

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2014 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

- Net revenue increased by approximately 9.92% to approximately RMB9,420,153,000
- Profit attributable to owners of the Company decreased by approximately 3.86% to approximately RMB975,999,000
- Earnings per share decreased by approximately 3.92% to approximately RMB0.319
- Proposed payment of 2014 final cash dividend of RMB0.08 (tax inclusive) (2013: RMB0.08 (tax inclusive)) per share

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2014, 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 2014

	<i>Notes</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
REVENUE	3,4	9,420,153	8,570,140
Cost of sales and other direct operating costs		<u>(7,555,189)</u>	<u>(6,780,936)</u>
Gross profit		1,864,964	1,789,204
Other income and gains	4	124,059	155,174
Administrative expenses		(203,112)	(170,867)
Other expenses		(12,856)	(24,560)
Finance costs	5	(484,800)	(450,609)
Share of profits and losses of:			
A joint venture		(1,586)	—
Associates		13,179	11,594
		<u> </u>	<u> </u>
PROFIT BEFORE TAX	6	1,299,848	1,309,936
Income tax expense	7	<u>(227,977)</u>	<u>(229,226)</u>
PROFIT FOR THE YEAR		<u>1,071,871</u>	<u>1,080,710</u>
 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		37,061	(6,627)
Reclassification adjustment for gain included in profit or loss		(17)	(257)
Income tax effect		(6,874)	1,228
		<u> </u>	<u> </u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>30,170</u>	<u>(5,656)</u>

	<i>Notes</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,102,041</u>	<u>1,075,054</u>
Profit attributable to:			
Owners of the Company		975,999	1,015,142
Non-controlling interests		<u>95,872</u>	<u>65,568</u>
		<u>1,071,871</u>	<u>1,080,710</u>
Total comprehensive income attributable to:			
Owners of the Company		1,006,169	1,009,486
Non-controlling interests		<u>95,872</u>	<u>65,568</u>
		<u>1,102,041</u>	<u>1,075,054</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic and diluted	8	<u>RMB0.319</u>	<u>RMB0.332</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

		2014	2013
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		609,414	612,204
Service concession arrangements	9	19,453,600	16,907,851
Prepaid land lease payments		410,664	442,717
Other intangible assets		1,830	2,329
Investment in a joint venture		3,414	—
Investments in associates		68,503	65,970
Available-for-sale investments		158,824	115,967
Long term compensation receivables		57,230	61,649
Payments in advance		8,284	30,051
Deferred tax assets		5,468	252
Interests in land held for property development		708,703	708,703
Pledged deposits		55,700	112,150
		<hr/>	<hr/>
Total non-current assets		21,541,634	19,059,843
		<hr/>	<hr/>
CURRENT ASSETS			
Properties under development		1,060,704	982,356
Inventories		78,340	82,613
Due from customers for contract works		203,640	71,069
Trade and other receivables	10	2,222,410	1,974,925
Pledged deposits		79,267	26,313
Cash and cash equivalents		3,617,110	1,791,963
		<hr/>	<hr/>
Total current assets		7,261,471	4,929,239
		<hr/>	<hr/>

	<i>Notes</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
CURRENT LIABILITIES			
Tax payable		141,485	123,217
Trade and other payables	11	3,189,569	2,425,160
Interest-bearing bank and other loans	12	2,000,275	1,203,909
		<hr/>	<hr/>
Total current liabilities		5,331,329	3,752,286
		<hr/>	<hr/>
NET CURRENT ASSETS			
		1,930,142	1,176,953
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		23,471,776	20,236,796
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans	12	11,013,753	8,685,504
Deferred tax liabilities		8,401	6,682
Deferred income	11	82,220	13,969
		<hr/>	<hr/>
Total non-current liabilities		11,104,374	8,706,155
		<hr/>	<hr/>
Net assets		12,367,402	11,530,641
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	13	3,058,060	3,058,060
Reserves	14	8,463,322	7,701,798
Proposed final dividend	15	244,645	244,645
		<hr/>	<hr/>
		11,766,027	11,004,503
Non-controlling interests		601,375	526,138
		<hr/>	<hr/>
Total equity		12,367,402	11,530,641
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

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

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong (“HK GAAP”). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for certain available-for-sale equity investments, which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	<i>Investment Entities</i>
Amendments to HKAS 32 Amendments to HKAS 36	<i>Offsetting Financial Assets and Financial Liabilities</i> <i>Recoverable Amount Disclosures for Non-Financial</i> <i>Assets</i>
Amendments to HKAS 39	<i>Novation of Derivatives and Continuation of Hedge</i> <i>Accounting</i>
HK(IFRIC)-Int 21	<i>Levies</i>
Amendment to HKFRS 2 included in <i>Annual</i> <i>Improvements 2010–2012</i> <i>Cycle</i>	<i>Definition of Vesting Condition</i> ¹
Amendment to HKFRS 3 included in <i>Annual</i> <i>Improvements 2010–2012</i> <i>Cycle</i>	<i>Accounting for Contingent Consideration in a</i> <i>Business Combination</i> ¹
Amendment to HKFRS 13 included in <i>Annual</i> <i>Improvements 2010–2012</i> <i>Cycle</i>	<i>Short-term Receivables and Payables</i>
Amendment to HKFRS 1 included in <i>Annual</i> <i>Improvements 2011–2013</i> <i>Cycle</i>	<i>Meaning of Effective HKFRSs</i>

¹ Effective from 1 July 2014

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

3. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of the Company that makes strategic decisions. For management purposes, the Group is organised into business units based on their services and products and has five (2013: 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 construction and upgrade services provided under the service concession arrangements and construction contracts;
- (c) the gas station operation segment comprises the operation of gas stations along expressways;
- (d) the property development segment comprises the investment and development of properties located in PRC; and
- (e) the “others” segment mainly comprises advertising and the rental of properties along expressways.

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

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

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

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

Year ended 31 December 2014

	Toll operation RMB'000	Construction contracts RMB'000	Gas station operation RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
SEGMENT REVENUE	2,671,233	4,396,081	2,302,019	—	50,820	9,420,153
SEGMENT RESULTS	1,152,857	268,387	91,945	(107,588)	17,495	1,423,096
Reconciliation:						
Interest income on bank deposits						27,736
Dividend income and unallocated income and gains						33,159
Corporate and other unallocated expenses						(184,143)
Profit before tax						<u>1,299,848</u>
SEGMENT ASSETS	20,570,107	2,383,723	124,184	1,774,642	34,080	24,886,736
Reconciliation:						
Available-for-sale investments						158,824
Deferred tax assets						5,468
Pledged deposits						134,967
Cash and cash equivalents						<u>3,617,110</u>
Total assets						<u>28,803,105</u>
SEGMENT LIABILITIES	13,338,844	2,714,923	23,420	177,993	30,637	16,285,817
Reconciliation:						
Tax payable						141,485
Deferred tax liabilities						<u>8,401</u>
Total liabilities						<u>16,435,703</u>
OTHER SEGMENT INFORMATION						
Share of profits and losses of associates	13,179	—	—	—	—	13,179
Share of losses of a joint venture	—	—	—	—	(1,586)	(1,586)
Depreciation and amortisation	531,615	11,964	4,457	427	1,895	550,358
Investments in associates	64,053	—	—	—	4,450	68,503
Investment in a joint venture	—	—	—	—	3,414	3,414
Capital expenditure*	<u>3,009,398</u>	<u>25,092</u>	<u>25,823</u>	<u>716</u>	<u>4,612</u>	<u>3,065,641</u>

Year ended 31 December 2013

	Toll operation RMB'000	Construction contracts RMB'000	Gas station operation RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
SEGMENT REVENUE	2,526,878	3,761,510	2,247,392	—	34,360	8,570,140
SEGMENT RESULTS	1,141,220	238,769	66,766	(35,668)	8,650	1,419,737
Reconciliation:						
Interest income on bank deposits						24,469
Dividend income and unallocated income and gains						39,284
Corporate and other unallocated expenses						(173,554)
Profit before tax						<u>1,309,936</u>
SEGMENT ASSETS	18,042,709	1,813,587	364,806	1,688,771	32,564	21,942,437
Reconciliation:						
Available-for-sale investments						115,967
Deferred tax assets						252
Pledged deposits						138,463
Cash and cash equivalents						<u>1,791,963</u>
Total assets						<u>23,989,082</u>
SEGMENT LIABILITIES	9,822,152	2,108,998	279,198	86,958	31,236	12,328,542
Reconciliation:						
Tax payable						123,217
Deferred tax liabilities						<u>6,682</u>
Total liabilities						<u>12,458,441</u>
OTHER SEGMENT INFORMATION						
Share of profits and losses of associates	11,594	—	—	—	—	11,594
Depreciation and amortisation	506,156	9,691	2,401	91	1,181	519,520
Investments in associates	61,520	—	—	—	4,450	65,970
Capital expenditure*	<u>3,197,504</u>	<u>18,706</u>	<u>15,064</u>	<u>2,466</u>	<u>6,988</u>	<u>3,240,728</u>

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

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

Revenue of approximately RMB1,084,581,000 which accounted for more than 10% of the Group's revenue during the year ended 31 December 2014 was derived from providing construction services to a external customer, including sales to a group of entities which are known to be under common control with that customer. During the year ended 31 December 2013, no revenue derived from a customer amounted to 10% or more of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

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

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Revenue		
Toll income		
— Chengyu Expressway	835,794	968,456
— Chengya Expressway	788,160	681,170
— Chengle Expressway	464,233	414,419
— Chengren Expressway	585,988	465,916
— Chengbei Exit Expressway and Qinglongchang Bridge	91,693	86,180
	<u>2,765,868</u>	<u>2,616,141</u>
Less: Revenue taxes	<u>(94,635)</u>	<u>(89,263)</u>
Sub-total	<u><u>2,671,233</u></u>	<u><u>2,526,878</u></u>
Construction revenue in respect of:		
— Service concession arrangements	2,995,939	3,191,552
— Construction and maintenance works performed for other parties	1,505,838	647,426
	<u>4,501,777</u>	<u>3,838,978</u>
Less: Revenue taxes	<u>(105,696)</u>	<u>(77,468)</u>
Sub-total	<u>4,396,081</u>	<u>3,761,510</u>
Revenue from operation of gas stations	2,302,019	2,247,392
Others (including income from rental and advertising)	50,820	34,360
Total revenue	<u>9,420,153</u>	<u>8,570,140</u>

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Other income and gains		
Interest income from bank deposits	27,736	24,469
Interest income from discounting long-term compensation receivables	9,121	9,595
Interest income from construction contracts	45,204	76,096
Interest income from overdue trade receivables and bidding deposits	8,839	6,320
Gain on disposal of land use rights	—	1,943
Gain on disposal of items of service concession arrangements	41	—
Rental income	4,176	4,167
Government grants*	452	185
Dividend income from available-for-sale investments	13,122	9,465
Compensation	9,229	17,754
Reversal of provision for impairment	2,334	—
Miscellaneous	3,805	5,180
	124,059	155,174
Total revenue, other income and gains	<u>9,544,212</u>	<u>8,725,314</u>

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

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Interest on bank and other loans		
wholly repayable within five years	379,624	450,092
Interest on bank and other loans	266,010	6,481
Interest on medium-term notes	73,803	65,777
	<u>719,437</u>	<u>522,350</u>
Less: Interest capitalised in respect of:		
Service concession arrangements <i>(note 9(c))</i>	(233,942)	(71,741)
Properties under development	(695)	—
	<u>484,800</u>	<u>450,609</u>
Interest rate of borrowing costs capitalised	<u>5.24%–6.55%</u>	<u>5.26%–6.43%</u>

6. PROFIT BEFORE TAX

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

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Employee costs (including Directors', chief executive's and Supervisors' remuneration):		
Wages and salaries	334,667	298,278
Pension scheme contributions		
— Defined contribution fund	54,750	46,404
Housing funds		
— Defined contribution fund	33,101	27,428
Supplementary pension scheme		
— Defined contribution fund	24,816	23,629
Other staff benefits	85,531	72,910
	<hr/> 532,865	<hr/> 468,649
Depreciation	67,720	67,358
Amortisation of service concession arrangements	450,086	419,940
Amortisation of prepaid land lease payments	32,053	32,056
Amortisation of other intangible asset	499	166
	<hr/> 550,358	<hr/> 519,520

	2014	2013
	RMB'000	RMB'000
Repairs and maintenance	216,837	157,547
Construction costs in respect of:		
— Service concession arrangements*	2,799,958	2,999,442
— Construction works performed for other parties*	1,374,196	551,556
Cost of sales of refined oil and chemical products	2,181,572	2,161,428
Minimum lease payments under operating leases:		
— Land and buildings	28,036	22,152
Auditors' remuneration	2,650	2,500
Loss on disposal and write off of items of property, plant and equipment	3,645	3,227
Gain on disposal of land use rights	—	(1,943)
Gain on disposal of items of service concession arrangements	(41)	—
Loss on deemed disposal of available-for-sale investments	42	590
Reversal of provision for impairment of other receivables	(2,334)	—
	2,334	—

* During the year, employee costs of RMB87,188,000 (2013: RMB63,244,000) and depreciation charges of RMB9,385,000 (2013: RMB6,949,000) 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 year ended 31 December 2014.

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

Pursuant to the “Announcement of the State Administration of Taxation [2012] No. 12” dated 6 April 2012 issued by the PRC State Administration of Taxation, enterprises in encouraged industries that are established in the western region are able to enjoy a preferential tax rate of 15% from 2011 to 2020. The Group has made reference to *Guiding Catalog for Adjustment in the Industrial Structure (2011 Version) (Revised)* (產業結構調整指導目錄(2011年本)(修正)) issued by the National Development and Reform Commission of the People’s Republic of China, and concluded that the transportation industry fell within the encouraged industry. For subsidiaries within the scope of the transportation industry, i.e., the Company, Chengle Company and Chengbei Company and Airport Expressway Company, an associate of the Company, which have been approved to enjoy the preferential tax rate of 15% before 2012 and have no changes in their business operations, income tax expenses of these entities for the year ended 31 December 2014 continued to be calculated at a tax rate of 15%.

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

	2014	2013
	RMB’000	RMB’000
Current — Mainland China		
Charge for the year	247,882	229,010
Underprovision/(overprovision) in prior years	(9,534)	621
Deferred	(10,371)	(405)
	<hr/>	<hr/>
Total tax charge for the year	<u>227,977</u>	<u>229,226</u>

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 (2013: 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 2014 and 2013 in respect of a dilution as the Group had no potentially dilutive ordinary Shares in issue during those years.

9. SERVICE CONCESSION ARRANGEMENTS

- (a) At 31 December 2014, 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)):

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Chengren Expressway	7,406,562	7,453,127
Chengle Expressway	1,056,545	1,102,194
Chengbei Exit Expressway	—	138,793
Chengya Expressway	2,253,127	2,408,484
	<u>10,716,234</u>	<u>11,102,598</u>

- (b) During the year, the Group was in the construction of Suiguang Suixi Expressways BOT Project in the form of BOT mode. During the year ended 31 December 2014, total construction costs of RMB2,686,832,000 (2013: RMB2,832,337,000) were incurred, among which RMB1,253,462,000 (2013: RMB1,387,839,000) was sub-contracted to third party subcontractors.

In addition, during the year ended 31 December 2014, construction revenue of RMB2,881,848,000 (2013: RMB3,022,488,000) was recognised in respect of the construction service provided by the Group using the percentage of completion method during the year. Construction revenue was included in the additions to service concession arrangements which would be amortised upon the commencement of operation of the respective expressways.

As at 31 December 2014, the future concession rights to collect toll income from Suiguang-Suixi Expressways with a net carrying amount of RMB6,124,254,000 (2013: Not applicable) was pledged to secure the bank loans amounting to RMB3,256,100,000 (2013: Nil).

- (c) Additions to service concession arrangements during the year included interest capitalised in respect of bank loans amounting to RMB233,942,000 (2013: RMB71,741,000) (note 5).

10. TRADE AND OTHER RECEIVABLES

		2014	2013
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables			
Trade receivables		1,742,008	1,453,898
Impairment		—	—
		<hr/>	<hr/>
Trade receivables, net	(a)	<u>1,742,008</u>	<u>1,453,898</u>
Other receivables			
Other receivables	(b)	344,644	490,418
Impairment		(110,437)	(112,771)
		<hr/>	<hr/>
		234,207	377,647
Deposits		161,199	57,805
Prepayments		84,996	85,575
		<hr/>	<hr/>
Other receivables, net		<u>480,402</u>	<u>521,027</u>
		<hr/>	<hr/>
Total trade and other receivables		<u><u>2,222,410</u></u>	<u><u>1,974,925</u></u>

(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 RMB1,097,372,000 as at 31 December 2014 (2013: RMB765,587,000) were to be settled by instalments within two to three years upon completion of the relevant construction works and bear interest at rates ranging from 5.60% to 14.98% (2013: 6.00% to 10.00%) per annum. The remaining trade receivables are non-interest-bearing.

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

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	819,778	707,902
3 to 6 months	4,550	3,454
6 to 12 months	86,932	19,540
Over one year	830,748	723,002
	<u>1,742,008</u>	<u>1,453,898</u>

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

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Neither past due nor impaired	1,524,326	1,103,731
Past due but not impaired:		
6 to 12 months	—	292,828
Over one year	217,682	57,339
	<u>1,742,008</u>	<u>1,453,898</u>

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

Receivables that were past due but not impaired relate to government agencies and a number of independent customers that have a good payment record 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 2014 are analysed as follows:

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Temporary advances	50,000	227,496
Interest receivables on temporary advances and construction revenue	41,884	63,002
Long-term compensation receivables to be received within one year	4,419	3,878
Toll income receivables	71,531	6,921
Interest income from pledged deposits	12,426	7,500
Miscellaneous	164,384	181,621
	<u>344,644</u>	<u>490,418</u>

As stipulated in the contracts entered into between the Group and the respective government agencies, other than the provisional of construction works under the BT projects, the Group is also required to provide temporary advances to the government agencies for the resettlement of residents and removal of obstacles performed by the relevant government agencies. These advances bear interest rates at 14.98% to 16.00% per annum (2013: 6.55% to 10.00% per annum).

11. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Current portion:			
Trade payables	(a)	1,081,741	377,987
Other payables	(b)	1,996,129	1,968,117
Accruals		109,147	75,607
Deferred income		2,552	3,449
		3,189,569	2,425,160
Non-current portion:			
Deferred income		82,220	13,969
		3,271,789	2,439,129

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

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Within 3 months	584,008	279,645
3 to 6 months	190,130	9,048
6 to 12 months	241,413	17,273
Over 1 year	66,190	72,021
	1,081,741	377,987

The trade payables are non-interest-bearing and are normally settled within one to twelve months, except for retention payables from construction projects of RMB89,607,000 (2013: RMB18,603,000) which are normally settled within two years.

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

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Advances	30,410	22,836
Payroll and welfare payables	58,424	66,042
Taxes and surcharge payables	144,253	150,440
Progress billing payables	1,181,021	1,241,279
Retention payables	193,750	185,731
Deposits	250,202	131,755
Others	138,069	170,034
	<u>1,996,129</u>	<u>1,968,117</u>

12. INTEREST-BEARING BANK AND OTHER LOANS

		2014	2013
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans:			
Secured and guaranteed	(a)	2,106,400	2,106,400
Secured	(a)	7,912,536	5,219,012
Unsecured		1,243,000	1,159,000
Medium-term notes	(b)	1,600,000	1,300,000
Other loans, unsecured	(c)	152,092	105,001
		<u>13,014,028</u>	<u>9,889,413</u>

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:

	<i>Notes</i>	2014 RMB'000 <i>(Bank loans amount)</i>	2013 <i>RMB'000</i>
Secured by concession rights of:			
Chengbei Exit Expressway		—	48,000
Chengle Expressway	(i)	106,400	106,400
Chengren Expressway		3,906,436	3,911,012
Chengya Expressway		750,000	1,000,000
Suiguang-Suixi Expressways		3,256,100	—
		8,018,936	5,065,412
Secured by time deposits	(ii)	2,000,000	2,000,000
Secured by trade receivables		—	260,000
		10,018,936	7,325,412

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

(ii) As at 31 December 2014, time deposits of RMB112,150,000 (2013: RMB112,150,000) were pledged to China Construction Bank Chengdu Xinhua Branch to counter guarantee the Group's bank loans of RMB2,000,000,000 (2013: RMB2,000,000,000) granted by China Construction Bank (Asia) and China Construction Bank Tokyo Branch.

The bank loans bear interest at the respective fixed rates ranging from 5.00% to 6.55% (2013: from 5.24% to 7.05%) per annum.

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

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

In July 2014, the Company issued medium-term notes of RMB300 million to domestic institutional investors participating in the PRC interbank debt market. The medium term notes were issued at a par value of RMB100 per unit, at an interest rate of 6.30% per annum, and will be repaid in July 2019.

- (c) Other loans consisted of (i) unsecured state loans of RMB4,545,000 (2013: RMB20,454,000) bearing interest rates ranging from 4.44% to 5.00% (2013: 3.30% to 5.00%) per annum; and (ii) an unsecured shareholder loan of RMB147,547,000 (2013: RMB84,547,000) granted to the Group by a non-controlling shareholder bearing annual interest rates ranging from 6.00% to 6.51% (2013: 6.15%).

13. ISSUED CAPITAL

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Issued and fully paid:		
A Shares of 2,162,740,000 (2013: 2,162,740,000) of RMB1.00 each	2,162,740	2,162,740
H Shares of 895,320,000 (2013: 895,320,000) of RMB1.00 each	895,320	895,320
	<u>3,058,060</u>	<u>3,058,060</u>

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 SSE since July 2009.

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

14. RESERVES

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

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

15. DIVIDEND

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final — RMB0.080 (2013: RMB0.080) per Share	244,645	244,645

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming 2014 AGM.

RESULTS AND DIVIDENDS

For the year of 2014, the net revenue of the Group amounted to approximately RMB9,420,153,000, representing an increase of approximately 9.92% as compared with last year; the profit attributable to owners of the Company amounted to approximately RMB975,999,000, representing a decrease of approximately 3.86% as compared with last year; and basic earnings per share was approximately RMB0.319 (2013: approximately RMB0.332).

As at 31 December 2014, the Group's total assets and net assets were approximately RMB28,803,105,000 and RMB12,367,402,000, respectively.

Pursuant to the Articles of Association, if the Company distributes cash dividend, the Company shall distribute cash dividend in an amount not less than 30% of the distributable profit earned by the Company for the period concerned (the lower of the profit attributable to shareholders under the PRC and overseas accounting standards respectively). The Board has recommended a final cash dividend for the year 2014 of RMB0.08 per share (tax inclusive), aggregating to approximately RMB244,645,000, representing 44.35% of the distributable profit of the Company determined under PRC GAAP for the Year and 25.24% of the profit attributable to owners of the Company as shown in the consolidated financial statements (determined under PRC GAAP). The proposed dividend distribution is subject to the approval of the Shareholders at the Company's forthcoming 2014 AGM for the year 2014. If approved, the final dividend is expected to be paid on or around Monday, 15 June 2015 to the Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 9 June 2015 (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 2014 AGM and to receive the 2014 final dividend, please refer to the paragraph headed "CLOSURES OF REGISTER OF MEMBERS OF H SHARES" below.

According to the Law on Corporate Income Tax of the People's Republic of China and its implementing rules which came into effect on 1 January 2008 and other relevant rules, a PRC domestic enterprise which pays dividend to a non-resident enterprise shareholder in respect of accounting period beginning from 1 January 2008 shall withhold and pay corporate income tax at the rate of 10%. As such, the Company, as a PRC domestic enterprise, is required to withhold corporate income tax at the rate of 10% before distributing the 2014 final dividend to non-resident enterprise Shareholders as appearing on the H Shares register of members of the Company. Any Shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the corporate income tax by the Company.

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

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

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

BUSINESS REVIEW AND ANALYSIS

Results overview

The Group is principally engaged in the investment, construction, operation and management of road infrastructure projects in Sichuan Province, the PRC, and implements diversified operation which is highly related to our main business. The business covers five major segments, namely the “toll roads and bridges”, “city operation”, “construction”, “energy and cultural media” and “financial investment”. During the Reporting Period, due to the impact of increase in cost of road maintenance and finance cost of the Group, governance of over-limit and overload and toll-by-weight preferential policy for freight trucks and other factors, the overall profit of the Group declined to certain extent. The Group’s overall toll income remained a steady growth benefiting from the natural growth of traffic flow brought about by the economic development in the regions along expressways under the Group, the gradual elimination of the adverse impact of “4.20 Lushan Earthquake”, the effective measures taken by the Company to increase revenue and reduce expenditure, and other comprehensive factors, which consolidated the foundational status of the segment of toll roads and bridges in the diversified development strategy of enterprise. Meanwhile, the Group stably progressed a diversified and strategic layout, and accelerated the cultivation of new business growth drivers, resulting in a steady growth in the Group’s total operation income, and strengthened the Group’s overall anti-risk capability.

In this Year, the net revenue of the Group amounted to approximately RMB9,420,153,000, representing an increase of approximately 9.92% year-on-year, among which the net toll income amounted to approximately RMB2,671,233,000, up approximately 5.71% year-on-year; the net revenue from construction contracts amounted to approximately RMB4,396,081,000, up approximately 16.87% year-on-year (including the construction contracts revenue of approximately RMB2,881,848,000 from Suiguang-Suixi Expressways BOT Project, which was recognized according to the HKFRSs, down 4.65% year-on-year); the net revenue from operation of gas stations along the expressways amounted to approximately RMB2,302,019,000, representing an increase of 2.43% year-on-year; Revenue from other income and gains amounted to approximately RMB124,059,000, down 20.05% year-on-year. The profit attributable to the owners of the Company was approximately RMB975,999,000, representing a decrease of 3.86% year-on-year. Basic earnings per Share were approximately RMB0.319 (2013: approximately RMB0.332). As at 31 December 2014, the Group’s total assets amounted to approximately RMB28,803,105,000 and net assets amounted to approximately RMB12,367,402,000.

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

	Income for 2014 (after revenue taxes) (RMB'000)	Year-on-year increase/ decrease in income for 2014 (%)	Profit/ (loss) for 2014 (RMB'000)	Year-on-year increase/ (decrease) in profit/(loss) for 2014 (%)
The Company (note 1)	N/A	N/A	3,204	N/A
Chengyu Branch (note 2)	807,126	N/A	298,838	N/A
Chengya Branch	761,678	15.71	367,068	26.92
Chengren Branch (note 3)	565,867	25.76	10,184	(113.72)
Chengle Company	448,310	12.02	228,808	17.30
Chengbei Company	88,562	6.45	34,776	6.41
Trading Construction Company (note 4)	3,073,724	46.93	133,874	38.65
Shugong Testing Company	30,900	24.67	1,914	102.04
Shunan Company (note 5)	70,359	(73.37)	(9,778)	(130.47)
Renshou Shunan Company	65,372	N/A	10,250	N/A
Shuhong Company	84,320	103.11	18,854	(7.30)
Shurui Company (note 6)	46,689	N/A	589	2,228
Shusha Company	26,683	7.45	12,677	41.94
Chengyu Advertising Company	4,459	6.78	(23)	49.67
Shuhai Company (note 7)	N/A	N/A	(2,128)	(122.26)
Chengya Oil Company	638,298	4.19	27,160	50.35
Zhonglu Energy Company	1,681,574	0.95	24,639	47.62
Renshou Landmark Company (note 8)	N/A	N/A	(111,214)	202.71
Suiguang Suixi Company (note 9)	2,881,848	(4.65)	N/A	N/A

Notes:

- For the purpose of this table only, the Company refers to the headquarters of the Group. The profits for the Year exclude dividend income of associates, subsidiaries and available-for-sale investments. While calculating the profits of Chengyu Branch, Chengya Branch and Chengren Branch, 15% income taxes were taken into consideration.
- Assets were separated from the Company to establish the Chengyu Branch and the change in business registration was completed in April 2014. The revenue decreased due to factors including diversions of road network.

3. Chengren Expressway came into operation in September 2012. Due to the completion of its extension lines and the continuous improvement of supporting facilities, this Year the traffic volume of Chengren Expressway saw an apparent growth.
4. The data of Shugong Testing Company, the subsidiary of Trading Construction Company, is presented separately.
5. Shunan Company established its wholly-owned subsidiary, Renshou Shunan Investment Management Company Limited, in March 2014, whose data is presented separately. The profit of Shunan Company dropped in this Year due to the significant decrease in revenue and increase in expenses, leading to loss position.
6. Shurui Company, the subsidiary of Shuhong Company which was acquired in September 2013, is formerly known as Chengzhi Tongsheng Company and its data is presented separately.
7. The data of the two subsidiaries of Shuhai Company: namely Zhonglu Energy Company and Shuhong Company, is presented separately in the table. Shuhai Company recorded a loss for the Year due to the loss in investment income of new-established joint venture, and the significant decrease in other income and an increase in administrative expenses.
8. Renshou Landmark Company was incorporated on 24 May 2013 and has been in operation for only half a year in 2013. Due to the engagement in the pre-sale campaigns and the stage of the property development, the selling expense and finance costs increased significantly, resulting in a rise in loss.
9. Suiguang Suixi Company is still in its construction period, and revenue realised represented that from construction contracts of Suiguang Suixi Expressways BOT Project.

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 (%)	Converted average daily traffic flow (vehicles)			Toll income (before revenue taxes) (RMB'000)		
		2014	2013	Increase/ (decrease) (%)	2014	2013	Increase/ (decrease) (%)
Chengyu Expressway	100	21,552	19,532	10.34	835,794	968,456	(13.70)
Chengya Expressway	100	30,088	21,103	42.58	788,160	681,170	15.71
Chengren Expressway	100	28,704	21,558	33.15	585,988	465,916	25.77
Chengle Expressway	100	27,569	21,929	25.72	464,233	414,419	12.02
Chengbei Exit Expressway (including Qinglongchang Bridge)	60	38,757	35,731	8.47	91,693	86,180	6.40

In 2014, the toll income (before revenue taxes) of the Group was approximately RMB2,765,868,000, representing an increase of approximately 5.72% as compared with last year. The percentage of the toll income to the Group's total revenue (after revenue taxes) was approximately 28.36%, representing a decrease of approximately 1.12 percentage points when compared with 29.48% last year. During the Reporting Period, the following factors constituted combined effects on the operating performance of the Group's business of toll roads:

- (1) Regional economic development facilitated the increase in demand for transportation. In 2014, Sichuan Province Government delivered its works generally at a moderate but improving pace, as well as deeply implemented three main development strategies. The entire province realized a gross regional product of approximately RMB2,853.67 billion, representing a year-on-year increase of approximately 8.5%. Generally speaking, the economy of the province was developing stably, and the trend of progress in stabilization was shown, driving restorative growth of the traffic flow of the Group's expressway projects to a certain extent.
- (2) In the same period last year, Sichuan Province was continuously hit by natural disasters such as earthquake and rainstorm, and the production and operation activities of many enterprises within the province as well as the frequent travel of residents were affected. At the same time, the disaster relief emergency mechanism of government was executed and toll free policy was implemented for certain expressways of the Company after the earthquake, which affected the operating efficiency of the Group's expressways for the corresponding period last year.
- (3) In 2014, the toll free disaster-relief vehicles substantially decreased and the subsequent post-disaster reconstruction project stimulated the demand for highway traffic in Sichuan. As the major traffic arteries in Sichuan Province, the Group's expressways played an important role in post-disaster reconstruction in Sichuan Province. In particular, traffic volume of Chengya Expressway, being the main artery for the connection between the quake-stricken area and Chengdu Plain, recorded a significant growth.
- (4) 2014 is the "year for comprehensive improvement of and assaulting fortified position in road traffic safety" for Sichuan Province. The governance of over-limit and overload of expressways was carried out throughout the province in full swing since 21 December 2013. The abnormal loading freight trucks were advised to return, which rendered some freight trucks choose normal roads, resulting in a decrease in the traffic volume of freight trucks on highways.

- (5) Since 15 January 2014, Sichuan Province required all on-line toll stations and open truck weighing station of toll roads in the province to provide preferential policies to legitimate transport vehicles with normal loading: toll was collected at 80% of the basic toll rate of the toll-by-weight for two-axle and three-axle freight truck, and 70% for four-axle freight truck and those with more than four axles; at 70% of the basic toll rate for normal container loaded vehicles with normal loading; toll free for normal loading vehicles transporting fresh agricultural products. The implementation of this preferential policy further reduced the toll income from an individual freight truck.
- (6) The operating performance of the expressways of the Group was also affected either positively or negatively by the changes of circumjacent competing or cooperative road networks as well as the maintenance and repairing works conducted on circumjacent roads. During the Reporting Period, the Group's expressways were affected by such factors to various extents:

Changes in expressway networks — As the Chengdu-Zigong section, Zigong-Luzhou section and Luzhou-Chishui section of ChengZiLuChi (Chengdu-Zigong-Luzhou-Chishui) Expressway were completed and open to traffic in September 2012, September 2013 and June 2014 respectively, Suining-Ziyang section, Ziyang-Meishan section (completed in June 2013 and November 2014 respectively), and the Luyu (Luzhou-Chongqing) Expressway (completed on 3 June 2013) of SuiZiMei (Suining-Ziyang-Meishan) Expressway, LeYa (Leshan-Ya'an) Expressway (completed on 12 September 2013) and LeZi (Leshan-Zigong) Expressway (completed on 30 December 2013) were open to traffic successively, the expressway network of southern Sichuan began to take shape. The interconnection and improvement of the road networks led to corresponding changes in the traffic distribution and composition in the region and had impact on the Group's expressways to various extents, of which the impact of the diversion of ChengZiLuChi Expressway on Chengyu Expressway was the most obvious. The growth of traffic volume of Chengren Expressway, as the Group's new section open to traffic, was obvious due to the completion of extensions in succession and the continuous improvement of supporting facilities of expressway.

Local parallel highways opening to traffic — On 28 January 2014, Chengdu-Jianyang Fast Line was open to traffic. Interchange overpasses and intersections were set along the fast line to allow vehicles to go to nearby townships and towns. The line is the shortest highway between Chengdu and Jianyang among all existing highways. Since it is a convenient, rapid and toll free highway, many large freight trucks chose this fast line as the driving line, which had certain impact on Chengyu Expressway.

Renovation construction works on circumjacent roads — From May 2013 to end of May 2014, the main highway from Pengshan Exit of Chengle Expressway to the county seat of Pengshan was closed due to the construction of Chengmianle intercity rail, leaving vehicles near Pengshan heading for and from Chengdu and Leshan to travel through Qinglong Station or Meishan Station, leading to a decrease in the traffic volume at Qinglong-Meishan section of Chengle Expressway during the construction period.

- (7) During the Reporting Period, the toll-free travel for small passenger vehicles on major festivals and holidays policy was continually implemented. A total of twenty days of toll free days including the Chinese New Year, Ching Ming Festival, May Day and National Day had an impact on the Group's toll income.

Operating conditions of the “Construction” segment and “City Operation” segment of the Group

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

(1) Suiguang-Suixi Expressways BOT Project

At the 2012 first extraordinary general meeting of the Company held on 13 January 2012, the investment in Suiguang-Suixi Expressways BOT Project was considered and approved. According to the preliminary design document of the project, its total length is approximately 164.826km with an operation period of 29 years and 336 days, and the approved estimated preliminary investment is approximately RMB11,887 million. In July 2012, the Company established Suiguang Suixi Company to be in overall charge of the preparation, construction, operation, management and transfer of Suiguang-Suixi Expressways BOT Project. From the date of its commencement of the construction to 31 December 2014, a total of approximately RMB6.125 billion has been invested, accounting for approximately 51.53% of the estimated total investment of the project.

(2) Renshou Land-linked Pilot BT Project

On 28 January 2011, the proposal in relation to the investment in Renshou Land-linked Pilot BT Project was considered and approved by the Company. In July 2011, Shuhong Company was established to take charge of the implementation of this project. The Renshou Landlinked Pilot BT Project, with an estimated total investment of approximately RMB280,270,000, is located at Gaotan village, Wenlin Town (where the county government is located), Renshou County, Sichuan Province which involves a land area of approximately 4,848 mu. The investment includes relocation of farmers' houses, settlement of "San Tong Yi Ping" (三通一平, generally referred to as site clearance and resettlement, connecting temporary water and electricity supply to the site and road connection to the site) as well as construction of ancillary municipal roads, resettlement houses (including preparation work) (approximately 112,700 sq.m.) and ancillary facilities at the resettlement community. From the date of its commencement of the construction to 31 December 2014, a total of approximately RMB218 million has been invested in Renshou Land-linked Pilot BT Project, accounting for approximately 77.85% of the estimated total investment of the project.

(3) Shuangliu West Airport Phase VI BT Project

On 13 January 2012, the Company considered and approved the resolution in relation to the investment in and construction of Shuangliu West Airport Phase VI BT Project, and approved Shunan Company to be the project company responsible for the preparation, construction and transfer of the project. On 17 January 2012, the Company won the bid to undertake the project, content of which includes a total of 4 roads, i.e. south extension line of Aviation Avenue, the road on the east side of Rayspower, Airport Road No. 4 and the west extension line of Industrial Park Avenue, with a total length of approximately 8.84 km. The estimated total investment amount is approximately RMB616,070,000, including land requisition and relocation fee of approximately RMB163,030,000 and expenditures for road construction and installation of relevant facilities of approximately RMB453,040,000. From the date of its commencement of the construction to 31 December 2014, a total of approximately RMB309 million has been invested in Shuangliu West Airport Phase VI BT Project, accounting for approximately 50.17% of the estimated total investment of the project.

(4) Shuangliu Zongbao BT Project

On 28 March 2012, the Company considered and approved the resolution in relation to the investment in Shuangliu Zongbao BT Project, and approved Shunan Company to be the project company responsible for the preparation, construction and transfer of the project. On 6 April 2012, the Company won the bid to undertake the project, which includes 2 roads, i.e. Qinglan Road and the south extension line of Shuanghuang Road, with a total length of approximately 3.23 km. The estimated total investment amount is approximately RMB279,630,000, including land requisition and relocation fee of approximately RMB79,370,000 and expenditures for road construction and installation of relevant facilities of approximately RMB200,260,000. From the date of its commencement of the construction to 31 December 2014, a total of approximately RMB187 million has been invested in Shuangliu Zongbao BT Project, accounting for approximately 66.87% of the estimated total investment of the project.

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

On 30 January 2013, resolution in relation to participation in the bidding for the land use rights of three stateowned construction land parcels in Chengbei New Town, Renshou County, Meishan City, Sichuan Province for the investment and development of real estate projects was approved by the Company. On 22 February 2013, the Company won the bid for the land use rights of such land parcels (with a total site area of 235,558.10 sq.m.) at a price of RMB920,160,000. In May 2013, Renshou Landmark Company was established to take full charge of the development and construction of the real estate project in Chengbei New Town, Renshou County. During the Reporting Period, Renshou Landmark Company proactively launched the rules and progress reporting, constantly improved the planning and design and explored marketing capacity and comprehensively promote the project series of the “Times in North Town” (「北城時代」) on one hand; and paid positive attention to the land market development in Renshou County and seized proper opportunities to increase land reserves. On 15 May 2014, the Company won the bid for the land use rights of five state-owned construction land parcels (with a total site area of 194,810.52 sq.m.) in Chengbei New Town at a price of RMB787,100,000. At present, the reporting on rules and construction, the image and progress of construction and marketing tasks of the project are stably advancing.

(6) Construction projects of Gaotan Water Park in Renshou County, Tianfu Renshou Avenue, etc.

On 3 January 2014, the Company considered and approved the investment in the construction projects of Gaotan Water Park and Tianfu Renshou Avenue in Renshou County, etc.. On 15 January 2014, the Company won the bid to undertake such projects, and on 28 January 2014, the Company entered into the Investment and Construction Contract in relation to the 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. The total estimated investment in these projects amounted to approximately RMB2,472 million (subject to the final financial assessment price, exclusive of land requisition and demolition costs and upfront fee. Relevant preliminary work, e.g. land requisition and demolition, and expenses were borne by the tenderer.) The business registration of Renshou Shunan Company, the company that is fully responsible for the project, has been completed. At present, the landscape project of Central Business Avenue and the extension project of Renshou Avenue had commenced construction, and the tender work of other parts of the projects is under orderly progress.

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

On 3 January 2014, the Company considered and approved the investment in the road engineering project of Renshou Shigao Economic Development Zone, Tianfu New District. On 17 January 2014, the Company won the bid to undertake the project, and on 28 January 2014, the Company entered into the Investment and Construction Contract in relation to the engineering construction projects including section II of Shigao Avenue in Renshou Shigao Economic Development Zone, Tianfu New District, Gangtie Avenue, Qingshui Road and Ring Road (including road maintenance project of Artery No. 1), south section of Zhanhua Road (including the business street and Quanlong River levee project) and Logistics Avenue (including storm sewage pipe network project of Huahai Avenue). The total estimated investment in these projects amounted to approximately RMB780 million (subject to the final financial review price). At present, the project is in the charge of Renshou Shunan Company, financial review of certain sub-projects has been finished and the preliminary preparation for the construction work is under orderly progress.

Operating conditions of the “financial investment” segment of the Group

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

(1) Medium-term notes

On 23 May 2014, the Company completed the registration for its RMB1.5 billion medium-term notes, and on 17 July 2014, successfully issued the 2014 first tranche of medium term notes of RMB300 million at a par value of RMB100 for a term of “5+5” years, together with an option for the issuer to increase the coupon rate at the end of the fifth year and a sell-back option for investors, at issuance interest rates of 6.30%. The notes created the longest record for financing terms of Sichuan enterprises in the inter-bank bonds market, and the issue price for the 5+5-year-term notes was lower than the interest rate of 10-year-term notes. Moreover, the enterprise could choose whether to extend the financing term at the end of the fifth year based on the availability of proceeds and the consequent financing costs, which will retain a great degree of flexibility in funding arrangement.

(2) Offshore bank loans

In the first half of 2014, the Company successively entered into offshore loan contracts with Singapore Branch of Bank of China for an offshore loan of RMB300 million and Singapore Branch of Agricultural Bank of China for an offshore loan of RMB194 million respectively. As at 31 December 2014, the two aforesaid RMB-denominated offshore loans had been fully drawn down by the Company.

(3) Medium-long term syndicated loan

In order to guarantee the construction funds for Suiguang-Suixi Expressways BOT Project are funded in time, upon approval by the Company, the syndicated loan contract in relation to Suiguang-Suixi Expressways BOT Project with China Development Bank as the leading bank was entered into in December 2013. The total syndicated facilities amounted to RMB8,330 million. The lending banks included China Development Bank, China Construction Bank, Industrial and Commercial Bank of China and Postal Savings Bank of China. As at 31 December 2014, an aggregate of RMB3.256 billion of the loan has been drawn down by the Company.

(4) Industrial investment funds

On 24 December 2013, the Company considered and approved the resolution in relation to the cooperation with Development Investment Company in carrying out industrial investment funds related business, pursuant to which, Shuhai Company, a wholly-owned subsidiary of the Company, and Development Investment Company made joint contribution to establish Zhongxin Company with the registered capital of RMB10 million. Each party contributed RMB5 million and held 50% equity interest in the company, respectively. Zhongxin Company had completed industry and commerce registration on 6 January 2014 and its business scope includes assets management, project investment and investment consultation. On 19 June 2014, the Company and Development Investment Company and Zhongxin Company entered into a partnership agreement in relation to the joint contribution to establish of Chengyu Development Fund (成渝發展基金). The total contribution is RMB610,000,000, of which the Company, Development Investment Company and Zhongxin Company should contribute RMB300,000,000, RMB300,000,000 and RMB10,000,000 respectively. Business registration of Chengyu Development Fund was completed on the same day and its business scope covers equity investment and relevant advisory service in relation to non-public transactions involving equity of listed enterprises, non-public offering of equity of listed enterprises, etc.. Currently, the team of Chengyu Development Fund has been basically established, and the commencement work of the project is under progress in a proactive manner.

(5) Proposed issuance of corporate bonds

In order to broaden financing channels and reduce finance costs, as well as raise funds for the medium and long term development of the Company and ensure the continuous and stable growth of the operating efficiency of the Company, the Company convened an extraordinary general meeting on 5 February 2015, with reference to the analysis on the current bond market and the capital needs of the Company. At the meeting, the Company considered and passed the resolution in relation to the issuance of corporate bonds, with a term of five years of no more than RMB1.5 billion.

Operating conditions of the “energy and cultural media” segment of the Group

Energy and cultural media is a fast-growing business of the Group in recent years and mainly involves the operation of gas stations along the expressways of the Group and management of assets, service zones, advertisement, etc. along the expressways. During the Reporting Period, the Group maintain a growth of revenue through integration of assets along the expressways, improvement of service functions, and vigorous development of sales of oil products, advertising, assets leasing, etc. During the Year, the Group recorded a net revenue of approximately RMB2,302,019,000 (2013: RMB2,247,392,000) from operation of gas stations along the expressways, representing an increase of approximately 2.43% over last year; and a net revenue of RMB50,820,000 (2013: RMB34,360,000) from advertising and assets leasing services along the expressways, representing an increase of approximately 47.90% over last year.

FINANCIAL REVIEW AND ANALYSIS

Summary of the Group's Operating Results

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Revenue, net	9,420,153	8,570,140
Including: Toll income, net	2,671,233	2,526,878
Construction contract revenue, net	4,396,081	3,761,510
Profit before tax	1,299,848	1,309,936
Profit attributable to owners of the Company	<u>975,999</u>	<u>1,015,142</u>
Earnings per share attributable to owners of the Company (<i>RMB</i>)	<u><u>0.319</u></u>	<u><u>0.332</u></u>

Summary of the Group's Financial Position

	At 31 December 2014 <i>RMB'000</i>	At 31 December 2013 <i>RMB'000</i>
Total assets	28,803,105	23,989,082
Total liabilities	16,435,703	12,458,441
Non-controlling interests	601,375	526,138
Equity attributable to owners of the Company	<u>11,766,027</u>	<u>11,004,503</u>
Equity per share attributable to owners of the Company (<i>RMB</i>)	<u><u>3.848</u></u>	<u><u>3.599</u></u>

ANALYSIS OF OPERATING RESULTS

Revenue

The Group's net revenue for the Year amounted to RMB9,420,153,000 (2013: RMB8,570,140,000), representing an increase of 9.92% over last year, of which:

- (1) The net toll income was RMB2,671,233,000 (2013: RMB2,526,878,000), representing an increase of 5.71% over last year, mainly due to: regional economic development and post-disaster reconstruction project stimulated the traffic demand in Sichuan Province; the significant growth in traffic volume of Chengren Expressway, the Group's new section open to traffic. The above factors partially offset the negative impacts from competitive highways, toll-free holiday policy and preferential policies for trucks. Please refer to pages 31 to 34 of this results announcement for details of the main factors influencing the toll income of the Group during the Reporting Period;
- (2) Construction revenue (before revenue taxes) recognized in respect of service concession arrangements was RMB2,995,939,000 (2013:RMB3,191,552,000), representing a decrease of 6.13% over last year. This mainly included RMB2,961,848,000 of construction revenue (before revenue taxes) (2013: RMB3,126,568,000) from the Suiguang Suixi Expressways and Chengren Expressway BOT projects and an aggregate of RMB34,091,000 of construction revenue (before revenue taxes) (2013: RMB64,984,000) from technical renovation projects of Chengyu Expressway, Chengya Expressway and Chengbei Expressway and reconstruction projects of gas stations and service zones along the expressways during the Year;
- (3) Construction revenue of other construction and maintenance projects (before revenue taxes) amounted to RMB1,505,838,000 (2013: RMB647,426,000), which was the construction revenue recognized under the percentage-of-completion method in respect of the BT projects and other construction projects.
- (4) The net revenue from operation of gas stations along expressways amounted to RMB2,302,019,000 (2013: RMB2,247,392,000), representing an increase of 2.43% over last year.

Other Income and Gains

The Group's other income and gains for the Year amounted to RMB124,059,000 (2013: RMB155,174,000), representing a decline of 20.05% as compared with last year. It was mainly attributable due to the interests income from construction agreements and bank deposits, among which: interests from the advance payment in respect of the BT projects of the Group recognized amounted to RMB45,204,000 (2013: RMB76,096,000) , and interest from bank deposits amounted to RMB27,736,000 (2013: RMB24,469,000).

Operating Expenses

The Group's operating expenses for the Year amounted to RMB7,771,157,000 (2013: RMB6,976,363,000), representing a year-on-year increase of 11.39%, of which:

- (1) Construction contract costs recognized under the percentage-of-completion method in respect of service concession arrangements were RMB2,799,958,000 (2013: RMB2,999,442,000), representing a year-on-year decrease of 6.65%. This mainly included construction contract costs of RMB2,766,832,000 (2013: RMB2,936,416,000) from Suiguang Suixi Expressways and Chengren Expressway BOT projects and aggregate construction contract costs of RMB33,126,000 (2013: RMB63,026,000) from technical renovation projects of Chengyu Expressway, Chengya Expressway and Chengbei Expressway and construction projects of gas stations and service zones along the expressways during the Year;
- (2) The construction costs recognized under the percentage-of-completion method in respect of construction contracts amounted to RMB1,373,196,000 (2013: RMB551,556,000) which mainly include construction costs of BT and other construction projects;
- (3) Depreciation and amortization expenses increased by 5.94% from RMB519,520,000 in last year to RMB550,358,000 this Year, which was mainly attributable to the annual increment of the amortization of the service concession arrangements;
- (4) The cost of sales of refined oil and petrochemical products was RMB2,181,572,000 (2013:RMB2,161,428,000), which represented an increase of 0.93% as compared to last year.

- (5) Staff costs increased by 13.70% from RMB468,649,000 in the previous year to RMB532,865,000 this Year. This was mainly due to the increases in total salary, various social insurances and housing accommodation fund paid in the Year to certain extent given the the Group's business expansion, the addition of controlled subsidiaries as well as the increase in staff of the Group and increased average salary for the employees in Chengdu;
- (6) Costs of repairs and maintenance increased by 37.63% from RMB157,547,000 in the previous year to RMB216,837,000 this Year, due to an increase in the costs for maintenance of each of the expressways and facilities.

Finance costs

The Group's finance costs for the Year amounted to RMB484,800,000 representing an increase of 7.59% as compared to last year, principally attributable to (1) the issuance of the new medium-term notes of RMB300,000,000; (2) the increase in the total interest bearing liabilities caused by the net increase of foreign bank loans of RMB244,000,000 for satisfying the Company's business development and project funding requirements.

Taxation

The corporate income tax expense of the Group for 2014 amounted to RMB227,977,000, representing a decrease of approximately 0.54% as compared to 2013. It was mainly due to the slight decrease of total amount of profit before tax this Year as compared to the previous year, which led to the slight decrease in income tax expense.

Profit

The Group's profit for the Year amounted to RMB1,071,871,000, representing a decrease of 0.82% as compared with RMB1,080,710,000 in the previous year, of which the profit attributable to owners of the Company was RMB975,999,000, representing a decrease of 3.86% as compared to last year. This was mainly due to:

- (1) Regional economy development, post-disaster reconstruction project and the operation of Chengren Expressway resulted in a year-on-year increase in toll income from the Group's expressways, which partially offset the impacts due to unfavorable factors including the increase in maintenance costs of roads, expenses for amortization for service concession arrangements in respect and finance, etc., leading to an increase of profit by approximately RMB11,637,000.

- (2) During the Year, as Renshou Trading Landmark Company Limited underwent preparatory work for the preliminary sales and was in the development and construction period of property market, sales expense and finance costs both increased significantly, resulting in the loss of approximately RMB107,588,000 for the Year, representing an increase in loss of RMB71,920,000 compared with last year.
- (3) The construction contract business contributed additional profits of approximately RMB29,618,000 for the Year;
- (4) Profits from operation of gas stations along expressways and advertisement leasing increased by approximately RMB34,024,000 for the Year.

ANALYSIS OF FINANCIAL POSITION

Non-current Assets

As at 31 December 2014, the Group's non-current assets amounted to RMB21,541,634,000, representing an increase of 13.02% as compared with the end of 2013. The increase was mainly due to:

- (1) an increase of RMB2,995,939,000 in service concession arrangements (including a total of RMB34,091,000 for technological renovation projects on road surface of Chengyu Expressway, Chengya Expressway and Chengbei Expressway and construction projects of gas stations and service zones along the expressways and RMB2,961,848,000 for Chengren Expressway and Suiguang Suixi Expressways BOT projects);
- (2) a total of RMB550,358,000 in provision of depreciation and amortization;
- (3) a decrease of RMB21,767,000 in prepayment related to purchase and construction of non-current assets;
- (4) an increase of RMB42,857,000 in available-for-sale investments;
- (5) an increase of RMB 5,947,000 in investment in associates and joint venture; and
- (6) an increase of RMB5,216,000 in deferred tax assets.

Current Assets and Current Liabilities

As at 31 December 2014, the current assets of the Group amounted to RMB7,261,471,000, representing an increase of 47.31% as compared with the end of 2013, mainly attributable to:

- (1) An increase of RMB1,825,147,000 in the closing balance of cash and cash equivalents as compared with the end of 2013 due to the cash and cash equivalents used in operating and investing activities, issuance of medium term notes by the Company in the Year, and increases in external borrowings;
- (2) A decrease of approximately RMB4,273,000 in inventories as compared with the end of 2013 mainly due to the increase of approximately RMB9,116,000 in oil reserves of Zhonglu Energy Company and Chengya Oil Company, and an increase of approximately RMB4,843,000 in the spare parts and construction materials;
- (3) An increase of approximately RMB247,485,000 in trade and other receivables as compared with the end of 2013, mainly due to an increase of RMB288,110,000 in trade receivables, an increase of RMB42,155,000 in interests receivables from deposits for guarantee, and an increase of RMB189,762,000 in other receivables. Meanwhile, a decrease of RMB36,699,000 in advance payment of fuel oil freight receivable, and a decrease of RMB235,843,000 in advanced payment for land appropriation and relocation and accrued interest as compared with last year.
- (4) Properties under development increased by RMB78,348,000 as compared with the end of 2013, which was mainly attributable to the property development costs in the Year.

As at 31 December 2014, the Group's current liabilities amounted to RMB5,331,329,000, representing an increase of 42.08% as compared with the end of 2013, mainly attributable to: reclassification of non-current liabilities of RMB1,765,730,000 to be due within one year, repayment of loans resulting in a decrease in bank and other interest-bearing loans amounting to RMB969,364,000, increase of RMB18,268,000 in tax payable, and increase of approximately RMB764,409,000 in trade and other payables.

Non-current Liabilities

As at 31 December 2014, the non-current liabilities of the Group amounted to RMB11,104,374,000, representing an increase of 27.55% as compared to the end of 2013, which was principally attributable to an increase in five-year (or more) bank loan of RMB2,676,068,000, an increase in two-year other loan of RMB80,001,000, and an increase of RMB300,000,000 in medium-term notes. At the same time, repayment of part of the long-term loans resulting in a net increase in bank and other interest-bearing loans amounting to RMB2,328,249,000 for the Year.

Equity

As at 31 December 2014, the Group's equity amounted to RMB12,367,402,000, representing an increase of 7.26% as compared with the end of 2013, mainly attributable to: (1) profit for the Year of RMB1,071,871,000 which increased the equity; (2) 2013 final dividend of RMB244,645,000 declared in the Year which decreased the equity; (3) an increase in equity of RMB30,170,000 due to the adjustment on the fair value of available-for-sale investments; (4) dividend paid to non-controlling shareholders of RMB20,635,000 which decreased the equity.

Capital Structure

As at 31 December 2014, the Group had total assets of RMB28,803,105,000 and total liabilities of RMB16,435,703,000. The gearing ratio, which was calculated as the Group's total liabilities divided by its total assets, was 57.06% (2013: 51.93%).

Cash Flow

As at 31 December 2014, the closing balance of the cash and bank balance of the Group amounted to RMB3,617,110,000 including approximately HKD111,000 (equivalent to approximately RMB87,000), and approximately USD6,370,000 (equivalent to approximately RMB39,557,000) deposits in U.S dollars, and approximately RMB3,577,466,000 cash and bank deposits in Renminbi, representing an increase of approximately RMB1,825,147,000 over the end of 2013.

During the Year, net cash flows used in operating activities amounted to RMB324,472,000 (2013: net cash outflow of RMB2,462,496,000), with an decrease in net cash flows of RMB2,138,024,000 over 2013, which was mainly due to an increase of RMB53,385,000 in deferred income in 2014 as compared to last year, a decrease of RMB357,814,000 in service concession arrangements as compared to last year, and increase in trade and other receivables by RMB223,326,000 and a decrease of RMB904,703,000 in properties development activities expenditures as compared to last year.

Net cash outflow from investing activities of the Group amounted to RMB23,819,000 (2013: net cash inflow of RMB143,060,000). It was mainly attributable to the proceeds received in 2013 from disposal of the 49% equity interests in Trading Construction Company of RMB262,965,000, and the decrease of RMB6,628,000 in interests and dividend receivables as compared to last year.

Net cash inflow from financing activities was RMB2,173,438,000 (2013: net cash inflow of RMB2,290,723,000), representing a decrease of RMB117,285,000 over last year which was mainly attributable to the net increase of RMB401,524,000 in bank loans while, at the same time, an increase of RMB192,605,000 in repayment of loan interests in the Year, a decrease of RMB300,000,000 in new issuance of medium-term notes as compared to last year, and a net decrease of RMB186,184,000 in other loans.

Risk of Exchange Fluctuation

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

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

Borrowings and Solvency

As at 31 December 2014, the Group's interest-bearing bank and other loans amounted to RMB13,014,028,000, all of which bore fixed interest rates. In particular, the balance of domestic bank loans was RMB7,488,936,000, with annual interest rates ranging from 5.00% to 6.55%; the balance of overseas bank loans was RMB3,773,000,000, with annual interest rates ranging from 4.00% to 5.85%; the balance of other loans amounted to RMB152,092,000, with annual interest rates ranging from 3.30% to 6.51%; and the outstanding medium term notes amounted to RMB1,600,000,000, with annual interest rates ranging from 4.75% to 6.30%. The relevant balances are set out as follows:

Maturity profile of interest-bearing borrowings

	Total amount	Within 1 year	From 1 year to 5 years	Over 5 years
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loans from domestic commercial banks	7,488,936	245,730	1,496,652	5,746,554
Loans from overseas commercial banks	3,773,000	1,750,000	2,023,000	—
Other loans	152,092	4,545	147,547	—
Medium-term notes	1,600,000	—	1,300,000	300,000
Total (2014-12-31)	<u>13,014,028</u>	<u>2,000,275</u>	<u>4,967,199</u>	<u>6,046,554</u>
Total (2013-12-31)	<u>9,889,413</u>	<u>1,203,909</u>	<u>5,764,967</u>	<u>2,920,537</u>

With the Group's steady cash flow, solid capital structure and sound credit records, the Group has established and maintained favorable credit relations with financial institutions and enjoyed most preferential interest rates for its loans. The Group has acquired bank facilities of RMB1,899 million from financial institutions available for use in the following one to two years. In addition, in 2010, China CITIC Bank Corporation Limited (Chengdu Branch) as leader and other eight banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan of RMB4,890 million. Such loan is specially used for construction of Chengren Expressway BOT Project. As at 31 December 2014, the balance of syndicated loan for the project amounted to RMB3,906 million.

In 2013, China Development Bank (Sichuan Branch) as leader and other three banks carrying out businesses in the PRC formed a bank consortium, which signed a loan contract with the Group for a medium-long term loan totaled RMB8,330 million. Such loan was specially used in Suiguang-Suixi Expressways BOT Project. As at 31 December 2014, the Company has withdrawn RMB3,256 million of such loan in aggregate.

Contingent liabilities and pledge of assets

As at 31 December 2014, the Group's time deposits of RMB11,436,000 and RMB10,939,000, respectively (2013: RMB11,144,000 and RMB10,639,000 respectively) were pledged to secure Chengren Expressway BOT Project and Suiguang Suixi Expressways BOT Project respectively; time deposits of RMB112,150,000 (2013: RMB112,150,000) was pledged for bank loans; and has other pledged deposits amounted to RMB442,000 (2013: RMB4,530,000); the concession rights to collect toll income pertaining to Chengle Expressway with the net carrying values of RMB1,056,545,000 (2013: RMB1,102,194,000) were pledged to secure bank loans amounting to RMB106,400,000 (2013: RMB106,400,000); the concession rights to collect toll income pertaining to Chengren Expressway with net carrying value of RMB7,406,562,000 (2013: RMB7,453,127,000) was pledged to secure the syndicated loan amounting to RMB3,906,436,000 (2013: RMB3,911,012,000); the concession rights to collect toll income pertaining to Chengya Expressway with net carrying value of RMB2,253,127,000 (2013: RMB2,408,484,000) was pledged to secure the overseas syndicated loan amounting to RMB750,000,000 (2013: RMB1,000,000,000); the concession rights to collect toll income pertaining to Suiguang Suixi Expressways with net carrying value of RMB6,124,254,000 (2013: nil) was pledged to secure the syndicated loan amounting to RMB3,256,100,000.

Save as disclosed above, the Group did not have any other contingent liabilities, pledge of assets or guarantees as at 31 December 2014.

BUSINESS DEVELOPMENT PLANS

Based on our analysis and judgment of the business conditions, policy climate and our own development status for 2015, and in line with our business targets for year 2015, we formulated the following business plans:

- (1) Adhere to the direction in the Group's development strategies. The Company will further implement and carry out diversified development strategy that is highly related to its principal business. We will continue to strive to build up the five major segments and promote the development of the segments of city operation, construction, energy and cultural media and financial investments in a proactive and steady manner while keeping to refine and strengthen toll roads and bridges, the principal business of the Company.
- (2) Strengthen management and enhance efficiency. Under a streamlined management, the Company will well perform daily operation, management to ensure the achievement of the operation targets of the Group. The Company will strengthen the effort to fee collection and inspection to guarantee there is no evasion but increase in toll receivables to further increase the profitability of the major businesses of the Group. In addition, we will pay attention to the maintenance and pavement overhaul and medium fixing work and develop its strength in construction preparation, quality management, safety control and other aspects, so as to expand the expressway maintenance and construction business and relevant supporting industries; better the sale of refined oil, proactively expand businesses including fuel additives and new energy projects to extend the scale and length of up- and down-stream industry chain in a moderate manner. We will innovate the operation mode of expressway service zones and advertising media, develop the operating business of special industries to capture development potentials, increase efficiency, enhance the overall revenue capacity and increase the our support to projects of land development and building construction to gradually expand our shares in the construction market.

- (3) Conduct streamlined management for projects under construction and ensure that the project is fully under control. The Company will keep focusing on the construction of Suiguang-Suixi Expressways BOT Project, Renshou Land-linked Pilot BT Project to promote the standard and streamlined management for project construction and ensure that the quality, safety, cost and progress of the projects are fully under control, with an aim of establishing an exemplary project of high quality; making orderly progress in the engineering and marketing planning of Real Estate Projects in Chengbei New Town of Renshou County, speeding up the recovery of capitals; The Company will accelerate the checking and examination work of Shuangliu West Airport Phase VI BT Project and Shuangliu Zongbao BT Project to speed up the settlement progress and receive the construction revenue in a timely manner; steadily carry forward the construction and management of projects including the construction projects of Gaotan Water Park and Tianfu Renshou Avenue and the road engineering project of Renshou Shigao Economic Development Zone in Tianfu New District. Meanwhile, the Company will ensure the project quality to achieve a win-win situation in both investment revenue and brand establishment, so as to enhance the sustainable development potential of the Group.
- (4) Reinforce financial management and control and seek for new financing methods. The Company will strengthen the overall management on financial budget to enhance the control over cost and expenses. In addition, we will reinforce capital operation and explore new investment domains and investment models in an active manner. Under the premise of controllable risks, the Company will made greater and more diversified investments in relevant industries; Making full use of the low-cost financing advantage of the Group, we will manage to obtain low-cost capital through various channels, which will ensure adequate cash flow to settle debts and sufficient financial resources to finance the development of the Group's businesses.
- (5) Intensify risk prevention and control and enrich reserve for quality projects. The Company will grasp the market opportunity and expand auxiliary businesses like transportation property, intelligent transportation and logistics transportation by making use of road network resources and data resources of the Group. In addition, on top of conducting sufficient research, demonstration and risk management and control, we will reserve a number of high-quality projects with good economic effectiveness and development potential to achieve the expansion of business segments of the Group and open up new profit growth drivers.

- (6) Deepen reform and facilitate development. The Company will continue to perfect and optimize the establishment of modern corporate system to promote corporate governance. The Company will improve the Group's mechanism of innovation driven development and further improve the sound corporate management system with definite division between power and obligations, scientific management and high efficiency through strengthening internal management innovation, human resources management innovation, remuneration system innovation, innovation of project investment mode and way of cooperation, promoting development with reform and securing benefits relying on management.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

EMPLOYEES AND THEIR REMUNERATION AND TRAINING

As at 31 December 2014, details of the Group's employees were as follows:

	Number of people
Number of in-service employees of the Company (including its branches)	2,796
Number of in-service employees of major subsidiaries	1,767
Total number of in-service employees	4,563
Number of retired employees for which the Company (including its branches) and its major subsidiaries are liable to bear costs	Nil

Composition by Expertise

Type of Expertise	Number of people
Production	3,194
Sales	88
Technical	502
Financial	137
Administrative	642
	<hr/>
Total	4,563
	<hr/> <hr/>

Educational Level

Type of Education Level	Number of people
Postgraduate	128
University graduate	947
Junior college graduate	1,729
Technical secondary school and below	<u>1,759</u>
Total	<u><u>4,563</u></u>

Employee's Remuneration

The total remuneration of the Company employees is correlated with the operating results of the Company. The wages of the employees are comprised of fixed wages (including basic salary, and salaries determined by the position and period of service) and performance incentive bonus. Employee's salary is determined with reference to his position (i.e. the salary changes in accordance with the position of service) and performance. For the Year ended 31 December 2014, the employees' salary of the Group totaled approximately RMB330,522,000 (of which approximately RMB180,337,000 for the employees of the Company (including its branches)).

Employee's Insurance and Welfare

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

Staff Training

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

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

Sound corporate governance goes beyond merely meeting the regulatory authorities' basic requirements for operating a listed Company. More importantly, it fulfils the Company's internal development needs. The Company is committed to continuously enhancing its corporate governance standard. During the Reporting Period, the Company has adopted and fully complied with the code Provisions set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules except that Mr. Wang Shuanming was unable to attend the 15th meeting of the fifth session of the Board of the Company held on 28 August 2014 in accordance with the provision A.6.7 under the Corporate Governance Code due to significant business engagement.

Audit Committee

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

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2014 and is of the view that the Group has complied with all applicable accounting standards and requirements and made adequate disclosure.

COMPLIANCE WITH THE MODEL CODE

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

CLOSURES OF REGISTER OF MEMBERS OF H SHARES

For the purposes of determining the shareholders' entitlement to attend the 2014 AGM and to receive the 2014 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 2014 AGM

Deadline for lodging transfer documents	4:30 p.m. on 28 April 2015 (Tuesday)
Closure period of the H Shares register of members	29 April 2015 (Wednesday) to 29 May 2015 (Friday) (both days inclusive)
Record date	29 May 2015 (Friday)
Date of the 2014 annual general meeting	29 May 2015 (Friday)

— In respect of the entitlement to 2014 final dividend

Deadline for lodging transfer documents	4:30 p.m. on 3 June 2015 (Wednesday)
Closure period of the H Shares register of members	4 June 2015 (Thursday) to 9 June 2015 (Tuesday) (both days inclusive)
Dividend Entitlement Date	9 June 2015 (Tuesday)

In order to be entitled to attend and vote at the 2014 annual general meeting, and to receive the 2014 final dividend of the Company, H shares Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates are lodged with the Company's H Shares Registrar, Hong Kong Registrars Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before the time above designated for lodging transfer documents.

Shareholders are advised that the Company will make separate announcement on the SSE in respect of details of the arrangements regarding (i) the distribution of 2014 final dividend to A shares Shareholders and (ii) details of A shares Shareholders' eligibility for attending the 2014 annual general meeting.

PUBLICATION OF THE ANNUAL REPORT

The Company's annual report for the Year ended 31 December 2014 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITION

2014 AGM	the 2014 annual general meeting of the Company to be held on 29 May 2015 (Friday), notice of which will be published on the Stock Exchange's website and dispatched to the Shareholders on 13 April 2015 (Monday)
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 Company	Chengdu Airport Expressway Company Limited
Articles of Association	the articles of association of the Company, as amended time from time
Audit Committee	the Audit Committee of the Board
Board	the Board of Directors of the Company

BT Project Construction	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	Sichuan Chengle (Chengdu-Leshan) Expressway
Chengren Branch	Sichuan Expressway Company Limited Chengren Branch
Chengren Expressway	Chengdu-Meishan (Renshou) Section of ChengZiLuChi (Chengdu-Zigong-Luzhou-Chishui) Expressway
Chengren Expressway BOT Project	Chengren Expressway BOT (build-operation-transfer) project
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 Development Fund	Sichuan Chengyu Development Equity Investment Fund Centre (Limited Partnership)* (四川成渝發展股權投資基金中心(有限合夥))

Chengyu Expressway	Chengyu (Chengdu-Chongqing) Expressway (Sichuan Section)
Company	Sichuan Expressway Company Limited
Development Investment Company	Sichuan Development Equity Investment Fund Management Co., Ltd. (四川發展股權投資基金管理有限公司)
Director(s)	director(s) of the Company
Dividend Entitlement Date	9 June 2015 (Tuesday), the date on which the Shareholders whose names appear on the H Shares register of member of the Company shall be entitled to the 2014 final dividend of the Company (if approved by the Shareholders at the 2014 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
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules of the Stock Exchange, which has been adopted by the Company as the code of conduct for securities transactions by Directors and Supervisors of the Company

PRC	the People’s Republic of China, for the purpose of this annual report, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
Renshou Land-linked Pilot BT Project	the land-linked pilot project in Renshou County, Meishan City in the form of BT (build-transfer)
Renshou Landmark Company	Renshou Trading Landmark Company Limited
Renshou Shunan Company	Renshou Shunan Investment Management CO., Ltd. (仁壽蜀南投資管理有限公司)
RMB	Renminbi, the lawful currency of the PRC
Share(s)	A Share(s) and/or H Share(s) (as the case may be)
Shareholder(s)	holder(s) of Shares
Shuangliu West Airport Phase VI BT Project	the road project within the Airport Hightech Industrial Functional Zone, Shuangliu County, Chengdu City, in the form of BT (build-transfer), which is referred to as the “West Airport Development Zone Phase VI Road Engineering BT Project” by the Transportation Bureau of Shuangliu County, Chengdu City, the tenderee of this project
Shuangliu Zongbao BT Project	the Phase I road project within Zongbao ancillary area at Shuangliu County, Chengdu City in the form of BT (build-transfer)
Shugong Testing Company	Sichuan Shugong Road Construction Engineering Testing Company Limited
Shuhai Company	Chengdu Shuhai Investment Management Company Limited
Shuhong Company	Chengdu Shuhong Property Company Limited

Shunan Company	Sichuan Shunan Investment Management Company Limited
Shurui Company	Sichuan Shurui Construction Engineering Company Limited
Shusha Company	Sichuan Shusha Industrial Company Limited
Sichuan Highway Development	Sichuan Highway Development Holding Company, a subsidiary of STI
SSE	Shanghai Stock Exchange
STI	Sichuan Transportation Investment Group Corporation, the controlling shareholder of the Company
STI Group	STI and its subsidiaries
Stock Exchange	The Stock Exchange of Hong Kong Limited
Suiguang 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)	the supervisor(s) of the Company
Trading Construction Company	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 2014
Zhonglu Energy Company	Sichuan Zhonglu Energy Company Limited
Zhongxin Company	Sichuan Zhongxin Assets Management Co., Ltd. (四川眾信資產管理有限公司)

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

Chengdu, Sichuan, the PRC
26 March 2015

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

* *For identification purposes only*