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四川成渝高速公路股份有限公司 Sichuan Expressway Company Limited*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00107)

2020 FIRST QUARTERLY REPORT

This announcement is made by Sichuan Expressway Company Limited* (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The financial data of the Company for the first quarter of 2020 is unaudited and has been prepared in accordance with the China Accounting Standards for Business Enterprises.

I. IMPORTANT NOTICE

- 1.1 The board (“**Board**”) of directors (“**Directors**”), the supervisory committee and the Directors, supervisors and senior management of the Company shall ensure the truthfulness, accuracy and completeness of the information contained in the 2020 first quarterly report (the “**Quarterly Report**” or the “**Report**”) of the Company and there are no false representations, misleading statements contained in or material omissions from the Report for which they shall assume joint and several liability.
- 1.2 All Directors of the Company attended the Board meeting to review the Quarterly Report.

- 1.3 Mr. Gan Yongyi, person in charge of the Company, Mr. Guo Renrong, person in charge of accounting and Madam Wei Xu, head of the accounting department (accounting officer), have declared and confirmed the truthfulness, accuracy and completeness of the financial statements in this Quarterly Report.
- 1.4 The Company's First Quarterly Report is unaudited. The reporting period (the **"Reporting Period"** or **"Period"**) in this report refers to the three months ended 31 March 2020.

II. BASIC INFORMATION OF THE COMPANY

2.1 Principal financial data

Unit: yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period compared to that as at the end of last year (%)
Total assets	38,575,566,381.49	37,720,112,901.70	2.27
Net assets attributable to shareholders of the listed Company	14,989,934,614.70	15,274,761,768.33	-1.86
	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of the corresponding period of last year	Increase/ decrease over the same period last year (%)
Net cash flows from operating activities	173,387,167.49	559,112,917.82	-68.99

	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of the corresponding period of last year	Increase/ decrease over the same period last year (%)
Operating revenue	628,527,343.64	1,495,258,344.95	-57.97
Net profit attributable to Shareholders of the listed Company	-269,165,231.37	429,034,768.72	-162.74
Net profit net of non-recurring profit and loss attributable to Shareholders of the listed Company	-277,981,612.80	422,657,333.26	-165.77
Weighted average return on net assets (%)	-1.78	2.92	Decreased by 4.70 percentage points
Basic earnings per share (<i>Yuan/ share</i>)	-0.0880	0.1403	-162.72
Diluted earnings per share (<i>Yuan/ share</i>)	-0.0880	0.1403	-162.72

Non-recurring items and amounts
☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount in the Period	Explanations
Profit or loss from disposal of non-current assets	-20,582.47	
Tax refund or exemption from ultra vires approval or without official approval document or received occasionally		
Government subsidies included in profit or loss in the current period, but excluding those closely related to the Company's normal business operations, in line with national policies and regulations and in accordance with certain fixed amounts on a continuous basis	3,414,676.63	
Gain or loss on change in fair value from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, as well as investment income from disposal of held-for-trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments except for effective hedging activities related with normal business operations of the Company	249,071.79	
Other non-operating income and expenses except for the above items	5,404,944.48	
Other profit and loss items conforming to the definition of non-recurring profit and loss	651,077.97	
Amount of effect on the interest of minority shareholders (after tax)	-541,702.62	
Amount of effect of income tax	-341,104.35	
Total	<u>8,816,381.43</u>	

2.2 The total number of Shareholders, shareholding status of the top ten Shareholders and the top ten Shareholders of circulating shares (or Shareholders not subject to trading restriction) as at the end of the Reporting Period

Unit: Share

Total number of Shareholders 58,022

Shareholding of the top ten Shareholders

Name of Shareholder (Full name)	Number of shares at the end of the Period	Shareholding percentage (%)	Number of shares subject to trading restriction	Pledged or frozen Share status	Type of Shareholder
Sichuan Transportation Investment Group Corporation Limited	1,096,769,662	35.86	0	Nil	0 State
HKSCC NOMINEES LIMITED	887,402,000	29.02	0	Unknown	0 Foreign legal person
China Merchants Expressway Network & Technology Holdings Co., Ltd	664,487,376	21.73	0	Nil	0 State-owned legal person
Hong Kong Securities Clearing Company Limited	14,140,693	0.46	0	Unknown	0 Foreign legal person
Zhang Zhijun	7,142,414	0.23	0	Unknown	0 Domestic natural person
China Construction Bank Corporation - Huaxia China Securities Sichuan State-owned Reform Tradable Open-ended Index Securities Investment Fund (中國建設銀行股份有 限公司—華夏中證四川 國企改革交易型開放式 指數證券投資基金)	6,912,900	0.23	0	Unknown	0 Unknown
Ye Guolin	6,000,000	0.20	0	Unknown	0 Domestic natural person
Yang Yi	5,845,037	0.19	0	Unknown	0 Domestic natural person
Gong Fangxin	3,520,900	0.12	0	Unknown	0 Domestic natural person
Mo Weilan	2,592,600	0.08	0	Unknown	Domestic natural person

Shareholding of the top ten Shareholders not subject to trading restriction

Name of Shareholder	Number of shares not subject to trading restriction	Class and number of shares	
		Class	Number
Sichuan Transportation Investment Group Corporation Limited	1,096,769,662	RMB ordinary shares	1,035,915,462
		Foreign shares listed overseas	60,854,200
HKSCC NOMINEES LIMITED	887,402,000	Foreign shares listed overseas	887,402,000
China Merchants Expressway Network & Technology Holdings Co., Ltd.	664,487,376	RMB ordinary shares	664,487,376
Hong Kong Securities Clearing Company Limited	14,140,693	RMB ordinary shares	14,140,693
Zhang Zhijun	7,142,414	RMB ordinary shares	7,142,414
China Construction Bank Corporation–Huaxia China Securities Sichuan State-owned Enterprises Reform Tradable Open-ended Index Securities Investment Fund (中國建設銀行股份有限公司–華夏中證四川國企改革交易型開放式指數證券投資基金)	6,912,900	RMB ordinary shares	6,912,900
Ye Guolin	6,000,000	RMB ordinary shares	6,000,000
Yang Yi	5,845,037	RMB ordinary shares	5,845,037
Gong Fangxin	3,520,900	RMB ordinary shares	3,520,900
Mo Weilan	2,592,600	RMB ordinary shares	2,592,600

Explanations on the connected relationship or concerted-party relationship among the aforementioned Shareholders

As at the date of approval of the Quarterly Report for publication, Sichuan Transportation Investment Group Corporation Limited indirectly holds 6.37% shares of China Merchants Expressway Network & Technology Holdings Co., Ltd. Besides, the Company is not aware whether there is any connected relationship or concerted-party relationship among the aforementioned Shareholders, or between the aforementioned Shareholders holding state-owned shares and state-owned legal person Shareholders and the aforementioned other Shareholders.

Notes:

1. The H shares held by HKSCC Nominees Limited were held on behalf of various customers, including 60,854,200 H shares of the Company held by Sichuan Transportation Investment Group Corporation Limited.
2. As at 31 March 2020, China Merchants Expressway Network & Technology Holdings Co., Ltd., apart from a direct holding of A shares in the Company, indirectly held 96,458,000 H shares of the Company through Cornerstone Holdings Limited, its wholly-owned subsidiary.
3. Hong Kong Securities Clearing Company Limited is the nominal holder of shares under the Shanghai-Hong Kong Stock Connect.

2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares not subject to trading restriction as at the end of the Reporting Period

☐ Applicable ☒ Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in items in the principal accounting statement and financial indicators of the Company and the reasons therefor

☒ Applicable ☐ Not applicable

(1) *Material changes in items of balance sheet as at the end of the Reporting Period and explanations thereon*

Unit: yuan Currency: RMB

Items	Closing balance at the end of the Period	Opening balance at the beginning of the Period	Increase/ decrease in amount	Increase/ decrease in percentage	Notes
Cash and bank balances	4,029,601,386.80	2,995,806,012.16	1,033,795,374.64	34.51	①
Bills receivables	34,919,670.73	25,822,570.73	9,097,100.00	35.23	②
Prepayments	529,283,296.50	300,607,596.71	228,675,699.79	76.07	③
Other non-current assets	13,338,581.43	27,480,274.00	-14,141,692.57	-51.46	④
Short-term borrowings	1,750,000,000.00	500,000,000.00	1,250,000,000.00	250.00	⑤
Accounts payable	1,168,798,386.83	1,807,337,946.50	-638,539,559.67	-35.33	⑥
Contract liabilities	1,334,065,522.40	560,401,421.82	773,664,100.58	138.06	⑦
Other non-current liabilities	420,312,175.12	1,015,611,110.99	-595,298,935.87	-58.61	⑧
Taxes payable	33,158,904.73	85,157,430.75	-51,998,526.02	-61.06	⑨

- ①: Mainly due to the significant year-on-year decrease in the operating cash inflow as a result of the effect of COVID-19 in the Period and the increase in cash and bank balances at the end of the Period as a result of the increase in the net cash inflow arising from the financing activities in the Period for replenishing the working capital and exchanging the current loans with high-interest;
- ②: Mainly due to the increase in bills receivable arising from commercial factoring business and commercial trade business in the Period;
- ③: Mainly due to the increase in prepayments following the settlement of accounts receivable in the Period as a result of the consolidated presentation of prepayments and accounts receivable under the same unit at the end of the Period;
- ④: Mainly due to the reclassification of the costs from the contracts due within one year as the contract assets;
- ⑤: Mainly due to the increase in the credit loans in the Period;
- ⑥: Mainly due to the annual progress billing prior to the settlement in the Period;
- ⑦ / ⑧: Mainly due to the reclassification of advances received to deliver properties due within one year as the contract liabilities in the Period;
- ⑨: Mainly due to the payment of income tax and VAT for the previous year in the Period.

(2) Material changes in items of the income statement during the Reporting Period and explanations thereon

Unit: yuan Currency: RMB

Items	Amount for the period	Amount for the previous period	Increase/decrease in amount	Increase/decrease in percentage	Notes
Operating revenue	628,527,343.64	1,495,258,344.95	-866,731,001.31	-57.97	①
Tax and surcharges	2,403,679.79	4,814,692.73	-2,411,012.94	-50.08	②
Investment income	2,508,020.58	7,391,984.73	-4,883,964.15	-66.07	③
Gains from disposal of assets	7,397.00	204,076.43	-196,679.43	-96.38	④
Non-operating income	6,628,372.27	5,080,772.33	1,547,599.94	30.46	⑤
Non-operating expenses	126,281.06	203,778.61	-77,497.55	-38.03	⑥
Income tax expenses	12,391,520.00	98,589,926.42	-86,198,406.42	-87.43	⑦
Net profit	-263,785,895.68	441,873,605.76	-705,659,501.44	-159.70	⑧
Changes in fair value of investment in other equity instruments	-17,041,103.04	5,439,040.62	-22,480,143.66	-413.31	⑨

①: Mainly due to the significant year-on-year decrease in the toll income in the Period as a result of the 9 days extension of fee-free period of the small passenger vehicles during the Spring Festival and the implementation of the Notice in relation to the Toll Fees Exemption for Vehicles on Tolled Highways During the Control and Prevention Period of the Novel Coronavirus Infection (Jiao Gong Lu Ming Dian [2020] No. 62) (《交通運輸部關於新冠肺炎疫情防控期間免收收費公路車輛通行費的通知》(交公路明電[2020] 62號))) issued by the Ministry of Transport affected by the COVID-19 epidemic in the Period, pursuant to which, the toll fees nationwide have been waived for all vehicles passing through toll roads according to law from 0:00 a.m. on 17 February to the end of the prevention and control period of the COVID-19; at the same time, the income of the energy investment segment in the Period reduced year-on-year accordingly due to the significant reduction in travel vehicles, the sales volume of gasoline and diesel oil has been greatly affected;

②: Mainly due to the decrease in VAT and the additional tax as a result of the decrease in income in the Period;

③: Mainly due to the year-on-year decrease of 79% in gains from airport expressway investment of the joint ventures, and the gains from investment of other associates and joint ventures declined to varying degrees affected by the COVID-19 epidemic in the Period;

④: Mainly due to the year-on-year decrease in income on disposal of assets in the Period;

⑤: Mainly due to the year-on-year increase in government subsidies and other items in the Period;

- ⑥: Mainly due to the year-on-year decrease in loss from disposal of non-current assets and other items in the Period;
- ⑦: Mainly due to the year-on-year decrease in profit before tax in the Period;
- ⑧: Mainly due to the year-on-year decrease of 57.97% in income and 66.07% in gains from investment of the Company affected by the epidemic in the Period. In order to cope with the impact of the epidemic on the performance, the Company actively carried out cost control. The operating cost, administrative expenses and finance costs have declined with varying degrees compared with the same period of last year, but the control of fixed cost and expenses such as amortization of road operation rights and labor costs was limited; the net profit in the Period has dropped significantly compared with the same period of last year affected by the above factors;
- ⑨: Mainly due to changes in fair value of investment in other equity instruments held in the Period.

(3) *Material changes in items of the cash flow statement during the Reporting Period and explanations thereon*

Unit: yuan Currency: RMB

Items	Amount for the period	Amount for the previous period	Increase/ decrease in amount	Increase/ decrease in percentage (%)	Notes
Net cash flows from operating activities	173,387,167.49	559,112,917.82	-385,725,750.33	-68.99	①
Net cash flows from investing activities	-576,252,233.47	-255,551,468.46	-320,700,765.01	125.49	②
Net cash flows from financing activities	1,434,923,188.90	-166,470,658.45	1,601,393,847.35	-961.97	③

- ①: Affected by the COVID-19 epidemic in the Period, the toll fees payable and energy revenue decreased year-on-year, resulting in the year-on-year decrease in net cash inflow from investing activities;
- ②: Mainly due to the year-on-year increase in the cost of the construction projects such as expansion construction of Chengle Expressway and Suiguang-Suixi project;
- ③: Mainly due to the year-on-year increase in net cash inflow from borrowings in the Period for replenishing the working capital and exchanging the current loans with high-interest.

3.2 Progress of significant events, their impacts and the analysis and explanation of solutions

☒ Applicable ☐ Not applicable

1. *The impact on the operating result of the Company by COVID-19 Epidemic*

At the beginning of 2020, a relatively serious novel coronavirus epidemic occurred in China and in many countries around the world, which has a significant impact on the production and operation activities of the Group. In order to guarantee the epidemic prevention and control work, the toll-free policy for small passenger cars during the Spring Festival holiday was extended to 24:00 on 8 February 2020 according to the Notice on the Extension of the Toll-Free Period for Small Passenger Cars during the Spring Festival Holiday of 2020 (《關於延長2020年春節假期小型客車免費通行時段的通知》) and the Notice on the Extension of the Toll-free Period for Small Passenger Cars on Toll Roads during the Spring Festival Holiday (《關於延長春節假期收費公路免收小型客車通行費時段的通知》) issued by the Ministry of Transport. According to the Notice on Toll Free for Vehicles on Toll Roads during the Prevention and Control Period of Novel Coronavirus Pneumonia Epidemic (《關於新冠肺炎疫情防控期間免收收費公路車輛通行費的通知》) issued by the Ministry of Transport, all vehicles passing toll roads according to law are exempt from tolls from 00:00 on 17 February 2020 to the end of the epidemic prevention and control work.

On 28 April, the Ministry of Transport issued the Announcement on Resumption of Toll Collection for Toll Roads (《關於恢復收費公路收費的公告》), according to which, the toll collection for toll roads (including toll bridges and tunnels) will be resumed from 00:00 on 6 May 2020.

2. *Chengle Expressway Expansion Construction Project*

The resolution in relation to the investment in the expansion construction of Chengle Expressway and relevant matters was considered and approved at the extraordinary general meeting of the Company held on 30 October 2017. According to the reply on approval of the project from the Sichuan Provincial Development and Reform Commission, the total mileage of the project was 138.41km, and the estimated total investment was approximately RMB23.133 billion. According to the opinion on approval of the project from the Ministry of Transport, the total mileage of the project was 130 km, and the estimated total investment was approximately RMB22.16 billion.

Upon completion of the project, it will help ease the traffic pressure on Chengle Expressway, and improve the overall traffic capacity and service level of the Chengle Expressway. On 27 November 2019, the trial section of the Chengle Expressway expansion construction project (Meishan–Qinglong) completed its established tasks and achieved two-way traffic; on 18 December 2019, Xinqinglong toll collection station of Chengle Expressway was officially opened to traffic. From the commencement date of construction to 31 March 2020, an accumulated investment of approximately RMB2,824 million had been invested in the Chengle Expressway Expansion Construction Project.

3. *Dachuan River Health and Wellness Tourism Project in Lushan County*

In order to fully capitalize on the advantages of resources along the expressways, the Group proactively developed tourism projects along the expressways. On 25 December 2018, the Group (“**Party B**”) and the People’s Government of Lushan County (“**Party A**”) entered into the Investment Intention Agreement on Dachuan River Health and Wellness Tourism Project in Lushan County. Pursuant to the agreement, the project adopts the “investment-construction-operation” mode, with a total investment of approximately RMB6 billion and a tentative construction period of 6 years. The two parties will enter into a formal investment agreement within six months commencing from the date of the signing of the investment intention agreement (in case of any failure in satisfying the requirements concerning approval by either the competent department of Party A or the internal and external authorities of Party B, the project can be postponed as appropriate and the concrete timeframe shall be otherwise determined by the parties through negotiation). Currently, Shunan Company, a wholly-owned subsidiary of the Group, is responsible for the preliminary work of this project temporarily.

The aforesaid investment intention agreement is a framework agreement on the cooperation intention of both parties. Save for a bid bond of RMB10 million paid to the People’s Government of Lushan County, it does not involve any exact amount of the final investment. Concrete investment plan and implementation particulars have yet to be finalized and specified, and the entering into of the subsequent formal investment agreement is still uncertain. If the formal investment agreement is executed, the Company will go through relevant consideration procedures according to the follow-up progress and perform its information disclosure obligation in a timely manner.

4. *Real Estate Projects in Chengbei New Town of Renshou County*

On 30 January 2013, the proposal in relation to participation in the bidding for the land use rights of three state-owned construction land parcels in Chengbei New Town, Renshou County, Meishan City, Sichuan Province for the investment and development of real estate projects was considered and approved by the Office of the General Manager of the Company. On 22 February 2013, the Company won the bid for the land use rights of such land parcels involving a total site area of 235,558.10 sq.m. at an aggregate consideration of RMB920.16 million. 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. On 15 May 2014, Renshou Landmark 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 an aggregate consideration of RMB787.1 million.

At present, the sale and delivery of the Project Beichengshidai (phase one) generally comes to an end; as at 31 March 2020, the accumulated sales revenue from phase one amounted to RMB 522,901,000; and the construction of Parcel A of Beichengshidai (phase two) is progressing steadily and good results were achieved in sales, Parcel C began to be sold to the public, and Parcel B has started preliminary bidding. During the Reporting Period, and the sales proceeds received from the Parcel A and C of Phase II amounted to RMB193 million, which has not been recognized as revenue.

Name of project	Location	Commencement date	Progress of completion	Completion time	Purpose	Land and floor area	Percentage held by the Group
Beichengshidai (phase one)	Central Business Avenue, Wenlin Town, Renshou County	31 October 2014	Completed	December 2017	Residential, commercial and parking spaces	Land area: 34,167.31 sq.m.; Construction area: 195,883.43 sq.m.	91%
Beichengshidai (phase two) Parcel A	Central Business Avenue, Wenlin Town, Renshou County	18 May 2018	79.28%	July 2020 (Forecast)	Residential, commercial and parking spaces	Land area: 64,882.22 sq.m.; Construction area: 289,276.7 sq.m.	91%
Beichengshidai (phase two) Parcel C	Central Business Avenue, Wenlin Town, Renshou County	24 June 2019	27.97%	December 2021 (Forecast)	Residential, commercial and parking spaces	Land area: 34,381.58 sq.m.; Construction area: 180,780.32 sq.m.	91%

5. *Establishment of Chengyu Education Company and investment in featured vocational and technical school projects*

In accordance with the “Thirteenth Five-Year” development plan of the Group, in order to promote the development of the “transportation, travelling, culture and education” business of the Group by accelerating its presence in the culture and education industries, so as to facilitate the Company in pursuing new development direction and profitable growth, the resolution in relation to the establishment of Sichuan Chengyu Education Investment Co., Ltd.* (四川成渝教育投資有限公司) (“**Chengyu Education Company**”) was approved at the meeting of the Office of the General Manager of the Company held on 12 November 2018. On 20 February 2019, Chengyu Education Company was established upon registration with the Government Affairs Service Center of Chengdu Tianfu New Area (成都市天府新區政務服務中心) with a registered capital of RMB480 million. It was wholly funded by the Company.

On 24 July 2019, Chengyu Education Company entered into a Letter of Investment Intent on the Featured Vocational and Technical School Project with the People’s Government of Qionglai City, Sichuan Province, pursuant to which it was proposed to invest in and develop a featured vocational and technical school project in Qionglai City, Sichuan Province. The project would comprise a featured vocational and technical junior college and a featured vocational and technical secondary school, which will be constructed in four phases with a total estimated investment of approximately RMB1.5 billion (specific investment and development particulars shall be subject to the project plan for the investment scale).

6. *Won the tender for the Tianqiong Expressway Project and established Chengqiongya Expressway Company*

In order to consolidate the development of the main business, strengthen the market competitiveness of the “toll road and bridge” segment, and promote the sustainable development of the Group, on 30 October 2019, the resolution in relation to the investment in the project of Chengdu Tianfu New Area to Qionglai Expressway was considered and approved by the Board of the Company. The consortium established by the Company and Road & Bridge International Co., Ltd. (“**Road & Bridge International**”) participated in bidding for the project of Tianfu New Area to Qionglai Expressway, the Company shall be the lead tender of the Consortium and Road & Bridge International shall be the member of the Consortium, representing 82% and 18%, respectively. The consortium received the Notification of Award

issued by the People's Government of Chengdu on 3 December 2019, informing that the Consortium won the tender for the project through public tender. The total length of the Tianqiong Expressway Project is approximately 42 kilometers with an estimated total investment amount of approximately RMB8.685 billion. With the approval of the Government of Sichuan Province, the project is operated in BOT mode and it is planned to start full-scale construction in 2020. The estimated construction period is approximately 3 years, with a toll period of 24 years and 90 days, the actual starting and ending time shall be subject to the approval by Sichuan Province.

On 27 December 2019, the Company entered into investment agreement with the People's Government of Chengdu and Road & Bridge International; on 21 January 2020, the Company entered into the Capital Contribution Agreement with Road & Bridge International, both as shareholders, on 4 March 2020, Sichuan Chengqionggya Expressway Company Limited ("**Chengqionggya Expressway Company**") was established in Qionglai of Sichuan Province as a project company, with the registered capital of approximately RMB1.737 billion, of which the Company contributed RMB1.42434 billion. As at the date of approval for the publication of this report, Chengqionggya Expressway Company has entered into a concession agreement with the People's Government of Chengdu to take charge of the investment, construction and operation of Tianqiong Expressway. The Company will fulfill the obligation of information disclosure in a timely manner according to the progress of subsequent matters.

7. Participated in Turkish M & A projects

In order to explore the main business overseas development model of the Company, the Board of the Company reviewed and approved the proposal to participate in the acquisition of overseas assets and related party transactions on 20 December 2019. As the consortium members, the Company and China Merchants Expressway Network & Technology Holdings Co., Ltd ("**China Merchants Expressway**"), China Merchants Union (BVI)Limited ("**CMU**"), Zhejiang Expressway Co., Ltd. ("**Zhejiang Expressway**"), Jiangsu Expressway Company Limited ("**Jiangsu Expressway**") and Anhui Expressway Company Limited ("**Anhui Expressway**") intend to jointly set up a Joint Venture ("**Joint Venture**") in Hong Kong through their respective wholly owned subsidiaries incorporated in Hong Kong for the purpose of acquiring 51% of the shares of ICA Corporation, which owns the Third Bosphorus Bridge located in Istanbul, Turkey and the north expressway concession, as well as the original shareholders' 51% shareholders'

debts to ICA corporation. The registered capital of the Joint Venture is US\$688.5 million (equivalent to approximately RMB4.828 billion), of which, the Company plans to invest US\$48.195 million (equivalent to approximately RMB338 million), with 7% shareholding ratio, the shareholding ratios of China Merchants Expressway, CMU, Zhejiang Expressway, Jiangsu Expressway and Anhui Expressway are 31%, 20%, 17.5%, 17.5% and 7%, respectively. The Joint Venture will establish a special purpose vehicle company in Malta (the “**Consortium Malta SPV**”), and the Consortium Malta SPV will further establish a special purpose vehicle company in the Republic of Ireland (the “**Consortium Ireland SPV**”) complete the acquisition of overseas assets. On 23 December 2019, the Company entered into the cooperation agreement with CMU, Zhejiang Expressway, Jiangsu Expressway, China Merchants Expressway and Anhui Expressway. On the same day, as the Joint Venture, the Consortium Ireland SPV and the Consortium Malta SPV have not been incorporated, the consortium members, on behalf of the Consortium Ireland SPV and the Consortium Malta SPV, entered into the share purchase agreements with the seller.

The acquisition of the overseas assets shall apply for overseas investment filing to National Development and Reform Commission and the Ministry of Commerce, apply for foreign exchange registration to relevant banks, obtain approval and consent from Turkish Expressway Administration for Transport, obtain consent from the existing lending banks which lending money for the acquisition of the underlying asset and pass the antitrust review. There are uncertainties about whether it will pass the abovementioned procedures and also numerous uncertainties in the complicated and changeable international environment. The Company shall fulfill the obligation of information disclosure timely in accordance with the progress of the project.

3.3 Undertaking matters not completed during the Reporting Period

☐ Applicable ☒ Not applicable

3.4 Warning and explanation on reasons for accumulated net profits from the beginning of the year to the end of the next reporting period may be recorded as loss or material change as compared to those of the corresponding period last year

On 15 February 2020, the Ministry of Transport issued the Notice on Toll Free for Vehicles on Toll Roads during the Prevention and Control Period of Novel Coronavirus Pneumonia Epidemic, according to which, the toll free period commenced from 00:00 a.m. on 17 February 2020 to the end of the epidemic prevention and control work. As at the disclosure date of this Report, the Ministry of Transport has issued the Announcement on Resumption of Toll Collection for Toll Roads, according to which, the toll collection for toll roads (including toll bridges and tunnels) will be resumed from 00:00 on 6 May 2020. As the toll-free policy has had a significant impact on the Company's operation, the accumulated net profits from the beginning of the year to the end of the next reporting period are expected to significantly decline as compared with those of the corresponding period of the previous year.

Company name **Sichuan Expressway Company Limited***
Legal Representative **Gan Yongyi**
Date **29 April 2020**

IV APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

31 March 2020

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Cash and bank balances	4,029,601,386.80	2,995,806,012.16
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	73,926,810.93	73,933,482.87
Derivative financial assets		
Bills receivable	34,919,670.73	25,822,570.73
Accounts receivable	496,600,425.94	469,433,509.55
Accounts receivable financing		
Prepayments	529,283,296.50	300,607,596.71
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contracts		
Other receivables	211,752,279.72	193,183,919.09
Including: Interest receivable		103,316.59
Dividends receivable		
Purchases of resold financial assets		
Inventories	2,226,468,177.72	2,236,310,299.52
Contract assets	24,868,393.62	30,238,163.36
Assets classified as held for sale		
Non-current assets due within 1 year	1,221,947,600.51	1,394,423,359.45
Other current assets	127,778,057.23	126,375,558.46
Total current assets	8,977,146,099.70	7,846,134,471.90

Item	31 March 2020	31 December 2019
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables	2,540,640,503.30	2,663,686,148.57
Long-term equity investment	453,443,856.07	451,184,907.30
Investment in other equity instruments	351,216,494.68	372,789,125.08
Other non-current financial assets		
Investment properties	34,383,498.94	34,980,802.69
Fixed assets	629,430,051.73	651,484,154.37
Construction in progress	81,595,944.45	80,174,263.63
Productive biological assets		
Oil and gas assets		
Right-of-use assets	154,252,295.81	161,262,933.51
Intangible assets	25,292,543,230.50	25,380,778,612.31
Development expenses		
Goodwill		
Long-term deferred expenses	33,586,824.61	35,722,809.32
Deferred income tax assets	13,989,000.27	14,434,399.02
Other non-current assets	13,338,581.43	27,480,274.00
Total non-current assets	29,598,420,281.79	29,873,978,429.80
Total assets	38,575,566,381.49	37,720,112,901.70

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	1,750,000,000.00	500,000,000.00
Loans from central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	1,168,798,386.83	1,807,337,946.50
Advance receipts		
Contract liabilities	1,334,065,522.40	560,401,421.82
Disposal of repurchased financial assets		
Deposit taking and deposit in inter-bank market		
Customer deposits for trading in securities		
Customer deposits for underwriting securities		
Salaries payable	171,359,118.11	233,843,852.63
Taxes payable	33,158,904.73	85,157,430.75
Other payable	964,224,739.64	852,433,826.71
Including: Interest payable	85,274,732.10	59,141,278.03
Dividends payable	10,484,774.72	10,484,774.72
Fee and commission payable		
Reinsurance accounts payable		
Liabilities classified as held for sale		
Non-current liabilities due within 1 year	3,718,091,080.73	3,041,803,538.84
Other current liabilities	72,772,531.74	70,696,789.84
Total current liabilities	9,212,470,284.18	7,151,674,807.09

Item	31 March 2020	31 December 2019
Non-current liabilities:		
Reserve for insurance policies		
Long-term loans	11,391,092,328.64	11,721,504,898.01
Debentures payable	1,290,000,000.00	1,290,000,000.00
Including: Preference shares		
Perpetual bonds		
Lease liabilities	154,500,261.60	144,087,058.59
Long-term payables	150,591,448.70	156,353,173.89
Long-term salaries payable		
Estimated liabilities		
Deferred income	63,363,390.23	64,991,110.05
Deferred income tax liabilities	20,528,037.73	25,059,565.09
Other non-current liabilities	420,312,175.12	1,015,611,110.99
Total non-current liabilities	13,490,387,642.02	14,417,606,916.62
Total liabilities	22,702,857,926.20	21,569,281,723.71
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	3,058,060,000.00	3,058,060,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	1,853,919,904.05	1,853,919,904.05
Less: Treasury stock		
Other comprehensive income	73,584,743.87	90,625,846.91
Special reserve	9,849,065.73	8,469,884.95
Surplus reserve	5,819,764,733.58	5,819,764,733.58
General risk reserve	991,647.10	991,647.10
Undistributed profit	4,173,764,520.37	4,442,929,751.74
Total equity (or shareholders' equity)		
attributable to owners of the Company	14,989,934,614.70	15,274,761,768.33
Minority interests	882,773,840.59	876,069,409.66
Total owners' equity (or shareholders' equity)	15,872,708,455.29	16,150,831,177.99
Total liabilities and owners' equity (or shareholders' equity)	38,575,566,381.49	37,720,112,901.70

Legal representative:
Gan Yongyi

*Person in charge of
accounting:*
Guo Renrong

*Head of accounting
department:*
Wei Xu

Balance Sheet of the Company

31 March 2020

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Cash and bank balances	2,750,830,044.87	2,290,680,964.74
Held-for-trading financial assets	73,346,000.00	73,346,000.00
Derivative financial assets		
Bills receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments	2,759,524.67	4,809,957.75
Other receivables	1,499,366,126.52	1,541,149,177.00
Including: Interest receivable		
Dividends receivable	15,709,687.44	32,029,687.44
Inventories	196,561.46	196,561.46
Contract assets		
Assets classified as held for sale		
Non-current assets due within 1 year		
Other current assets	2,330,958.99	2,360,154.16
Total current assets	<u>4,328,829,216.51</u>	<u>3,912,542,815.11</u>

Item	31 March 2020	31 December 2019
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	3,326,864,880.00	3,016,364,880.00
Long-term equity investment	7,285,027,723.68	7,284,119,020.21
Investment in other equity instruments	283,107,064.58	291,723,366.98
Other non-current financial assets		
Investment properties	26,798,287.03	27,245,711.71
Fixed assets	411,828,225.19	426,084,891.13
Construction in progress	19,307,328.87	19,307,328.87
Productive biological assets		
Oil and gas assets		
Right-of-use assets	71,185,282.16	73,226,546.09
Intangible assets	9,798,222,707.45	9,933,315,578.96
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	13,831,599.23	14,276,997.98
Other non-current assets	10,000,000.00	10,000,000.00
Total non-current assets	21,246,173,098.19	21,095,664,321.93
Total assets	25,575,002,314.70	25,008,207,137.04

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	1,750,000,000.00	500,000,000.00
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	254,116,363.19	481,855,932.83
Advance receipts		
Contract liabilities	23,562,436.90	27,377,153.37
Salaries payable	90,922,860.54	128,835,375.73
Taxes payable	9,321,865.70	28,161,499.19
Other payables	2,034,046,085.27	2,018,524,261.96
Including: Interest payable	60,835,277.04	35,868,664.36
Dividends payable		
Liabilities classified as held for sale		
Non-current liabilities due within 1 year	2,945,557,945.38	2,446,706,385.34
Other current liabilities	9,242,708.76	9,242,708.74
Total current liabilities	7,116,770,265.74	5,640,703,317.16
Non-current liabilities:		
Long-term loans	1,901,701,271.79	2,701,701,271.79
Debentures payable	1,290,000,000.00	1,290,000,000.00
Including: Preference shares		
Perpetual bonds		
Lease liabilities	70,262,490.51	68,204,134.50
Long-term payables		
Long-term salaries payable		
Estimated liabilities		
Deferred income	62,893,948.80	64,871,110.05
Deferred income tax liabilities	13,772,281.14	15,064,726.50
Other non-current liabilities	17,674,137.98	18,353,912.52
Total non-current liabilities	3,356,304,130.22	4,158,195,155.36
Total liabilities	10,473,074,395.96	9,798,898,472.52

Item	31 March 2020	31 December 2019
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	3,058,060,000.00	3,058,060,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	1,840,328,300.42	1,840,328,300.42
Less: Treasury stock		
Other comprehensive income	62,825,504.00	70,149,361.04
Special reserve		
Surplus reserve	5,409,009,209.42	5,409,009,209.42
Undistributed profit	4,731,704,904.90	4,831,761,793.64
Total owners' equity (or shareholders' equity)	<u>15,101,927,918.74</u>	<u>15,209,308,664.52</u>
Total liabilities and owners' equity (or shareholders' equity)	<u><u>25,575,002,314.70</u></u>	<u><u>25,008,207,137.04</u></u>

Legal representative:
Gan Yongyi

*Person in charge of
accounting:*
Guo Renrong

*Head of accounting
department:*
Wei Xu

Consolidated Income Statement

January to March 2020

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	1st Quarter in 2020	1st Quarter in 2019
I. Total revenue from operations	628,527,343.64	1,495,258,344.95
Including: Operating revenue	628,527,343.64	1,495,258,344.95
Interest income		
Premium earned		
Fee and commission income		
II. Total cost of operations	891,228,778.54	969,557,418.08
Including: Operating cost	663,182,150.43	718,176,697.70
Interest expenses		
Fee and commission expenses		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance deposits		
Policyholder dividend expenses		
Reinsurance costs		
Tax and surcharges	2,403,679.79	4,814,692.73
Selling expenses	21,959,162.31	21,847,455.77
Administrative expenses	47,778,900.07	49,679,103.77
Research and development cost		
Finance costs	155,904,885.94	175,039,468.11
Including: Interest cost	166,176,741.93	183,602,461.95
Interest income	10,806,684.46	10,872,035.16
Add: Other gains	2,289,550.43	2,289,550.43
Investment income (loss is represented by “-”)	2,508,020.58	7,391,984.73
Including: Gains from investment in associates and joint ventures	2,258,948.77	7,391,586.93

Item	1st Quarter in 2020	1st Quarter in 2019
Derecognition of income from financial assets at amortised cost		
Gains from foreign currencies exchange (loss is represented by “-”)		
Gains from net exposure to hedging (loss is represented by “-”)		
Gains from fair value change(loss is represented by “-”)		
Credit impairment losses (loss is represented by“-”)		
Asset impairment losses (loss is represented by“-”)		
Gains from disposal of assets (loss is represented by “-”)	7,397.00	204,076.43
III. Operating profit (loss is represented by “-”)	-257,896,466.89	535,586,538.46
Add: Non-operating income	6,628,372.27	5,080,772.33
Less: Non-operating expenses	126,281.06	203,778.61
IV. Total profit (total loss is represented by “-”)	-251,394,375.68	540,463,532.18
Less: Income tax expenses	12,391,520.00	98,589,926.42
V. Net profit (net loss is represented by “-”)	-263,785,895.68	441,873,605.76
(I) Items classified by continuing operations		
1. Net profit from continuing operations (net loss is represented by “-”)	-263,785,895.68	441,873,605.76
2. Net profit from discontinued operation (net loss is represented by “-”)		

Item	1st Quarter in 2020	1st Quarter in 2019
(II) Items classified by attribution of ownership		
1. Net profit attributable to shareholders of the Company (net loss is represented by “-”)	-269,165,231.37	429,034,768.72
2. Minority interests (net loss is represented by “-”)	5,379,335.69	12,838,837.04
VI. Net other comprehensive income after tax	-17,041,103.04	5,439,040.62
(I) Net other comprehensive income after tax attributable to owners of the Company	-17,041,103.04	5,439,040.62
1. Other comprehensive income that can not be reclassified to profit and loss	-17,041,103.04	5,439,040.62
(1) Changes arising from the re-measurement of defined benefit plans		
(2) Other comprehensive income under equity method that cannot be reclassified into profit and loss		
(3) Changes in fair value of investment in other equity instruments	-17,041,103.04	5,439,040.62
(4) Changes in fair value of the Company’s own credit risk		
2. Other comprehensive income that will be reclassified to profit and loss		
(1) Other comprehensive income that can be reclassified into profit and loss under equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		

Item	1st Quarter in 2020	1st Quarter in 2019
(4) Credit impairment provisions for other debt investment		
(5) Reserves for cash flows hedges (effective part of gains and losses from cash flows hedges)		
(6) Exchange differences from retranslation of financial statements		
(7) Others		
(II) Net other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	-280,826,998.72	447,312,646.38
(I) Total comprehensive income attributable to owners of the Company	-286,206,334.41	434,473,809.34
(II) Total comprehensive income attributable to minority shareholders	5,379,335.69	12,838,837.04
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.0880	0.1403
(II) Diluted earnings per share (RMB/share)	-0.0880	0.1403
<i>Legal representative:</i> Gan Yongyi	<i>Person in charge of accounting:</i> Guo Renrong	<i>Head of accounting department:</i> Wei Xu

Income Statement of the Parent Company

January to March 2020

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	1st Quarter in 2020	1st Quarter in 2019
I. Operating revenue	211,244,214.39	746,048,344.32
Less: Operating cost	254,144,705.70	253,604,955.98
Tax and surcharges	850,881.31	2,975,817.98
Selling expenses		
Administrative expenses	10,761,249.93	13,161,505.71
Research and development cost		
Finance costs	52,430,707.94	64,378,247.57
Including: Interest cost	55,337,081.79	88,141,209.22
Interest income	2,971,095.59	24,728,841.88
Add: Other gains	2,289,550.43	2,289,550.43
Investment income (loss is represented by “-”)	1,000,215.74	5,460,317.64
Including: Gains from investment in associates and joint ventures	908,703.47	5,460,317.64
Derecognition of income from financial assets at amortised cost		
Gains from net exposure to hedging (loss is represented by “-”)		
Gains from changes in fair value (loss is represented by “-”)		
Credit impairment losses (loss is represented by “-”)		
Asset impairment losses (loss is represented by “-”)		
Gains from disposal of assets (loss is represented by “-”)	7,397.00	202,647.44

Item	1st Quarter in 2020	1st Quarter in 2019
II. Operating profit (loss is represented by “-”)	-103,646,167.32	419,880,332.59
Add: Non-operating income	3,951,598.19	3,626,085.61
Less: Non-operating expenses	60,267.48	203,661.07
III. Total profit (total loss is represented by “-”)	-99,754,836.61	423,302,757.13
Less: Income tax expenses	302,052.13	62,952,697.58
IV. Net profit (net loss is represented by “-”)	-100,056,888.74	360,350,059.55
(I) Net profit from continuing operations (net loss is represented by “-”)	-100,056,888.74	360,350,059.55
(II) Net profit from discontinued operation (net loss is represented by “-”)		
V. Net other comprehensive income after tax	-7,323,857.04	3,661,928.52
(I) Other comprehensive income that can not be reclassified to profit and loss	-7,323,857.04	3,661,928.52
1. Changes arising from the re- measurement of defined benefit plans		
2. Other comprehensive income under equity method that cannot be reclassified into profit and loss		
3. Changes in fair value of investment in other equity instruments	-7,323,857.04	3,661,928.52
4. Changes in fair value of the Company’s own credit risk		

Item	1st Quarter in 2020	1st Quarter in 2019
(II) Other comprehensive income that will be reclassified to profit and loss		
1. Other comprehensive income that can be reclassified into profit and loss under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provisions for other debt investment		
5. Reserves for cash flows hedges (effective part of gains or losses from cash flows hedges)		
6. Exchange differences from retranslation of financial statements		
7. Others		
VI. Total comprehensive income	-107,380,745.78	364,011,988.07
VII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.0327	0.1178
(II) Diluted earnings per share (RMB/share)	-0.0327	0.1178
<i>Legal representative:</i> Gan Yongyi	<i>Person in charge of accounting:</i> Guo Renrong	<i>Head of accounting department:</i> Wei Xu

Consolidated Cash Flow Statements

January to March 2020

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	1st Quarter in 2020	1st Quarter in 2019
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	1,221,205,544.42	1,948,279,651.63
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policy holders and investments		
Cash received from interest, handling charges and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchased business fund		
Net cash received from securities trading agency services		
Tax rebate received		
Other cash received relating to operating activities	27,538,137.94	69,910,245.35
Sub-total of cash inflow from operating activities	<u>1,248,743,682.36</u>	<u>2,018,189,896.98</u>

Item	1st Quarter in 2020	1st Quarter in 2019
Cash paid for purchasing goods and receiving services	727,189,015.43	1,126,122,946.52
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institutions		
Cash paid for claims on original insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payment for interest, fees and commissions		
Cash payment for policy holder dividend		
Cash paid to and on behalf of employees	221,438,851.80	203,139,736.37
Taxes and surcharges paid	71,538,472.44	94,924,555.70
Other cash paid relating to operating activities	55,190,175.20	34,889,740.57
Sub-total of cash outflow from operating activities	<u>1,075,356,514.87</u>	<u>1,459,076,979.16</u>
Net cash flows from operating activities	<u>173,387,167.49</u>	<u>559,112,917.82</u>

Item	1st Quarter in 2020	1st Quarter in 2019
II. Cash flows from investing activities:		
Cash received from disposal of investments	67,560.80	
Cash received from return on investments	157,559.52	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	155,849.60	78,983.59
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities	13,429,435.90	23,721,588.42
Sub-total of cash inflow from investing activities	13,810,405.82	23,800,572.01
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	576,462,858.01	279,051,072.49
Cash paid for investment	60,888.86	
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities	13,538,892.42	300,967.98
Sub-total of cash outflow from investing activities	590,062,639.29	279,352,040.47
Net cash flows from investing activities	-576,252,233.47	-255,551,468.46

Item	1st Quarter in 2020	1st Quarter in 2019
III. Cash flows from financing activities:		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	2,177,000,000.00	607,300,000.00
Other cash received relating to financing activities		271,201.09
Sub-total of cash inflow from financing activities	2,177,000,000.00	607,571,201.09
Cash paid for repayment of liabilities	570,101,056.83	601,707,889.28
Cash paid for dividends, profits distribution or interest repayment	162,846,846.53	172,333,970.26
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	9,128,907.74	
Sub-total of cash outflow from financing activities	742,076,811.10	774,041,859.54
Net cash flows from financing activities	1,434,923,188.90	-166,470,658.45
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate		
V. Net increase in cash and cash equivalents	1,032,058,122.92	137,090,790.91
Add: Balance of cash and cash equivalents at the beginning of the period	2,951,704,446.98	3,657,420,378.10
VI. Balance of cash and cash equivalents at the end of the period	3,983,762,569.90	3,794,511,169.01
<i>Legal representative:</i> Gan Yongyi	<i>Person in charge of accounting:</i> Guo Renrong	<i>Head of accounting department:</i> Wei Xu

Cash Flow Statements of the Company

January to March 2020

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	1st Quarter in 2020	1st Quarter in 2019
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	273,760,398.03	665,547,885.45
Tax rebate received		
Other cash received relating to operating activities	769,722,946.31	18,500,360.72
Sub-total of cash inflow from operating activities	<u>1,043,483,344.34</u>	<u>684,048,246.17</u>
Cash paid for purchasing goods and receiving services	211,106,650.67	144,269,193.12
Cash paid to and on behalf of employees	134,498,988.31	127,612,480.58
Taxes and surcharges paid	13,217,040.03	31,822,081.25
Other cash paid relating to operating activities	854,788,697.19	10,248,566.69
Sub-total of cash outflow from operating activities	<u>1,213,611,376.20</u>	<u>313,952,321.64</u>
Net cash flows from operating activities	<u><u>-170,128,031.86</u></u>	<u><u>370,095,924.53</u></u>

Item	1st Quarter in 2020	1st Quarter in 2019
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	16,320,000.00	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	12,352.00	77,732.78
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities	78,519,401.04	142,880,717.88
Sub-total of cash inflow from investing activities	<u>94,851,753.04</u>	<u>142,958,450.66</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	39,973,208.99	20,013,279.51
Cash paid for investment		
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities	324,030,880.77	300,002,890.19
Sub-total of cash outflow from investing activities	<u>364,004,089.76</u>	<u>320,016,169.70</u>
Net cash flows from investing activities	<u><u>-269,152,336.72</u></u>	<u><u>-177,057,719.04</u></u>

Item	1st Quarter in 2020	1st Quarter in 2019
III. Cash flows from financing activities:		
Cash received from investments		
Cash received from borrowings	1,450,000,000.00	200,000,000.00
Other cash received relating to financing activities		
Sub-total of cash inflow from financing activities	<u>1,450,000,000.00</u>	<u>200,000,000.00</u>
Cash paid for repayment of liabilities	500,000,000.00	500,000,000.00
Cash paid for dividends, profits distribution or interest repayment	50,570,551.29	62,316,285.94
Other cash paid relating to financing activities		
Sub-total of cash outflow from financing activities	<u>550,570,551.29</u>	<u>562,316,285.94</u>
Net cash flows from financing activities	<u><u>899,429,448.71</u></u>	<u><u>-362,316,285.94</u></u>
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate		
V. Net increase in cash and cash equivalents	460,149,080.13	-169,278,080.45
Add: Balance of cash and cash equivalents at the beginning of the period	2,290,641,964.74	2,053,538,186.03
VI. Balance of cash and cash equivalents at the end of the period	2,750,791,044.87	1,884,260,105.58
<i>Legal representative:</i> Gan Yongyi	<i>Person in charge of accounting:</i> Guo Renrong	<i>Head of accounting department:</i> Wei Xu

4.2 Adjustments to the relevant items of financial statements at the beginning of the year upon the first adoption of new revenue standards and new lease standards since 2020

☐ Applicable ☒ Not applicable

4.3 Retroactive adjustments to comparative data of previous period upon first adoption of new revenue standards and new lease standards since 2020

☐ Applicable ☒ Not applicable

4.4 Auditor's reports

☐ Applicable ☒ Not applicable

By order of the Board
Sichuan Expressway Company Limited*
Zhang Yongnian
Company Secretary

Chengdu, Sichuan, the PRC
29 April 2020

As at the date of this announcement, the Board comprises Mr. Gan Yongyi (Chairman), Mr. You Zhiming and Mr. He Zhuqing as executive Directors, Mr. Li Wenhui and Mr. Li Chengyong as non-executive Directors, Madam Liu Lina, Mr. Gao Jinkang, Mr. Yan Qixiang and Madam Bu Danlu as independent non-executive Directors.

* For identification purposes only