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)

2017 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

- Net revenue decreased by approximately 13.19% to approximately RMB 8,864,370,000
- Profit attributable to owners of the Company decreased by approximately 15.35% to approximately RMB 894,376,000
- Earnings per share decreased by approximately 15.61% to approximately RMB0.292
- Proposed payment of 2017 final cash dividend of RMB0.10 (tax inclusive) (2016: RMB0.11 (tax inclusive)) per share

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2017, 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 2017

	Notes	**2017** *RMB'000*	2016 *RMB'000*
REVENUE	3, 4	**8,864,370**	10,211,134
Cost of sales and other direct operating costs		**(6,751,804)**	(8,108,363)
Gross profit		**2,112,566**	2,102,771
Other income and gains	4	**262,845**	115,428
Administrative expenses		**(293,125)**	(274,236)
Other expenses		**(17,392)**	(17,105)
Finance costs	5	**(801,146)**	(528,015)
Share of profits and losses of:			
Joint ventures		**9,500**	803
Associates		**37,279**	37,197
PROFIT BEFORE TAX	6	**1,310,527**	1,436,843
Income tax expense	7	**(329,373)**	(294,950)
PROFIT FOR THE YEAR		**981,154**	1,141,893
OTHER COMPREHENSIVE INCOME			
Other comprehensive income /(loss) to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale investments		**2,337**	(5,509)
Income tax effect		**(434)**	1,022
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX		**1,903**	(4,487)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**983,057**	1,137,406

	Notes	**2017** *RMB'000*	2016 *RMB'000*
Profit attributable to:			
Owners of the Company		**894,376**	1,056,584
Non-controlling interests		**86,778**	85,309
		981,154	1,141,893
Total comprehensive income attributable to:			
Owners of the Company		**896,279**	1,052,097
Non-controlling interests		**86,778**	85,309
		983,057	1,137,406
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– Basic and diluted	8	**RMB0.292**	RMB0.346

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	2017 RMB'000	2016 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**551,309**	663,302
Service concession arrangements	9	**24,857,661**	24,845,325
Prepaid land lease payments		**330,522**	363,620
Other intangible assets		**333**	832
Investments in joint ventures		**231,526**	212,026
Investments in associates		**218,841**	202,805
Available-for-sale investments		**183,593**	142,441
Loan to customers		**605,193**	362,418
Other receivables	10	**–**	9,952
Long term compensation receivables		**39,930**	46,462
Payments in advance		**2,000**	2,000
Deferred tax assets		**7,251**	10,202
Interests in land held for property development		**165,148**	164,266
Pledged deposits		**1,258**	68,265
Total non-current assets		**27,194,565**	27,093,916
CURRENT ASSETS			
Properties under development		**1,468,570**	1,553,096
Completed properties held for sale		**334,999**	408,135
Inventories		**36,887**	42,844
Due from customers for contract works		**–**	331,389
Loan to customers		**416,624**	562,067
Trade and other receivables	10	**2,014,201**	2,466,596
Pledged deposits		**80,636**	–
Cash and cash equivalents		**2,719,253**	3,893,078
Total current assets		**7,071,170**	9,257,205

	Notes	**2017**	2016
		RMB'000	*RMB'000*
CURRENT LIABILITIES			
Tax payable		**75,131**	58,616
Trade and other payables	11	**2,925,740**	4,965,137
Due to customers for contract works		**35,969**	–
Dividend payables		**4,399**	141,599
Interest-bearing bank and other loans	12	**2,560,050**	1,980,050
Total current liabilities		**5,601,289**	7,145,402
NET CURRENT ASSETS		**1,469,881**	2,111,803
TOTAL ASSETS LESS CURRENT LIABILITIES		**28,664,446**	29,205,719
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans	12	**14,285,597**	15,225,079
Deferred tax liabilities		**6,036**	6,207
Deferred income	11	**88,100**	90,401
Total non-current liabilities		**14,379,733**	15,321,687
Net assets		**14,284,713**	13,884,032
EQUITY			
Equity attributable to owners of the Company			
Issued capital	13	**3,058,060**	3,058,060
Reserves	14	**10,836,014**	10,266,143
		13,894,074	13,324,203
Non-controlling interests		**390,639**	559,829
Total equity		**14,284,713**	13,884,032

NOTES TO FINANCIAL STATEMENTS
31 December 2017

1. CORPORATE AND GROUP 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, Sichuan Expressway Company Limited and its subsidiaries (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 Communications Investment Group Company Limited ("**SCI Group**") is the parent and the ultimate holding company of the Company, which is established 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 POLICIES AND DISCLOSURES

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

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014–2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements. The adoption of amendments to HKAS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has five (2016: 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, corporate and other unallocated expenses are excluded from such measurement.

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

Segment liabilities exclude tax payable, dividend payables 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 2017

	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	**3,212,683**	**2,536,655**	**2,616,916**	**344,052**	**154,064**	**8,864,370**
SEGMENT RESULTS	**883,981**	**201,152**	**125,341**	**24,404**	**73,554**	**1,308,432**
Reconciliation:						
Interest income on bank deposits						**33,472**
Gain on disposal of subsidiaries						**152,285**
Dividend income and unallocated income and gains						**64,173**
Corporate and other unallocated expenses						**(247,835)**
Profit before tax						**1,310,527**
SEGMENT ASSETS	**26,137,053**	**1,693,150**	**230,404**	**2,001,732**	**1,211,405**	**31,273,744**
Reconciliation:						
Available-for-sale investments						**183,593**
Deferred tax assets						**7,251**
Pledged deposits						**81,894**
Cash and cash equivalents						**2,719,253**
Total assets						**34,265,735**
SEGMENT LIABILITIES	**17,901,303**	**1,119,164**	**23,434**	**350,493**	**501,062**	**19,895,456**
Reconciliation:						
Tax payable						**75,131**
Dividend payable						**4,399**
Deferred tax liabilities						**6,036**
Total liabilities						**19,981,022**
OTHER SEGMENT INFORMATION						
Share of profits and losses of associates	**18,070**	**–**	**–**	**–**	**19,209**	**37,279**
Share of profits and losses of joint ventures	**9,424**	**–**	**–**	**–**	**76**	**9,500**
Interest expenses	**734,532**	**37,432**	**–**	**11,156**	**18,026**	**801,146**
Depreciation and amortisation	**803,952**	**8,641**	**11,387**	**1,720**	**3,968**	**829,668**
Investments in associates	**73,904**	**–**	**–**	**–**	**144,937**	**218,841**
Investments in joint ventures	**229,651**	**–**	**–**	**–**	**1,875**	**231,526**
Capital expenditure*	**762,061**	**13,155**	**11,869**	**94**	**1,225**	**788,404**

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

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

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 years ended 31 December 2017 and 31 December 2016, revenue of approximately RMB943,676,000 and RMB1,121,143,000, respectively, which accounted for more than 10% of the Group's revenue was derived from providing construction services to a group of entities under common control, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS

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

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Toll income		
– Chengyu Expressway	**792,977**	821,983
– Chengya Expressway	**848,662**	784,345
– Chengle Expressway	**480,141**	449,263
– Chengren Expressway	**765,904**	690,442
– Chengbei Exit Expressway and Qinglongchang Bridge	**110,193**	94,937
– Suiguang-Suixi Expressways	**228,259**	47,151
	3,226,136	2,888,121
Less: Revenue taxes	**(13,453)**	(39,076)
Sub-total	**3,212,683**	2,849,045
Construction revenue in respect of:		
– Service concession arrangements	**728,358**	2,254,608
– Construction and maintenance works performed for other parties	**1,814,549**	2,083,509
	2,542,907	4,338,117
Less: Revenue taxes	**(6,252)**	(26,737)
Sub-total	**2,536,655**	4,311,380

	2017	2016
	RMB'000	*RMB'000*
Revenue from operation of gas stations and petrochemicals and other oil products	**2,616,916**	2,889,050
Financial lease operation income	**66,485**	59,602
Sales of properties	**344,052**	27,833
Others (including income from rental and advertising)	**87,579**	74,224
Total revenue	**8,864,370**	10,211,134
Other income and gains		
Interest income from bank deposits	**33,472**	28,573
Interest income from discounting long-term compensation receivables	**6,854**	7,967
Interest income from construction contracts	**6,079**	22,934
Rental income	**3,062**	5,238
Government grants*	**11,858**	10,279
Dividend income from available-for-sale investments	**5,638**	4,641
Compensation income	**18,931**	23,431
Reversal of bad debt provision	**1,268**	–
Compensation received for breach of contract	**14,987**	–
Gain on disposal of available-for-sale investments	**–**	8,911
Gain on disposal of subsidiaries *(note 16)*	**152,285**	–
Miscellaneous	**8,411**	3,454
	262,845	115,428
Total revenue, other income and gains	**9,127,215**	10,326,562

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

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2017	2016
	RMB'000	*RMB'000*
Interest on bank and other loans	**666,998**	664,867
Interest on medium term notes	**161,638**	160,052
	828,636	824,919
Less: Interest capitalised in respect of:		
– Service concession arrangements *(note 9(c))*	**(5,540)**	(272,115)
– Properties under development	**–**	(4,127)
Interest recorded under cost of sales and other operating costs	**(21,950)**	(20,662)
	801,146	528,015
Interest rate of borrowing costs capitalised	**3.92%–4.35%**	4.28%–6.51%

6. PROFIT BEFORE TAX

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

	2017	2016
	RMB'000	*RMB'000*
Employee benefit expenses (including directors', chief executive's and supervisors' remuneration):		
Wages and salaries	**396,085**	404,401
Pension scheme contributions		
– Defined contribution fund	**65,487**	62,465
Housing fund		
– Defined contribution fund	**40,229**	39,292
Supplementary pension scheme		
– Defined contribution fund	**12,649**	15,821
Other staff benefits	**111,559**	101,957
Employee benefit expense*	**626,009**	623,936

	2017	2016
	RMB'000	*RMB'000*
Depreciation*	**80,262**	77,374
Amortisation of service concession arrangements	**716,022**	542,522
Amortisation of prepaid land lease payments	**32,885**	32,247
Amortisation of other intangible assets	**499**	499
Depreciation and amortisation expenses	**829,668**	652,642
Construction costs in respect of:		
– Service concession arrangements*	**715,295**	2,204,565
– Construction works performed for other parties*	**1,574,727**	1,817,793
Construction costs	**2,290,022**	4,022,358
Cost of sales of refined oil and petrochemical products	**2,440,653**	2,728,643
Cost of properties sold	**297,190**	25,630
Cost of finance lease operation	**21,950**	20,662
Repairs and maintenance	**311,163**	198,440
Minimum lease payments under operating leases:		
– Land and buildings	**22,081**	24,013
Auditor's remuneration	**2,890**	2,800
Other audit service fee	**226**	–
Loss on disposal and write-off of items of property, plant and equipment	**2,227**	2,732
Reversal of provision for impairment of other receivables	**(1,268)**	–
Gain on disposal of available-for-sale investments	**–**	(8,911)

* During the year, employee costs of RMB39,893,000 (2016: RMB99,961,000) and depreciation and amortisation charges of RMB4,621,000 (2016: RMB14,136,000) 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 2017 and 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 shall be issued separately. The Catalogue 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, Chengbei Company and Chengdu Airport Expressway Company Limited ("**Chengdu Airport Expressway**"), 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 2017 continued to be calculated at a tax rate of 15%.

On 21 May 2014, 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 for income tax expense of TCC during the ten months ended 31 October 2017 was calculated at the CIT rate of 25%.

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

	2017	2016
	RMB'000	*RMB'000*
Current – Mainland China		
Charge for the year	**326,240**	289,174
Under provision in prior years	**787**	6,281
Deferred	**2,346**	(505)
Total tax charge for the year	**329,373**	294,950

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 (2016: 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 2017 and 2016 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2017 and 2016.

9. SERVICE CONCESSION ARRANGEMENTS

(a) At 31 December 2017, the concession rights pertaining to certain expressways with net carrying amounts listed below were pledged to secure bank loans granted to the Group (note 12(a)):

	2017	2016
	RMB'000	*RMB'000*
Chengle Expressway	**1,662,398**	950,626
Chengren Expressway	**6,976,716**	7,208,863
Suiguang-Suixi Expressways	**12,223,497**	12,358,860
	20,862,611	20,518,349

(b) During the year, the Group was in the construction of the remaining part of Suining-Guang'an Expressway and Suining-Xichong Expressway (the "**Suiguang-Suixi Expressways BOT Project**") in the form of Build-Operate-Transfer ("**BOT**") mode. Total construction and borrowing costs of RMB20,590,000 (2016: RMB2,102,520,000) were incurred, among which RMB4,000,000 (2016: RMB1,476,662,000) was sub-contracted to third party subcontractors.

In addition, construction revenue of RMB807,194,000 (2016: RMB2,152,569,000) was mainly recognised in respect of the construction service provided by the Group for Suiguang-Suixi Expressways BOT Project and the upgrade project of Chengle Expressway 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. Based on the report of the final accounts audit of Chengren Expressway issued by a qualified firm, the construction revenue in respect of the construction service provided by the Group for Chengren Expressway was adjusted downward by RMB78,836,000.

(c) Additions to service concession arrangements during the year included interest capitalised in respect of bank loans amounting to RMB5,540,000 (2016: RMB272,115,000) (note 5).

10. TRADE AND OTHER RECEIVABLES

	Notes	**2017** *RMB'000*	2016 *RMB'000*
Trade receivables			
Trade receivables		**1,611,678**	1,837,413
Impairment		**–**	–
Trade receivables, net	(a)	**1,611,678**	1,837,413
Other receivables			
Other receivables	(b)	**360,954**	377,734
Impairment		**(106,722)**	(107,990)
		254,232	269,744
Deposits		**57,506**	255,549
Prepayments		**90,785**	103,890
Other receivables, net		**402,523**	629,183
Total trade and other receivables		**2,014,201**	2,466,596

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 RMB1,375,622,000 as at 31 December 2017 (2016: RMB1,090,895,000) 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 4.75% to 14.98% (2016: 5.60% to 14.98%) per annum. The remaining trade receivables are non-interest-bearing.

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

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**285,048**	528,506
3 to 6 months	**113,483**	125,250
6 to 12 months	**279,915**	365,164
Over one year	**933,232**	818,493
	1,611,678	1,837,413

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

	2017	2016
	RMB'000	*RMB'000*
Neither past due nor impaired	**1,611,678**	1,833,520
Past due but not impaired:		
Over one year	**–**	3,893
	1,611,678	1,837,413

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 2017 are analysed as follows:

	2017	2016
	RMB'000	*RMB'000*
Interest receivables on temporary advances and construction revenue	**31,535**	37,553
Long-term compensation receivables to be received within one year	**6,532**	5,735
Toll income receivables	**131,878**	126,874
Interest income from pledged deposits, current portion	**14,389**	2,290
Deductible input value added tax	**28,779**	22,411
Miscellaneous	**147,841**	182,871
	360,954	377,734
Interest income from pledged deposits, non-current portion	**–**	9,952
	360,954	387,686

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 (2016: 14.98%).

11. TRADE AND OTHER PAYABLES

	Notes	2017 RMB'000	2016 RMB'000
Current portion:			
Trade payables	(a)	**165,441**	1,170,303
Other payables	(b)	**2,668,406**	3,687,274
Accruals		**82,735**	98,923
Deferred income		**9,158**	8,637
		2,925,740	4,965,137
Non-current portion:			
Deferred income		**88,100**	90,401
		3,013,840	5,055,538

Notes:

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

	2017 RMB'000	2016 RMB'000
Within 3 months	**102,388**	194,554
3 to 6 months	**4,746**	155,748
6 to 12 months	**30,669**	495,924
Over 1 year	**27,638**	324,077
	165,441	1,170,303

The trade payables are non-interest-bearing and are normally settled within one to twelve months, there was no retention payables from construction projects (2016: RMB117,223,000) which are normally settled within two years.

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

	2017 *RMB'000*	2016 *RMB'000*
Advances	**220,044**	396,594
Payroll and welfare payables	**109,778**	112,564
Taxes and surcharge payables	**27,701**	75,438
Progress billing payables	**1,505,060**	2,512,895
Retention payables	**440,205**	215,020
Deposits	**180,907**	207,500
Others	**184,711**	167,263
	2,668,406	3,687,274

12. INTEREST-BEARING BANK AND OTHER LOANS

	Notes	2017 *RMB'000*	2016 *RMB'000*
Bank loans:			
Secured and guaranteed	(a)	**1,106,400**	1,106,400
Secured	(a)	**11,350,747**	11,176,229
Unsecured		**1,150,000**	984,000
Medium term notes	(b)	**3,100,000**	3,800,000
Other loans, unsecured	(c)	**138,500**	138,500
		16,845,647	17,205,129

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

(a) Bank loans were secured and guaranteed by:

	Notes	2017 RMB'000	2016 RMB'000
		(Amount of bank loans)	
Secured by concession rights of:			
Chengle Expressway	(i)	**106,400**	106,400
Chengren Expressway		**3,221,747**	3,495,129
Suiguang-Suixi Expressways		**8,129,000**	7,461,100
		11,457,147	11,062,629
Secured by time deposits	(ii)	**1,000,000**	1,000,000
Secured by loan to customers		**–**	220,000
		12,457,147	12,282,629

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

(ii) As at 31 December 2017, time deposits of RMB56,450,000 (2016: RMB56,450,000) were pledged to China Construction Bank Chengdu Xinhua Branch to counter guarantee the Group's bank loan of RMB1,000,000,000 (2016: RMB1,000,000,000) granted by China Construction Bank.

The bank loans bear interest at the fixed rate of 4.55% (2016: 4.41% to 6.55%) per annum.

(b) At 31 December 2017, the Company had four (2016: six) tranches of outstanding medium term notes totalling RMB3,100,000,000 (2016: RMB3,800,000,000) issued to domestic institutional investors participating in the PRC interbank debt market. The effective interest rates for the medium term notes range from 3.56% to 6.30% (2016: 3.48% to 6.30%). The medium term notes were all issued at a par value of RMB100 per unit, and will be repaid between March 2018 and July 2024, with an original maturity period of five years.

(c) Other loans as at 31 December 2017 represent the unsecured shareholder's loan of RMB138,500,000 (2016: RMB138,500,000) granted to the Group by a non-controlling shareholder, bearing interest at annual interest rate of 4.28% (2016: 4.28%).

13. ISSUED CAPITAL

	2017 *RMB'000*	2016 *RMB'000*
Issued and fully paid:		
A Shares of 2,162,740,000 (2016: 2,162,740,000) of RMB1.00 each	**2,162,740**	2,162,740
H Shares of 895,320,000 (2016: 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, joint ventures and associates, the Company, its subsidiaries, joint ventures and associates are required to allocate 10% of their profits after tax, as determined in accordance with Generally Accepted Accounting Principles of the 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.

15. DIVIDENDS

	2017 *RMB'000*	2016 *RMB'000*
Proposed final – RMB0.100 (2016: RMB0.110) per ordinary share	**305,806**	336,387

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

16. DISPOSAL OF SUBSIDIARIES

On 31 October 2017, the Group disposed of the 46% equity interests in TCC and its subsidiaries (collectively referred to as the "Disposed Subsidiaries") to SCI Group for an aggregate cash consideration of RMB510,140,000. The Disposed Subsidiaries were primarily engaged in repair and maintenance of expressways and construction of roads and expressways.

	RMB'000
Net assets disposed of:	
Property, plant and equipment	**72,054**
Cash and bank balances	**732,346**
Trade and other receivables	**1,597,824**
Prepaid land lease payments	**239**
Available-for-sale financial assets	**16**
Inventories	**21,683**
Due from customers for contract works	**635,804**
Trade and other payables	**(1,973,266)**
Tax payable	**(8,534)**
Dividend payables	**(280,000)**
Non-controlling interests	**(401,496)**
	396,670
Fair value of the retained interests in subsidiaries disposed of	**(38,815)**
Net gain on disposal of subsidiaries *(note 4)*	**152,285**
Satisfied by cash	**510,140**
Cash consideration	**510,140**
Cash and bank balances disposed of	**(732,346)**
Net outflow of cash and cash equivalents in cash flows from investing activities	**(222,206)**

RESULTS AND DIVIDENDS

For the year of 2017, the net revenue of the Group amounted to approximately RMB8,864,370,000, representing a decrease of approximately 13.19% as compared with last year; the profit attributable to owners of the Company amounted to approximately RMB894,376,000, representing a decrease of 15.35% as compared with last year; and basic earnings per Share were approximately RMB0.292 (2016: approximately RMB0.346).

As at 31 December 2017, the Group's total assets and net assets were approximately RMB34,265,735,000 and RMB14,284,713,000, 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 profit available for distribution to the Shareholders recognized by the Company for the current period (the lower of the profit of the Company under the generally accepted accounting standards below). The Board has recommended a final cash dividend for the year 2017 of RMB0.10 per ordinary share (tax inclusive), aggregating to approximately RMB305,806,000 representing 45.22% of the profit available for distribution to the Shareholders recognized by the Company for the year in accordance with the PRC Accounting Standards, and representing 34.42% of the profit attributable to the owners of the Company (calculated in accordance with the PRC Accounting Standards) in the consolidated financial statements. The proposed dividend is subject to approval at the forthcoming 2017 Annual General Meeting of the Company. If approved, the final dividend is expected to be paid on or around Thursday, 12 July 2018 to the Shareholders whose names appear on the H Shares register of members of the Company on Wednesday, 20 June 2018 (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 2017 AGM and to receive the 2017 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 ("**CIT**") at the rate of 10%. The Company, as a PRC domestic enterprise, is required to withhold CIT 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 CIT by the Company.

Should the holders of H Shares have any doubt in 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 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 CIT 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 CIT.

Distribution of dividends to investors under Southbound Trading Link

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 the investors under Southbound Trading Link, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominal holder of H Shares under Southbound Trading Link, will receive cash dividend declared by the Company and distribute them to relevant the investors under Southbound Trading Link through its registration and settlement system. Cash dividend received by the investors under Southbound Trading Link shall be settled in RMB. The Dividend Entitlement Date, cash dividend payment date and other time arrangements for the investors under Southbound Trading Link 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 of the Company, 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 carries out diversified operations which are highly relevant to our principal business. Its businesses cover five major segments, namely, the "toll roads and bridges", "financial investment", "city operation", "energy investment" and "culture, tourism and healthcare". In 2017, the Group insisted on making progress while maintaining stability and making breakthroughs in innovation, and managed to achieve sustained and healthy operation and development through reforms and innovations as well as enhancement of quality and efficiency. The operating results of the Group decreased during the current period as compared with the same period of last year, due to the fact that the costs arising from the toll collection operation of Suiguang Expressway and Suixi Expressway projects since late 2016 were recognized as expenses. Under such circumstances, by focusing on business objectives and adopting a scientific operation and management strategy, the management of the Group constantly strengthened the advantages of its principal business through rational control of costs and expenses, and at the same time actively and steadily advanced its diversified operations, i.e. financial investment, city operation, energy investment, and culture, tourism and healthcare, in order to push forward the steady growth of each business line under the Group and continuously enhance its sustainable development potentials.

In this year, the net revenue of the Group amounted to approximately RMB8,864,370,000, representing a decrease of approximately 13.19% year-on-year, among which the net toll income amounted to approximately RMB3,212,683,000, up approximately 12.76% year-on-year; the net revenue from construction contracts amounted to approximately RMB2,536,655,000, down approximately 41.16% year-on-year (including the revenue from construction contracts of approximately RMB31,367,000 from Suiguang-Suixi Expressways BOT Project, which was recognized according to the HKFRSs, down approximately 98.54% year-on-year); the net revenue from operation of gas stations along the expressways amounted to approximately RMB2,616,916,000, representing a decrease of approximately 9.42% year-on-year. Other income and gains amounted to approximately RMB262,845,000, up approximately 127.71% year-on-year. The profit attributable to the owners of the Company was approximately RMB894,376,000, representing a decrease of 15.35% year-on-year. Basic earnings per Share were approximately RMB0.292 (2016: approximately RMB0.346). As at 31 December 2017, the Group's total assets amounted to approximately RMB34,265,735,000 and net assets amounted to approximately RMB14,284,713,000.

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

	Income for 2017 (after revenue taxes) *(RMB'000)*	Year-on-year increase/ (decrease) in income for 2017 *(%)*	Profit/(loss) for 2017 *(RMB'000)*	Year-on-year increase/ (decrease) in profit/(loss) for 2017 *(%)*
Chengyu Branch *(note 1,2)*	790,013	(2.52)	263,222	(12.51)
Chengya Branch *(note 1)*	844,647	9.15	359,466	3.22
Chengren Branch *(notes 1, 3)*	763,074	12.07	197,675	29.92
Chengle Company	478,305	7.92	251,904	0.88
Chengbei Company	109,558	16.85	54,494	24.90
Suiguang-Suixi Company *(note 4)*	227,086	382.67	(442,366)	328.02
Shunan Company *(note 5)*	50,271	(61.98)	(29,265)	15.56
Renshou Shunan Company *(note 6)*	272,313	(45.98)	85,815	(10.12)
Ziyang Shunan Company	224,189	N/A	2,494	N/A
Shuhong Company *(note 7)*	(6)	(100.14)	(7,696)	(744.63)
Shurui Company *(note 8)*	19,178	36.54	(15,184)	(15,991.75)
Shuxia Company	59,854	7.81	19,695	9.07
Chengyu Advertising Company *(note 9)*	7,411	35.85	26	117.45
Shuhai Company *(note 10)*	N/A	N/A	6,874	(55.15)
Chengya Oil Company *(note 11)*	429,690	(42.48)	49,675	28.39
Zhonglu Energy Company	2,192,768	2.13	20,562	(10.60)
Renshou Landmark Company *(note 12)*	344,052	1,135.59	(64,258)	32.71
Chengyu Financial Leasing Company	66,485	11.55	23,800	12.33

Note:

1. When calculating the profits of Chengyu Branch, Chengya Branch and Chengren Branch, the impact of income tax (15%) was taken into account.

2. The profit of Chengyu Branch was reduced by 12.51% from that of last year, mainly because the toll revenue (after revenue taxes) had a year-on-year decline of 2.52%, which was mainly driven by (1) the influence of the increase of the number of ETC vehicles in the same period and the preferential tolls for ETC; (2) the influence of freeway network diversion, where Cheng-An-Yu Expressway was put into service by different subsections on 30 December 2016 and offered toll free pass; (3) the continuous influence of the revenue of the passenger trains running on the Chengdu-Chongqing High-speed Railway. Its operating cost increased by 6.20% compared with the same period of last year, mainly due to the increase of the highway operating cost, security facilities maintenance cost and collection business cost.

3. The profit of Chengren Branch had an increase of 29.92% from that of last year, mainly because the toll revenue (after revenue taxes) had a year-on-year growth of 12.07%. The increase of the toll revenue was mainly because the accelerated construction of the Tianfu New District and Renshou Shigao Industrial Park, and rapid increase of the traffic flow. In addition, the borrowing repayment reduces the financing cost, which also contributed to the high growth of profit.

4. The operation period of Suiguang-Suixi Expressways increased by 9 months compared the last year. Because of the increase of the highway managing right amortization and construction loan interest expenditure, the loss increased by RMB339 million in the current year.

5. Shunan Company had a decline of income for the year because it only had the amortization income from the completed and delivered projects and did not have any new investment. However, due to its saving in financial expenses ,loss is less than last year.

6. Renshou Shunan Company had a decline of income and profit because new investment projects reduced in the current year.

7. Shuhong Company had a significant decline of income and profit because Renshou BT project was basically completed by 2017, and the company did not have any new project for the moment.

8. Due to the approach towards the end of the Renshou Land-linked Pilot BT Project, the entry into audit phase of relevant projects and the failure to meet expectations of partial claims (mainly the relocation compensation and relevant charges for loss of working time) during construction in the current period, the total project cost of Shurui Company was adjusted, with an increase in operating cost and a significant decrease in profit compared to last year during the current period.

9. Chengyu Advertising Company enjoyed a growth of income and profit from that of last year, because it actively developed new customers by increasing the number of advertising releases and improving the quality of the advertising releases.

10. As an investment management company, the profit of Shuhai Company mainly came from the dividends of the investees and its share in the change of the profit and loss in the joint ventures.

11. Chengya Oil Company didn't sale chemical products this year yet the gross profit margin of refined oil products increased, so its revenue decreased and the profit increased.

12. Renshou Landmark Company had a significant increase of income of commercial housing but a slight loss compared with last year, which is due to the completion and delivery of all the buildings of 1-5 units in the Project Beichengshidai (phase one).

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) 2017	2016	Increase/ (decrease) *(%)*	Toll income (before revenue taxes) *(RMB'000)* 2017	2016	Increase/ (decrease) *(%)*
Chengyu Expressway	100	**22,387**	22,158	1.03	**792,977**	821,983	(3.53)
Chengya Expressway	100	**40,566**	37,351	8.61	**848,662**	784,345	8.20
Chengren Expressway	100	**35,062**	30,444	15.17	**765,904**	690,442	10.93
Chengle Expressway	100	**34,563**	32,648	5.87	**480,141**	449,263	6.87
Chengbei Exit Expressway (including Qinglongchang Bridge)	60	**53,026**	52,422	1.15	**110,193**	94,937	16.07
Suiguang Expressway *(Note)*	100	**5,077**	5,176	(1.91)	**152,754**	33,836	351.45
Suixi Expressway *(Note)*	100	**2,443**	2,549	(4.16)	**75,505**	13,314	467.11

Note: The average daily traffic flow data of Suiguang Expressway and Suixi Expressway in 2016 were converted on the basis of relevant data from 0:00 on 9 October 2016 to 24:00 on 31 December 2016, as Suiguang Expressway and Suixi Expressway have begun to charge toll at 0:00 on 9 October 2016.

In 2017, the toll income (before revenue taxes) of the Group was approximately RMB3,226,136,000, representing an increase of approximately 11.70% as compared with last year. The percentage of the toll income to the Group's operating revenue from main business (after revenue taxes) was approximately 36.24%, representing an increase of approximately 8.34% when compared with 27.90% last year. During the Reporting Period, the following factors constituted combined effects on the operating performance of the Group's business of expressways:

(1) Economic factors

In 2017, China maintained a generally stable economic growth and continuously optimized its economic structure, with its gross domestic product (GDP) of approximately RMB82,712.2 billion, representing a year-on-year increase of about 6.9%[1]. This is the first time that China accelerated its growth over the past six years. The GDP of Sichuan Province reached about RMB3,698.02 billion, representing a year-on-year increase of about 8.1%[2], which is higher than the national average level by 1.2 percentage points, and its economic vitality and resilience continued to increase. A good economic environment has led to an increase in demand for regional transportation, especially for freight transportation. Most of the toll road projects of the Group recorded some increase in traffic flow as compared with the same period of last year. The overall increase of the Group's toll income is 11.7% in 2017.

1 Source: Preliminary results published by the National Bureau of Statistics of China

2 Source: Preliminary results published by the Sichuan Provincial Bureau of Statistics

(2) Policy factors

In February 2017, six ministries including the Ministry of Transport jointly issued the Certain Opinions on Promoting the Integrative Development of Transport and Tourism (《關於促進交通運輸與旅遊融合發展的若干意見》), pursuant to which, a tourism transport system with a reasonable structure, perfect functions, prominent characteristics and quality services will be basically built by 2020; in March 2017, the People's Government of Sichuan Province issued the "Thirteenth Five-Year" Plan on Comprehensive Transport Development of Sichuan Province (《四川省「十三五」綜合交通運輸發展規劃》) which specifies that the infrastructure network will be improved and further efforts will be made to promote the construction of expressways. The above factors, together with the further advancement of the Belt and Road initiative in the same period, the continuous implementation of supporting policies and a series of favourable policies, contributed to the growth of traffic flow for the expressways of the Group.

During the Reporting Period, the policies, including the free-of-charge policy for small passenger cars during holidays and the free-of-charge policy for easy access for fresh agricultural products, continued to be implemented; and the 5% discount policy was still executed for the Sichuan Expressway Electronic Toll Collection System ("**ETC**"). As at 31 December 2017, the number of total ETC users of all the expressways across the province exceeded 3 million[3]. With continued promotion of expressway overload control in Sichuan Province, the expressways basically realized the "zero entry"[4] of illegally overloaded trucks. All the above factors continue to affect the Group's toll revenue.

(3) Regional development factors

The traffic demand of Chengren Expressway continuously increased due to the accelerated construction of Chengdu Tianfu New Area and Renshou Shigao Industrial Park, and the successive resumption of production and expansion of production capacity by building materials plants and mines in Wengong Town and Baofei Town of Renshou County along the expressway. The further construction and improvement of Chengdu Shuangliu Logistics Park, Bonded Area and Mingshan Economic Development Zone led to an increase in truck flow of Chengya Expressway.

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3 Source: Department of Transportation of Sichuan Province

4 Source: Department of Transportation of Sichuan Province

(4) Factors of 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 30 December 2016, Chengdu-Anyue-Chongqing Expressway was open to traffic and for free in the earlier period. As its starting point is the same as Chengyu Expressway and its total mileage is nearly 90km less than that of Chengyu Expressway, certain vehicles which originally entered Chengyu Expressway directly chose to transfer through the interchange hub connecting with Chengdu-Anyue-Chongqing Expressway to divert to Chengdu-Anyue-Chongqing Expressway.

Chengren Expressway and Chengle Expressway: In December 2016, Renshou-Muchuan-Xinshi Expressway was open to traffic for free. As one of the extension lines of Chengren Expressway, the expressway led to increase in traffic flow of Chengren Expressway. On the other hand, as the expressway interconnects with Leshan-Zigong Expressway, the vehicles which originally went and returned to Chengdu and Leshan through Chengle Expressway may choose Chengren Expressway, Renshou-Muchuan-Xinshi Expressway and Leshan-Zigong Expressway, diverting traffic flow of Chengle Expressway to a certain extent.

Suiguang Expressway and Suixi Expressway: On 13 January 2017, Nanchong-Dazu-Liangping Expressway was open to traffic and for free until 6 March. As it interconnects with Chengdu-Nanchong Expressway and is one of the channels connecting Suining and northeast Sichuan, it diverts certain vehicles which originally came to and from Suining and northeast Sichuan through Suiguang Expressway; from 12 February to 30 May 2017, the section from Liemian to Wusheng of the national highway G212 was subject to overhaul, forcing certain vehicles to return to Suiguang Expressway, which resulted in an increase in the traffic flow of Suiguang Expressway; from 10 March 2017, Guihua Interchange Overpass of Chengdu-Nanchong Expressway was closed for construction, which caused a slight decrease in the traffic flow of Suiguang Expressway and Suixi Expressway since the overpass is the interchange of Chengdu-Nanchong Expressway, Suiguang Expressway and Suixi Expressway.

Operations of the Group's Diversified businesses

"City Operation" segment: Relying on the expertise and experience accumulated over the years in construction projects, and using capital advantage, location advantage and brand advantage, the Group has made great efforts to expand the investment and 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. During the year, the operating income of the Group's city operation segment amounted to approximately RMB1,087,247,000 (2016: RMB670,226,000), representing an increase of approximately 62.22% over the previous year. Among them, the BT project (including PPP project) achieved operating income of approximately RMB743,195,000 (2016: RMB642,393,000), representing an increase of approximately 15.69% over the previous year; real estate projects achieved operating income of approximately RMB344,052,000 (2016: RMB27,833,000), representing an increase of approximately 1,136.13% over the previous year.

"Energy Investment" segment: Energy Investment 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 year, the Group operated 32 gas stations, and recorded a net revenue of approximately RMB2,616,916,000 (2016: RMB2,889,050,000) from operation of gas stations along the expressways and sales of petrochemicals and other oil products, representing a year-on-year decrease of approximately 9.42%; and a net revenue of RMB87,579,000 (2016: RMB74,224,000) from advertising, assets leasing and chain supermarket in the service zones along the expressways, representing a year-on-year increase of approximately 17.99%.

"Financial Investment" segment: Financial investment is the Group's business based on the principle of combining industry and finance, aiming 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 "finance driven by industry and contributing to the growth of industry", and integrate industrial capital and finance capital through multiple ways and across multiple levels to expand industrial and financial business. At present, the Company made great efforts to create an "industry-finance integration" financial investment segment and achieved remarkable results. It has created an efficient and professional capital operation team and formed a relatively complete financial ecosystem along the transportation industry chain. The business scope covers industrial funds, merger and acquisition funds, financing leasing, equity investment, banking, trusts and other segments. During the Reporting Period, the operating income of the Group's Financial Investment segment amounted to approximately RMB66,485,000 (2016: RMB59,602,000), representing an increase of approximately 11.55% over the previous year.

"Culture, Tourism and Healthcare" segment: Culture, Tourism and Healthcare segment is a new business established by the Company in accordance with the revised "Thirteenth Five-Year" strategic plan. In the future, relying on the advantages of expressway resources, the Company will also tentatively grope after the investment, development and operation of high-quality education, tourism resources and health and elderly care industry, which will include the key projects such as scenic spots development, traffic tourism, self-drive tour camp, characteristic towns, kindergarten and early childhood education, and K12 education in an order of tourism, education, health care and elderly care. In addition, the Company will explore the profitable healthcare industry and other business to achieve coordinated development of industries and cultivate new profit growth drivers.

Conditions of the Group's major financing investment projects

(1) Proposed Non-public Issuance of A Shares

To optimize its financial structure and reduce financial costs, the Company proposed to raise funds from SCI, its controlling shareholder, by way of non-public issuance of A Shares. Under the Proposal for Non-public Issuance of A Shares of Sichuan Expressway Company Limited in 2017 and other resolutions considered and approved at the sixth meeting of the sixth session of the Board of the Company held on 6 March 2017, the Company proposed to make a non-public issuance of no more than 611,612,000 A Shares to SCI, the controlling shareholder of the Company, and raised funds of a total amount of no more than RMB3,500 million.

In order to ensure the smooth progress of the non-public issuance and in light of the actual conditions of the Company, the 12th meeting of the sixth session of the Board of the Company held on 18 September 2017 considered and approved the Resolution on Adjusting the Scheme of Non-public Issuance of Shares by the Company and other resolutions, pursuant to which, the pricing benchmark date of the non-public issuance fixed on the first date of the issuance period. The issue price equaled to 90% of the average trading price of A Shares of the Company during the 20 trading days prior to the pricing benchmark date or the latest audited net asset per Share of the Company on the issuance date, whichever is higher. If the issue price determined pursuant to the above pricing principles is higher than the audited net asset per Share of RMB4.54 of the Company in 2016, the issue price of the non-public issuance of the Company will be the issue price determined pursuant to the above pricing principles. If the issue price determined pursuant to the above pricing principles is lower than the audited net asset per Share of RMB4.54 of the Company in 2016, the issue price of the non-public issuance of the Company will be RMB4.54 per Share. The average trading price of A Shares during the 20 trading days prior to the pricing benchmark date= the total trading amount of A Shares traded during the 20 trading days prior to the pricing benchmark date ÷ the total volume of A Shares traded during the 20 trading days prior to the pricing benchmark date. Except for the aforementioned adjustments, the rest of the Scheme of Non-public Issuance of Shares by the Company will remain unchanged.

As at the end of the reporting period, the Issuance was approved by the State-owned Assets Supervision and Administration Commission of Sichuan Province, and considered and approved at the fourth extraordinary general meeting of 2017, the first A Share class meeting of 2017 and the first H Share class meeting of 2017 held on 14 November 2017. The Executive of the Securities and Futures Commission of Hong Kong has granted the whitewash waiver in respect of this Issuance.

On 8 January 2018, the Company received CSRC's Acceptance Notice of the Application for Administrative Permission (《中國證監會行政許可申請受理通知書》)issued by CSRC (No. 172685). The CSRC reviewed the materials submitted by the Company regarding the application for administrative permission for the "Non- public Issuance of New Shares of Listed Companies" in compliance with laws and considered that the application materials are complete and comply with the statutory form, thus it resolved to accept the application for administrative permission for further processing.

On 9 February 2018, the Company received the Notice of First Feedback on the Review of the Administrative Licensing Project of the China Securities Regulatory Commission (《中國證監會行政許可項目審查一次反饋意見通知書》) (No. 172685) issued by the China Securities Regulatory Commission, which required the Company to provide written descriptions and explanations on relevant issues. The Company and relevant intermediary agencies replied the related issues one by one according to the requirement and disclosed their replies and related commitments in the form of a temporary announcement on 23 March 2018.

The Non-public Issuance of A Shares of the Company will be subject to the approval by the CSRC, and there are still uncertainties as to whether such approval can be obtained.

(2) Chengle Expressway Expansion Construction Project

On 27 October 2016, the Company held the third meeting of the sixth session of the Board, at which the proposal of implementing Qinglongchang – Meishan trial section project for expansion construction of Chengle Expressway (the "**Trial Section**") was considered and approved.

The Trial Section project was advanced smoothly, offering rich experience for the reconstruction and expansion of the entire Chengle Expressway. On 30 August 2017, the Company held the eleventh meeting of the sixth session of the Board, at which the proposal in respect of investment in the expansion construction of Chengle Expressway and relevant matters was considered and approved. The above proposal was considered and approved at the third extraordinary general meeting for 2017 held on 30 October 2017. According to the reply on approval of the project from the Sichuan Provincial Development and Reform Commission, the expansion construction of the project was proposed to be implemented in stages: I. new construction of a two-way eight-lane expressway for Chengdu-Qinglongchang section (which will be shared with the second expressway of Shuangliu Airport which is under planning) with a mileage of approximately 42km; II. extension and renovation for Qinglongchang- Guliba, Leshan section through widening the original expressway to a two-way eight-lane expressway with a mileage of 85.55km (including the Trial Section with a mileage of approximately 28km); and III. new construction of a two-way six-lane expressway passing through downtown Leshan with a mileage of 11.36km. The total mileage of the aforesaid proposal was 138.41km. The project's estimated total investment was about RMB23.133 billion (including the estimated investment amount of the Trial Section of approximately RMB1,985.6 million). From the commencement date of construction to 31 December 2017, an accumulated investment of approximately RMB772 million had been invested in the Chengle Expressway Expansion Construction Project, accounting for approximately 3.34% of the estimated total investment of the project. After the completion of the project, it will help to ease the traffic pressure on Chengle Expressway, improve the overall traffic capacity and service level of the Chengle Expressway.

(3) Transfer of the controlling equity in TCC and follow-up capital increase

On 31 March 2017, the 8th meeting of the sixth session of the Board of the Company considered and approved the Proposal for the Transfer of 46% Shares in TCC, pursuant to which, the Company intends to transfer 46% of its shares in TCC, a controlling subsidiary of the Company to SCI at the price of RMB510.14 million. On the same day, the Company signed the equity transfer agreement with SCI. On 26 September 2017, general meeting of the Company considered and approved the above proposal. After the completion of the share transfer, the Company will hold 5% of the shares in TCC, which will not be included in the consolidated financial statements of the Company.

On 29 November 2017, the general manager's office meeting of the Company considered and approved the participation of the Company in the capital increase of TCC. This capital increase was contributed at the price of RMB2.218 per share in monetary form by SCI, Sichuan Highway Development Holding Company (四川高速公路建設開發總公司), Sichuan Tibetan Area Expressway Co., Ltd. (四川藏區高速公路有限責任公司), Sichuan Port and Channel Development Co., Ltd.(四川省港航開發有限責任公司), and the Company, all being the existing shareholders of TCC, in accordance with their respective shareholdings. Among them, the Company subscribed for 33,814,247 shares with the subscription amount of RMB75,000,000. Upon the completion of the capital increase, the shareholding structure of TCC will not change.

(4) Ziyang Jiaozi Avenue West Extension Construction and Jiaozi Avenue Comprehensive Renovation PPP Project

On 21 March 2017, the general manager's office meeting of the Company considered and approved the construction of the project along Ziyang Jiaozi Boulevard West Extension, and the Jiaozi Boulevard comprehensive renovation PPP project, as well as the proposal for the joint establishment of Shunan Chengxing Company by Shunan Company and Shurui Company, both being wholly-owned subsidiaries of the Company, TCC, a related party, Ziyang City Chengxing Construction Co., Ltd., a non-related party. On 17 May 2017, the Group won the bid for the project and signed the Contract in relation to Jiaozi Boulevard West Extension Construction and Jiaozi Boulevard Comprehensive Renovation PPP Project with Ziyang Housing and Urban-Rural Planning and Construction Bureau, pursuant to which, the project adopts the Reconstruction-Operation-Transfer (ROT) in the PPP mode, and the budget for its total investment is approximately RMB788 million. At present, Shunan Chengxing, a subsidiary of the Company, is the project company which is fully responsible for the investment, construction, operation, maintenance and handover of the project.

(5) Establishment of Tianyi United Company

On 16 October 2017, the general manager's office meeting of the Company considered and approved the proposal for the joint establishment of Tianyi United Company with Chengdu Communications Investment Group Co., Ltd ("**CCI**") and China Railway Chengdu Group Co., Ltd ("**Chengdu Railway Bureau**"). On 24 October 2017, the Company entered into the Investor Agreement with CCI and Chengdu Railway Bureau, pursuant to which the registered capital of Tianyi United Company was RMB1 billion. The Company, CCI and Chengdu Railway Bureau contributed RMB510 million, RMB440.5 million and RMB49.5 million, respectively, each holding 51%, 44.05% and 4.95% of the equity interests in Tianyi United Company, respectively. On 19 January 2018, Tianyi United Company completed the industrial and commercial registration with the Administration for Industry and Commerce of Tianfu New District (Chengdu Area), Sichuan Province.

(6) Proposed participation in establishment of the Property Fund

On 19 January 2017, as considered and approved at the fifth meeting of the sixth session of the Board of Directors of the Company, Shuhai Company, a wholly-owned subsidiary of the Company, proposed to participate, as a limited partner (inferior LP), in the "Property Fund (Limited Partnership) (in preparation)" (the name of the partnership to be confirmed by relevant industrial and commercial departments) (the "**Property Fund**"). The Property Fund is to be jointly established by Shenyin & Wanguo-SCI IF (Shanghai) Investment Management Co., Ltd.* (as a general partner, "**Shenyin & Wanguo-SCI**"), a related legal person, and SCI Industrial Finance Holding Limited* (as an inferior LP, "**SCI Industrial Finance**"), a related legal person, and it would invest in high-quality commercial properties and other projects in Chengdu. Basic information on the Property Fund is set out below:

(1) Fund Manager: Shenyin & Wanguo-SCI.

(2) Fund Type: limited partnership.

(3) Fund size: the expected total size is RMB2 billion and the initial size is RMB901 million.

(4) Way of contribution: Shenyin & Wanguo-SCI proposes to make a contribution of RMB1 million; Shuhai Company proposes to make a contribution of no more than RMB300 million; SCI Industrial Finance proposes to make a contribution of no more than RMB300 million; and the third party financial institution(s) to be introduced by the fund manager as limited partner(s) (superior LP(s)), propose(s) to make a contribution of not less than RMB300 million.

As at the date of this report, Shuhai Company has not entered into any agreement with the relevant counterparties. Investors are advised to pay attention to the Company's subsequent announcements on progress and investment risks.

FINANCIAL REVIEW AND ANALYSIS

Summary of the Group's Operating Results

	2017	2016
	RMB('000)	*RMB('000)*
Revenue, net	**8,864,370**	10,211,134
Including: Toll income, net	**3,212,683**	2,849,045
Construction contract revenue, net	**2,536,655**	4,311,380
Profit before tax	**1,310,527**	1,436,843
Profit attributable to owners of the Company	**894,376**	1,056,584
Earnings per share attributable to owners of the Company *(RMB)*	**0.292**	0.346

Summary of the Group's Financial Position

	31 December 2017	31 December 2016
	RMB('000)	*RMB('000)*
Total assets	**34,265,735**	36,351,121
Total liabilities	**19,981,022**	22,467,089
Non-controlling interests	**390,639**	559,829
Equity attributable to owners of the Company	**13,894,074**	13,324,203
Equity per share attributable to owners of the Company *(RMB)*	**4.543**	4.357

ANALYSIS OF OPERATING RESULTS

Revenue

The Group's net revenue for the year amounted to RMB8,864,370,000 (2016: RMB10,211,134,000), representing a decrease of 13.19% over last year, of which:

(1) The net toll income was RMB3,212,683,000 (2016: RMB2,849,045,000), representing an increase of 12.76% over last year, mainly due to the increase of operation period of Suiguang-Suixi Expressways by 9 months compared with last year, the accelerated construction of Chengdu Tianfu New District and Renshou Shigao Industrial Park, the high-speed growth of traffic flow, as well as the traffic backflow from other expressways and the natural growth of the traffic flow. The main factors affecting the toll income of the Group during the Reporting Period are detailed in page 31 of the Annual Results Announcement;

(2) Construction contract revenue (before revenue taxes) recognized in respect of service concession arrangements was RMB728,358,000 (2016:RMB2,254,608,000), representing a decrease of 67.69% over last year, which mainly resulted from approximately RMB807,194,000 of construction contract revenue (2016: RMB2,152,569,000) from the Suiguang-Suixi Expressways BOT Project and the Qinglongchang – Meishan trial section project for expansion construction of Chengle Expressway and of revenue from other construction and upgrade projects using the percentage of completion method during the year. Based on the report of the final accounts audit of Chengren Expressway issued by a qualified firm, the construction revenue in respect of the construction service provided by the Group for Chengren Expressway was adjusted downward by RMB78,836,000;

(3) Construction contract revenue (before revenue taxes) in respect of other construction and maintenance works performed amounted to RMB1,814,549,000 (2016: RMB2,083,509,000), which was the construction contract revenue recognized under the percentage-of-completion method in respect of the Renshou BT project, Ziyang Jiaozi Avenue project, Bazhong Enyang Airport project, and other projects;

(4) Net revenue from operation of gas stations along expressways amounted to RMB2,616,916,000 (2016: RMB2,889,050,000), representing a decrease of 9.42% over last year, mainly due to the decrease in sales of chemical products and the diversion of the road network causing the commencement of operation of the Chengdu-Anyue-Chongqing Expressway by different subsections at the end of 2016 which were also for free. The revenue from operation of gas stations along the Chengyu Expressway was therefore affected;

(5) Net revenue from property development and operation amounted to RMB344,052,000 (2016: RMB27,833,000), representing an increase of RMB316,219,000 over the previous year, mainly due to the completion and delivery of 1-5 units of buildings in the Project Beichengshiddai (phase one) this year leading to the increase in the sales revenue of commercial housings over the previous year.

Other Income and Gains

The Group's other income and gains for the year amounted to RMB262,845,000 (2016: RMB115,428,000), representing an increase of 127.71% as compared with last year, mainly due to the gains from disposal of subsidiaries of RMB152,285,000.

Operating Expenses

The Group's operating expenses for the year amounted to RMB7,062,321,000 (2016: RMB8,399,704,000), representing a year-on-year decrease of 15.92%, of which:

(1) During the year, construction contract costs recognized under the percentage of-completion method in respect of service concession arrangements were RMB715,295,000 (2016: RMB2,204,565,000), representing a year-on-year decrease of 67.55%. This mainly included construction contract costs of RMB20,590,000 (2016: RMB2,102,520,000) from Suiguang-Suixi Expressway BOT project, and aggregate construction contract costs of RMB694,705,000 recognised for the technical renovation projects of expressways and reconstruction projects of gas stations and service areas along the expressways;

(2) During the year, construction contract costs recognized under the percentage-of-completion method in respect of construction works amounted to RMB1,574,727,000 (2016: RMB1,817,793,000), which mainly included the construction contract costs in respect of Renshou BT project, Ziyang Jiaozi Avenue project, Bazhong Enyang Airport project, and other projects;

(3) Depreciation and amortization expenses increased by 27.12% from RMB652,642,000 in last year to RMB829,668,000, which was mainly attributable to the amortization for service concession arrangements of Suiguang-Suixi Expressway;

(4) The cost of sales of refined oil and chemical products was RMB2,440,653,000 (2016: RMB2,728,643,000), which represented a decrease of 10.55% as compared to last year, which was mainly due to the decrease in the sales costs as a result of the decrease in sales of chemical products during the period;

(5) Staff costs increased by 0.33% from RMB623,936,000 in the previous year to RMB626,009,000;

(6) Costs of repairs and maintenance increased by 56.80% from RMB198,440,000 in the previous year to RMB311,163,000, being the daily maintenance costs of the expressways and subsidiary facilities of the Group.

Finance Costs

The Group's finance costs for the year amounted to RMB801,146,000, representing an increase of 51.73% as compared to last year, which is principally due to the increase of operation period of Suiguang-Suixi Expressways by 9 months compared with last year and the increase in the interest expense on the construction loans of the Expressways.

Taxation

The income tax expense of the Group for 2017 amounted to RMB329,373,000, representing an increase of approximately 11.67% as compared to last year, mainly due to the disposal of Trading Construction Company, which resulted in an increase in income tax expenses due to related investment income and an increase in loss of unrecognized deferred income tax assets.

Profit

The Group's profit for the year amounted to RMB981,154,000, representing a decrease of 14.08% as compared with RMB1,141,893,000 in the previous year, of which the profit attributable to owners of the Company was RMB894,376,000, representing a decrease of 15.35% as compared to last year. This was mainly due to:

(1) During the year, the increase of operation period of Suiguang-Suixi Expressways by 9 months compared with last year caused the increase in the loss compared with the same period of last year, and the loss of other sections were partly set off by the increase in toll income. Profit of the toll operation segment for the year was approximately RMB883,981,000, representing a year-on-year decrease of approximately RMB265,528,000;

(2) Due to the fact that Trading Construction Company ceased to be included in the scope of consolidation since November of the year and a year-on-year decrease in the output value of Renshou Gaotan BT Project and other BT projects for the year, profit of the construction contracts segment for the year amounted to approximately RMB201,152,000, representing a decrease of approximately RMB71,074,000 as compared with the same period last year;

(3) Due to the increase in refined oil sales as a result of newly opened three gas stations along the Suiguang-Suixi Expressways and the increase in refined oil prices and the corresponding increase in gross profit margin the year, the segment profit of the operation of gas stations was approximately RMB125,341,000, representing an increase of approximately RMB12,361,000 from the same period of last year;

(4) Profit of the property development segment for the year amounted to approximately RMB24,404,000, representing a loss reversal of approximately RMB39,568,000 as compared with last year, due to the initial recognition of sales revenue and cost of commercial housings by Renshou Trading Landmark Company Limited following the completion and delivery of 1-5 units of buildings in the Project Beichengshidai (phase one);

(5) Segment profit of operation for the year is approximately RMB73,554,000, representing a year-on-year increase of approximately RMB11,474,000 due to the growth in financial leasing business, the increase in advertising income along expressways and revenue of chain supermarkets in service area.

ANALYSIS OF FINANCIAL POSITION

Non-current Assets

As at 31 December 2017, the Group's non-current assets amounted to RMB27,194,565,000, representing an increase of 0.37% as compared with the end of 2016. The increase was mainly due to:

(1) The increase in concession rights of RMB12,336,000 for the year;

(2) Provision of RMB829,668,000 in total for depreciation and amortization;

(3) An increase of RMB35,536,000 in investment in associates and joint venture, which was mainly attributed to the new investment in joint venture and the increase of share of profit in associates and joint venture;

(4) An increase of RMB41,152,000 in available-for-sale investments, which was mainly due to the fact that after the transfer of 46% of the shares of Trading Construction Company this year, the remaining 5% of the shares were reclassified to available-for-sale investments due to changes in the holding purpose;

(5) An increase of RMB242,775,000 in the loan to customers;

(6) An increase of RMB882,000 in interests in land held for property development;

(7) A decrease of RMB111,993,000 in property, plant and equipment, which was mainly due to the fact that after the transfer of 46% of the shares of Trading Construction Company (a controlling subsidiary of the Company) this year, the fixed assets of Trading Construction Company was no longer included in the Company's consolidated financial statements;

(8) A decrease of approximately RMB67,007,000 in pledged deposits.

Current Assets and Current Liabilities

As at 31 December 2017, the current assets of the Group amounted to RMB7,071,170,000, representing a decrease of 23.61% as compared with the end of 2016, mainly attributable to:

(1) A decrease of RMB1,173,825,000 in the closing balance of cash and cash equivalents as compared with the end of 2016, which was mainly due to the fact that after the transfer of 46% of the shares of Trading Construction Company this year, the cash and cash equivalents of Trading Construction Company were no longer included in the consolidation scope (same period of last year: the cash and cash equivalents of Trading Construction Company amounted to RMB636,529,000), and that stock funds reduced as the new loans decreased compared with last year and the repayment of loans increased year-on-year;

(2) Receivables due from customers for contract works decreased by RMB331,389,000 as compared with 2016, which was mainly due to the fact that after the transfer of 46% of the shares of Trading Construction Company (a controlling subsidiary of the Company) this year, receivables due from customers for contract works of Trading Construction Company was no longer included in the Group;

(3) A decrease of RMB145,443,000 in loan to customers due within one year compared with the end of 2016, mainly due to the recovery of loans to customers;

(4) Trade and other receivables decreased by RMB452,395,000 as compared to the end of 2016, mainly due to a decrease in trade receivables, other receivables, deposits and prepayment of RMB225,735,000, RMB15,512,000, RMB198,043,000 and RMB13,105,000 respectively;

(5) Properties under development decreased by approximately RMB84,526,000 compared to the end of 2016, mainly due to an increase of properties under development for RMB122,224,000 during the year, properties under development of RMB17,304,000 which was reclassified from fixed assets, and completed property held for sale of RMB224,054,000 which was transferred from properties under development;

(6) Property held for sale decreased by RMB73,136,000 compared with the end of 2016, mainly due to the costs of commercial housing carried forward by Renshou Landmark Company following the completion of its property construction project;

(7) Inventories decreased by approximately RMB5,957,000 over the end of 2016, mainly due to a decrease of approximately RMB13,254,000 in spare parts and construction materials, offsetting the impact of the increase in refined oil.

As at 31 December 2017, the Group's current liabilities amounted to RMB5,601,289,000, representing a decrease of 21.61% as compared with the end of 2016, mainly due to a decrease in trade and other payables by RMB2,003,428,000; a decrease in minority shareholders dividend payables by RMB137,200,000, offsetting an increase in tax payable by approximately RMB16,515,000. Bank and other interest-bearing loan amounted to approximately RMB2,560,050,000, representing an increase of approximately RMB580,000,000 as compared with the end of last year, mainly due to the repayment of approximately RMB1,980,050,000 of bank and other interest-bearing loans, yet newly acquired approximately RMB450,000,000 of current loans during the Reporting Period, and an increase in the reclassification of approximately RMB2,110,050,000 of bank loans due within one year.

Non-current Liabilities

As at 31 December 2017, the non-current liabilities of the Group amounted to RMB14,379,733,000, representing a decrease of 6.15% as compared to the end of 2016, which was principally attributable to the decrease of approximately RMB939,482,000 in bank and other interest-bearing loans during the Reporting Period as the repayment of approximately RMB197,332,000 of bank and other interest-bearing loans and the amount of the reclassification of approximately RMB2,110,050,000 as current liabilities offset the increase of RMB1,367,900,000 in bank and other interest-bearing loans during the Reporting Period.

Equity

As at 31 December 2017, the Group's equity amounted to RMB14,284,713,000, representing an increase of 2.89% as compared with the end of 2016, mainly attributable to (1)profit for the year of RMB981,154,000 which increased the equity; (2)an increase in equity of RMB1,903,000 due to the adjustment to the fair value of available-for-sale financial assets; (3)non-controlling shareholder's capital contribution of RMB202,366,000; (4)a final dividend for 2016 of RMB336,387,000 paid for the period, which decreased the equity; (5)dividend paid to non-controlling shareholders of RMB46,859,000, which decreased the equity; and(6)disposal the equities of subsidiaries, which decreased the equity by RMB401,496,000.

Capital Structure

As at 31 December 2017, the Group had total assets of RMB34,265,735,000 and total liabilities of RMB19,981,022,000. The gearing ratio, which was calculated as the Group's total liabilities divided by its total assets, was 58.31% (2016: 61.81%).

Cash Flow

As at 31 December 2017, the cash and cash equivalents of the Group amounted to RMB2,719,253,000, representing a decrease of approximately RMB1,173,825,000 over the end of 2016, including approximately HKD83,000 (equivalent to approximately RMB69,000) deposits in Hong Kong dollars, and RMB2,719,184,000 cash and deposits in Renminbi.

During the year, net cash inflow from operating activities of the Group amounted to RMB287,240,000 (2016: net cash inflow of RMB784,306,000), representing a decrease of RMB497,066,000 in cash inflows compared with last period, which is mainly because: adjustments of finance costs led to an increase of RMB273,131,000 in cash inflows as compared with the previous period; the new service concession arrangements resulted in a decrease of RMB1,259,675,000 in cash outflows as compared with the previous period; the decrease in the completed properties held for sale resulted in an increase of RMB271,560,000 in cash inflows compared to the previous period; the repayment of loan to customers resulted in an increase of RMB438,197,000 in cash inflows compared with the previous period; the increase in trade receivables and other receivables resulted in an increase of RMB1,105,424,000 in cash outflow compared with last period; the increase in amounts due to customers for contract works resulted in an increase of RMB35,969,000 in cash inflow compared with last period; the decreases in trade payables and other payables resulted in an increase of RMB1,196,898,000 in cash outflows compared with the previous period; cash generated in operations resulted in a decrease of RMB577,923,000 in cash inflows from the previous period.

During the year, net cash outflow from investing activities of the Group amounted to RMB97,829,000 (2016: net outflow of RMB7,744,000), with an increase in net cash outflow of RMB90,058,000 over 2016. It was mainly due to an increase in cash outflow of RMB222,206,000 from the disposal of TCC (a subsidiary of the Company) this year after the carrying amount of cash and cash equivalents of TCC of RMB732,346,000 on the date of disposal was partly set off by the cash of RMB510,140,000 received from the disposal; and a decrease in cash inflow from gains from disposal of available-for-sale investments of RMB158,911,000 compared with the previous year and an increase in cash outflow from pledged deposits of RMB80,419,000, offsetting the impacts of the increase of RMB142,800,000 in cash inflows from the receipt of dividends received from the TCC, the decrease in cash paid for acquisition of non-controlling shareholders of RMB132,960,000 compared with the previous year, the decrease in cash outflow from the acquisition of property, plant and equipment of RMB53,814,000 as compared with the previous year, and the decrease in cash outflow from investing in joint ventures of RMB50,000,000 over the previous year. Cash outflow from investment in joint ventures for the year was RMB10,000,000 paid by the Company during the year in accordance with the investment agreement to Chengdu Chengyu Jianxin Equity Investment Fund Management Co., Ltd..

Net cash outflow from financing activities of the Group was RMB1,363,236,000(2016: net cash inflow of RMB48,772,000), representing an increase in net cash outflow of RMB1,412,008,000 as compared with 2016, which was mainly due to the increase of RMB855,067,000 of cash outflow from repayment of bank loans and medium term notes as compared with last year, an increase in cash outflow from dividend paid to the owners of the Company of RMB91,742,000 compared with the previous year, an increase in cash outflow from dividend paid to non-controlling shareholders of RMB16,041,000 from the previous year, an increase in cash outflow from interest paid by RMB24,424,000 compared with the previous year, and a decrease in cash inflow of RMB1,000,000,000 compared with last year as there was no new note for the current period (the same period of 2016: new notes of RMB1,000,000,000), offsetting the impacts of the increase in cash inflow from new bank loans of RMB372,900,000 over the previous year, and the increase in cash inflow from capital injection received from non-controlling shareholders of subsidiaries of RMB202,366,000 over the last 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 2017, the Group's bank and other interest-bearing loans amounted to a total of RMB16,845,647,000, all of which bore fixed interest rates. In particular, the balance of domestic bank loans was RMB12,607,147,000, with annual interest rates ranging from 3.92% to 4.90%; the balance of overseas bank loans was RMB1,000,000,000, with annual interest rates of 4.55%; 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 RMB3,100,000,000, with annual interest rates ranging from 3.56% to 6.30%. The relevant balances are set out as follows:

	Maturity profile of bank and other interest-bearing loans			
	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 banks	12,607,147	960,050	3,166,601	8,480,496
Loans from overseas banks	1,000,000	1,000,000	–	–
Other loans	138,500	–	138,500	–
Medium-term notes	3,100,000	600,000	2,200,000	300,000
Total (2017-12-31)	**16,845,647**	**2,560,050**	**5,505,101**	**8,780,496**
Total (2016-12-31)	17,205,129	1,980,050	6,439,102	8,785,977

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 facilities of RMB14.926 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 billion. Such loan is specially used for construction of Chengren Expressway BOT Project. As at 31 December 2017, the balance of syndicated loan for the project amounted to RMB3.222 billion.

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 totaling RMB8.330 billion. Such loan was specially used in Suiguang-Suixi Expressways BOT Project. As at 31 December 2017, the Company has withdrawn RMB8.129 billion of such loan in aggregate.

Pledge of assets

As at 31 December 2017, the Group's time deposits of RMB11,945,000 (2016: RMB11,815,000) were pledged to secure Chengren Expressway BOT Project; time deposits of RMB13,499,000 was pledged for the performance of road construction project (2016: Nil); time deposits of RMB56,450,000 (2016: RMB56,450,000) was pledged for bank loan. The concession rights to collect toll income pertaining to Chengle Expressway with the net carrying values of RMB1,662,398,000 (2016: RMB950,625,000) were pledged to secure bank loans amounting to RMB106,400,000 (2016: RMB106,400,000); the concession rights to collect toll income pertaining to Chengren Expressway with net carrying value of RMB6,976,716,000 (2016: RMB7,208,863,000) was pledged to secure the syndicated loan amounting to RMB3,221,747,000 (2016: RMB3,495,129,000); the concession rights to collect toll income pertaining to Suiguang-Suixi Expressways with net carrying value of RMB12,223,497,000 (2016: RMB12,358,860,000) were pledged to secure the syndicated loan amounting to RMB8,129,000,000 (2016: RMB7,461,100,000). There was no (2016: RMB277,425,000) loans to customers used for the pledge or guarantee of bank loans (2016: RMB220,000,000) during the year.

Contingent liabilities

As at 31 December 2017, the Group did not have any material contingent liabilities.

BUSINESS DEVELOPMENT PLAN

Based on the analysis of the operating situation, policy environment and development status of the Company in 2018, we have formulated the following work plan around the overall development plan of the Group's Thirteenth Five-Year Plan and the specific business objectives of 2018:

(1) The Company will promote the steady growth of its principal business. On one hand, it will grasp the daily operation and management of existing expressway assets, further strengthen the standardization of toll operations and management, increase the development and application of information technology, normalize the combating of toll evasions, and introduce a "blacklist" system for breaches, dishonesty and toll evasions so that no tolls could be evaded. The Company will promote the ETC special lane construction in an orderly way, summarize the pilot experience of new toll payment methods such as automatic card issuance and mobile payment, and plan to upgrade the management mode of toll stations. Adhering to the concept of life-cycle maintenance, it will utilize maintenance funds reasonably, and increase the use of new technologies, new materials and new processes, to ensure the smooth and good road traffic conditions. The Company will improve the business model of the service area operation philosophy, highlight the concept of development through integration as well as quality development, and constantly improve the service functions and service content. The Company will seize the opportunity to create "Five Good" expressways, service area ecological civilization construction. It will accelerate the construction of the road monitoring and emergency command system, promote the application of information technology to road properties, and strengthen the management and drilling of road obstacle clearance plans to enhance the ability to ease congestion and keep smooth. On the other hand, it will actively seek, research and reserve potential high-quality road resources, capitalize on the advantages of the Group's capital, innovate investment and mergers and acquisitions, and ensure the healthy and sustainable development of the Group's main business.

(2) The Company will promote the construction of key projects in order to achieve new results. It will boost the construction of the Chengle Expressway Capacity Expansion Trial Project and start the construction of the Chengle Expressway Expansion Construction Project in parallel. The Company will continue to promote the application of four new technologies including Building Information Modeling (BIM), and build quality projects. It will speed up the outstanding work of Suiguang Suixi Company. It will capture the opportunities arising from policies regarding the spillover investment demand for housing purchase in Renshou and Chengdu by speeding up the development of Beicheng Times Project Phase II. The Company will actively promote the investment and construction of Ziyang Jiaozi Boulevard PPP Project, and complete the final acceptance and handover of six projects including Renshou Gaotao Area Road to make sure that the projects meeting collection conditions can recover the funds.

(3) The Company will promote the launch and implementation of investment projects. It will accelerate the completion of filings and inquiries with the China Securities Regulatory Commission to ensure the completion of non-public issuance of A shares. The Company will speed up the launch of Zhongxin Fund Company's reserved investment projects and complete the transformation of Jianxin Merger and Acquisition Fund's partners. It will launch the strong partnership projects including the Financial Leasing Company and Tianyi United Company and culture, tourism and healthcare projects as soon as possible. The Company will actively explore infrastructure PPP investment projects. It will promote comprehensive due diligence, transaction structure design, transaction risk prevention and control of of all projects in parallel.

(4) The Company will drive its financing to a new level. First, it will prevent and control the risks in the capital chain, study and formulate the medium- and long-term financial development plan. Second, it will further broaden financing channels and reduce financing costs. Third, it will speed up the establishment of capital centers and strengthen the unified control of funds. Fourth, through the joint establishment of a cooperation platform with financial institutions, it will continuously improve its own fund raising ability of its affiliated enterprises to reduce the internal fund precipitation and improve the efficiency of the use of funds. At the same time, the Company will capitalize on the brand and credit advantages of its listing platform and actively explore, reserve and adopt efficient and low-cost financing methods to further optimize the financing structure, control the financing scale risk and enhance the financing profitability.

(5) The Company will promote the development factors of the Company to ensure the effectiveness of the construction. First of all, it will take strategic planning as a guide for its development, and promote its sustained and healthy development strictly in accordance with its "Thirteenth Five-Year" development plan. Second, it will enhance its governance efficiency, further improve its corporate governance structure, and strengthen the construction of its staff and systems. Finally, it will strengthen cost control and risk control, and actively promote the use of information technology and intelligent management techniques to reduce the cost of operation and management, and to build the risk prevention and control system with all-round, whole process, full participation.

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 year.

EMPLOYEES AND THEIR REMUNERATION AND TRAINING

As at 31 December 2017, details of the Group's employees were as follows:

Number of in-service employees of the Company (including its branches)	2,643
Number of in-service employees of major subsidiaries	1,796
Total number of in-service employees	4,439
Number of retired or resigned employees for which the Company (including its branches) and its major subsidiaries are liable to bear costs	None

Type of Expertise	**Number of people**
Production	3,228
Sales	99
Technical	427
Financial	137
Administrative	548
Total	4,439

Type of Education Level	**Number of people**
Postgraduate	172
University graduate	1,077
Junior college graduate	2,038
Technical secondary school and below	1,152
Total	4,439

Employees' Remuneration

The total remuneration of the Company's employees is correlated with the operating results of the Company. The salary of the employees is comprised of basic salary (including salaries determined by the position and period of service) and performance incentive bonus. Employees' salary is determined with reference to position (i.e. the salary changes in accordance with the position of service) and performance. For the year ended 31 December 2017, the employees' salary of the Group totaled approximately RMB359,002,900 of which approximately RMB209,840,700 for the employees of the Company (including its branches).

Employees' Insurance and Welfare

The Company cherishes its 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 organised various centralized and specific trainings such as job-specific skills for technicians and continuing education for professional technical staff. A total of 11,846 attendances of the Company's employees were recorded for 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. Tang Yong was unable to attend the extraordinary general meeting of the Company held on 19 January 2017 in accordance with provision A.6.7 under the Corporate Governance Code due to urgent business engagement; Mr. Tang Yong and Mr. Huang Bin were unable to attend the extraordinary general meeting of the Company held on 26 September 2017 in accordance with provision A.6.7 under the Corporate Governance Code due to urgent business engagement; Mr. Zhou Liming was unable to attend the extraordinary general meeting of the Company held on 30 October 2017 in accordance with provision A.6.7 under the Corporate Governance Code due to urgent business engagement, and that Mr.Tang Yong, Mr. Guo Yuanxi and Ms. Liu Lina were unable to attend the extraordinary general meeting of the Company held on 14 November 2017 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 2017 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 2017 AGM and to receive the 2017 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 2017 AGM**

Deadline for lodging transfer documents	4:30 p.m. on 4 May 2018 (Friday)
Closure period of the H Shares register of members	From 5 May 2018 (Saturday) to 5 June 2018 (Tuesday) (both days inclusive)
Record date	5 June 2018 (Tuesday)
Date of the 2017 AGM	5 June 2018 (Tuesday)

– **In respect of the entitlement to 2017 final dividend**

Deadline for lodging transfer documents	4:30 p.m. on 14 June 2018 (Thursday)
Closure period of the H Shares register	From 15 June 2018 (Friday) to 20 June 2018 (Wednesday) (both days inclusive)
Dividend Entitlement Date	20 June 2018 (Wednesday)

In order to be entitled to attend and vote at the 2017 AGM, and to receive the 2017 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 Shanghai Stock Exchange in respect of details of the arrangements regarding (i) the distribution of 2017 final dividend to the holders of A Shares and (ii) eligibility of the holders of A Shares for attending the 2017 AGM.

PUBLICATION OF THE ANNUAL REPORT

The Company's annual report for the year ended 31 December 2017 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

2017 AGM	the 2017 annual general meeting of the Company to be held on 5 June 2018 (Tuesday), notice of which will be published on the Stock Exchange's website and despatched to the Shareholders on 19 April 2018 (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
Airport Expressway	Chengdu Airport Expressway
Airport Expressway Company	Chengdu Airport Expressway Company Limited

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
Batai Company	Bazhong Batai Construction Company Limited (巴中市巴泰建設有限公司)
Board	the board of Directors of the Company
BOT Project	build-operation-transfer project
BT Project	build-transfer project
Chengbei Company	Chengdu Chengbei Exit Expressway Company Limited
Chengbei Exit Expressway	Chengdu Chengbei Exit Expressway
Chengle Company	Sichuan Chengle Expressway Company Limited
Chengle Expressway	SichuanChengle (Chengdu-Leshan) Expressway
Chengle Expressway Capacity Expansion Trial Project	Capacity Expansion Trial Project for Qinglongchang to Meishan Sect ion of Chengle Expressway
Chengle Expressway Expansion Construction Project	Capacity Expansion Construction Project for the Chengdu – Leshan Expressway
Chengle Operation Branch	Operation and Management Branch of Sichuan Chengle Expressway Company Limited
Chengren Branch	Sichuan Expressway Company Limited Chengren Branch
Chengren Expressway	Chengdu-Meishan (Renshou) Section of ChengZiLuChi (Chengdu-Zigong-Luzhou-Chishui) Expressway

Chengya Branch	Sichuan Expressway Company Limited Chengya Branch
Chengya Expressway	Sichuan Chengya (Chengdu-Ya'an) Expressway
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 Expressway	Chengyu (Chengdu-Chongqing) Expressway (Sichuan Section)
Chengyu Financial Leasing Company	Chengyu Financial Leasing Company Limited
Chengyu Jianxin Fund Company	Chengdu Chengyu Jianxin Equity Investment Fund Management Co., Ltd.
China Merchants Expressway Company	China Merchants Expressway Network and Technology Holdings Co., Ltd (previously known as China Merchants Huajian Highway Investment Company Limited), the substantial shareholder of the Company
Company	Sichuan Expressway Company Limited
CSI SCE	CSI SCE Investment Holding Limited
CSRC	China Securities Regulatory Commission
Director(s)	director(s) of the Company
Dividend Entitlement Date	20 June 2018 (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 2017 final dividend of the Company (if approved by the Shareholders at the 2017 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
PRC or Mainland China	The People's Republic of China, for the purpose of this annual report, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
Renshou Bank	Sichuan Renshou Rural Commercial Bank Co., Ltd.
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
BT Project	the land-linked pilot project in Renshou County, Meishan City in the form of BT (build-transfer)
Renshou Landmark Company	Renshou Trading Landmark Company Limited

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)
Renshou Shunan Company	Renshou Shunan Investment Management Company Limited
RMB	Renminbi, the lawful currency of the PRC
SCI	Sichuan Communications Investment Group Company Limited, the controlling shareholder of the Company
SCI Group	SCI and its subsidiaries
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
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 Chengxing Company	Ziyang Shunan Chengxing Project Construction & Management Co., Ltd.
Shunan Company	Sichuan Shunan Investment Management Company Limited
Shurui Company	Sichuan Shurui Construction Engineering Co., Ltd.
Shuxia Company	Sichuan Shuxia Industrial Company Limited

Sichuan Highway Development	Sichuan Highway Development Holding Company, a subsidiary of SCI
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Suiguang Expressway	Sichuan Suiguang (Suining-Guang'an) Expressway
Suiguang-Suixi Company	Sichuan Suiguang-Suixi Expressway Company Limited
Suiguang-Suixi Expressways BOT Project	the project on Suiguang Expressway and Suixi Expressway in the form of BOT (build-operate-transfer)
Suixi Expressway	Sichuan Suixi (Suining-Xichong) Expressway
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	supervisory committee of the Company
Tianyi United Company* (天乙多聯公司)	Sichuan Tianyi United Investment & Development Co., Ltd (四川省天乙多聯投資發展有限公司)
Trading Construction Company or TCC	Sichuan Trading Construction Engineering Co., Ltd. (formerly known as "**Sichuan Shugong Expressway Engineering Company Limited**")
Year or Reporting Period	the 12 months ended 31 December 2017
Zhonglu Energy Company	Sichuan Zhonglu Energy Company Limited
Zhongxin Company	Sichuan Zhongxin Assets Management Co., Ltd.

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

Chengdu, Sichuan Province, the PRC
29 March 2018

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

* *For identification purposes only*