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)

2016 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

- Net revenue decreased by approximately 11.16% to approximately RMB10,211,134,000
- Profit attributable to owners of the Company increased by approximately 4.97% to approximately RMB1,056,584,000
- Earnings per share increased by approximately 4.97% to approximately RMB0.346
- Proposed payment of 2016 final cash dividend of RMB0.11 (tax inclusive) (2015: RMB0.08 (tax inclusive)) per share

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2016, prepared in conformity with the accounting principles generally accepted in Hong Kong as stated in details in note 2.1 to the consolidated financial statements, together with comparative figures for last year as follows (the data herein are presented in RMB except where otherwise indicated).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2016

	Notes	**2016**	2015
		RMB'000	*RMB'000*
REVENUE	3, 4	**10,211,134**	11,493,969
Cost of sales and other direct operating costs		**(8,108,363)**	(9,496,371)
Gross profit		**2,102,771**	1,997,598
Other income and gains	4	**115,428**	93,259
Administrative expenses		**(274,236)**	(216,823)
Other expenses		**(17,105)**	(18,879)
Finance costs	5	**(528,015)**	(498,582)
Share of profits and losses of:			
Joint ventures		**803**	(2,191)
Associates		**37,197**	20,959
PROFIT BEFORE TAX	6	**1,436,843**	1,375,341
Income tax expense	7	**(294,950)**	(270,128)
PROFIT FOR THE YEAR		**1,141,893**	1,105,213
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale investments		**(5,509)**	(10,684)
Income tax effect		**1,022**	1,982
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(4,487)**	(8,702)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,137,406**	1,096,511

	Notes	2016 *RMB'000*	2015 *RMB'000*
Profit attributable to:			
Owners of the Company		**1,056,584**	1,006,586
Non-controlling interests		**85,309**	98,627
		1,141,893	1,105,213
Total comprehensive income attributable to:			
Owners of the Company		**1,052,097**	997,884
Non-controlling interests		**85,309**	98,627
		1,137,406	1,096,511
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– Basic and diluted	8	**RMB0.346**	RMB0.329

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	Notes	**2016** *RMB'000*	2015 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**663,302**	628,300
Service concession arrangements	9	**24,845,325**	23,133,239
Prepaid land lease payments		**363,620**	396,189
Other intangible assets		**832**	1,331
Investments in joint ventures		**212,026**	151,223
Investments in associates		**202,805**	77,337
Available-for-sale investments		**142,441**	297,950
Loan to customers		**362,418**	481,108
Other receivables	10	**9,952**	7,830
Long term compensation receivables		**46,462**	52,197
Payments in advance		**2,000**	113,736
Deferred tax assets		**10,202**	9,532
Interests in land held for property development		**164,266**	708,703
Pledged deposits		**68,265**	55,700
Total non-current assets		**27,093,916**	26,114,375
CURRENT ASSETS			
Properties under development		**1,553,096**	1,190,749
Properties held for sale		**408,135**	–
Inventories		**42,844**	162,387
Due from customers for contract works		**331,389**	251,969
Loan to customers		**562,067**	132,248
Trade and other receivables	10	**2,466,596**	2,459,529
Pledged deposits		**–**	79,355
Cash and cash equivalents		**3,893,078**	3,067,744
Total current assets		**9,257,205**	7,343,981

	Notes	**2016** *RMB'000*	2015 *RMB'000*
CURRENT LIABILITIES			
Tax payable		**58,616**	169,874
Trade and other payables	11	**4,965,137**	3,813,066
Dividend payables		**141,599**	–
Interest-bearing bank and other loans	12	**1,980,050**	1,274,550
Total current liabilities		**7,145,402**	5,257,490
NET CURRENT ASSETS		**2,111,803**	2,086,491
TOTAL ASSETS LESS CURRENT LIABILITIES		**29,205,719**	28,200,866
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans	12	**15,225,079**	14,807,894
Deferred tax liabilities		**6,207**	7,064
Deferred income	11	**90,401**	89,260
Total non-current liabilities		**15,321,687**	14,904,218
Net assets		**13,884,032**	13,296,648
EQUITY			
Equity attributable to owners of the Company			
Issued capital	13	**3,058,060**	3,058,060
Reserves	14	**10,266,143**	9,461,206
		13,324,203	12,519,266
Non-controlling interests		**559,829**	777,382
Total equity		**13,884,032**	13,296,648

NOTES TO FINANCIAL STATEMENTS
31 December 2016

1. CORPORATE INFORMATION

Sichuan Expressway Company Limited (the "**Company**") is a limited liability company established in the People's Republic of China (the "**PRC**"). The registered office of the Company is located at 252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC.

During the year, the Group was involved in the following principal activities:

- investment holding
- construction
- management and operation of expressways and a high-grade toll bridge
- operation of gas stations along expressways
- property development; and
- financial lease business

In the opinion of the directors, Sichuan Transportation Investment Group Corporation ("**STI**") is the parent and the ultimate holding company of the Company, which is incorporated in the PRC.

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 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.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has five (2015: five) 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 and oil operation segment comprises the operation of gas stations along expressways, sales of petrochemicals and other oil products;

(d) the property development segment comprises the investment and development of properties located in Mainland China; and

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

The board of directors (the "**Board**") monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 on bank deposits, dividend income and other unallocated income and gains, as well as head office expenses, corporate expenses 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 2016

	Toll operation *RMB'000*	Construction contracts *RMB'000*	Gas station and oil operation *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Total *RMB'000*
SEGMENT REVENUE	**2,849,045**	**4,311,380**	**2,889,050**	**27,833**	**133,826**	**10,211,134**
SEGMENT RESULTS	**1,149,509**	**272,226**	**112,980**	**(15,164)**	**62,080**	**1,581,631**
Reconciliation:						
Interest income on bank deposits						**28,573**
Dividend income and unallocated income and gains						**55,954**
Corporate and other unallocated expenses						**(229,315)**
Profit before tax						**1,436,843**
SEGMENT ASSETS	**26,168,838**	**2,598,297**	**196,503**	**2,181,840**	**1,091,657**	**32,237,135**
Reconciliation:						
Available-for-sale investments						**142,441**
Deferred tax assets						**10,202**
Pledged deposits						**68,265**
Cash and cash equivalents						**3,893,078**
Total assets						**36,351,121**
SEGMENT LIABILITIES	**17,912,653**	**3,031,354**	**13,541**	**590,724**	**712,344**	**22,260,667**
Reconciliation:						
Tax payable						**58,616**
dividend payable						**141,599**
Deferred tax liabilities						**6,207**
Total liabilities						**22,467,089**
OTHER SEGMENT INFORMATION						
Share of profits and losses of associates	**23,311**	**–**	**–**	**–**	**13,886**	**37,197**
Share of profits and losses of joint ventures	**1,384**	**–**	**–**	**–**	**(581)**	**803**
Interest expenses	**469,262**	**39,729**	**495**	**3,038**	**15,491**	**528,015**
Depreciation and amortisation	**627,244**	**11,686**	**9,059**	**856**	**3,797**	**652,642**
Investments in associates	**77,076**	**–**	**–**	**–**	**125,729**	**202,805**
Investments in joint ventures	**210,259**	**–**	**–**	**–**	**1,799**	**212,026**
Capital expenditure*	**2,293,094**	**6,392**	**23,695**	**43,123**	**6,507**	**2,372,811**

Year ended 31 December 2015

	Toll operation *RMB'000*	Construction contracts *RMB'000*	Gas station and oil operation *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Total *RMB'000*
SEGMENT REVENUE	2,745,121	5,727,655	2,931,300	–	89,893	11,493,969
SEGMENT RESULTS	1,101,389	282,509	97,982	(13,451)	42,954	1,511,383
Reconciliation:						
Interest income on bank deposits						24,155
Dividend income and unallocated income and gains						38,936
Corporate and other unallocated expenses						(199,133)
Profit before tax						1,375,341
SEGMENT ASSETS	24,561,616	2,574,819	148,666	1,897,917	765,057	29,948,075
Reconciliation:						
Available-for-sale investments						297,950
Deferred tax assets						9,532
Pledged deposits						135,055
Cash and cash equivalents						3,067,744
Total assets						33,458,356
SEGMENT LIABILITIES	15,982,002	3,295,384	33,425	252,131	421,828	19,984,770
Reconciliation:						
Tax payable						169,874
Deferred tax liabilities						7,064
Total liabilities						20,161,708
OTHER SEGMENT INFORMATION						
Share of profits and losses of associates	20,959	–	–	–	–	20,959
Share of profits and losses of joint ventures	(1,157)	–	–	–	(1,034)	(2,191)
Interest expenses	442,439	50,113	105	4,855	1,070	498,582
Depreciation and amortisation	569,818	21,003	7,102	466	2,577	600,966
Investments in associates	72,887	–	–	–	4,450	77,337
Investments in joint ventures	148,843	–	–	–	2,380	151,223
Capital expenditure*	4,221,005	17,089	39,645	271	10,782	4,288,792

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

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 2016, revenue of approximately RMB1,121,143,000 which accounted for more than 10% of the Group's revenue was derived from providing construction services to a single customer, including sales to a group of entities which are known to be under common control with that customer. During the year ended 31 December 2015, 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 gain is as follow:

	2016	2015
	RMB'000	*RMB'000*
Revenue		
Toll income		
– Chengyu Expressway	**821,983**	875,026
– Chengya Expressway	**784,345**	767,937
– Chengle Expressway	**449,263**	453,834
– Chengren Expressway	**690,442**	659,535
– Chengbei Exit Expressway and Qinglongchang Bridge	**94,937**	86,026
– Suiguangsuixi Expressway	**47,151**	–
	2,888,121	2,842,358
Less: Revenue taxes	**(39,076)**	(97,237)
Sub-total	**2,849,045**	2,745,121
Construction revenue in respect of:		
– Service concession arrangements	**2,254,608**	4,167,587
– Construction and maintenance works performed for other parties	**2,083,509**	1,687,977
	4,338,117	5,855,564
Less: Revenue taxes	**(26,737)**	(127,910)
Sub-total	**4,311,380**	5,727,654

	2016	2015
	RMB'000	*RMB'000*
Revenue from operation of gas stations and petrochemicals and other oil products	**2,889,050**	2,931,300
Financial lease operation income	**59,602**	36,503
Sales of properties	**27,833**	–
Others (including income from rental and advertising)	**74,224**	53,391
Total revenue	**10,211,134**	11,493,969
Other income and gains		
Interest income from bank deposits	**28,573**	24,155
Interest income from discounting long-term compensation receivables	**7,967**	8,581
Interest income from construction contracts	**22,934**	21,587
Rental income	**5,238**	4,352
Government grants*	**10,279**	6,721
Dividend income from available-for-sale investments	**4,641**	7,024
Compensation income	**23,431**	15,703
Reversal of bad debt provision	**–**	2,447
Gain on disposal of available-for-sale investments	**8,911**	–
Miscellaneous	**3,454**	2,689
	115,428	93,259
Total revenue, other income and gains	**10,326,562**	11,587,228

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

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2016	2015
	RMB'000	*RMB'000*
Interest on bank and other loans	**664,867**	751,021
Interest on medium term notes	**160,052**	90,286
	824,919	841,307
Less: Interest capitalised in respect of:		
– Service concession arrangements *(note 9(c))*	**(272,115)**	(331,493)
– Properties under development	**(4,127)**	(4,158)
Interest recorded under cost of sales and other operating costs	**(20,662)**	(7,074)
	528,015	498,582
Interest rate of borrowing costs capitalised	**4.28%–6.51%**	5.60%–6.55%

6. PROFIT BEFORE TAX

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

	Notes	**2016** ***RMB'000***	2015 *RMB'000*
Employee benefit expenses (including directors', chief executive's and supervisors' remuneration):			
Wages and salaries		**404,401**	372,886
Pension scheme contributions			
– Defined contribution fund		**62,465**	61,167
Housing fund			
– Defined contribution fund		**39,292**	37,535
Supplementary pension scheme			
– Defined contribution fund		**15,821**	14,414
Other staff benefits		**101,957**	105,087
Employee benefit expense*		**623,936**	591,089

	Notes	2016 RMB'000	2015 RMB'000
Depreciation*		**77,374**	80,429
Amortisation of service concession arrangements		**542,522**	487,948
Amortisation of prepaid land lease payments		**32,247**	32,090
Amortisation of other intangible assets		**499**	499
Depreciation and amortisation expenses		**652,642**	600,966
Construction costs in respect of:			
– Service concession arrangements*		**2,204,565**	3,988,276
– Construction works performed for other parties*		**1,817,793**	1,428,344
Construction costs		**4,022,358**	5,416,620
Cost of sales of refined oil and petrochemical products		**2,728,643**	2,804,145
Cost of properties sold		**25,630**	–
Cost of finance lease operation		**20,662**	7,074
Repairs and maintenance		**198,440**	226,967
Minimum lease payments under operating leases – Land and buildings		**24,013**	23,851
Auditors' remuneration		**2,800**	2,800
Loss on disposal and write-off of items of property, plant and equipment		**2,732**	3,178
Gain/(loss) on disposal of available-for-sale investments		**(8,911)**	188
Reversal of provision for impairment of other receivables		**–**	(2,447)

* During the year, employee costs of RMB99,961,000 (2015: RMB105,531,000) and depreciation and amortisation charges of RMB14,136,000 (2015: RMB18,846,000) 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 2016.

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

Pursuant to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies of the State Administration of Taxation, the Ministry of Finance and General Administration of Customs (Cai Shui [2011] No. 58), the tax preferential treatments for the Western Region Development are valid until 2020. According to the Circular, "from 1 January 2011 to 31 December 2020, corporate income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries. The above-mentioned industries shall refer to enterprises whose principal businesses are the industrial projects prescribed in the Catalogue of Encouraged Industries in the Western Region (the "**Catalogue**"), the income of which accounts for more than 70% of the total income of such enterprises. The Catalogue of Encouraged Industries in the Western Region shall be issued separately". The Catalogue of Encouraged industries in the Western Region was approved by the State Council, and has been implemented since 1 October 2014.

For entities within the scope of the transportation industry, i.e., the Company, Chengle Company and Chengbei Company and Chengdu Airport Expressway Company Limited, an associate of the Company, which have been approved to enjoy the preferential tax rate of 15% before 2012 and have not changed their business operations, income tax of these entities for the year ended 31 December 2016 continued to be calculated at a tax rate of 15%.

On 21 May 2014, Trading Construction Company ("**TCC**") obtained the approval from the local tax bureau, which confirmed it was eligible to enjoy the preferential tax rate of 15% under the Western Development Policy by reference to the Catalogue as its eligible revenue exceeded 70% of its total revenue during 2013. During the year, the directors of the Company considered the eligible revenue derived by TCC has not exceeded 70% of its total revenue, and the provision of income tax expenses of TCC during the year was calculated at the CIT rate of 25%.

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

	2016	2015
	RMB'000	*RMB'000*
Current – Mainland China		
Charge for the year	**289,174**	268,227
Underprovision in prior years	**6,281**	5,320
Deferred	**(505)**	(3,419)
Total tax charge for the year	**294,950**	270,128

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 (2015: 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 2016 and 2015 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2016 and 2015.

9. SERVICE CONCESSION ARRANGEMENTS

(a) At 31 December 2016, the concession rights pertaining to certain expressways with net carrying amounts listed below were pledged to secure bank loans granted to the Group:

	2016	2015
	RMB'000	*RMB'000*
Chengle Expressway	**950,626**	1,002,934
Chengren Expressway	**7,208,863**	7,270,918
Suiguang-Suixi Expressways	**12,358,860**	10,266,715
	20,518,349	18,540,567

(b) During the year, the Group was in the construction of the remaining part of Suiguang Expressway and Suixi Expressway (the "**Suiguang-Suixi Expressways BOT Project**") in the form of Build-Operate-Transfer ("**BOT**") mode. Total construction and borrowing costs of RMB2,102,520,000 (2015: RMB3,963,150,000) were incurred, among which RMB1,476,662,000 (2015: RMB1,800,898,000) was sub-contracted to third party subcontractors.

In addition, construction revenue of Suiguang-Suixi Expressways BOT Project amounting to RMB2,152,569,000 (2015: RMB4,142,461,000) 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 has been 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 RMB272,115,000 (2015: RMB331,493,000) (note 5).

10. TRADE AND OTHER RECEIVABLES

	Notes	**2016** *RMB'000*	2015 *RMB'000*
Trade receivables			
Trade receivables		**1,837,413**	1,688,996
Impairment		**–**	–
Trade receivables, net	(a)	**1,837,413**	1,688,996
Other receivables			
Other receivables	(b)	**377,734**	337,912
Impairment		**(107,990)**	(107,990)
		269,744	229,922
Deposits		**255,549**	278,349
Prepayments		**103,890**	262,262
Other receivables, net		**629,183**	770,533
Total trade and other receivables		**2,466,596**	2,459,529

Notes:

(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 RMB1,090,895,000 as at 31 December 2016 (2015: RMB1,187,726,000) 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 5.60% to 14.98% (2015: 5.60% to 14.98%) 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:

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**528,506**	477,106
3 to 6 months	**125,250**	74,677
6 to 12 months	**365,164**	411,561
Over one year	**818,493**	725,652
	1,837,413	1,688,996

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

	2016	2015
	RMB'000	*RMB'000*
Neither past due nor impaired	**1,833,520**	1,684,864
Past due but not impaired		
Over one year	**3,893**	4,132
	1,837,413	1,688,996

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 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.

(b) The Group's other receivables at 31 December 2016 are analysed as follows:

	2016	2015
	RMB'000	*RMB'000*
Temporary advances	**–**	20,000
Interest receivables on temporary advances and construction revenue	**37,553**	50,594
Long-term compensation receivables to be received within one year	**5,735**	5,033
Toll income receivables	**126,874**	104,706
Interest income from pledged deposits current portion	**2,290**	9,356
Input value added tax to be deducted	**22,411**	–
Miscellaneous	**182,871**	148,223
	377,734	337,912
Interest income from pledged deposits – non-current portion	**9,952**	7,830
	387,686	345,742

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 required to provide temporary advances to the government agencies for the resettlement of residents and removal of obstacles performed by the relevant government agencies. The advance bears interest at a rate of 14.98% per annum (2015: 14.98%).

11. TRADE AND OTHER PAYABLES

	Notes	2016 RMB'000	2015 RMB'000
Current portion:			
Trade payables	(a)	**1,170,303**	1,211,546
Other payables	(b)	**3,687,274**	2,499,613
Accruals		**98,923**	93,116
Deferred income		**8,637**	8,791
		4,965,137	3,813,066
Non-current portion:			
Deferred income		**90,401**	89,260
		5,055,538	3,902,326

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

	2016 RMB'000	2015 RMB'000
Within 3 months	**194,554**	741,362
3 to 6 months	**155,748**	179,073
6 to 12 months	**495,924**	206,973
Over 1 year	**324,077**	84,138
	1,170,303	1,211,546

The trade payables are non-interest-bearing and are normally settled within one to twelve months, except for retention payables from construction projects of RMB117,223,000 (2015: RMB105,952,000) which are normally settled within two years.

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

	2016	2015
	RMB'000	*RMB'000*
Advances	**396,594**	110,620
Payroll and welfare payables	**112,564**	82,601
Taxes and surcharge payables	**75,438**	137,990
Progress billing payables	**2,512,895**	1,519,013
Retention payables	**215,020**	214,350
Deposits	**207,500**	258,451
Others	**167,263**	176,588
	3,687,274	2,499,613

12. INTEREST-BEARING BANK AND OTHER LOANS

		2016	2015
	Notes	***RMB'000***	*RMB'000*
Bank loans:			
Secured and guaranteed	(a)	**1,106,400**	1,106,400
Secured	(a)	**11,176,229**	10,544,544
Unsecured		**984,000**	1,493,000
Medium term notes	(b)	**3,800,000**	2,800,000
Other loans, unsecured	(c)	**138,500**	138,500
		17,205,129	16,082,444

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

(a) Bank loans were secured and guaranteed by:

	Notes	**2016**	2015
		RMB'000	*RMB'000*
		(Amount of bank loans)	
Secured by concession rights of:			
Chengle Expressway	(i)	**106,400**	106,400
Chengren Expressway		**3,495,129**	3,768,444
Suiguang-Suixi Expressways		**7,461,100**	6,676,100
		11,062,629	10,550,944
Secured by time deposits	(ii)	**1,000,000**	1,000,000
Secured by loan to customers		**220,000**	100,000
		12,282,629	11,650,944

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

(ii) As at 31 December 2016, time deposits of RMB56,450,000 (2015: RMB112,150,000) were pledged to China Construction Bank Chengdu Xinhua Branch to counter guarantee the Group's bank loan of RMB1,000,000,000 (2015: RMB1,000,000,000) granted by China Construction Bank Hong Kong Branch.

The bank loans bear interest at the respective fixed rates ranging from 4.41% to 6.55% (2015: from 4.00% to 6.55%) per annum.

(b) At 31 December 2016, the Company had six (2015: five) tranches of outstanding medium term notes totaling RMB3,800,000,000 (2015: RMB2,800,000,000) issued to domestic institutional investors participating in the PRC interbank debt market. The effective interest rates for the medium term notes range from 3.48% to 6.30% (2015: from 3.65% to 6.30%). The medium term notes were all issued at a par value of RMB100 per unit, and will be repaid between June 2017 and July 2024, with an original maturity period of five years.

(c) Other loans as at 31 December 2016 represent the unsecured shareholder's loan of RMB138,500,000 (2015: RMB138,500,000) granted to the Group by a non-controlling shareholder's bearing interest at annual interest rates ranging from 4.28% to 6.51% (2015: from 6.00% to 6.51%).

13. ISSUED CAPITAL

	2016	2015
	RMB'000	*RMB'000*
Issued and fully paid:		
A Shares of 2,162,740,000 (2015: 2,162,740,000) of RMB1.00 each	**2,162,740**	2,162,740
H Shares of 895,320,000 (2015: 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 Generally Accepted Accounting Principles of People's Republic of China ("**PRC GAAP**") applicable to the Company, its subsidiaries and associates, to the statutory surplus reserve (the "**SSR**") until this 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

	2016	2015
	RMB'000	*RMB'000*
Proposed final – RMB0.110 (2015: RMB0.080) per ordinary share	**336,387**	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 2016, the net revenue of the Group amounted to approximately RMB10,211,134,000, representing a decrease of approximately 11.16% as compared with last year; the profit attributable to owners of the Company amounted to approximately RMB1,056,584,000, representing an increase of 4.97% as compared with last year; and basic earnings per Share was approximately RMB0.346 (2015: approximately RMB0.329).

As at 31 December 2016, the Group's total assets and net assets were approximately RMB36,351,121,000 and RMB13,884,032,000, respectively.

Pursuant to the Articles of Association of the Company, 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 generally accepted accounting standards below). The Board has recommended a final cash dividend for the year 2016 of RMB0.11 per share (tax inclusive), aggregating to approximately RMB336,387,000, representing 47.79% of the distributable profit of the Company determined under PRC GAAP for the Year and 32.12% of the profit attributable to owners of the Company as shown in the consolidated financial statements (determined under PRC GAAP). The proposed dividend distribution is subject to the approval of the Shareholders at the Company's forthcoming 2016 AGM. If approved, the final dividend is expected to be paid on or around 13 July 2017 to the Shareholders whose names appear on the H Shares register of members of the Company on Thursday, 21 June 2017 (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 2016 AGM and to receive the 2016 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 regulations 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%. The Company, as a PRC domestic enterprise, is required to withhold corporate income tax at the rate of 10% before distributing the 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/or 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.

Distribution of dividends to Southbound Trading investors

According to relevant requirements in the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(Cai Shui [2014] No. 81), individual income tax (tax rate of 20%) shall be deducted by H Share companies from dividends received from investments in H Shares listed in the Stock Exchange through Shanghai-Hong Kong Stock Connect by individuals and securities investment funds from Mainland China (excluding enterprise investors from Mainland China, which shall be declared by themselves).

An agreement has been entered into between the Company and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited regarding the aforementioned dividend distribution arrangements to Southbound Trading investors, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominal holder of H Shares for Southbound Trading, will receive cash dividend declared by the Company and distribute them to relevant Southbound Trading investors through its registration and settlement system. Cash dividend received by Southbound Trading investors shall be settled in RMB. The Dividend Entitlement Date, cash dividend payment date and other time arrangements for Southbound Trading investors shall be in line with that of Shareholders of H Shares of the Company.

Shareholders are advised that the aforesaid arrangements are not applicable in relation 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 Group is principally engaged in the investment, construction, operation and management of expressway infrastructure projects, and implements diversified operation which is highly related to our main business. The business covers five major segments, namely the "toll roads and bridges", "financial investment", "city operation", "construction" and "energy and cultural media". During 2016, facing the slowdown in macroeconomic growth, the Group, through implementation of various measures including fine management, and strict cost control, innovates, improves quality and efficiency, and keeps raising the operation management level, so as to achieve a steady improvement in group operating efficiency. Among which, the road network diversion, toll reduction policy is still being enforced and the performance of the newly opened Suiguang-Suixi Expressways is in pressure at the early stage. Under the influence of abovementioned unfavorable factors, the principal businesses of the Group still maintained an overall growth in the toll income and profit. It solidifies the fundamental position of toll roads and bridges segment under the diversified development strategy of the Group. At the same time, the Group is strongly developing related diversified businesses. Businesses such as the investment and construction of BT projects, financial investment and energy sales are steadily growing. The Group's risk-resisting ability and potential in sustainable development are keeping on strengthening.

In this Year, the net revenue of the Group amounted to approximately RMB10,211,134,000, representing a decrease of approximately 11.16% year-on-year, among which the net toll income amounted to approximately RMB2,849,045,000, up approximately 3.79% year-on-year; the net revenue from construction contracts amounted to approximately RMB4,311,380,000, down approximately 24.73%

year-on-year (including the construction contracts revenue of approximately RMB2,152,569,000 from Suiguang-Suixi Expressways BOT Project, which was recognized according to the HKFRSs, down 48.04% year-on-year); the net revenue from operation of gas stations along the expressways and sales of petrochemicals and other oil products amounted to approximately RMB2,889,050,000, representing a decrease of 1.44% year-on-year. Revenue from other income and gains amounted to approximately RMB115,428,000, up 23.77% year-on-year. The profit attributable to the owners of the Company was approximately RMB1,056,584,000, representing an increase of 4.97% year-on-year. Basic earnings per Share were approximately RMB0.346 (2015: approximately RMB0.329). As at 31 December 2016, the Group's total assets amounted to approximately RMB36,351,121,000 and net assets amounted to approximately RMB13,884,032,000.

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

	Income for 2016 (after revenue taxes) *(RMB'000)*	**Year-on-year increase/(decrease) in income for 2016** *(%)*	**Profit/(loss) for 2016** *(RMB'000)*	**Year-on-year increase/(decrease) in profit/(loss) for 2016** *(%)*
Chengyu Branch *(note 1)*	810,427	(4.09)	300,876	1.02
Chengya Branch *(note 1)*	773,866	4.28	348,238	4.23
Chengren Branch *(notes 1, 2)*	680,901	6.91	152,154	75.16
Chengle Company	443,186	1.12	249,715	14.42
Chengbei Company *(note 3)*	93,760	12.86	43,632	37.04
Suiguang-Suixi Company *(note 4)*	47,048	N/A	(103,352)	N/A
Trading Construction Company *(note 5)*	2,248,076	(36.70)	87,375	(29.67)
Shugong Testing Company	20,041	(37.17)	265	(71.72)
Shunan Company *(note 6)*	132,217	925.14	(34,659)	(24.02)
Renshou Shunan Company *(note 7)*	504,062	(2.79)	95,475	39.05
Shuhong Company *(note 8)*	4,238	(88.15)	1,194	(85.85)
Shurui Company *(note 8)*	14,046	(55.05)	96	(80.41)
Shuxia Company	55,517	18.79	18,057	(3.27)
Chengyu Advertising Company	5,455	14.99	(150)	(22.68)
Shuhai Company *(note 9)*	N/A	N/A	15,328	(10.81)
Chengya Oil Company *(note 10)*	746,967	18.93	38,690	35.42
Zhonglu Energy Company	2,146,993	(8.01)	23,000	(9.91)
Renshou Landmark Company	27,845	N/A	(95,495)	(1.79)
Chengyu Financial Leasing Company *(note 11)*	59,603	63.28	21,187	21.26

Notes:

1. 15% income tax was included when calculating profits for Chengyu Branch, Chengya Branch and Chengren Branch.

2. The increase of toll income contributed by the construction of Tianfu New District along Chengren Expressway, at the same time, the decrease of finance costs due to repayment of borrowings and adjustment of interest, brought about a significant growth in profit.

3. The toll income of Chengbei Expressway was affected by the construction last year, the decrease of finance cost due to repayment of borrowing this Year, the profit increased as compared to last year.

4. Suiguang-Suixi Expressway began to charge formally at October this year, it generates income and cost.

5. As the business volume for construction projects decreases this year, both the income and profit therefore decreased.

6. Shunan Company has a new Ziyang City South Avenue (資陽城南大道) interface project and the investment in the original Shuangliu Project is continuing, the investment income significantly increases this Year, the decrease of finance cost due to repayment of loan, and RMB10,956,000 loss is recorded this Year.

7. Renshou Shunan Company is a wholly-owned subsidiary of Shunan Company. Renshou Project is still at the period of investment and construction this Year, the recognised return on investment and return on capital employed are higher than last year and its profit was increased.

8. Due to the approach towards the end of the Renshou Land-linked Pilot BT Project and the delay of Renshou No. 1 resettlement project due to relocation problem, the income and profit of Shuhong Company significantly decreased. Since Shurui Company mainly provided construction supports to Shuhong Company, the income and profit of Shurui Company also decreased.

9. Profit of Shuhai Company, a company engaged in investments management, came primarily from dividends distributed by subsidiaries it had invested in and changes of profit and loss attributable from joint ventures.

10. The sales volume of oil increases this Year, and the gross profit of oil increases, and both income and profit of Chengya Oil Company increased.

11. Chengyu Financial Leasing Company is incorporated at 13 April 2015, it is operated this Year 4 months more than last year.

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

During the Reporting Period, the operation conditions of the expressways under the Group were as follows:

Item	Shareholding percentage (%)	Average daily traffic flow (vehicles) 2016	2015	Increase/ (decrease) (%)	Toll income (before revenue taxes) (RMB'000) 2016	2015	Increase/ (decrease) (%)
Chengyu Expressway	100	**22,158**	24,129	(8.17)	**821,983**	875,026	(6.06)
Chengya Expressway	100	**37,351**	33,238	12.37	**784,345**	767,937	2.14
Chengren Expressway	100	**30,444**	29,555	3.01	**690,442**	659,535	4.69
Chengle Expressway	100	**32,648**	31,350	4.14	**449,263**	453,834	(1.01)
Chengbei Exit Expressway (including Qinglongchang Bridge)	60	**52,422**	39,682	32.11	**94,937**	86,026	10.36
Suiguang-Suixi Expressway *(Note)*	100	**7,725**	–	–	**47,151**	–	N/A

Note: Suiguang Expressway and Suixi Expressway have begun to charge toll at 0:00 on 9 October 2016. There is no comparable data in the corresponding period.

In 2016, the toll income (before revenue taxes) of the Group was approximately RMB2,888,121,000, representing an increase of approximately 1.61% as compared with last year. The percentage of the toll income to the Group's prime operating revenue (after revenue taxes) was approximately 27.90%, representing an increase of approximately 4.02 percentage points when compared with 23.88% last year. During the Reporting Period, the following factors constituted combined effects on the operating performance of the Group's business of toll roads:

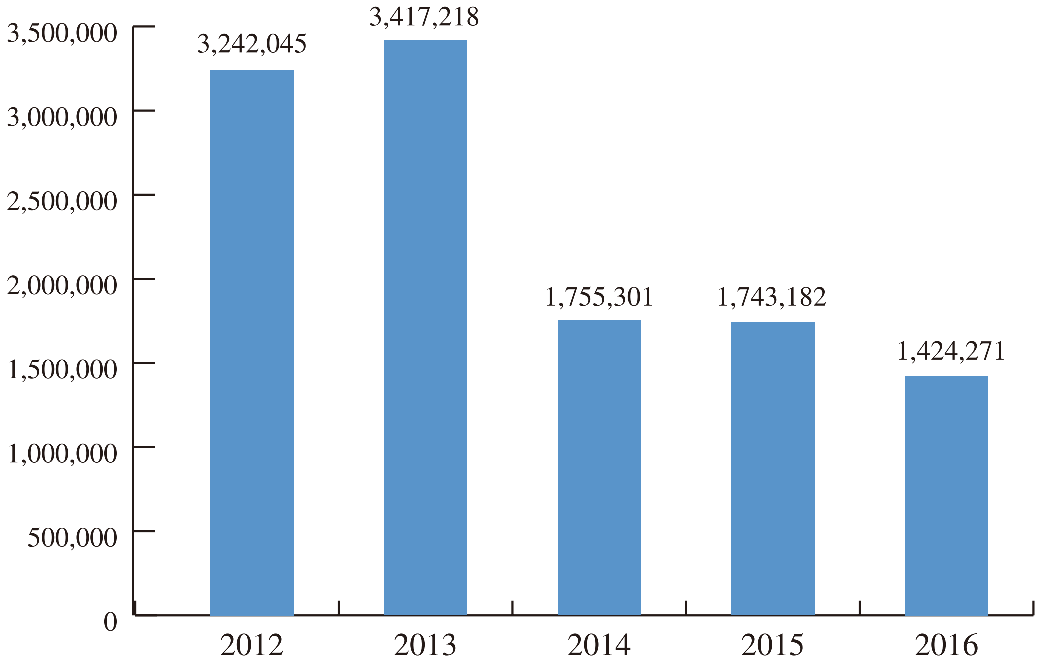
(1) Economic factors

Economy is a key factor in traffic demand. During the reporting period, China continued to advance the supply-side structural reform, vigorously promoted mass entrepreneurship and innovation, the national economy grew steadily, but the economic downward pressure still exists. In 2016, China's gross domestic product (GDP) reached about RMB74,412.7 billion, an increase of about 6.7 percent[1] year-on-year, and its growth rate dropped by 0.2 percentage points comparing with the previous year. The GDP of Sichuan Province reached about RMB3,268 billion, an increase of about 7.7%[2] year-on-year, such growth was slightly higher than the national average level, showing a steady development trend.

1 Data source: Preliminary results published by the National Bureau of Statistics of China
2 Data source: Preliminary results published by the Sichuan Provincial Bureau of Statistics

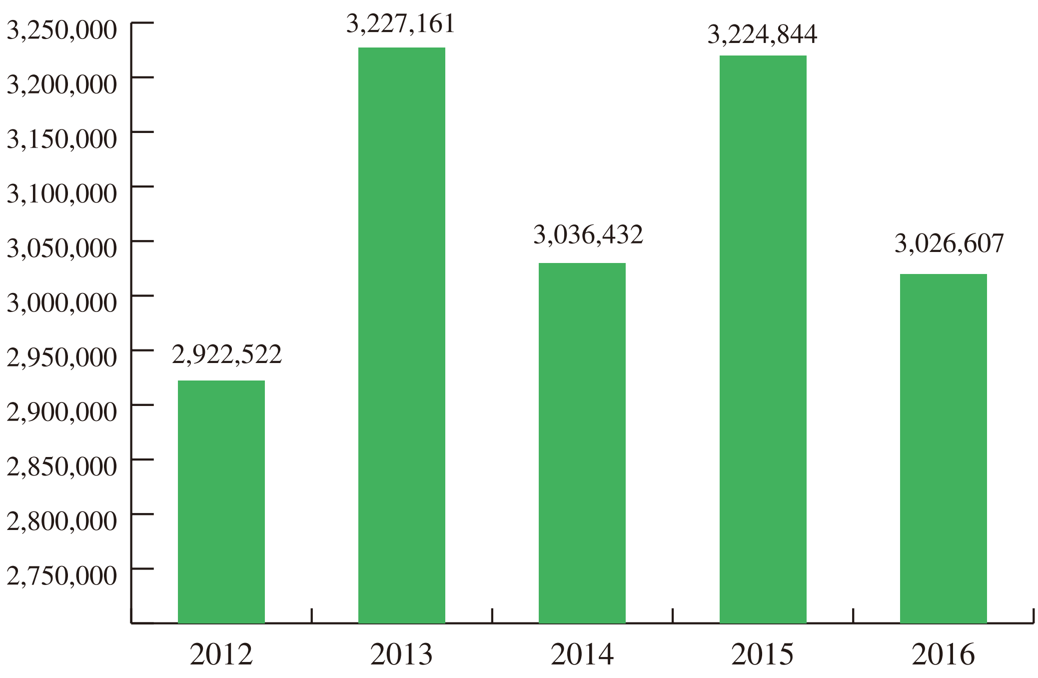
Affected by this macroeconomic environment, according to the statistical data analysis in the first 11 months in 2016, the demands of highway passenger and freight transport have declined year-on-year.

2012–2016 (until November) expressway passenger volume in total in PRC (10,000)



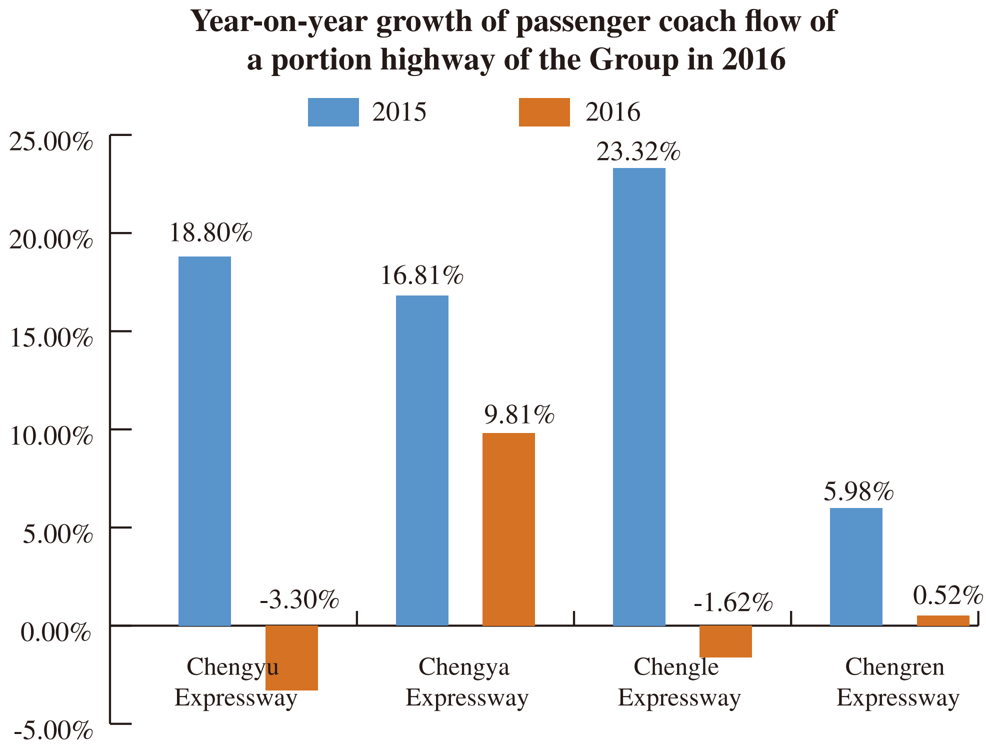
Source: Statistics from Ministry of Transport of the PRC

2012–2016 (until November) expressway cargo volume in total in PRC (10,000 ton)



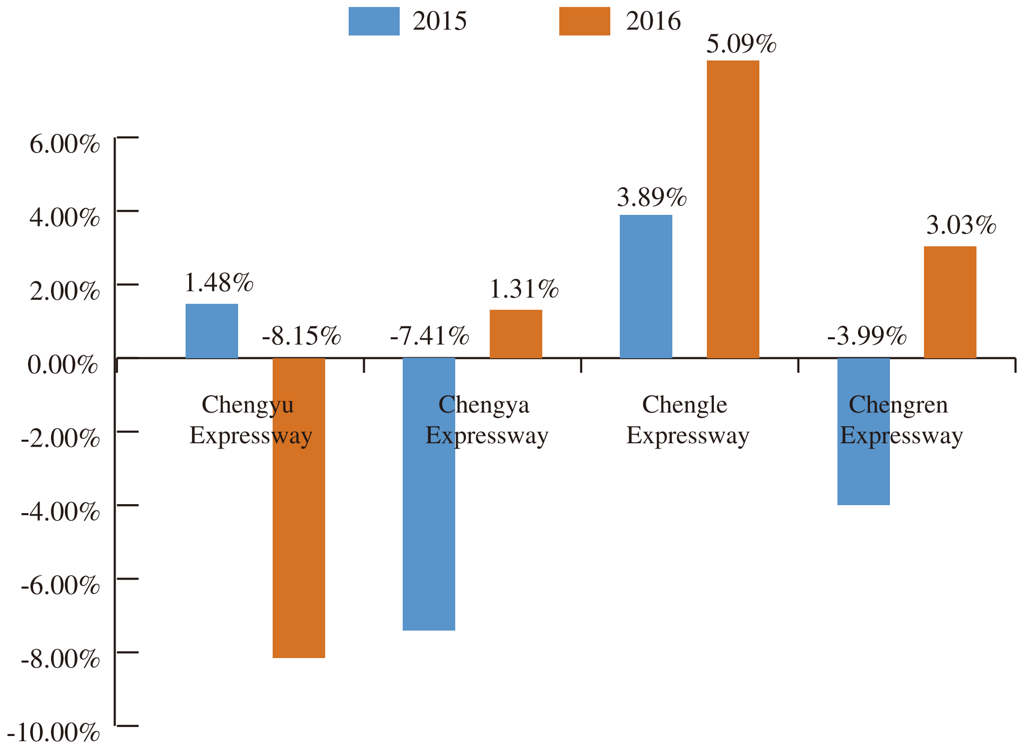
Source: Statistics from Ministry of Transport of the PRC

Reflected in the traffic flow on expressways, during the reporting period, in some of the Group's expressways, the growth of bus traffic declined, truck traffic in Chengyu Expressway yielded negative growth, but the total traffic flow in Group's expressways continues to grow. As the year-on-year growth of bus traffic declined and the truck traffic growth increased trivially, the overall increase of the Group's toll income is small, and is only 1.61%.

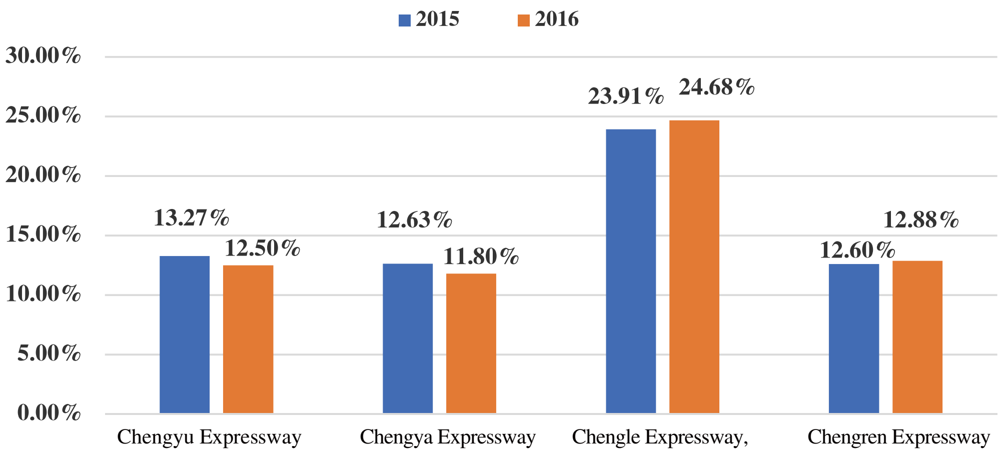


Note: Graphical data was published by the summary of internal information of the Group, there were certain inaccuracies. Investors are advised to use such data with caution.

Year-on-year growth of goods wagon flow of a portion highway of the Group in 2016



The proportion of the expressway freight flow of the Group in 2015 and 2016



Note: The graphical information is prepared based on the compilation of the Group's internal information, so there is a certain inaccuracies, investors are advised to use such information prudently.

(2) Policy factors

On 4 May 2016, the National Development and Reform Commission, the Ministry of Housing and Urban-Rural Development jointly issued Chengdu-Chongqing Urban Agglomeration Development Plan (referred to as "**Plan**"), which clearly stated that by 2020, Chengdu-Chongqing urban agglomeration is expected to be a state-level urban cluster that enjoys economic vitality, excellent living quality, and beautiful ecological environment; by 2030, it will complete a historic leap from a state-level urban agglomeration to a world-class urban agglomeration. Focusing on the planning objectives, in terms of infrastructure interconnection, Chengdu-Chongqing urban agglomeration will build an integrated transport network, give priority to the construction of inter-city traffic network, and create 1-hour traffic circles between core cities, between core cities and surrounding cities, and between neighboring cities. At present, the Group's expressway projects and related business operations are located in the hinterland of Chengdu-Chongqing urban agglomeration. The construction of Chengdu-Chongqing urban agglomeration will provide a broad space for the Group's transportation infrastructure investment and construction business, and it will also help keep the traffic flow in the Group's expressway steady growth.

During the reporting period, the free-of-charge policy of small passenger cars during holidays and easy access of fresh green products continued to be implemented, and its impact on the Group's toll income still existed, but the impact is now stabilized.

During the reporting period, the Sichuan Expressway Electronic Toll Collection System ("**ETC**") continued to implement 5% discount policy. As of 31 December 2016, the number of the province's highway ETC users reached 1.8 million, an increase of 65%[3] year-on-year. With the expansion of the ETC lanes and the substantial increase in the number of ETC users, the Group's toll revenue has been affected.

During the reporting period, the Overload Control on expressways in Sichuan Province continued to be enforced. On 5 February 2016, the Highway Administration of Sichuan Provincial Department of Transportation issued the Notice on Further Strengthening Overload Control on Expressway Entrances, which strictly prohibited letting overload vehicles into expressways, and further strengthened the overload control on expressway entrances. On 21 September 2016, Sichuan Province began to implement a unified national overload control standard on trucks, due to the decline of truck loading standard, so that the truck toll decreased, which to some extent affected the Group's truck toll revenue.

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3 Source: Transport Department of Sichuan

(3) Factors in road network changes and road construction

Peripheral competitive or synergistic road network changes and road refurbishment will bring varying degrees of positive or negative impacts on the Group's expressways. During the reporting period, some of the Group's expressways were affected to varying degrees by these factors:

Chengyu Expressway: On 26 December 2015, Chengyu high-speed rail was put into service, the rail is parallel to Chengyu Expressway, resulting the traffic flow in Chengyu Expressway declined. On the same day, Zigong-Longchang Expressway was put into service, because of its end connects Chengyu Expressway, it diverts some vehicles from Zigong, and reduces the mileage of such vehicles in Chengyu Expressway; On February and May 2016, the renovated construction of the section from Shipan to Shiqiao in Chengdu-Jianyang Fast Track and the Jianyang Red Day Bridge were completed and resumed toll free, attracting back flow of some vehicles on Chengyu Expressway. From 11 July 2016 to 22 September 2016, Zizhong toll booth was closed for construction, resulting in vehicle diversion.

Chengren Expressway, Chengle Expressway and Chengya Expressway: In February 2016, Chengdu-Renshou Fast Track was put into service, because of the overlapping of Chengdu-Renshou Fast Track and Chengren Expressway, the traffic flow in Chengren Expressway was partially diverted. On May 2016, the section between Pengshan to Meishan on Meishan Riverside Avenue was opened to traffic, it diverted some vehicles passing Meishan section on Chengle Expressway. From May to September 2016, Chengwenqiong Expressway and Qiong-Ming Expressway went into reconstruction, because they are parallel to Chengya Expressway, resulting in some of passing vehicles diverted to Chengya Expressway, bringing a certain traffic increment. From 15 May 2016, Chengmianle high-speed rail increased more trips on the section between Chengdu to Meishan, affected by this, the traffic on Chengle Expressway has decreased.

On August 2016, the Second Ring Expressway of Chengdu (2nd Ring) began to charge formally, due to the back flow from 2nd Ring to Chengyu Expressway, Chengya Expressway, and Chengren Expressway, it brought some traffic increment.

Operating condition of the Group's Engineering Construction sector and Urban Operation sector

Relying on the expertise and experience accumulated over the years in engineering construction, and using capital advantage, location advantage and brand advantage, the Group has made great efforts to expand the construction of highway projects, urban infrastructure and real estate development along the expressways, so as to promote the extension of the upstream and downstream industries and increase the overall profit of the Group. At present, the related projects invested by the Group include:

(1) Suiguang Expressway and Suixi Expressway BOT project

The Company held its first extraordinary general meeting in 2012 on 13 January 2012, considered and approved the investment plan of Suiguang Expressway and Suixi Expressway BOT Project. A total length of about 102.941km long, Suiguang Expressway begins at Jinqiao Interchange, overlapping Sichuan Mianyan-Suining Expressway, and ends at Redland Hub Interchange, overlapping Sichuan Nanguanglin (Nanchong – Guang'an – Linshui) Expressway. Suixi Expressway begins at Fushan Dam, Jixiang Town, Suining City, and ends at Taiping Interchange, overlapping Guangnan Expressway, a total length of about 67.644km. The Suiguang Expressway and Suixi Expressway BOT project has completed and began to charge toll at 0:00 on 9 October 2016. For details, please refer to the Overseas Regulatory Announcement – Sichuan Expressway's Announcemnt on Tolling and Operation of Suiguang Expressway and Suixi Expressway, which published by the Company on the website of HKSE on 10 October 2016.

(2) Renshou Land Pegging Pilot BT Project

On 28 January 2011, the Company held the 34th meeting of the fourth session of the Board of Directors, considered and approved the proposal of investing in Renshou land pegging pilot BT project. In July the same year, Shuhong Company was established and specifically responsible for the implementation of the project. The project is located at Gaotan Village, Wenlin Town (county seat), Renshou County, Sichuan Province, a total RMB280,270,000 was estimated to be invested in the project, involving a land area of about 4,848mu. The investment includes rural housing demolition within the project area, preparation works of construction at resettlement sites and supporting municipal roads, construction (about 112,700 square meters) of resettlement housing (including pre-work), and ancillary works of resettlement residential areas. From the date of commencement to 31 December 2016, Renshou Land Pegging Pilot BT Project had completed a total investment of about RMB251,000,000, accounting for 89.64% of the estimated total investment of the project.

(3) Shuangliu Xihanggang Phase 6 BT Project

On 13 January 2012, the Company held the 41st meeting of the fourth session of the Board of Directors, considered and approved the proposal of investing and building Shuangliu Xihanggang Phase 6 BT Project, and Shunan Company was approved as the project company, responsible for the preparation, construction, and handover. On 17 January 2012, the Company won the bid for the project, the project included four roads: south extension line of Hangkong Avenue, east road of Zhonghaiyang, Konggang Fouth Road, and western extension line of Industrial Park Avenue, a total length of about 8.84km, The total estimated investment was approximately RMB616,070,000, among which, RMB163,030,000 was for land acquisition and demolition and RMB453,040,000 for expenses of construction and erection. From the date of commencement to 31 December 2016, Shuangliu Xihanggang Phase 6 BT Project had completed a total investment of about RMB325,000,000, accounting for 52.76% of the estimated total investment of the project.

(4) Shuangliu Zongbao BT Project

On 28 March 2012, the Company held the 42nd meeting of the fourth session of the Board of Directors, considered and approved the proposal of investing in Shuangliu comprehensive loan BT project, and approved Shunan Company as the project company, responsible for the preparation, construction, and handover. On 6 April 2012, the Company won the bid for the project, which included a total of 3.23 kilometers road: Qinglan Road and south extension line of Shuanghuang Road, with a total estimated investment of RMB279,630,000, among which, RMB79,370,000 was for land acquisition and demolition and RMB200,260,000 for expenses of construction and erection. From the date of commencement to 31 December 2016, Shuangliu Zongbao BT Project had completed a total investment of about RMB192,000,000, accounting for 68.57% of the estimated total investment of the project.

(5) Renshou County Chengbei New City Real Estate Project

On 30 January 2013, the general manager's office meeting of the Company examined and approved the proposal of bidding for 3 state-owned construction land use rights at Chengbei New City, Renshou County, Meishan City, Sichuan Province to develop real estate project. On 22 February 2013, The Company won the bid, involving a land area of 235,558.10 square meters, the transaction price was RMB920,160,000. In May the same year, Renshou Property Company was established, fully responsible for the development and construction of Renshou County Chengbei New City Real Estate Project. On 15 May 2014, Renshou Property Company once again won 5 state-owned construction land use rights, involving a land area of 194,810.52 square meters, the transaction price was RMB787,100,000. At present, the real estate project has completed and started for sale, as of 31 December 2016, the sales revenue was about RMB29,466,000.

(6) Renshou Gaotan BT Project

On 3 January 2014, the general manager's office meeting of the Company considered and approved the proposal of investing in Renshou Gaotan BT Project. On 15 January 2014, the Company won the bid and signed the Investment and Construction Contract on 28 January 2014, which included Gaotan Water Park, Gaotan Reservoir Road, Central Business Avenue Landscape, Tianfu Renshou Avenue, under-crossing tunnel of Lingzhou Avenue, Renshou Avenue expansion and other construction projects, the total estimated investment was about RMB2.472 billion (excluding land acquisition and demolition and up-front costs, the franchiser was responsible for land acquisition and demolition and other related work and costs). In order to reduce the investment risk and speed up the return on investment, after amicable negotiation, the Company and the Renshou County Housing and Urban Construction Bureau signed the Supplementary Agreement of the Agreement on Investment and Construction (referred to as "**Supplementary Agreement**") on 30 December 2015. The Supplement Aagreement stated that, adjusting and reducing Gaotan Water Park green landscape project and its internal road project, and construction project between Tianfu Renshou Avenue G213 to Renshou urban area, a total reduction of investment about RMB1.334 billion, the estimated total investment of Renshou Gaotan BT Project was reduced from approximately RMB2,472 million to approximately RMB1,138 million (please refer to the Overseas Regulatory Announcement – Notice on the Changes in Investment by Sichuan Expressway that published on the website of HKSE on 30 December 2015). Renshou Shunan Company was fully responsible for the project. As of the end of the reporting period, Tianfu Renshou Avenue expansion and green landscape project, the Central Business Avenue landscape project (including water diversion into the city) has completed the final acceptance; Gaotan Reservoir project has completed the final acceptance; under-crossing tunnel of Lingzhou Avenue and inner ring road and other projects have completed on-site construction. From the date of commencement to 31 December 2016, the Renshou Gaotan BT Project had completed a total investment of about RMB738,000,000, accounting for 64.85% of the estimated investment after the reduction of the project.

(7) Renshou Shigao BT Project

On 3 January 2014, the general manager's office meeting of the Company considered and approved the proposal of investing in Renshou Shigao BT Project. On 17 January 2014, the Company won the bid and signed the Investment and Construction Contract on 7 March 2014, which included Tianfu New District Renshou Shigao Economic Development Zone Shigao Avenue Second Section, Iron Avenue, Qingshui Road and Loop Line (including the No. 1 Main Road maintenance engineering), south of Zhanhua Road (including Commerial Street and Quanlong River Embankment), and Logistics Road (including Huahai Avenue rain sewage pipe network engineering) and other construction projects, the total estimated total investment was approximately RMB824 million (subject to the financial investment evaluated price). Renshou Shunan Company was fully responsible for the project. As of the end of the reporting period, Shigao Avenue Second Section, Commercial Street and Quanlong River Embankment remediation engineering, and Huahai Avenue rain sewage pipe network engineering had completed the final acceptance and audit; Iron Avenue (excluding non-demolition sections) and Loop Line (excluding non-demolition sections) have completed the construction. From the date of commencement to 31 December 2016, Renshou Shigao BT Project had completed a total investment of about RMB240,000,000, accounting for 29.13% of the estimated total investment of the project.

(8) Chengle Expressway Pilot Expansion Construction between Qinglongchang to Meishan Project

On 27 October 2016, the Company held the third meeting of the 6th Board of Directors, considered and approved the proposal of implementing Chengle Expressway Pilot Expansion Construction between Qinglongchang to Meishan Project. According to the reply from the Sichuan Provincial Development and Reform Commission on the project's feasibility study, the project's total length was 28km, the construction should follow two-way eight-lane expressway standard, the project's estimated total investment was about RMB1.9856 billion (For details, please refer to the announcement of The Trial Section Project For Expansion Construction of Chengle Expressway published by the Company on the website of HKSE on 27 October 2016). The pilot project should take the measure of EPC, the preliminary design document and the budget proposal had been completed in the course of the project and approved by the Sichuan Provincial Department of Transportation. Other preparatory work for the construction of the project is progressing steadily. After the completion of the project, it will help to ease the traffic pressure on the section between Qinglongchang to Meishan on Chengle Expressway, improve the overall traffic capacity and service level of the Chengle Expressway.

Operating condition of the Group's Financial Investment sector

Financial investment is the Group's new business based on the principle of combining production and financing, it aims at transferring the Group's credit advantage and product advantage into financial advantage. Taking a combination of measures to obtain low-cost capital, the Group also will deepen its cooperation with professional investment management institutions, make good use of equity investment function, adopt the development model of production provokes financing and financing stimulates production, and integrate industrial capital and finance capital through multiple ways and layer to expand industrial and financial business. During the reporting period, the Group's main investment and financing are as follows:

(1) Mid- and-long term banking consortium loans

In order to ensure the construction capital of Suiguang Expressway and Suixi Expressway BOT Project to be ready in time, approved by the Company, the banking consortium loan contract of Suiguang Expressway and Suixi Expressway BOT Project was signed in December 2013, the State Development Bank was the leading bank. The total amount of syndicated credit was RMB8.33 billion, the lending banks included State Development Bank, China Construction Bank, Industrial and Commercial Bank of China and China Postal Savings Bank. As of 31 December 2016, the Company had withdrawn a total amount of RMB7.461 billion from the loan.

(2) Establishment and operation of the funds

Establishment and operation of the early-stage funds

On 24 December 2013, the 10th meeting of the fifth session of the Board of Directors of the Company examined and approved the proposal of cooperating with Development and Investment Company to carry out the business related to the industrial investment fund. Accordingly, Zhongxin Company was established on 6 January 2014, its registered capital was RMB10 million, the Company's wholly-owned subsidiary Shuhai Company and Development and Investment Company each invested RMB5 million, respectively, holding 50% of the equity. On 19 June 2014, the Company, Development and Investment Company and Zhongxin Company entered into a partnership agreement to jointly set up the Chengdu-Chongqing Development Fund with a total investment of RMB610 million. The Company, Development and Investment Company and Zhongxin Company respectively invested RMB300 million, RMB300 million and RMB10 million. Up to now, the funds jointly set up or managered by Zhongxin Company were: Chengyu Development Fund, Sichuan Panxi Strategic Resources Development Investment Fund, Sichuan Panxi New Materials Venture Capital Fund, Chengding Zhongxin No. 1 Private Equity Investment Fund, and Sichuan Provincial Intellectual Property Operation Equity Investment Fund. At present, the investment and financing operations of the above funds are progressing well.

Establishment of the current funds

On 27 October 2016, the general manager's office meeting of the Company considered and approved the proposal of establishing Fund Management Company and industrial M & A investment fund in cooperation with CCB Trust Co., Ltd. (referred to as "**CCB Trust**"). On 8 November 2016, the Company entered into a cooperation agreement (referred to as "**Cooperation Agreement**") with CCS Trust, pursuant to which, the Company and CCB Trust jointly funded the establishment of Fund Management Company with a registered capital of RMB20 million. The Company and CCB Trust each invested RMB10 million, respectively holding 50% of the equity. On 8 December 2016, Chengyu Jianxin Fund Company was established in Chengdu Hi-tech Zone. According to the Cooperation Agreement, the Company, CCB Trust and Chengyu Jianxin Fund Company will jointly set up a number of industrial M & A investment funds in the form of limited partnership, and as the manager of industrial M & A investment fund, the Chengyu Jianxin Fund Company would carry out debt investment, equity investment and other types of investment. The first industrial M & A investment fund is worth of RMB2.5 billion. The Company, CCB Trust, and Chengyu Jianxin Fund Company would invest RMB475 million, RMB2 billion, and RMB25 million, respectively, representing 19%, 80%, and 1%. The establishment of the Chengyu Jianxin Fund Company and the industrial M & A investment fund will further expand the Company's industrial investment capacity and broaden new business areas to find new profit growth points. For details, please refer to the announcement of the Discloseable Transactions about the Joint Establishment of Fund Management Company and the Joint Establishment of Industrial M & A Investment Fund, which issued by the Company on the website of HKSE on 8 November, 2016.

(3) Chengyu Financing & Leasing Company

On 15 January 2015, the general manager's office meeting of the Company considered and approved the joint establishment of Chengyu Financing & Leasing Company with Xincheng Hong Kong Investment Co., Ltd. On 4 February 2015, the Company and Xincheng completed the industrial and commercial registration in Shenzhen City Market Supervision and Administration Bureau. On 31 May 2016, the Company completed the acquisition of Xincheng Hong Kong Company, thus realizing 100% holding of Chengyu Financing & Leasing Company. During the reporting period, for risk prevention and control, Chengyu Financing & Leasing Company's target customers were mainly concentrated in the state-owned enterprises, listed companies, government platforms, the company actually launched 6 projects, a total investment of about RMB480,000,000. In 2016, Chengyu Financing & Leasing Company achieved a net income of RMB59,602,000 and profit of RMB21,187,000.

(4) Acquisition of 100% stake of Xincheng Hong Kong Company

In accordance with the approval of the general manager's office meeting of the Company, the Company entered into the Share Transfer Agreement with Dragon Stream Investments Limited (referred to as "**DSI Company**") on 31 May 2016, in order to establish a foreign investment and financing platform for the Company and further promote the combining production and financing. Pursuant to the Agreement, the Company invested RMB132,909,000 to acquire all the shares of Xincheng Company held by DSI Company and completed the transfer registration of shares on the same day. As a result, Xincheng Hong Kong Company became a wholly-owned subsidiary of the Company in Hong Kong and its business is principally engaged in the investment of joint venture companies and holding equity in joint venture companies.

(5) Issuance of Domestic Corporate Bonds and the Status of Going Public

In order to broaden financing channels, reduce financing costs, raise medium long-term funds needed for the development of the Company, and ensure the steady growth of the Company's operating efficiency, through analyzing the bond market and capital requirements, the Company held an extraordinary general meeting on 5 February 2015, considered and adopted the motion on the issuance of corporate bonds. On 8 July 2015, the Company received the Reply from CSRC on Approving the Public Issuance of Corporate Bonds to Public Investors by Sichuan Chengyu Expressway Co., Ltd., it approved the Company's public offering to public investors by way of installment, the total face value of the corporate bonds should be not more than RMB1 billion. On 17 June 2016, the Company publicly issued domestic corporate bonds with a total value of RMB1 billion and they were traded on the Shanghai Stock Exchange on 11 July 2016. The bonds were referred to as 16 Chengyu 01 and bond code was 136493, the date of expiry is 17 June 2021 (For details, please refer to the relevant announcement issued by the Company on the website of HKSE). The issued corporate bonds, after deducting issuance costs, the actual raised money was RMB0.996 billion. As of 31 December 2016, RMB978,000,000 had been used, among which, loan repayment was amounted to RMB500,000,000, supplemental working capital was amounted to RMB478,000,000, which were consistent with the purpose, usage plan, and other commitments in the fund-raising proposal.

Operating condition of the Group's Energy and Culture Media business

Energy and Culture Media is the Group's rapid growth business in recent years, mainly related to the gas station business along the Group's expressways and the assets, service areas, advertising management, and other businesses along the Group's expressways. During the reporting period, the Group maintained an increase in operating income through the integration of resources along the expressways, improving the service function, innovating the business model, and vigorously expanding the related industries such as oil sales, advertising and asset leasing. During the year, the net sales of gas stations along the expressways and the sales income of petrochemical and other oil products were approximately RMB2,889,050,000 (RMB2,931,300,000 in 2015), representing a decrease of about 1.44% over the previous year; advertising along the expressways, asset leasing, service area supermarket chain and other net income were RMB74,224,000 (RMB53,390,000 in 2015), an year-on-year increase of about 39.02%.

FINANCIAL REVIEW AND ANALYSIS

Summary of the Group's Operating Results

	2016 ***RMB('000)***	2015 *RMB('000)*
Revenue, net	**10,211,134**	11,493,969
Including: Toll income, net	**2,849,045**	2,745,121
Construction contract revenue, net	**4,311,380**	5,727,655
Profit before tax	**1,436,843**	1,375,341
Profit attributable to owners of the Company	**1,056,584**	1,006,586
Earnings per share attributable to owners of the Company *(RMB)*	**0.346**	0.329

Summary of the Group's Financial Position

	31 December 2016 ***RMB('000)***	31 December 2015 *RMB('000)*
Total assets	**36,351,121**	33,458,356
Total liabilities	**22,467,089**	20,161,708
Non-controlling interests	**559,829**	777,382
Equity attributable to owners of the Company	**13,324,203**	12,519,266
Equity per share attributable to owners of the Company *(RMB)*	**4.357**	4.094

ANALYSIS OF OPERATING RESULTS

Revenue

The Group's net revenue for the Year amounted to RMB10,211,134,000 (2015: RMB11,493,969,000), representing a decrease of 11.16% over last year, of which:

(1) The net toll income was RMB2,849,045,000 (2015: RMB2,745,121,000), representing an increase of 3.79% over last year, mainly due to the continuous regional economic development and the policy of national city agglomeration, Chengyu city agglomeration construction and the natural increase and partly return of traffic volume of the expressway. The above factors offset the negative impacts from competitive highways diversion, the carry out of Overload Control, toll-free holiday policy and ETC preferential policies. Please refer to pages 30 to 35 of this results 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 in respect of service concession arrangements was RMB2,254,608,000 (2015:RMB4,167,587,000), representing a decrease of 45.90% over last year, which resulting from RMB2,152,569,000 of construction revenue (2015: RMB4,142,461,000) from the Suiguang-Suixi Expressways BOT project recognised this year and RMB80,107,000 was recognised from Chengren Expressway relocation compensation and RMB21,938,000 of construction revenue (2015: RMB25,126,000) from reconstruction projects of toll station and gas stations along the expressway during the Year;

(3) Construction revenue (before revenue taxes) in respect of other construction and maintenance works performed amounted to RMB2,083,509,000 (2015:RMB1,687,977,000), which was the construction revenue recognized under the percentage-of-completion method in respect of the Renshou BT project, Baen project, Chengwenqiong projects and other projects;

(4) Revenue from operation of gas stations along expressways and sales of petrochemicals and other oil products amounted to RMB2,889,050,000 (2015: RMB2,931,300,000), representing a decrease of 1.44% over last year.

Other Income and Gains

The Group's other income and gains for the Year amounted to RMB115,428,000 (2015: RMB93,259,000), representing an increase of 23.77% as compared with last year. It was mainly attributable to the interest incomes from bank deposits which amounted to RMB28,573,000 (2015: RMB24,155,000), income from government subsidy amounted to RMB10,279,000 (2015: RMB6,721,000), income from expressway property compensation amounted to RMB23,431,000 (2015: RMB15,703,000). The gain of deposal of available-for-sale assets trust finance products was recognised to RMB8,911,000, it offsets unfavorable factor such as a decrease in dividend income from the available-for-sale investment.

Operating Expenses

The Group's operating expenses for the Year amounted to RMB8,399,704,000 (2015: RMB9,732,073,000), representing a year-on-year decrease of 13.69%, of which:

(1) During the Year, construction contract costs recognized under the percentage of-completion method in respect of service concession arrangements were RMB2,204,565,000 (2015: RMB3,988,276,000), representing a year-on-year decrease of 44.72%. This mainly included construction contract costs of RMB2,102,520,000 (2015: RMB3,963,150,000) from Suiguang Suixi Expressway BOT project, RMB80,107,000 was recognised from Chengren Expressway relocation compensation, construction contract costs of RMB21,938,000 (2015: RMB25,126,000) from reconstruction projects of toll station and gas stations along the expressways during the Year;

(2) During the Year, the construction costs recognized under the percentage of-completion method in respect of construction contracts amounted to RMB1,817,793,000 (2015: RMB1,428,344,000), which mainly included the construction costs in respect of Renshou BT project, Baen project, Chengwenqiong project and the other projects;

(3) Depreciation and amortization expenses increased by 8.60% from RMB600,966,000 in last year to RMB652,642,000 this Year, which was mainly attributable to the fact that the Suiguang Suixi Expressway franchise arrangement amortisation;

(4) The cost of sales of refined oil and petrochemical products was RMB2,728,643,000 (2015: RMB2,804,145,000), which represented a decrease of 2.69% as compared to last year;

(5) Staff costs increased by 5.56% from RMB591,089,000 in the previous year to RMB623,936,000 this Year. This was mainly due to the increases in total salary, various social insurances and housing accommodation fund paid in the Year and increased average salary for the employees in Chengdu;

(6) Costs of repairs and maintenance decreased by 12.57% from RMB226,967,000 in the previous year to RMB198,440,000 this Year, representing an increase in the costs for daily maintenance of expressways and subsidiary facilities of the Group.

Finance costs

The Group's finance costs for the Year amounted to RMB528,015,000 representing an increase of 5.90% as compared to last year, which is principally attributable to the commencement of operation of Suiguang-Suixi Expressway on 9 October 2016 and starting from the day of commencement of operation mentioned above, the interest payable is included in the finance cost.

Taxation

The corporate income tax expense of the Group for 2016 amounted to RMB294,950,000, representing an increase of 9.19% as compared to 2015. It was mainly attributable to the increase of pre-tax profit of each subsidiary.

Profit

The Group's profit for the Year amounted to RMB1,141,893,000, representing an increase of 3.32% as compared with RMB1,105,213,000 in the previous year, of which the profit attributable to owners of the Company was RMB1,056,584,000, representing an increase of 4.97% as compared to last year. This was mainly due to:

(1) The continuing development of regional economy, the rapid development of Chengdu Tianfu New District, the commencement of toll operation of Suiguang-Suixi Expressway, and the return and natural growth of traffic flow in expressways resulted in a year-on-year increase of RMB103,924,000 in toll net income for the Group's expressways this year, which offset the adverse impact from the increase of franchise arrangement amortisation, increase in cost of roads and facilities maintenance. Segment results of the toll fee for this Year was approximately RMB1,149,509,000, representing a year-on-year increase of RMB48,120,000;

(2) Renshou Gaotan BT Project, Renshou Shigao BT Project and Ba'en project are still in the investment and construction period, and the gross profit margin is relatively high, which partially offsets the impacts resulted from the construction project with lower gross profit margin. However, as the business volume for construction projects decreased this year, segment results of construction contract segment for the Year was approximately RMB272,226,000, representing a year-on-year decrease of RMB10,283,000;

(3) Despite the decline in sales of petrochemical products for the operation of gas station business along expressways this year, segment results of operation of gas stations segment reaches RMB112,980,000, representing a year-on-year increase of RMB14,998,000, due to the rise in sales volume of oils and the increase in gross margin;

(4) Renshou Trading Landmark Company Limited is still in the development and construction period of real estate. However, delivery conditions of some pre-sales unites have been met, the sales revenue and cost are recognized in this year, which have resulted a loss of approximately RMB15,164,000 for real estate development segment, representing a year-on-year increase in loss of RMB1,713,000;

(5) Segment results of advertisement and leasing business segment for the year is RMB51,612,000, representing a year-on-year increase of RMB8,658,000 on account of the growth in volume of financial leasing business, the increase in advertising income in service area along expressways and the expansion of self-operated business of chain supermarket in service area.

ANALYSIS OF FINANCIAL POSITION

Non-current Assets

As at 31 December 2016, the Group's non-current assets amounted to RMB27,093,916,000, representing an increase of 3.75% as compared with the end of 2015. The increase was mainly due to:

(1) The addition in property, plant and equipment of RMB118,203,000 for the Year;

(2) An increase of RMB2,254,608,000 in service concession arrangements, including recognition of RMB21,938,000 for reconstruction projects of toll station and gas stations along the expressways, an increase of RMB80,107,000 in Chengren Expressway relocation compensation and RMB2,129,759,000 for Suiguang-Suixi Expressway BOT projects;

(3) A total of RMB652,642,000 in provision of depreciation and amortization;

(4) An increase of RMB186,271,000 in investment in associates and joint venture, it is mainly attributed to the new investment in associates and joint venture and the increase of share of profit in associates and joint venture;

(5) A decrease of RMB155,509,000 in available-for-sale investments, it is mainly attributed to the redemption of fixed income trust finance products;

(6) A decrease of RMB118,690,000 in the loan to customers;

(7) A decrease of RMB111,736,000 in prepayment mainly due to investment in a company, it is mainly attributed to the transfer the prepayment to Renshou Bank to the investment in associates;

(8) Payment for purchasing land and acquired land use rights, transfer the land held for property development to property being developed and held-for-sale properties of RMB544,437,000.

Current Assets and Current Liabilities

As at 31 December 2016, the current assets of the Group amounted to RMB9,257,205,000, representing an increase of 26.05% as compared with the end of 2015, mainly attributable to:

(1) An increase of RMB825,334,000 in the closing balance of cash and cash equivalents as compared with the end of 2015, it is mainly due to the up-front funds of leasing, project funds recovered in this year and the redemption of finance products purchased from Guolian Trust for the same period as last year;

(2) A decrease of approximately RMB119,543,000 in inventories as compared with the end of 2015 mainly due to a decrease of approximately RMB129,284,000 in the spare parts and construction materials, offsetting impacts caused by the increase of petroleum products reserves;

(3) An increase of approximately RMB7,067,000 in prepayments, deposits, receivables and other receivables as compared with the end of 2015, mainly due to an increase of RMB148,417,000 in trade receivables, an increase of RMB39,822,000 in other receivables. It offsets the impact of the decrease of RMB158,372,000 in advance payment for materials and subcontract payment and decrease of RMB22,800,000 in deposits;

(4) An increase of RMB429,819,000 in loan to customers considering that funds of financial leasing receivables recovered within one year shall be categorized as current assets according to financial leasing contract;

(5) Properties under development increased by RMB362,347,000 as compared with the end of 2015, which was mainly attributable to the housing and land development costs in the Year.

As at 31 December 2016, the Group's current liabilities amounted to RMB7,145,402,000, representing an increase of 35.91% as compared with the end of 2015 which is mainly bank and other interest-bearing loan of RMB1,980,050,000, representing an increase of RMB705,500,000 as compared with the end of last year. It is mainly attributed to the reclassification of medium notes which will be mature within one year. In the Year, due to the increasing number of projects and increase of RMB1,044,162,000 of the settlement of delayed construction payables, trade and other payables increase RMB1,152,071,000. Income tax payables decrease approximately RMB111,258,000. Minority shareholders dividend payables amounted to RMB141,599,000.

Non-current Liabilities

As at 31 December 2016, the non-current liabilities of the Group amounted to RMB15,321,687,000, representing an increase of 2.80% as compared to the end of 2015, which was principally attributable to an increase of RMB1,000,000,000 in corporate bonds for the development demand of the Group. At the same time, repayment of part of the long-term loans resulting in an increase in bank and other interest-bearing loans amounting to RMB417,185,000 for the Year.

Equity

As at 31 December 2016, the Group's equity amounted to RMB13,884,032,000, representing an increase of 4.42% as compared with the end of 2015, mainly attributable to (1) profit for the Year of RMB1,141,893,000 which increased the equity; (2) 2015 final dividend of RMB244,645,000 declared in the Year which decreased the equity; (3) an decrease in equity of RMB4,487,000 due to the adjustment on the fair value of available-for-sale financial asset; (4) acquisition of equity of minority shareholder in CSI SCE Investment Holding Limited of RMB132,960,000 which decreased the equity; (5) dividend payable to non-controlling shareholders of RMB172,417,000 which decreased the equity.

Capital Structure

As at 31 December 2016, the Group had total assets of RMB36,351,121,000 and total liabilities of RMB22,467,089,000. The gearing ratio, which was calculated as the Group's total liabilities divided by its total assets, was 61.81% (2015: 60.26%).

Cash Flow

As at 31 December 2016, the closing balance of the cash and bank balance of the Group amounted to RMB3,893,078,000, representing an increase of approximately RMB825,334,000 over the end of 2015, including approximately HKD127,000 (equivalent to approximately RMB114,000) deposits in Hong Kong dollars, and RMB3,892,964,000 cash and deposits in Renminbi.

During the Year, net cash inflow used in operating activities amounted to RMB784,306,000 (2015: net cash outflow of RMB2,120,198,000), which was mainly due to a decrease of RMB1,853,601,000 in service concession arrangements as compared to last year, an increase of RMB513,129,000 in trade and other payables.

Net cash outflow from investing activities of the Group amounted to RMB7,744,000 (2015: net outflow of RMB480,055,000), with a decrease in net cash outflow of RMB472,311,000 over 2015. It was mainly attributable to the redemption of available-for-sale finance products purchase from Guolian Trust RMB150,000,000 last corresponding year, RMB107,393,000 in prepayment for investment to Renshou Bank last corresponding year, the expenditure for acquisition of CSI SCE RMB132,960,000.

Net cash inflow from financing activities was RMB48,772,000 (2015: RMB2,050,887,000), representing a decrease of RMB2,002,115,000 as compared with last year, which was mainly due to the increase of RMB1,193,323,000 of repayment of bank loans as compared with last year, a decrease of RMB566,000,000 of bank loans as compared with last year, a decrease of RMB200,000,000 in new issuance of bonds in the Year as compared with last year, and capital injection from non-controlling shareholders of a subsidiary of RMB120,000,000 last corresponding year.

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 did not use any financial instrument for hedging purposes during the Reporting Period.

Borrowings and Solvency

As at 31 December 2016, the Group's bank and other interest-bearing loans amounted to RMB17,205,129,000, all of which bore fixed interest rates. In particular, the balance of domestic bank loans was RMB11,782,629,000, with annual interest rates ranging from 3.92% to 4.90%; the balance of overseas bank loans was RMB1,484,000,000, with annual interest rates ranging from 4.55% to 5.23%; the balance of other loans amounted to RMB138,500,000, with annual interest rates of 4.28%; and the outstanding medium term notes amounted to RMB2,800,000,000, with annual interest rates ranging from 3.70% to 6.35%. The outstanding amount of corporate bonds RMB1,000,000,000 with annual interest rates of 3.56%. 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	11,782,629	990,050	2,306,602	8,485,977
Loans from overseas commercial banks	1,484,000	290,000	1,194,000	–
Other loans	138,500	–	138,500	–
Medium-term notes	2,800,000	700,000	1,800,000	300,000
Corporate bonds	1,000,000	–	1,000,000	–
Total (2016-12-31)	17,205,129	1,980,050	6,439,102	8,785,977
Total (2015-12-31)	16,082,444	1,274,550	6,073,602	8,734,292

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 RMB10.892 billion 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 2016, the balance of syndicated loan for the project amounted to RMB3,495 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 totaled RMB8,330 million. Such loan was specially used in Suiguang-Suixi Expressways BOT Project. As at 31 December 2016, the Company has withdrawn RMB7,461 million of such loan in aggregate.

Contingent liabilities and pledge of assets

As at 31 December 2016, the Group's time deposits of RMB11,815,000 (2015: RMB11,685,000) were pledged to secure Chengren Expressway BOT Project; time deposits of RMB56,450,000 (2015: RMB112,150,000) was pledged for bank loan; the concession rights to collect toll income pertaining to Chengle Expressway with the net carrying values of RMB950,626,000 (2015: RMB1,002,934,000) were pledged to secure bank loans amounting to RMB106,400,000 (2015: RMB106,400,000); the concession rights to collect toll income pertaining to Chengren Expressway with net carrying value of RMB7,208,863,000 (2015: RMB7,270,918,000) was pledged to secure the syndicated loan amounting to RMB3,495,129,000 (2015: RMB3,768,444,000); the concession rights to collect toll income pertaining to Suiguang-Suixi Expressways with net carrying value of RMB12,358,860,000 (2015: RMB10,266,715,000) was pledged to secure the syndicated loan amounting to RMB7,461,100,000 (2015: RMB6,676,100,000), the lease receivables with net carrying value of RMB277,425,000 (2015: RMB313,100,000) was pledged to secure the bank loan amounting to RMB220,000,000 (2015: RMB100,000,000). Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at 31 December 2016.

Business Development Plan

Based on the analysis on the operating situation, policy environment and development status of the Company in 2017, we have formulated the following work plan around the overall development plan of the Group's 13th Five-Year Plan and the specific business objectives of 2017:

(1) The Company will center on the main business, continue to consolidate the fundamental position of toll road and bridge business in the Group's development. On the one hand, it will improve daily operation and management of the existing expressway assets, take meticulous management measures, perfect main business, and continue to enhance its profitability. By strengthening the management of tolling, the Company will take more technical means and set up a permanent mechanism to prevent the escape of tolls, as a result, achieving tolling increase; by promoting intelligent traffic construction, it shall speed up the construction of expressway Internet big data platform, implement the reconstruction of communication system truck network, expand the scope of application of charge card at the entrance of toll station to reduce operating costs, and improve the efficiency and capacity of road traffic; by upholding the concept of road life-cycle

maintenance, the Company will reasonably use maintenance funds, adopt new technologies, new materials, new crafts, and constantly improve the maintenance and management to maintain smooth expressways. On the other hand, it shall continue to focus on growing the scale of the Group's main business, and vigorously reinforce its fundamental position in the Group's development strategy. Through the innovate investment, merger, and acquisition, making good use of the Group's capital advantage, the Company will beef up mergers and acquisitions of high-quality road resources within and outside the province to ensure the Group's main business healthy and sustainable development.

(2) The Company will safely and efficiently promote the development of financial investment business, accelerate the operation of Chengyu Jianxin Fund Company, and put the investment of Zhongxin fund company's reserve project into operation as soon as possible, vigorously carry out Financing & Leasing Company's transportation industry chain leasing business, and expand the size of its asset. At the same time, relying on the advantages of the Company: A + H-share capital platform, through adequate screening, it will target a number of high-growth financial industry and industrial chain projects, and steadily develop various types of financial investment and equity investment business.

(3) The Company will solidly promote the construction of key projects. It will speed up the construction of experimental section of Chengle Expressway expansion, steadily promote the development progress of Renshou County Chengbei New City real estate project, strengthen project management, and optimize the development approaches to ensure cash flow balance and achieve benign progressive development of projects. It will continue to improve the construction and management of Shuangliu Xihanggang, Shuangliu Zongbao, Renshou County land pegging pilot project, Gaotan, Shigao and other projects, and ensure the quality of projects, at the same time, do a good job in the overall arrangement and coordination with the relevant owners to ensure timely cash flow and safety of the projects, and achieve investment efficiency and brand building, a win-win situation.

(4) The Company will strengthen financial control, fundraising and financing. It will strictly manage financial budget, strengthen the control of costs, pay close attention to the rigid implementation, supervision and assessment of budgets. Also, it will pay close attention to all kinds of capital market trends, do a good job in risk prevention and control to ensure the safety of the Company's cash flow, give full play to the Group's advantage of AAA-level credit, and actively explore and implement financing and refinancing modes with higher efficiency and lower cost, timely start a new round of ultra-short and medium-term notes registration and issuance, optimize the Company's financing structure, take multiple measures to secure low-cost capital and ensure cash flow's support for liabilities and financial resources's support to the Group's business development.

(5) The Company will deepen corporation reform, innovate enterprise management. Based on the Three Systems of labor, personnel and assignment, it will deepen the reform of market-oriented performance appraisal system, revise and improve objective assessment methods and incentive mechanism, and constantly stimulate the endogenous dynamic and vitality of the Company's development. The Company will further strengthen the talent-oriented strategy, increase talent pool, and provide human resources protection for the Company's solid development. It will innovate management, by strengthening the internal management innovation, human resources management innovation, further optimize and improve the modern enterprise management system, and improve the level of corporate governance.

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 2016, details of the Group's employees were as follows:

Number of in-service employees of the Company (including its branches)	2,582
Number of in-service employees of major subsidiaries	2,509
Total number of in-service employees	5,091
Number of retired employees for which the Company (including its branches) and its major subsidiaries are liable to bear costs	Nil

Composition by Expertise	**Number of people**
Production	3,504
Sales	28
Technical	628
Financial	185
Administrative	746
Total	5,091

Type of Education Level	Number of people
Postgraduate	175
University graduate	1,278
Junior college graduate	2,200
Technical secondary school and below	1,438
Total	5,091

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 basic salary (including 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 2016, the employees' salary of the Group totaled approximately RMB406,364,000 (of which approximately RMB199,662,000 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 labor 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 had organized various centralized and specific trainings such as job-specific skills for technicians and continuing education for professional technical staff. A total of 10,515 employees of the Company 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 Stock Exchange Listing Rules except that Mr. Ni Shilin was unable to attend the extraordinary general meeting of the Company held on 24 February 2016 in accordance with provision A.6.7 under the Corporate Governance Code due to urgent business engagement, and that Mr. Wu Xinhua, Mr. Ni Shilin, Mr. Chen Weizheng were unable to attend the extraordinary general meetings of the Company held on 26 July 2016 in accordance with provision A.6.7 under the Corporate Governance Code due to urgent 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 economy industries, etc.

The Audit Committee has reviewed the annual results of the Group for the Year ended 31 December 2016 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 had 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 noncompliance 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 2016 AGM and to receive the 2016 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 2016 AGM**

Deadline for lodging transfer documents	4:30 p.m. on 5 May 2017 (Friday)
Closure period of the H Shares register of members	From 6 May 2017 (Saturday) to 6 June 2017 (Tuesday) (both days inclusive)
Record date	6 June 2017 (Tuesday)
Date of the 2016 AGM	6 June 2017 (Tuesday)

– **In respect of the entitlement to 2016 final dividend**

Deadline for lodging transfer documents	4:30 p.m. on 15 June 2017 (Thursday)
Closure period of the H Shares register of members	From 16 June 2017 (Friday) to 21 June 2017 (Wednesday) (both days inclusive)
Dividend Entitlement Date	21 June 2017 (Wednesday)

In order to be entitled to attend and vote at the 2016 AGM, and to receive the 2016 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 2016 final dividend to A Shares Shareholders and (ii) details of A Shares Shareholders' eligibility for attending the 2016 AGM.

PUBLICATION OF THE ANNUAL REPORT

The Company's annual report for the Year ended 31 December 2016 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITION

Airport Expressway	Chengdu Airport Expressway
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
Chengyu Advertising Company	Sichuan Chengyu Expressway Advertising Company Limited
Chengyu Branch	Sichuan Expressway Company Limited Chengyu Branch
Chengyu Development Fund	Sichuan Chengyu Development Equity Investment Fund Centre (Limited Partership)

Chengyu Jianxin Fund Company	Chengdu Chengyu Jianxin Equity Investment Fund Management Co., Ltd
Chengyu Financial Leasing Company	Chengyu Financial Leasing Company Limited
CSI SCE	CSI SCE Investment Holding Limited
Panxi Fund	Sichuan Panxi Strategic Resources Development Investment Fund Partnership Company (Limited Partnership)
Renshou Bank	Sichuan Renshou Rural Commercial Bank Co., Ltd.
Renshou Landmark Company	Renshou Trading Landmark Company Limited
Renshou Shunan Company	Renshou Shunan Investment Management Company Limited
Shugong Testing Company	Sichuan Shugong Road Construction Engineering Testing Company
Shuhai Company	Chengdu Shuhai Investment Management Company Limited
Shuhong Company	Chengdu Shuhong Property Company Limited
Shunan Company	Sichuan Shunan Investment Management Company Limited
Shurui Company	Sichuan Shurui Construction Engineering Co. Ltd.
Shuxia Company	Sichuan Shuxia Industrial Company Limited
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
Zhongxin Company	Sichuan Zhongxin Assets Management Co., Ltd.

2016 AGM	the 2016 annual general meeting of the Company to be held on 6 June 2017 (Tuesday), notice of which will be published on the Stock Exchange's website and despatched to the Shareholders on 20 April 2017 (Thursday)
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 from time to time
associate(s)	has the meaning ascribed thereto under the Listing Rules of the Stock Exchange
associated corporation(s)	has the meaning ascribed thereto under the SFO
Audit Committee	the audit committee under the Board
Board	the board of Directors of the Company
BOT Project	build-operation-transfer project
BT Project	build-transfer project
China Merchants Highway Company	China Merchants Highway Network Technology Holdings Company Limited previously known as (China Merchants Huajian Highway Investment Company Limited), the substantial shareholder of the Company
Company	Sichuan Expressway Company Limited
CSRC	China Securities Regulatory Commission
Development Investment Company	Sichuan Development Equity Investment Fund Management Co., Ltd.
Director(s)	director(s) of the Company
Dividend Entitlement Date	21 June 2017 (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 2016 final dividend of the Company (if approved by the Shareholders at the 2016 AGM)

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
HK$	Hong Kong dollar(s), the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange and/or the Rules Governing the Listing of Securities on the SSE (as the case may be)
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 the Directors and the Supervisors of the Company
Nomination Committee	the nomination committee under the Board
PRC or Mainland China	The People's Republic of China, for the purpose of this results announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
Remuneration and Appraisal Committee	the remuneration and appraisal committee under the Board
Renshou Gaotan BT Project	engineering construction projects including Gaotan Water Park, roads in the area of Gaotan Reservoir, landscape engineering of Central Business Avenue, Tianfu Renshou Avenue, underneath channel of Lingzhou Avenue and Renshou Avenue extension
Renshou Land-linked Pilot BT Project	the land-linked pilot project in Renshou County, Meishan City in the form of BT (build-transfer)

Renshou Shigao BT Project	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)
RMB	Renmenbi, the lawful currency of the PRC
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 High-tech 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 (build-transfer)
Sichuan Highway Development	Sichuan Highway Development Holding Company, a subsidiary of STI
SSE	Shanghai Stock Exchange
STI	Sichuan Transportation Investment Group Co. Ltd, the controlling shareholder of the Company
STI Group	STI and its subsidiaries
Stock Exchange	The Stock Exchange of Hong Kong Limited
Strategic Committee	the strategic committee under the Board

Suiguang-Suixi Expressways BOT Project	the project on Suiguang Expressway and Suixi Expressway in the form of BOT (build-operate-transfer)
Chengle Expressway Capacity Expansion Trial Project	Capacity Expansion Trial Project for Qinglongchang to Meishan Section of Chengle Expressway
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	supervisory committee of the Company
Trading Landmark	Sichuan Trading Landmark Company Limited
Year or Reporting Period	the 12 months ended 31 December 2016

By Order of the Board
Sichuan Expressway Company Limited
Zhou Liming
Chairman

Chengdu, Sichuan, the PRC
30 March 2017

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

* *For identification purposes only*