the opinion of the Directors, STI is the parent and the ultimate holding company of the Company.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong ("HK GAAP") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain available-for-sale equity investments, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

While the adoption of some of the new and revised HKFRSs may result in changes in accounting policies and additional disclosures required by HKFRS 13 for the fair value measurements of financial instruments, none of these new and revised HKFRSs has had significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of the Company that makes strategic decisions. For management purposes, the Group is organised into business units based on their services and products and has five (2012: four) reportable operating segments as follows:

(a) the toll operation segment comprises the operation of expressways and a high-grade toll bridge in Mainland China;

(b) the construction contracts segment comprises the provision of construction and upgrade services under the service concession arrangements and construction contracts;

(c) the gas station operation segment comprises the operation of gas stations along expressways;

(d) the property development segment, which was newly established during the Year comprises the investment and development of properties located in Mainland China; and

(e) the "others" segment mainly comprises advertising and the rental of properties along expressways.

The Board monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, dividend income and other unallocated income and gains, as well as head office, corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits, cash and cash equivalents and available-for-sale investments as these assets are managed on a group basis.

Segment liabilities exclude tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2013

	Toll operation *RMB'000*	Construction contracts *RMB'000*	Gas station operation *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Total *RMB'000*
SEGMENT REVENUE	2,526,878	3,761,510	2,247,392	—	34,360	8,570,140
SEGMENT RESULTS	1,141,220	238,769	66,766	(35,668)	8,650	1,419,737
Reconciliation:						
Interest income on bank deposits						24,469
Dividend income and unallocated income and gains						39,284
Corporate and other unallocated expenses						(173,554)
Profit before tax						1,309,936
SEGMENT ASSETS	18,042,709	1,813,587	364,806	1,688,771	32,564	21,942,437
Reconciliation:						
Available-for-sale investments						115,967
Deferred tax assets						252
Pledged deposits						138,463
Cash and cash equivalents						1,791,963
Total assets						23,989,082
SEGMENT LIABILITIES	9,822,152	2,108,998	279,198	86,958	31,236	12,328,542
Reconciliation:						
Tax payable						123,217
Deferred tax liabilities						6,682
Total liabilities						12,458,441

	Toll operation RMB'000	Construction contracts RMB'000	Gas station operation RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
OTHER SEGMENT INFORMATION						
Share of profits and losses of associates	11,594	—	—	—	—	11,594
Depreciation and amortisation	506,156	9,691	2,401	91	1,181	519,520
Investments in associates	61,520	—	—	—	4,450	65,970
Capital expenditure*	3,197,504	18,706	15,064	2,466	6,988	3,240,728

* Capital expenditure consists of additions to service concession arrangements, property, plant and equipment and other intangible asset.

Year ended 31 December 2012

	Toll operation RMB'000	Construction contracts RMB'000	Gas station operation RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
SEGMENT REVENUE	2,343,782	3,844,014	970,232	—	25,642	7,183,670
SEGMENT RESULTS	1,325,711	141,272	54,963	—	10,021	1,531,967
Reconciliation:						
Interest income on bank deposits						21,604
Dividend income and unallocated income and gains						27,718
Corporate and other unallocated expenses						(141,461)
Profit before tax						1,439,828
SEGMENT ASSETS	15,458,141	1,797,538	90,865	—	21,072	17,367,616
Reconciliation:						
Available-for-sale investments						70,302
Deferred tax assets						155
Pledged deposits						77,651
Cash and cash equivalents						1,820,676
Total assets						19,336,400

	Toll operation RMB'000	Construction contracts RMB'000	Gas station operation RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
SEGMENT LIABILITIES	7,416,643	1,221,197	11,065	—	27,929	8,676,834
Reconciliation:						
Tax payable						204,922
Deferred tax liabilities						8,218
Total liabilities						8,889,974
OTHER SEGMENT INFORMATION						
Share of profits and losses of associates	16,707	—	—	—	—	16,707
Depreciation and amortisation	381,615	7,549	2,355	—	22,329	413,848
Investments in associates	64,876	—	—	—	4,450	69,326
Impairment/(reversal of provision for impairment) of other receivables	124	—	—	—	(13)	111
Capital expenditure*	3,314,212	10,528	20,298	—	814	3,345,852

* Capital expenditure consists of additions to service concession arrangements, and property, plant and equipment.

Entity-wide disclosures

Geographical information

The Group is domiciled in Mainland China. All external revenues of the Group are generated in Mainland China. The Group's non-current assets are all located in Mainland China. Thus, no geographic information is presented.

Information about major customers

During the year ended 31 December 2013 and 2012, no revenue derived from a customer amounted to 10% or more of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	2013	2012
	RMB'000	*RMB'000*
Revenue		
Toll income		
— Chengyu Expressway	**968,456**	1,102,230
— Chengya Expressway	**681,170**	700,027
— Chengle Expressway	**414,419**	430,085
— Chengren Expressway	**465,916**	102,578
— Chengbei Exit Expressway and Qinglongchang Bridge	**86,180**	91,886
	2,616,141	2,426,806
Less: Revenue taxes	**(89,263)**	(83,024)
Sub-total	**2,526,878**	2,343,782
Construction revenue in respect of:		
— Service concession arrangements	**3,191,552**	3,248,675
— Construction and maintenance works performed for third parties	**647,426**	620,189
	3,838,978	3,868,864
Less: Revenue taxes	**(77,468)**	(24,850)
Sub-total	**3,761,510**	3,844,014
Revenue from operation of gas stations	**2,247,392**	970,232
Others (including income from rental and advertising)	**34,360**	25,642
Total revenue	**8,570,140**	7,183,670

	2013	2012
	RMB'000	*RMB'000*
Other income and gains		
Interest income from bank deposits	**24,469**	21,604
Interest income from discounting long term compensation receivables	**9,595**	10,011
Interest income from construction contracts	**76,096**	124,582
Interest income from overdue trade receivables	**6,320**	—
Gain on disposal of land use rights	**1,943**	3,463
Gain on disposal of an associate	**—**	215
Rental income	**4,167**	3,208
Government grants*	**185**	91
Dividend income from available-for-sale investments	**9,465**	5,621
Compensation	**17,754**	14,497
Miscellaneous	**5,180**	624
	155,174	183,916
Total revenue, other income and gains	**8,725,314**	7,367,586

* There were no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2013	2012
	RMB'000	*RMB'000*
Interest on bank and other loans wholly repayable within five years	**450,092**	364,673
Interest on other bank loans	**6,481**	6,738
Interest on short term commercial papers	**—**	17,560
Interest on medium term notes	**65,777**	8,923
	522,350	397,894
Less: Interest capitalised in service concession arrangements *(note 9(c))*	**(71,741)**	(157,103)
	450,609	240,791
Interest rate of borrowing costs capitalised	**5.26%-6.43%**	5.85%-7.05%

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2013	2012
	RMB'000	*RMB'000*
Employee costs (including directors', chief executive's and supervisors' remuneration):		
Wages and salaries	**298,278**	252,795
Pension scheme contributions		
— Defined contribution fund	**46,404**	36,008
Housing funds		
— Defined contribution fund	**27,428**	23,331
Supplementary pension scheme		
— Defined contribution fund	**23,629**	17,252
Other staff benefits	**72,910**	49,661
	468,649	379,047
Depreciation	**67,358**	64,119
Amortisation of service concession arrangements	**419,940**	317,620
Amortisation of prepaid land lease payments	**32,056**	32,109
Amortisation of other intangible asset	**166**	—
Depreciation and amortisation expenses	**519,520**	413,848

	2013	2012
	RMB'000	*RMB'000*
Repairs and maintenance	**157,547**	113,091
Construction costs in respect of:		
— Service concession arrangements*	**2,999,442**	3,243,919
— Construction works performed for third parties*	**551,556**	554,130
Cost of sales of refined oil and chemical products	**2,161,428**	898,918
Minimum lease payments under operating leases:		
— Land and buildings	**22,152**	20,586
Auditors' remuneration	**2,500**	2,381
Loss on disposal and write off of items of property, plant and equipment	**3,227**	206
Gain on disposal of land use rights	**(1,943)**	(3,463)
Loss on deemed disposal of available-for-sale Investments	**590**	—
Provision for impairment of other receivables	**—**	111

* During the Year, employee costs of RMB63,244,000 (2012: RMB50,121,000) and depreciation charges of RMB6,949,000 (2012: RMB6,419,000) were included in those construction costs.

7. INCOME TAX

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the two years ended 31 December 2013.

Except for the companies discussed below that are entitled to a preferential tax rate, other subsidiaries and associates of the Company are required to pay corporate income tax at the standard rate of 25%.

Pursuant to the "Announcement of the State Administration of Taxation [2012] No. 12" dated 6 April 2012 issued by the PRC State Administration of Taxation, enterprises in encouraged industries that are established in the western region are able to enjoy a preferential tax rate of 15% from 2011 to 2020. The Group has referred to *Guiding Catalog for Adjustment in the Industrial Structure (2011 Version)* (產業結構調整指導目錄(2011年本)) issued by the National Development and Reform Commission of the People's Republic of China, and concluded that the transportation industry fell within the encouraged industry. For subsidiaries within the scope of the transportation industry, i.e., the Company, Chengle Company, Chengbei Company and Airport Expressway Company, which have been approved to enjoy the preferential tax rate of 15% before 2012 and have not changed their business operations, income tax expenses of these entities for the year ended 31 December 2013 continued to be calculated at a tax rate of 15%.

The major components of tax expense for the year are as follows:

	2013	2012
	RMB'000	*RMB'000*
Current — Mainland China		
Charge for the year	**229,010**	229,045
Underprovision in prior years	**621**	–
Deferred	**(405)**	(128)
Total tax charge for the year	**229,226**	228,917

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the number of ordinary shares of 3,058,060,000 (2012: 3,058,060,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2013 and 2012 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

9. SERVICE CONCESSION ARRANGEMENTS

(a) At 31 December 2013, the concession rights pertaining to certain expressways with net carrying amounts listed below were pledged to secure bank loans granted to the Group (note 12(a)):

	2013	2012
	RMB'000	*RMB'000*
Chengren Expressway	**7,453,127**	7,469,649
Chengle Expressway	**1,102,194**	1,144,993
Chengbei Exit Expressway	**138,793**	153,640
Chengya Expressway	**2,408,484**	—
	11,102,598	8,768,282

(b) During the Year, the Group was in the construction of Suining-Guang'an Expressway and Suining-Xichong Expressway (the "Suiguang-Suixi Expressways BOT Project") in the form of Build-Operate-Transfer ("BOT") mode. Total construction costs of RMB3,022,488,000 were incurred, among which RMB1,387,839,000 was sub-contracted to third party subcontractors. During the year ended 31 December 2012, the Group was in the construction of Chengren Expressway ("Chengren Expressway BOT Project") and Suiguang-Suixi Expressways BOT Project in the form of BOT projects. Total construction costs of RMB3,153,313,000 were incurred, among which RMB3,153,313,000 was sub-contracted to third party subcontractors.

In addition, construction revenue of RMB3,022,488,000 (2012: RMB3,153,313,000) was recognised in respect of the construction service provided by the Group using the percentage of completion method during the Year. Construction revenue was included in the additions to service concession arrangements which were amortised upon the commencement of operation of the respective expressways.

(c) Additions to service concession arrangements during the Year included interest capitalised in respect of bank loans amounting to RMB71,741,000 (2012: RMB157,103,000) (note 5).

10. TRADE AND OTHER RECEIVABLES

	Notes	**2013**	2012
		RMB'000	*RMB'000*
Trade receivables			
Trade receivables		**1,453,898**	1,015,952
Impairment		**—**	—
Trade receivables, net	(a)	**1,453,898**	1,015,952
Other receivables			
Other receivables	(b)	**490,418**	868,209
Impairment		**(112,771)**	(112,771)
		377,647	755,438
Deposits		**57,805**	52,479
Prepayments		**85,575**	62,448
Other receivables, net		**521,027**	870,365
Total trade and other receivables		**1,974,925**	1,886,317
Non-current asset portion		**—**	(90,270)
Current asset portion		**1,974,925**	1,796,047

(a) The Group's trade receivables which arose from construction contracts are settled in accordance with the terms specified in the contracts governing the relevant construction works. The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit period of an individual construction contract customer is considered on a case-by-case basis and is set out in the respective construction contracts, as appropriate.

According to the contracts governing the relevant construction works, trade receivables of RMB765,587,000 as at 31 December 2013 (2012: RMB992,688,000) were to be settled by instalments within two to three years upon completion of the relevant construction works and bore interest at rates ranging from 6.00% to 10.00% (2012: 6.65% to 10.00%) per annum. The remaining trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2013	2012
	RMB'000	*RMB'000*
Within 3 months	**707,902**	201,227
3 to 6 months	**3,454**	—
6 to 12 months	**19,540**	47,587
Over one year	**723,002**	767,138
	1,453,898	1,015,952

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2013	2012
	RMB'000	*RMB'000*
Neither past due nor impaired	**1,103,731**	890,001
Past due but not impaired:		
Within 3 months	**—**	119,281
3 to 6 months	**—**	3,675
6 to 12 months	**292,828**	2,551
Over one year	**57,339**	444
	1,453,898	1,015,952

Receivables that were neither past due nor impaired relate to government agencies and a number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to government agencies and a number of independent customers that have good payment records with the Group. Based on past experience, in the opinion of the Directors, no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The Group has pledged trade receivables of approximately RMB208,384,000 (2012: Nil) to secure bank loans granted to the Group (note 12).

(b) The Group's other receivables at 31 December 2013 are analysed as follows:

	2013	2012
	RMB'000	*RMB'000*
Temporary advances	**227,496**	544,614
Interest receivables on temporary advances	**63,002**	56,516
Long term compensation receivables to be received within one year	**3,878**	3,405
Miscellaneous	**196,042**	263,674
	490,418	868,209

As stipulated in the contracts entered into between the Group and the respective government agencies, other than the provisional of construction works under the "Build-Transfer" mode (collectively referred as "BT Projects"), the Group is also required to provide temporary advances to the government agencies for the resettlement of residents and removal of obstacles performed by the relevant government agencies. Such advances bear interest at rates ranging from 6.55% to 10.00% per annum (2012: 7.00% to 10.00% per annum).

11. TRADE AND OTHER PAYABLES

	Notes	2013 RMB'000	2012 RMB'000
Current portion:			
Trade payables	(a)	**377,987**	304,789
Other payables	(b)	**1,968,117**	1,473,902
Accruals		**75,607**	46,549
Deferred income		**3,449**	—
		2,425,160	1,825,240
Non-current portion:			
Deferred income		**13,969**	—
		2,439,129	1,825,240

(a) An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2013 RMB'000	2012 RMB'000
Within 3 months	**279,645**	92,495
3 to 6 months	**9,048**	12,574
6 to 12 months	**17,273**	152,355
Over 1 year	**72,021**	47,365
	377,987	304,789

The trade payables are non-interest-bearing and are normally settled within one to twelve months, except for retention payables from construction projects of RMB18,603,000 (2012: RMB7,929,000) which are normally settled within two years.

(b) Other payables at the end of the reporting period mainly included the following balances:

	2013 *RMB'000*	2012 *RMB'000*
Advances	**22,836**	25,850
Payroll and welfare payables	**66,042**	50,588
Taxes and surcharge payables	**150,440**	72,165
Progress billing payables	**1,241,279**	897,352
Retention payables	**185,731**	247,629
Deposits	**131,755**	71,157
Others	**170,034**	109,161
	1,968,117	1,473,902

12. INTEREST-BEARING BANK AND OTHER LOANS

	Notes	2013 *RMB'000*	2012 *RMB'000*
Bank loans:			
Secured and guaranteed	(a)	**2,106,400**	1,106,400
Secured	(a)	**5,219,012**	4,002,012
Unsecured		**1,159,000**	1,000,000
Medium term notes	(b)	**1,300,000**	700,000
Other loans, unsecured	(c)	**105,001**	43,182
		9,889,413	6,851,594

At the end of the reporting period, all interest-bearing bank and other loans of the Group were denominated in RMB.

(a) Bank loans were secured and guaranteed by:

	Notes	2013 RMB'000	2012 RMB'000
		(Bank loans amount)	
Secured by concession rights of:			
Chengbei Exit Expressway		**48,000**	91,000
Chengle Expressway	(i)	**106,400**	106,400
Chengren Expressway		**3,911,012**	3,911,012
Chengya Expressway		**1,000,000**	—
	9(a)	**5,065,412**	4,108,412
Secured by time deposits	(ii)	**2,000,000**	1,000,000
Secured by trade receivables	10(a)	**260,000**	—
		7,325,412	5,108,412

(i) The bank loans were also guaranteed by Sichuan Highway Development for nil consideration.

(ii) As at 31 December 2013, time deposits of RMB112,150,000 (2012: RMB56,450,000) were pledged to China Construction Bank Chengdu Xinhua Branch to counter guarantee the Group's bank loans of RMB2,000,000,000 (2012: RMB1,000,000,000) granted by China Construction Bank (Asia) and China Construction Bank Tokyo Branch.

The bank loans bear interest at the respective fixed rates ranging from 5.24% to 7.05% (2012: from 5.27% to 7.05%) per annum.

(b) On 19 June 2012 and 19 November 2012, the Company issued medium term notes totalling RMB200 million and RMB500 million, respectively, to domestic institutional investors participating in the PRC interbank debt market. The medium term notes of RMB200 million and RMB500 million were issued at par value of RMB100 per unit, at interest rates of 4.75% and 5.57% per annum, and will be repaid on 18 June 2017 and 18 November 2017, respectively.

In March 2013, the Company issued medium term notes of RMB600 million to domestic institutional investors participating in the PRC interbank debt market. The medium term notes were issued at a par value of RMB100 per unit, with an interest rate of 5.23% per annum, and will be repaid in March 2018.

(c) Other loans consisted of (i) unsecured state loans of RMB20,454,000 and bear interest at rates ranging from 3.30% to 5.00% (2012: from 2.82% to 5.00%) per annum; and (ii) an unsecured shareholder loan of RMB84,547,000 granted to the Group by a non-controlling shareholder.

13. ISSUED CAPITAL

	2013	2012
	RMB'000	*RMB'000*
Issued and fully paid:		
A Shares of 2,162,740,000 (2012: 2,162,740,000) of RMB1.00 each	**2,162,740**	2,162,740
H Shares of 895,320,000 (2012: 895,320,000) of RMB1.00 each	**895,320**	895,320
	3,058,060	3,058,060

The H Shares have been issued and listed on the main board of the Hong Kong Stock Exchange since October 1997 and the A Shares have been listed on the Shanghai Stock Exchange since July 2009.

All A and H Shares rank pari passu with each other in terms of dividend and voting rights.

14. RESERVES

In accordance with the Company Law of the PRC and the respective articles of association of the Company, its subsidiaries and associates, the Company, its subsidiaries and associates are required to allocate 10% of their profits after tax, as determined in accordance with PRC Generally Accepted Accounting Principles ("PRC GAAP") applicable to the Company, its subsidiaries and associates, to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of the registered capital of the Company, its subsidiaries and associates. Subject to certain restrictions set out in the Company Law of the PRC and the respective articles of association of the Company, its subsidiaries and associates, part of the SSR may be converted to increase the share capital of the Company, its subsidiaries and associates, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

According to the relevant regulations in the PRC, the amount of reserves available for distribution is the lower of the amount determined under PRC GAAP and the amount determined under HK GAAP.

15. DIVIDEND

	2013	2012
	RMB'000	*RMB'000*
Proposed final — RMB0.080 (2012: RMB0.080) per ordinary share	**244,645**	244,645

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

RESULTS AND DIVIDENDS

For the year of 2013, the revenue of the Group amounted to approximately RMB8,570,140,000, representing an increase of approximately 19.30% as compared with last year; the profit attributable to owners of the Company amounted to approximately RMB1,015,142,000, representing a decrease of 14.04% as compared with last year; and basic earnings per share was approximately RMB0.332 (2012: approximately RMB0.386).

As at 31 December 2013, the Group's total assets and net assets were approximately RMB23,989,082,000 and RMB11,530,641,000, respectively.

Pursuant to the Articles of Association, if the Company distributes cash dividend, the Company shall distribute cash dividend in an amount not less than 30% of the distributable profit earned by the Company for the period concerned (the lower of the profit attributable to shareholders under the PRC and overseas accounting standards respectively). The Board has recommended a final cash dividend for the year 2013 of RMB0.08 per share (tax inclusive), aggregating to approximately RMB244,645,000, representing 43.38% of the distributable profit of the Company determined under PRC GAAP for the Year and 24.22% of the profit attributable to owners of the Company as shown in the consolidated financial statements. The proposed dividend distribution is subject to the approval of the Shareholders at the Company's forthcoming 2013 annual general meeting for the year 2013. If approved, the final dividend is expected to be paid on or around Tuesday, 24 June 2014 to the Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 10 June 2014 (the "**Dividend Entitlement Date**"). In respect of the arrangement in relation to the closures of H Shares register of members for the purposes of determining the Shareholders' entitlement to attend the 2013 annual general meeting and to receive the 2013 final dividend, please refer to the paragraph headed "CLOSURES OF REGISTER OF MEMBERS OF H SHARES" below.

According to the Law on Corporate Income Tax of the People's Republic of China and its implementing rules which came into effect on 1 January 2008 and other relevant rules, a PRC domestic enterprise which pays dividend to a non-resident enterprise shareholder in respect of accounting period beginning from 1 January 2008 shall withhold and pay corporate income tax at the rate of 10%. As such, the Company, as a PRC domestic enterprise, is required to withhold corporate income tax at the rate of 10% before distributing the 2013 final dividend to non-resident enterprise Shareholders as appearing on the H Shares register of members of the Company. Any Shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the corporate income tax by the Company.

Should the holders of H Shares have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax impact in the PRC, Hong Kong and other countries (regions) on the possession and disposal of the H Shares.

Shareholders of the Company should read the information herein carefully. If anyone would like to change the identity of Shareholder, please enquire about the relevant procedures with the nominees or trustees. The Company is neither obligated nor responsible for ascertaining the identities of the Shareholders. In addition, the Company will withhold the corporate income tax in strict compliance with the relevant laws or regulations and strictly based on what has been registered on the Company's H Shares register of members as at the Dividend Entitlement Date. The Company will disregard and assume no liabilities for any requests or claims in relation to any delay or inaccuracy in ascertaining the identity of the Shareholders or any disputes over the mechanism of withholding of corporate income tax.

Shareholders are advised that the aforesaid arrangements are not applicable to the time and arrangements for distribution of the final dividend in respect of A Shares, which however will be published in a separate announcement at SSE by the Company.

BUSINESS REVIEW AND ANALYSIS

Results overview

The revenue and profit of the Group were mainly derived from the operation of and investments in toll roads. During the Reporting Period, the Group saw a decline in its overall profitability due to combined impact of various negative factors including slowing macro-economic growth, toll-free travel for small passenger vehicles on major festivals and holidays, earthquakes, changes in road networks and periodic losses after opening of new roads. To cope with the changes in business environment, the Group followed the overall requirement to "exploit advantages, expedite development", vigorously focused on five major segments, namely the "toll roads and bridges", "construction", "financial investments", "city operation" and "energy and cultural media", and implemented the diversified development strategy which is highly related to its principal businesses, with a view to securing the healthy and sustainable development of the Group.

During the Year, the revenue of the Group amounted to approximately RMB8,570,140,000, representing an increase of approximately 19.30% year-on-year, among which the net toll income amounted to approximately RMB2,526,878,000, up approximately 7.81% year-on-year; the net revenue from construction contracts amounted to approximately RMB3,761,510,000, down approximately 2.15% year-on-year (including the construction contracts revenue of approximately RMB3,126,568,000 from Suiguang-Suixi Expressways BOT Project and Chengren Expressway BOT Project, which was recognized according to the HKFRSs, down 0.85% year-on-year); the revenue from operation of gas stations along the expressways amounted to approximately RMB2,247,392,000, representing an increase of 131.63% year-on-year, and revenue from other income and gains amounted to approximately RMB155,174,000, down 15.63% year-on-year. The profit attributable to the owners of the Company was approximately RMB1,015,142,000, representing a decrease of 14.04% year-on-year. Basic earnings per Share was approximately RMB0.332 (2012: approximately RMB0.386). As at 31 December 2013, the Group's total assets amounted to approximately RMB23,989,082,000 and net assets amounted to approximately RMB11,530,641,000.

During the Reporting Period, the income and profit of the Company and its major subsidiaries are as follows:

Item	**Income for 2013**	**Year-on-year increase/ (decrease) in income**	**Profit/ (loss) for 2013**	**Year-on-year increase/ (decrease) in profit/ (loss)**
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*
The Company *(Note 1)*	968,456	(12.14)	478,335	(14.78)
Chengya Branch	681,170	(2.69)	289,202	(4.56)
Chengren Branch *(Note 2)*	465,916	354.21	(74,246)	95.91
Chengle Company	414,419	(3.64)	195,066	(17.44)
Chengbei Company	86,180	(6.21)	32,648	(9.49)
Suiguang Suixi Company *(Note 3)*	3,022,488	1,273.11	—	—
Shuhai Company *(Note 4)*	1,715,658	179.64	39,419	110.50
Trading Construction Company *(Note 5)*	2,211,251	205.44	97,501	155.40
Shunan Company	331,918	240.10	32,092	167.21
Shuhong Company *(Note 6)*	48,739	509.62	20,365	793.20
Renshou Landmark Company *(Note 7)*	—	N/A	(36,740)	N/A
Shusha Company	27,659	16.91	8,915	49.76
Chengya Oil Company	613,447	65.00	18,065	15.74
Zhonglu Energy Company	1,666,919	175.28	16,691	6.43

Notes:

1. For the purpose of this table only, the Company does not include Chengya Branch and Chengren Branch.

2. Chengren Expressway commenced operation in September 2012, and its operation period in 2012 was only 105 days.

3. Income of Suiguang Suixi Company mainly represents revenue from construction contracts of Suiguang-Suixi Expressways BOT Project.

4. Shuhai Company includes Zhonglu Energy Company and Shuhong Company. The Company entered into an equity transfer agreement on 26 March 2013 to purchase the 0.1% equity interest in Shuhai Company from Sichuan Jingchuan Highway Engineering (Group) Company Limited（四川京川公路工程（集團）有限公司）at the consideration of approximately RMB234,000. Upon completion of change in business registration on 24 April 2013, Shuhai Company became a wholly-owned subsidiary of the Company.

5. Income of Trading Construction Company includes revenue from internal project construction which should be offset when results are consolidated.

6. Shuhong Company includes Chengzhi Tongsheng Company. In September 2013, Shuhong Company acquired Chengzhi Tongsheng Company at a consideration of RMB18,725,000.

7. Renshou Landmark Company was incorporated on 24 May 2013, and no operating information was available for last year.

Operating conditions of the "toll roads and bridges" segment of the Group:

During the Reporting Period, the operation of major expressways of the Group was as follows:

		Converted average daily traffic flow (vehicles)			**Toll income *(RMB'000)***		
Item	Shareholding percentage (%)	**2013**	2012	Increase/ (decrease) (%)	**2013**	2012	Increase/ (decrease) (%)
Chengyu Expressway	100	**19,532**	22,229	(12.13)	**968,456**	1,102,230	(12.14)
Chengya Expressway	100	**21,103**	19,225	9.77	**681,170**	700,027	(2.69)
Chengle Expressway	100	**21,929**	20,497	6.99	**414,419**	430,085	(3.64)
Chengren Expressway *(Note 1)*	100	**21,558**	16,709	29.02	**465,916**	102,578	354.21
Chengbei Exit Expressway (including Qinglongchang Bridge)	60	**35,731**	35,461	0.76	**86,180**	91,886	(6.21)

Note:

1. Chengren Expressway commenced operation in September 2012, so its service time for the whole year of 2012 was only 105 days.

In 2013, the toll income (before revenue taxes) of the Group was approximately RMB2,616,141,000, representing an increase of approximately 7.80% over last year. The toll income accounted for approximately 29.48% of the Group's total revenue, representing a decrease of approximately 3.15 percentage points as compared to 32.63% of last year. During the Reporting Period, the following factors constituted combined effects on the operating performance of the Group's toll roads:

(1) The economic development level is a key factor which the growth of traffic demand hinges on. China's gross domestic product for 2013 was approximately RMB56,884,500 million, up approximately 7.7% year-on-year. China's economy growth sustained stable due to the combined impact of the domestic and international economic environment as well as various policies and measures of national macro-control. In 2013, China macro-economy trended to be "**steady after slow-down**" as a whole, leading to a slowdown in natural growth rate of traffic flows of all toll roads of the Group.

(2) On 20 April 2013, with Lushan County in Ya'an City of Sichuan Province hit by violent earthquake at 7 grade, the production and operation activities of many enterprises within the province as well as the frequent travel of residents were affected. At the same time, the Company implemented the government's emergency mechanism and allowed toll-free travel from 20 April 2013 (ie. the date when the earthquake took place) for all vehicles on its Chengya Expressway and continued such practice for disaster-relief vehicles after resumption of tolls collection from 9 June 2013, resulting in an adverse impact on the Group's toll income.

(3) During the Reporting Period, the economic and social development of Sichuan Province was depressed by the regional and short term impact of the earthquake. However, boosted by the policies such as the Development of the Western Regions, the construction of Chengyu Economic Zone and Tianfu New District, the interactive development of new industrialization and new urbanization and the "multipoint and multi-pole underpinning" strategy, the provincial economy and society trended to grow while developing steadily, and the gross regional product of the province amounted to approximately RMB2,626.08 billion, up approximately 10% year-on-year, creating a relatively stable regional environment for operation of the Group.

(4) During the 2013 Chinese New Year, Ching Ming Festival, May Day and National Day, the Group continued to implement the toll-free policy for small passenger vehicles at all of its expressways, and the toll-free days aggregated to 20 days, representing an increase of 12 days as compared with Mid-autumn Day and National Day totalling 8 days in 2012, which resulted in a noticeable decrease in the Group's toll income.

(5) Tolls on all those secondary roads within Sichuan Province with repayment of their bank loans undertaken by the government were cancelled from 1 January 2013, which on one hand reduced road transport costs and social burdens and improved the efficiency of passenger and freight transport, but on the other caused changes in the distribution of traffic flows within the province. As such, the operating performance of some of the Group's expressways was affected.

(6) The operating performance of the toll roads was also affected either positively or negatively by the changes of circumjacent competing or cooperative road networks as well as the maintenance and repairing works conducted on circumjacent roads. During the Reporting Period, the Group's expressways were affected by such factors to various extents:

Changes in expressway networks — As the Chengdu-Meishan (Renshou) section, Neijiang-Zigong section and Longguanshan-Yangtianwo section of ChengZiLuChi (Chengdu-Zigong-Luzhou-Chishui) Expressway were completed and open to traffic on 10 September 2012, 19 December 2012 and 30 August 2013 respectively, and the Yilu (Yibin-Luzhou) Expressway (completed on 26 December 2012), Luyu (Luzhou-Chongqing) Expressway (completed on 3 June 2013), Suining-Ziyang section of SuiZiMei (Suining-Ziyang-Meishan) Expressway (completed on 5 June 2013), LeYa (Leshan-Ya'an) Expressway (completed on 12 September 2013) and LeZi (Leshan-Zigong) Expressway (completed on 30 December 2013) were open to traffic successively, the expressway network of southern Sichuan began to take shape. The interconnection and improvement of the road networks not only improved the highway transport capabilities of southern Sichuan and expanded the effective coverage of the road networks, but also led to corresponding changes in the traffic distribution and composition in the region, causing traffic diversion to the Group's Chengyu Expressway, Chengle Expressway and Chengya Expressway to various extents.

Local parallel highways becoming toll-free — The Panduhe Toll Station of the local Jiajiang-Leshan highway and the Yongxin Toll Station of the local Jiajiang-Emei highway were removed in sucession since December 2012, and these local highways became toll-free, which diverted some traffic from Chengle Expressway. On 4 February 2013, the expansion and reconstruction works at Chengdu-Xindu section of Dajian Highway were completed and the highway was open to traffic, thus connecting Gaosuntang and Xindu districts in Chengdu and, together with the Ring Expressway （繞城高速）, the Freight Highway（貨運大道）, and Logistics Highway（物流大道）forming a circumferential traffic network. Furthermore, as the Dajian Highway is toll-free, certain vehicles bypass Chengbei Exit Expressway, thereby leading to a decrease in its toll income.

Construction works on circumjacent roads — The main highway from Pengshan Exit of Chengle Expressway to the county seat of Pengshan was closed due to the construction of Chengmianle intercity rail since 18 May 2013, leaving vehicles near Pengshan heading for and from Chengdu and Leshan to travel through Qinglong Station or Meishan Station, leading to a decrease in the traffic volume at Qinglong-Meishan section of Chengle Expressway during the construction period.

In addition, policies issued by Sichuan Province at the end of 2013 affecting the provincial highway operation are likely to have an impact on the operating performance of the Group's expressways in 2014, which are set out below. The Company will continue to keep an eye on the trends of policy and the changes in the industry, take positive measures to strengthen the principal business and safeguard the interests of the Company and all its Shareholders.

(1) On 20 December 2013, the Sichuan Provincial Government issued the notice on the launch of comprehensive improvement of and assaulting fortified position in road traffic safety, and decided to make the year of 2014 as **the year for comprehensive improvement of and assaulting fortified position in road traffic safety** for the whole province, during when efforts will be made to strengthen weak sections and solve outstanding problems in road traffic safety. On the same date, the provincial government issued working plans for 6 key improvements, including plan for treatment of vehicle overloading, which must be carried out based on the actual situation. Operation performance of the Group's expressways will thus be affected.

(2) Sichuan Province required all on-line toll stations and open truck weighing station of toll roads in the province provide preferential policies to legitimate transport vehicles with normal loading: toll was collected at 80% of the basic toll rate of the toll-by-weight for two-axle and three-axle freight truck, and 70% for four-axle freight truck and those with more than four axles; at 70% of the basic toll rate for normal container loaded vehicles with normal loading; toll free for normal loading vehicles transporting fresh agricultural products, but not for abnormal loading vehicles (container loaded vehicles and vehicles transporting fresh agricultural products inclusive). The policy has been implemented since 15 January 2014.

Operating conditions of the "Construction" segment and "City Operation" segment of the Group

"**Construction**" is a mature business of the Group and "**City Operation**" is an emerging business established by the Group at the current stage. Depending on the professional expertise and experience in the field of construction accumulated for the past many years and relying on the good cooperation between the Company and the local governments along the Group's highways, the Group will bring into play its advantages in finance, location and brand to vigorously expand its business of highway construction, urban infrastructures and property development along the highways, so as to promote the extension into related upstream and downstream industries and achieve overall improvement in the Group's efficiency. At present, projects invested and constructed by the Group mainly include:

(1). Suiguang-Suixi Expressways BOT Project

At the 2012 first extraordinary general meeting of the Company held on 13 January 2012, the investment in Suiguang-Suixi Expressways BOT Project was considered and approved. According to the preliminary design document of the project, its total length is approximately 164.826km with an operation period of 29 years and 336 days, and the approved estimated preliminary investment is approximately RMB11,887 million. In July 2012, the Company established Sichuan Suiguang Suixi Expressway Company Limited to be in overall charge of the preparation, construction, operation, management and transfer of Suiguang- Suixi Expressways BOT Project. From the date of its commencement of the construction to 31 December 2013, a total of approximately RMB3,242 million has been invested, accounting for approximately 27.27% of the estimated total investment of the project.

(2). Renshou Land-linked Pilot BT Project

On 28 January 2011, the proposal in relation to the investment in Renshou Land-linked Pilot BT Project was considered and approved by the Company. In July 2011, Shuhong Company was established to take charge of the implementation of this project. The Renshou Land-linked Pilot BT Project, with an estimated total investment of approximately RMB317,846,000, is located at Gaotan village, Wenlin Town (where the county government is located), Renshou County which involves a land area of approximately 4,848 Mu. The investment includes relocation of farmers' houses, settlement of "San Tong Yi Ping" (generally referred to as site clearance and resettlement, connecting temporary water and electricity supply to the site and road connection to the site) as well as construction of ancillary municipal roads, resettlement houses (including preparation work) (approximately 112,700 sq.m.) and ancillary facilities at the resettlement site. From the date of its commencement of the construction to 31 December 2013, a total of approximately RMB132 million has been invested, accounting for approximately 41.65% of the estimated total investment of the project.

(3). Shuangliu West Airport Phase VI BT Project

On 13 January 2012, the Company considered and approved the resolution in relation to the investment in and construction of the Shuangliu West Airport Phase VI BT Project, and approved Shunan Company to be the project company responsible for the preparation, construction and transfer of the project. On 17 January 2012, the Company won the bid to undertake the project, content of which includes a total of 4 roads, i.e. south extension line of Aviation Avenue, the road on the east side of Rayspower, Airport Road No. 4 and the west extension line of Industrial Park Avenue, with a total length of approximately 8.84km. The estimated total investment amount is approximately RMB616,070,000, including land requisition and relocation fee of approximately RMB163,030,000 and expenditures for road construction and installation of relevant facilities of approximately RMB453,040,000. From the date of its commencement of the construction to 31 December 2013, a total of approximately RMB265 million has been invested, accounting for approximately 43.02% of the estimated total investment of the project.

(4). Shuangliu Zongbao BT Project

On 28 March 2012, the Company considered and approved the resolution in relation to the investment in Shuangliu Zongbao BT Project, and approved Shunan Company to be the project company responsible for the preparation, construction and transfer of the project. On 6 April 2012, the Company won the bid to undertake the project, content of which includes 2 roads, i.e. Qinglan Road and the south extension line of Shuanghuang Road, with a total length of approximately 3.23 km. The estimated total investment amount is approximately RMB279,630,000, including land requisition and relocation fee of approximately RMB79,370,000 and expenditures for road construction and installation of relevant facilities of approximately RMB200,260,000. From the date of its commencement of the construction to 31 December 2013, a total of approximately RMB171 million has been invested, accounting for approximately 61.07% of the estimated total investment of the project.

(5). Real Estate Projects in Chengbei New Town of Renshou County

On 30 January 2013, participation in the bidding for the land use rights of three state-owned construction land parcels in Chengbei New Town, Renshou County, Meishan City, Sichuan Province for the investment and development of real estate projects was approved by the Company. On 7 February 2013, the Company won the bid for the land use rights of such land parcels, and obtained the auction confirmation (《拍賣成交確認書》). On 22 February 2013, the Company and the Land Resources Bureau of Renshou County entered into 3 separate land use rights transfer contracts in relation to the acquisition of the land use rights of such land parcels (with a total site area of 235,558.10 sq.m.) at a price of RMB920,160,000. At the 5th meeting of the fifth session of the Board of the Company held on 16 May 2013, the proposal in relation to the establishment of Renshou Landmark Company was considered and approved, and the related capital contribution agreement was entered into with Trading Landmark after the meeting. Pursuant to this agreement, Renshou Landmark Company, with a registered capital of RMB200 million will be owned as to 91% and 9% by the Company and Trading Landmark respectively by virtue of their respective capital contribution of RMB182 million and RMB18 million. Renshou Landmark Company was incorporated on 24 May 2013, and will take full charge of the development and construction of this project. Currently, preparation of the construction plan, site formation and geological survey of the project has been basically completed, and other works such as the building of the marketing group are in orderly progress at the same time.

(6). Gaotan Water Park in Renshou County, Tianfu Renshou Avenue construction project, etc.

On 3 January 2014, the Company considered and approved the investment in the construction projects of Gaotan Water Park and Tianfu Renshou Avenue in Renshou County. On 15 January 2014, the Company won the bid to undertake such projects, and on 28 January 2014, the Company entered into the Investment and Construction Contract in relationt to the engineering construction projects including Gaotan Water Park, raods in the area of Gaotan Reservoir, landscape engineering of Central Business Avenue, Tianfu Renshou Avenue, underneath channel of Lingzhou Avenue and Renshou Avenue extension. The total estimated investment in these projects amounted to approximately RMB2.472 billion (subject to the final financial review price, exclusive of land requisition and demolition costs and upfront fee. Relevant preliminary work, e.g. land requisition and demolition, and expenses were borne by the tenderee.)

(7). Road engineering project of Renshou Shigao Economic Development Zone, Tianfu New District

On 3 January 2014, the Company considered and approved the investment in the road engineering project of Renshou Shigao Economic Development Zone, Tianfu New District. On 17 January 2014, the Company won the bid to undertake the project, and on 28 January 2014, the Company entered into the Investment and Construction Contract in relationt to the engineering construction projects including section II of Shigao Avenue in Renshou Shigao Economic Development Zone, Tianfu New District, Gangtie Avenue, Qingshui Road and Ring Road (including road maintenance project of Artery No. 1), south section of Zhanhua Road (including the business street and Quanlong River levee project) and Logistics Avenue (including storm sewage pipe network project of Huahai Avenue). The total estimated investment in these projects amounted to approximately RMB780 million (subject to the final financial review price).

Operating conditions of the "financial investment" segment of the Group

Financial investment is a business type established by the Group in the principle of integration of industry and finance, aiming at turning its credit and product advantages into financial advantages. While securing low-cost capital through diverse means, the Group will deepen the cooperation with professional investment management institutions, give play to the functions of equity investment, adopt the development mode of "driving finance with industry and promoting industry with finance", interactively combine industrial capital and financial capital in a multiple way in multiple levels, and expand industrial and financial businesses. Currently, the Group's major investment and financing work conditions are as follows:

1. Entrusted Debt Investment

On 13 March 2013, the Company (as the financing party) entered into an entrusted debt investment agreement with aggregated amount of RMB400 million with Bank of China Limited Sichuan Branch (Wealth Management) (as the entrustor) and Bank of China Limited Sichuan Branch (as the entrustee). In the Reporting Period, drawdown of entrusted debt investment made by the Company amounted to approximately RMB293 million (which had been repaid and the remaining balances will no longer be drawn down).

2. Medium term notes

On 25 April 2012, the Company completed the registration for its RMB1.3 billion 5-year medium term notes, and in June and November 2012, successfully issued the 2012 first and second tranches of medium term notes of RMB200 million and RMB500 million, at annual interest rates of 4.75% and 5.57%, respectively. On 21 March 2013, the Company successfully issued the 2013 first tranche of medium term notes of RMB600 million at an annual interest rate of 5.23%.

3. Offshore bank loans

During the Reporting Period, the Company successively entered into loan contracts with China Construction Bank Tokyo Branch for an offshore loan of RMB1 billion, nine overseas financial institutions including The Hong Kong and Shanghai Banking Corporation Limited for an offshore syndicated loan aggregating RMB1 billion, Doha Branch of Industrial and Commercial Bank of China Limited for an offshore loan contract of RMB335 million, and Singapore Branch of the Agricultural Bank of China for an offshore loan of RMB194 million respectively. As at 31 December 2013, the said RMB-denominated offshore loans had been fully drawn down by the Company.

4. Medium-long term syndicated loan

In order to guarantee the construction funds for Suiguang-Suixi Expressways BOT Project be funded in time, upon approval by the Company, the syndicated loan contract in relation to Suiguang-Suixi Expressways BOT Project with China Development Bank as the leading bank was entered into in December 2013. The total syndicated facilities amounted to RMB8.33 billion. The lending banks included China Development Bank, China Construction Bank, Industrial and Commercial Bank of China and Postal Savings Bank of China. As at 31 December 2013, the Group had not drawn down the loan.

5. Industrial investment funds

On 24 December 2013, the Company considered and approved the resolution in relation to the cooperation with Sichuan Development Equity Investment Fund Management Co., Ltd. （四川發展股權投資基金管理有限公司） in carrying out industrial investment funds related business, pursuant to which, Shuhai Company, a wholly owned subsidiary of the Company, and Sichuan Development Equity Investment Fund Management Co., Ltd. made joint contribution to establish Sichuan Zhongxin Assets Management Co., Ltd. （四川眾信資產管理有限公司） with the registered capital of RMB10 million. Each party contributed RMB5 million and held 50% equity interest in the company, respectively. Sichuan Zhongxin Assets Management Co., Ltd. had completed industry and commerce registration on 6 January 2014 and its business scope includes assets management, project investment and investment consultation.

Operating conditions of the "energy and cultural media" segment of the Group

Energy and cultural media is a fast growing business of the Group in recent years and mainly involves the operation of gas stations along the expressways and management of assets, service zones, advertisement, etc. along the expressways. During the Reporting Period, the Group achieved a substantial growth of revenue through integration of assets along the expressways, improvement of service functions, and vigorous development of sales of oil and chemical products, advertising, assets leasing, etc. During the Year, the Group recorded a revenue of approximately RMB2,247,392,000 (2012: RMB970,232,000) from operation of gas stations along the expressways, representing an increase of approximately 131.63% over last year; and a revenue of RMB34,360,000 (2012: RMB25,642,000) from advertising and assets leasing services along the expressways, representing an increase of approximately 34.00% over last year.

FINANCIAL REVIEW AND ANALYSIS

Summary of the Group's Operating Results

	2013	2012
	RMB'000	*RMB'000*
Revenue	**8,570,140**	7,183,670
Including: Toll income	**2,526,878**	2,343,782
Construction contract revenue	**3,761,510**	3,844,014
Profit before tax	**1,309,936**	1,439,828
Profit attributable to owners of the Company	**1,015,142**	1,180,931
Earnings per share attributable to owners of the Company *(RMB)*	**0.332**	0.386

Summary of the Group's Financial Position

	At 31 December 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Total assets	**23,989,082**	19,336,400
Total liabilities	**12,458,441**	8,889,974
Non-controlling interests	**526,138**	193,200
Equity attributable to owners of the Company	**11,004,503**	10,253,226
Equity per share attributable to owners of the Company *(RMB)*	**3.599**	3.353

ANALYSIS OF OPERATING RESULTS

Revenue

The Group's revenue for the Year amounted to RMB8,570,140,000 (2012: RMB7,183,670,000), representing an increase of 19.30% over last year, of which:

(1) The net toll income was RMB2,526,878,000 (2012: RMB2,343,782,000), representing an increase of 7.81% over last year, mainly because the toll income of Chengren Expressway, which commenced operation and toll collection in September 2012, increased in the Year as compared with last year, and partially offset the adverse impact of the toll-free holiday policy and the 4.20 Earthquake. Please refer to pages 32 to 34 of this announcement for details of the main factors influencing the toll income of the Group during the Reporting Period;

(2) Construction revenue (before revenue taxes) recognized under the percentage-of-completion method in respect of service concession arrangements was RMB3,191,552,000 (2012:RMB3,248,675,000), representing a decrease of 1.76% over last year. This mainly included RMB3,126,568,000 of construction revenue (before revenue taxes) (2012: RMB3,153,313,000) from the Suiguang Suixi Expressways and Chengren Expressway BOT projects and an aggregate of RMB64,984,000 of construction revenue (before revenue taxes) (2012: RMB95,362,000) from technical renovation projects of Chengyu Expressway, Chengya Expressway and Chengle Expressway and reconstruction projects of gas stations and service zones along the expressways during the Year;

(3) Construction revenue (before revenue taxes) recognized under the percentage-of-completion method in respect of construction works performed for third parties amounted to RMB647,426,000 (2012: RMB620,189,000), which mainly included the construction revenue (before revenue taxes) of RMB423,856,000 (2012: RMB197,819,000) in respect of the BT projects, and other construction revenue (before revenue taxes) of RMB223,570,000 (2012: RMB422,370,000) during the Year.

(4) Revenue from operation of gas stations along expressways amounted to RMB2,247,392,000 (2012: RMB970,232,000), representing an increase of 131.63% over last year. This was mainly attributable to the new business of sales of petrochemical products, revenue generated from which amounted to RMB1,230,769,000.

Other Income and Gains

The Group's other income and gains for the Year amounted to RMB155,174,000 (2012: RMB183,916,000), representing a decline of 15.63% as compared with last year. This was mainly attributable to the interest income of RMB76,096,000 (2012: RMB124,582,000) from the advance payment in respect of the BT projects of the Group recognized pursuant to relevant agreements, and RMB24,469,000 (2012: RMB21,604,000) of interest income from bank deposits.

Operating Expenses

The Group's operating expenses for the Year amounted to RMB6,976,363,000 (2012: RMB5,703,674,000), representing a year-on-year increase of 22.31%, of which:

(1) Construction contract costs recognized under the percentage-of-completion method in respect of service concession arrangements were RMB2,999,442,000 (2012: RMB3,243,919,000), representing a year-on-year decrease of 7.54%. This mainly included construction contract costs of RMB2,936,416,000 (2012: RMB3,153,313,000) from Suiguang Suixi Expressways and Chengren Expressway BOT projects and aggregate construction contract costs of RMB63,026,000 (2012: RMB90,606,000) from technical renovation projects of Chengyu Expressway, Chengya Expressway and Chengle Expressway and construction projects of gas stations and service zones along the expressways during the Year;

(2) The construction costs recognized under the percentage-of-completion method in respect of construction contracts amounted to RMB551,556,000 (2012: RMB554,130,000). This mainly included the construction costs of RMB342,692,000 (2012: RMB174,590,000) in respect of BT projects;

(3) Depreciation and amortization expenses increased by 25.53% from RMB413,848,000 in the previous year to RMB519,520,000 this Year, which was mainly attributable to the commencement of amortization for service concession arrangements in respect of Chengren Expressway after Chengren Expressway was put into operation in September 2012;

(4) The cost of sales of refined oil and petrochemical products was RMB2,161,428,000 (2012:RMB898,918,000), which represented a 140.45% year-on-year increase and was mainly attributable to the increase in the sales of petrochemical products;

(5) Staff costs increased by 23.64% from RMB379,047,000 in the previous year to RMB468,649,000 this Year. This was principally due to the increases in total salary, various social insurances and housing accommodation fund paid in the Year to certain extent given the commencement of operation of Chengren Expressway, the Group's business expansion, the addition of controlled subsidiaries as well as the increase in staff of the Group and increased average salary for the employees in Chengdu;

(6) Costs of repairs and maintenance increased by 39.31% from RMB113,091,000 in the previous year to RMB157,547,000 this Year, representing an increase in the costs for periodic maintenance of Chengle Expressway and daily maintenance of Chengren Expressway since it commenced operation in September 2012.

Finance Costs

The Group's finance costs for the Year amounted to RMB450,609,000, representing an increase of 87.14% as compared with last year, principally attributable to (1) the increase in capitalized interest expense of RMB163,092,000 (RMB157,103,000 of capitalized interests of Chengren Expressway BOT Project from January to September 2012) as a result of the cease of capitalization of interest on the bank loans for Chengren Expresway BOT Project after Chengren Expressway was open to traffic; (2) the increase in the total interest-bearing liabilities caused by increased bank loans to satisfy project funding requirements.

Taxation

The corporate income tax expense of the Group for 2013 amounted to RMB229,226,000, representing an increase of approximately 0.13% as compared with 2012. The main reason was that although the Group's profit before tax for the Year decreased compared with last year, the construction contract segment and the gas station operation profit segment in the composition of profit before tax increased compared with last year and a 25% income tax rate was applicable to the two above-mentioned segments, resulting in a year-on-year increase in income tax expenses.

Profit

The Group's profit for the Year amounted to RMB1,080,710,000, representing a decrease of 10.75% as compared with RMB1,210,911,000 in the previous year, of which the profit attributable to owners of the Company was RMB1,015,142,000, representing a year-on-year decrease of 14.04%. This was mainly due to:

(1) the toll income from the Group's existing expressways for the Year posted a year-on-year decrease under the impact of the toll-free holiday policy and the 4.20 Ya'an Earthquake, which led to a decrease in profit achieved by them for the Year; and Chengren Expressway recorded a loss of approximately RMB74,246,000 as it was just put into operation in the Year and at the initial operation stage;

(2) The Company started operation in the property development and operation sector and the newly established controlled subsidiary Renshou Trading Landmark Company Limited made a loss of approximately RMB36,740,000 for the Year;

(3) The construction contract and operation of gas stations along expressways contributed additional profits of approximately RMB109,300,000 for the Year;

(4) The finance costs for the Year saw a significant increase as set out in the paragraph headed "**Finance Costs**".

ANALYSIS OF FINANCIAL POSITION

Non-current Assets

As at 31 December 2013, the Group's non-current assets amounted to RMB19,059,843,000, representing an increase of 22.59% as compared with the end of 2012. The increase was mainly due to:

(1) the addition in property, plant and equipment of RMB46,681,000 for the Year;

(2) an increase of RMB3,191,552,000 in service concession arrangements (including a total of RMB64,984,000 for technological renovation projects on road surface of Chengyu Expressway, Chengya Expressway and Chengle Expressway and construction projects of gas stations and service zones along the expressways and RMB3,126,568,000 for Chengren Expressway and Suiguang Suixi Expressways BOT projects);

(3) a total of RMB519,520,000 in provision of depreciation and amortization;

(4) an increase of RMB26,094,000 in prepayment related to purchase and construction of non-current assets;

(5) an increase of RMB45,665,000 in available-for-sale investments;

(6) an increase of RMB708,703,000 in land held for property development; and

(7) receipt of RMB90,270,000 in advance payment for land appropriation and relocation of Renshou Land-linked Pilot Project.

Current Assets and Current Liabilities

As at 31 December 2013, the current assets of the Group amounted to RMB4,929,239,000, representing an increase of 30.08% as compared with the end of 2012, mainly attributable to:

(1) A decrease of RMB28,713,000 in the closing balance of cash and cash equivalents as compared with the end of 2012 due to the cash and cash equivalents used in operating and investing activities in this Year, partially offset by the Company's issue of medium term notes, and increases in external borrowings;

(2) An increase of approximately RMB44,493,000 in inventories as compared with the end of 2012 mainly due to the increase of approximately RMB4,833,000 in oil reserves of Zhonglu Energy Company and Chengya Oil Company, and an increase of approximately RMB39,660,000 in the spare parts and construction materials;

(3) An increase of approximately RMB178,878,000 in trade and other receivables as compared with the end of 2012, mainly due to an increase of RMB437,946,000 in trade receivables, an increase of RMB36,699,000 in advance payment of fuel oil freight receivable, an increase of RMB14,865,000 in other receivables and a decrease of RMB310,632,000 in buyback funds for completed BT projects and advanced payment for land appropriation and relocation and accrued interest as compared with last year.

(4) Properties under development increased by RMB982,356,000 as compared with the end of 2012, mainly due to the land use rights of three parcels of land in Renshou County, Meishan City, Sichuan Province, obtained in a bid during the year.

As at 31 December 2013, the Group's current liabilities amounted to RMB3,752,286,000, representing an increase of 34.21% as compared with the end of 2012, mainly attributable to an increase of approximately RMB590,000,000 in bank loans resulting in an increase in interest-bearing bank and other loans amounting to RMB438,182,000 for the Year, a decrease of approximately RMB81,705,000 in tax payable, and an increase of approximately RMB599,920,000 in trade and other payables.

Non-current Liabilities

As at 31 December 2013, the non-current liabilities of the Group amounted to RMB8,706,155,000, representing an increase of 42.86% as compared to the end of 2012, which was principally attributable to an increase in three-year bank loan of RMB1,529,000,000, an increase in two-year bank loan of RMB1,000,000,000 and an increase of RMB600,000,000 in medium-term notes resulting in an increase of interest-bearing bank and other loans amounting to RMB2,599,637,000 for the Year.

Equity

As at 31 December 2013, the Group's equity amounted to RMB11,530,641,000, representing an increase of 10.38% as compared with the end of 2012, mainly attributable to: (1) net profit for the Year of RMB1,080,710,000 which increased the equity; (2) 2012 final dividend of RMB244,645,000 declared in the Year which decreased the equity; (3) the disposal of certain equity interests in Trading Construction Company which increased the equity by RMB262,965,000.

Capital Structure

As at 31 December 2013, the Group had total assets of RMB23,989,082,000 and total liabilities of RMB12,458,441,000. The gearing ratio, which was calculated as the Group's total liabilities divided by its total assets, was 51.93% (2012: 45.98%).

Cash Flow

As at 31 December 2013, the closing balance of the cash and bank balance of the Group amounted to RMB1,791,963,000, including approximately HKD71,000 (equivalent to approximately RMB56,000) deposits in Hong Kong dollars, and approximately RMB1,791,907,000 cash and deposits in Renminbi, representing a net decrease of approximately RMB28,713,000 over the end of 2012.

During the Year, net cash flows used in operating activities amounted to RMB2,462,496,000 (2012: RMB783,809,000), with an increase of RMB1,678,687,000 over 2012, which was mainly due to cash outflow for properties development activities aggregated to RMB1,691,059,000.

Net cash inflow from investing activities amounted to RMB143,060,000 (2012: net cash outflow of RMB76,082,000), with an increase of RMB219,142,000 over last year, mainly consisted of proceeds received from disposal of the 49% equity interests in Trading Construction Company of RMB262,965,000, which was partially offset by cash outflow of RMB45,000,000 for purchase of available-for-sale investments.

Net cash inflow from financing activities was RMB2,290,723,000 (2012: RMB912,149,000), representing an increase of RMB1,378,574,000 over last year which was mainly attributable to net increase in bank loans.

Risk of Exchange Fluctuation

Save that the Company needs to purchase Hong Kong dollars to distribute dividends to H Shares Shareholders, the operating income and expenses as well as the capital expenditures of the Group are mainly settled in Renminbi and thus the fluctuation in exchange rate does not have material impact on the Group's results.

In addition, the Group had not used any financial instrument for hedging purposes during the Reporting Period.

Borrowings and Solvency

As at 31 December 2013, the Group's interest-bearing bank and other loans amounted to RMB9,889,413,000, all of which bore fixed interest rates. In particular, the balance of domestic bank loans was RMB4,955,412,000, with annual interest rates ranging from 5.76% to 6.55%; the balance of overseas bank loans was RMB3,529,000,000, with annual interest rates ranging from 4.89% to 5.85%; the balance of other loans amounted to RMB105,001,000, with annual interest rates ranging from 3.30% to 6.15%; and the outstanding medium term notes amounted to RMB1,300,000,000, with annual interest rates ranging from 4.75% to 5.57%. The relevant balances are set out as follows:

	Maturity profile of interest-bearing borrowings			
	Total amount	**Within 1 year**	**From 1 year to 5 years**	**Over 5 years**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Loans from domestic commercial banks	4,955,412	938,000	1,096,875	2,920,537
Loans from overseas commercial banks	3,529,000	250,000	3,279,000	—
Other loans	105,001	15,909	89,092	—
Medium-term notes	1,300,000	—	1,300,000	—
Total (2013-12-31)	9,889,413	1,203,909	5,764,967	2,920,537
Total (2012-12-31)	6,851,594	765,727	2,865,955	3,219,912

With the Group's steady cash flow, solid capital structure and sound credit records, the Group has established and maintained favorable credit relations with financial institutions and enjoyed most preferential interest rates for its loans. The Group has acquired bank facilities of RMB2,737 million from financial institutions available for use in the following one to two years. In addition, in 2010, China CITIC Bank Corporation Limited (Chengdu Branch) as leader and other eight banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB4,890 million. Such loan is specially used for construction of Chengren Expressway BOT Project. As at 31 December 2013, the balance of syndicated loan for the project amounted to RMB3,911 million.

In 2013, China Development Bank (Sichuan Branch) as leader and other three banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan totalled RMB8,330 million. Such loan was specially used in Suiguang-Suixi Expressways BOT Project. As at 31 December 2013, no drawdown of the loan has been made by the Company.

Contingent Liabilities and Pledge of Assets

As at 31 December 2013, the Group's time deposits of RMB11,144,000 and RMB10,639,000, respectively (2012: RMB10,868,000 and RMB10,333,000 respectively) were pledged to secure Chengren Expressway BOT Project and Suiguang Suixi Expressways BOT Project respectively; time deposits of RMB112,150,000 (2012: RMB56,450,000) were pledged to secure bank loans; time deposits of RMB4,530,000 (2012: nil) was pledged for Shuangliu West Airport Phase VI BT Project; the concession rights to collect toll income pertaining to Chengbei Exit Expressway and Chengle Expressway with the net carrying values of RMB138,793,000 and RMB1,102,194,000, respectively (2012: RMB153,640,000 and RMB1,144,993,000 respectively) were pledged to secure bank loans amounting to RMB48,000,000 and RMB106,400,000, respectively (2012: RMB91,000,000 and RMB106,400,000, respectively); the concession rights to collect toll income pertaining to Chengren Expressway with net carrying value of RMB7,453,127,000 (2012: RMB7,469,649,000) was pledged to secure the syndicated loan amounting to RMB3,911,012,000 (2012: RMB3,911,012,000); the concession rights to collect toll income pertaining to Chengya Expressway with net carrying value of RMB2,408,484,000 was pledged to secure the overseas syndicated loan amounting to RMB1,000,000,000; trade receivables of approximately RMB208,384,000 (2012: nil) has been pledged by the Group to secure bank loans of RMB260,000,000.

Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at 31 December 2013.

BUSINESS DEVELOPMENT PLANS

Based on our analysis and judgment of the business conditions, policy climate and our own development status, and in line with our business targets for year 2014, we formulated the following business plans:

1. Conduct reform and innovation, strengthen management, and further stimulate motive force of development. The Company will improve the Group's mechanism of innovation driving development and further improve the sound corporate management system with definite division between power and obligations, scientific management and high efficiency through strengthening internal management innovation, human resources management innovation, remuneration system innovation, innovation of project investment mode and way of cooperation, promoting development with reform and secure benefits relying on management.

2. Strengthen foundation and further consolidate the foundational status of "toll roads and bridges". The Company will improve traffic efficiency of roads, achieve tapping potential and increasing efficiency in respect of toll income, and further enhance the profitability of the Group's principal businesses through strengthening operation management of the Group's road assets, together with multiple means including building a professional inspection team of the Company, enhancing the service level of road operation and service image and increasing efforts in construction of intelligent traffic.

3. Strengthen risk control and proactively and stably promote the development of four major segments, i.e. "city operation", "construction", "energy and cultural media" and "financial investments". The Company will seize market opportunities, integrate advantageous resources, deepen internal and external cooperation and proactively promote the business development of four segments. Meanwhile, we will place focus on project operation, industrial policy and market risk survey and analysis, and establish and improve risk warning, risk control, risk aversion and responsibility assigning mechanisms to reduce market risks and foster and consolidate new profit growth points of the Company.

4. Well perform engineering project management and ensure project construction quality. The Company will continuously and strictly execute the Company's system of internal control and management of construction projects and improve project management level and engineering construction quality through strengthening target responsibility management and performing strict supervision and assessment; introduce scientific project management tools and methods to conduct evaluation and management from the perspectives of target, progress, efficiency and accuracy, further enhance the refined management of projects and promote the construction management and engineering quality to a new height.

5. Strengthen financial management, innovate the way of financing and fully guarantee the fund demands of the Company. We will tighten up financial budget management, make overall planning of funds, strengthen cost and expense control, carry out rigid execution and guarantee the fulfillment of annual targets. Meanwhile, we will continue to maintain the advantage of low cost financing, proactively explore multiple financing channels and secure low-cost capital through diverse means with an aim to ensure sufficient cash flow and financial resources to support the Group's liability level and business expansion.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries repurchased, redeemed or sold any of the Company's listed securities during the Reporting Period.

EMPLOYEES AND THEIR REMUNERATION AND TRAINING

As at 31 December 2013, details of the Group's employees were as follows:

Number of in-service employees of the Company (including its branches)	2,672
Number of in-service employees of major subsidiaries	1,649
Total number of in-service employees	4,321
Number of retired employees for which the Company (including its branches) and its major subsidiariesare liable to bear costs	83

Composition by Expertise

Type of Expertise	Number of people
Production	3,123
Sales	55
Technical	409
Financial	127
Administrative	607
Total	4,321

Educational Level

Type of Education Level	Number of people
Postgraduate	110
University graduate	831
Junior college graduate	1,760
Technical secondary school and below	1,620
Total	4,321

Employee's Remuneration

The total remuneration of the Company employees is correlated with the operating results of the Company. The wages of the employees are comprised of fixed wages (including basic salary, and salaries determined by the position and period of service) and performance incentive bonus. Employee's salary is determined **with reference to his position (i.e. the salary changes in accordance with the position of service) and performance**. For the Year ended 31 December 2013, the employees' salary of the Group totaled approximately RMB298,278,000 (of which approximately RMB174,093,000 for the employees of the Company (including its branches)).

Employee's Insurance and Welfare

The Company cherishes employees and protects their lawful interests. The Company has improved various types of social insurance for employees in strict compliance with all applicable PRC labour security policies. Expenses for various types of social insurances for retirement, healthcare, unemployment, work related injury, childbirth, catastrophic illness and accident have been paid in full by the Company for the employees. Meanwhile, the Company has made contributions to the housing accumulation fund and enterprise annuity fund for the employees in compliance with the requirements under applicable laws and policies.

Staff Training

The Company highly values staff training and provides trainings of various aspects and types to improve the comprehensive quality and business standard of its staff. During the Reporting Period, the Company has organised various centralized and specific trainings such as job-specific skills for technicians and continuing education for professional technical staff. A total of 4,500 employees of the Company (including its branches) attended the above training courses.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

Sound corporate governance goes beyond merely meeting the regulatory authorities' basic requirements for operating a listed Company. More importantly, it fulfils the Company's internal development needs. The Company is committed to continuously enhancing its corporate governance standard. During the Reporting Period, the Company has adopted and fully complied with the code Provisions set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules except that Mr. Tang Yong was unable to attend the extraordinary general meeting of the Company held on 24 December 2013 in accordance with the provision A.6.7 under the Corporate Governance Code due to significant business engagement.

Audit Committee

The Audit Committee of the Company comprises three independent non-executive Directors, who are all professionals with extensive experience in finance and transportation industries, etc.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2013 and is of the view that the Group has complied with all applicable accounting standards and requirements and made adequate disclosure.

COMPLIANCE WITH THE MODEL CODE

During the Reporting Period, the Company has adopted a code of conduct regarding Directors'and supervisors' securities transactions on terms not less than the required standard set out in the Model Code. Having made specific enquiries with all Directors and supervisors of the Company, it was confirmed that the Directors and Supervisors of the Company have complied with the Model Code in relation to securities transactions by the Directors and its standards of code of conduct and there had not been any non-compliance with the relevant requirements of the Model Code.

CLOSURES OF REGISTER OF MEMBERS OF H SHARES

For the purposes of determining the shareholders' entitlement to attend the 2013 annual general meeting and to receive the 2013 final dividend, the H Shares register of members of the Company will be closed during the following periods:

— **In respect of attending and voting at the 2013 annual general meeting**

Deadline for lodging transfer documents	4:30 p.m. on 25 April 2014 (Friday)
Closure period of the H Shares register of members	26 April 2014 (Saturday) to 28 May 2014 (Wednesday) (both days inclusive)
Record date	28 May 2014 (Wednesday)
Date of the 2013 annual general meeting	28 May 2014 (Wednesday)

— In respect of the entitlement to 2013 final dividend

Deadline for lodging transfer documents	4:30 p.m. on 4 June 2014 (Wednesday)
Closure period of the H Shares register of members	5 June 2014 (Thursday) to 10 June 2014 (Tuesday) (both days inclusive)
Dividend Entitlement Date	10 June 2014 (Tuesday)

In order to be entitled to attend and vote at the 2013 annual general meeting, and to receive the 2013 final dividend of the Company, H shares Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates are lodged with the Company's H Shares Registrar, Hong Kong Registrars Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before the time above designated for lodging transfer documents.

Shareholders are advised that the Company will make separate announcement on the SSE in respect of details of the arrangements regarding (i) the distribution of 2013 final dividend to A shares Shareholders and (ii) details of A shares Shareholders' eligibility for attending the 2013 annual general meeting.

PUBLICATION OF THE ANNUAL REPORT

The Company's annual report for the Year ended 31 December 2013 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITION

Chengbei Exit Expressway	Chengdu Chengbei Exit Expressway
Chengle Expressway	Sichuan Chengle (Chengdu-Leshan) Expressway
Chengren Expressway	Chengdu-Meishan (Renshou) Section of ChengZiLuChi (Chengdu-Zigong-Luzhou-Chishui) Expressway
Chengya Expressway	Sichuan Chengya (Chengdu-Ya'an) Expressway

Chengyu Expressway	Chengyu (Chengdu-Chongqing) Expressway (Sichuan Section)
Suiguang Expressway	Sichuan Suiguang (Suining-Guang'an) Expressway
Suixi Expressway	Sichuan Suixi (Suining-Xichong) Expressway
Airport Expressway Company	Chengdu Airport Expressway Company Limited
Chengbei Company	Chengdu Chengbei Exit Expressway Company Limited
Chengle Company	Sichuan Chengle Expressway Company Limited
Chengren Branch	Sichuan Expressway Company Limited Chengren Branch
Chengya Branch	Sichuan Expressway Company Limited Chengya Branch
Chengya Oil Company	Sichuan Chengya Expressway Oil Supply Company Limited
Renshou Landmark Company	Renshou Trading Landmark Company Limited
Shuhai Company	Chengdu Shuhai Investment Management Company Limited
Shuhong Company	Chengdu Shuhong Property Company Limited
Shunan Company	Sichuan Shunan Investment Management Company Limited
Shusha Company	Sichuan Shusha Industrial Company Limited
Chengzhi Tongsheng Company	Sichuan Chengzhi Tongsheng Construction Engineering Co. Ltd.
Suiguang Suixi Company	Sichuan Suiguang Suixi Expressway Company Limited

Trading Construction Company	Sichuan Trading Construction Engineering Co., Ltd. (formerly known as "Sichuan Shugong Expressway Engineering Company Limited")
Zhonglu Energy Company	Sichuan Zhonglu Energy Company Limited
2013 AGM	the 2013 annual general meeting of the Company to be held on 28 May 2014 (Wednesday), notice of which will be published on the Stock Exchange's website and dispatched to the Shareholders on 11 April 2014 (Friday)
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 SSE
Articles of Association	the articles of association of the Company, as amended time from time
Audit Committee	the Audit Committee of the Board of the Company
Board	the Board of Directors of the Company
Company	Sichuan Expressway Company Limited
Director(s)	director(s) of the Company
Dividend Entitlement Date	4 June 2014 (Wednesday), the date on which the Shareholders whose names appear on the H Shares register of member of the Company shall be entitled to the 2013 final dividend of the Company (if approved by the Shareholders at the 2013 AGM)
Ganghang Company	Sichuan Ganghang Development Company Limited* （四川省港航開發有限責任公司）
Group	the Company and its subsidiaries

H Share(s)	overseas listed 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 Stock Exchange
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules of the Stock Exchange, which has been adopted by the Company as the code of conduct for securities transactions by Directors and Supervisors of the Company
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 Land-linked Pilot BT Project	the land-linked pilot project in Renshou County, Meishan City in the form of BT (build-transfer)
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	A Share(s) and/or H Share(s) (as the case may be)
Shareholder(s)	holder(s) of Shares
Shuangliu West Airport Phase VI BT Project	the road project within the Airport Hightech Industrial Functional Zone, Shuangliu County, Chengdu City, in the form of BT (build-transfer), which is referred to as the "West Airport Development Zone Phase VI Road Engineering BT Project" by the Transportation Bureau of Shuangliu County, Chengdu City, the tenderee of this project

Shuangliu Zongbao BT Project	the Phase I road project within Zongbao ancillary area at Shuangliu County, Chengdu City in the form of BT (buildtransfer)
Sichuan Highway Development	Sichuan Highway Development Holding Company, a subsidiary of STI Group
SSE	Shanghai Stock Exchange
STI	Sichuan Transportation Investment Group Corporation, the controlling shareholder of the Company
STI Group	STI and its subsidiaries
Stock Exchange	The Stock Exchange of Hong Kong Limited
Suiguang Suixi Expressways BOT Project	the project on Suiguang Expressway and Suixi Expressway in the form of BOT (build-operate-transfer)
Trading Landmark	Sichuan Trading Landmark Company Limited
Year or Reporting Period	the 12 months ended 31 December 2013

By order of the Board
Sichuan Expressway Company Limited*
Zhou Liming
Chairman

Chengdu, Sichuan, the PRC
27 March 2014

As at the date of this announcement, the Board comprises Mr. Zhou Liming (Chairman), Mr. Gan Yongyi (Vice Chairman) and Mr. He Zhuqing as executive Directors, Mr. Wu Xinhua (Vice Chairman), Mr. Tang Yong, Mr. Huang Bin and Mr. Wang Shuanming as non-executive Directors, and Mr. Sun Huibi, Mr. Guo Yuanxi, Mr. Fang Guijin and Mr. Yu Haizong as independent non-executive Directors.

* *For identification purposes only*