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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)

2021 THIRD 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 third quarter of 2021 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 quarterly report (the “**Quarterly Report**” or the “**Report**”) and there are no false representations, misleading statements contained in or material omissions from the Report for which they shall assume joint and several legal 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 Third Quarterly Report is unaudited. The reporting period (the "Reporting Period" or "Period") in this Report refers to the three months ended 30 September 2021.

II. KEY FINANCIAL DATA

2.1 Key accounting data and financial indicators

Unit: yuan Currency: RMB

Item	Reporting Period	Increase/decrease for the Reporting Period compared to that of the same period of last year (%)	From the beginning of the year to the end of the Reporting Period	Increase/decrease
				from the beginning of the year to the end of the Reporting Period compared to that of the same period of last year (%)
Operating revenue	2,437,866,466.41	59.73	6,311,713,048.02	91.33
Net profit attributable to shareholders of the listed company	263,280,788.90	-38.87	935,361,633.57	254.02
Net profit net of non-recurring profit and loss attributable to shareholders of the listed company	247,750,292.41	-40.47	909,368,182.82	292.15
Net cash flows from operating activities	N/A	N/A	1,321,364,549.99	3.67
Basic earnings per share (<i>Yuan/share</i>)	0.0861	-38.85	0.3059	254.05
Diluted earnings per share (<i>Yuan/share</i>)	0.0861	-38.85	0.3059	254.05
Weighted average return on net assets (%)	1.63	Decreased by 1.25 percentage points	5.89	Increased by 4.16 percentage points

	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	41,377,613,576.19	40,463,340,007.54	2.26
Owners' equity attributable to shareholders of the listed company	16,230,992,623.24	15,534,511,993.27	4.48

Note: "Reporting Period" refers to the three months period from the beginning of the quarter to the end of the quarter, hereinafter.

2.2 Non-recurring items and amounts

Unit: yuan Currency: RMB

Item	Amount for the Reporting Period	Amount for the period from the beginning of the year to the end of the Reporting Period	Explanations
Profit or loss from disposal of non-current assets (including the written-off portion of provisions for asset impairment)	-73,779.88	1,260,306.77	
Tax refund or exemption from ultra vires approval or without official approval document or received occasionally			
Government subsidies included in profit or loss for the current period (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)	12,077,525.02	33,019,542.68	
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss			
Revenue arising from investment costs for acquisition of subsidiaries, associates and joint ventures being less than the fair value of share of identifiable net assets of the invested entity at the time of acquisition			

Item	Amount for the Reporting Period	Amount for the period from the beginning of the year to the end of the Reporting Period	Explanations
Profit or loss of non-monetary asset swap			
Profit or loss from entrusted investment or asset management			
Provision for impairment of assets due to force majeure such as natural disaster			
Profit or loss from debt restructuring			
Corporate restructuring expenses, such as expenses on employee placement, and integration costs			
Profit or loss from the excess of the fair value compared to the unfair consideration of a transaction			
Current net profit or loss of subsidiaries resulting from business combination under common control from the beginning of the period to the date of combination			
Profit or loss from contingencies irrelevant to the normal operations of the Company			
Gain or loss on change in fair value from held-for-trading financial assets and trading financial liabilities, as well as investment income from disposal of held-for-trading financial assets, trading financial liabilities and available-for-sale financial assets except for effective hedging activities related with normal business operations of the Company	20,260.11	195,724.40	
Reversal of the provision for impairment of accounts receivable that are individually tested for impairment	317,071.23	318,373.96	

Item	Amount for the Reporting Period	Amount for the period from the beginning of the year to the end of the Reporting Period	Explanations
Profit or loss from external entrusted loans			
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement			
Effects on current profit or loss of one-off adjustment to current profit or loss in accordance with laws and regulations on taxation and accounting, etc.			
Income of entrustment fees from entrusted operations			
Other non-operating income and expenses except for the above items	3,076,767.04	-5,855,810.59	
Other profit and loss items conforming to the definition of non-recurring profit and loss	3,357,131.89	6,603,019.90	
Less: Amount of effect of income tax	2,682,561.82	6,850,777.28	
Amount of effect on the interest of minority shareholders (after tax)	561,917.10	2,696,929.09	
Total	15,530,496.49	25,993,450.75	

Notes for circumstances where the non-recurring gain or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers of Securities – Non-recurring Gains or Losses (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) were treated as recurring gain or loss items

Applicable Not applicable

2.3 Changes in key accounting data and financial indicators and the reasons therefor

Applicable Not applicable

Item	Change (%)	Main reasons
Operating revenue _ from the beginning of the year to the end of the Reporting Period	91.33	Mainly due to: firstly, the significant increase in toll income for the Period compared with the same period of last year as a result of the resumption of normal toll collection of toll roads during the Period; secondly, the recognition of sales revenue upon the delivery of some residential units on Land A of Beichengshidai (Phase II) during the Period; thirdly, the recognition of revenue from construction services according to the relevant accounting treatment rules under the Interpretation No. 14 of the Accounting Standards for Business Enterprises during the Period, however, there was no such revenue for the same period of last year.
Operating revenue _ during the Reporting Period	59.73	Mainly due to: firstly, the recognition of revenue from construction services according to the relevant accounting treatment rules under the Interpretation No. 14 of the Accounting Standards for Business Enterprises during the Reporting Period, however, there was no such revenue for the same period of last year; secondly, the recognition of sales revenue upon the delivery of some residential units on Land A of Beichengshidai (Phase II) during the Reporting Period.

Item	Change (%)	Main reasons
Net profit attributable to shareholders of the listed company _ from the beginning of the year to the end of the Reporting Period	254.02	Mainly due to: firstly, the negative impact of COVID-19 pandemic on toll fee during the same period of last year and the year-on-year increase in toll fee due to the normalization of pandemic prevention and control during the Period; secondly, the recognition of relevant revenue cost upon the delivery of some residential units on Land A of Beichengshidai (Phase II) during the Period.
Net profit attributable to shareholders of the listed company _ during the Reporting Period	-38.87	Mainly due to the decrease in toll income during the Reporting Period as compared to the same period last year as a result of the impact of COVID-19 pandemic in Sichuan Province in July and the half-length closure of Chengle Expressway for construction, as well as the diversion of traffic from the peripheral expressways.
Net profit net of non-recurring profit and loss attributable to shareholders of the listed company _ from the beginning of the year to the end of the Reporting Period	292.15	Mainly due to the increase in net profit attributable to Shareholders of the listed company for the Period as compared to the same period of last year.

Item	Change (%)	Main reasons
Net profit net of non-recurring profit and loss attributable to shareholders of the listed company _ during the Reporting Period	-40.47	Mainly due to the decrease in net profit attributable to shareholders of the listed company for the Reporting Period as compared to the same period of last year.
Basic earnings per share (<i>Yuan/share</i>) _ from the beginning of the year to the end of the Reporting Period	254.05	Mainly due to the increase in net profit attributable to shareholders of the listed company for the Period as compared to the same period of last year.
Basic earnings per share (<i>Yuan/share</i>) _ during the Reporting Period	-38.85	Mainly due to the decrease in net profit attributable to shareholders of the listed company for the Reporting Period as compared to the same period of last year.
Diluted earnings per share (<i>Yuan/share</i>) _ from the beginning of the year to the end of the Reporting Period	254.05	Mainly due to the increase in net profit attributable to shareholders of the listed company for the Period as compared to the same period of last year.
Diluted earnings per share (<i>Yuan/share</i>) _ during the Reporting Period	-38.85	Mainly due to the decrease in net profit attributable to shareholders of the listed company for the Reporting Period as compared to the same period of last year.

III. INFORMATION ON SHAREHOLDERS

3.1 Total number of holders of ordinary shares and the number of holder of preference shares with restored voting rights and shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	48,703	Total number of preferred / shareholders with voting rights resumed as at the end of the Reporting Period (if any)
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Shareholding of the top ten shareholders

Name of shareholder	Type of Shareholder	Number of shares held	Shareholding percentage (%)	Number of shares subject to trading restriction	Pledged, marked or frozen Share status	Number
Sichuan Transportation Investment Group Corporation Limited	State	1,096,769,662	35.86	0	Nil	0
HKSCC NOMINEES LIMITED	Foreign legal person	887,500,000	29.02	0	Unknown	
China Merchants Expressway Network & Technology Holdings Co., Ltd	State-owned legal person	664,487,376	21.73	0	Nil	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	18,909,894	0.62	0	Unknown	
Ding Tao	Domestic natural person	11,230,125	0.37	0	Unknown	
Yang Yi	Domestic natural person	5,845,037	0.19	0	Unknown	
Zhang Shenghua	Domestic natural person	3,827,450	0.13	0	Unknown	
Gong Fangxin	Domestic natural person	3,516,210	0.11	0	Unknown	
Zhang Guoming	Domestic natural person	3,399,800	0.11	0	Unknown	
Su Ning	Domestic natural person	2,676,600	0.09	0	Unknown	

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 of shares	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	887,500,000	Foreign shares listed overseas	887,500,000
China Merchants Expressway Network & Technology Holdings Co., Ltd.	664,487,376	RMB ordinary shares	664,487,376
Hong Kong Securities Clearing Company Limited	18,909,894	RMB ordinary shares	18,909,894
Ding Tao	11,230,125	RMB ordinary shares	11,230,125
Yang Yi	5,845,037	RMB ordinary shares	5,845,037
Zhang Shenghua	3,827,450	RMB ordinary shares	3,827,450
Gong Fangxin	3,516,210	RMB ordinary shares	3,516,210
Zhang Guoming	3,399,800	RMB ordinary shares	3,399,800
Su Ning	2,676,600	RMB ordinary shares	2,676,600

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

As at the date of approval of this Report for publication, Sichuan Transportation Investment Industrial & Financial Company Limited (四川交投產融控股有限公司), a holding subsidiary of Sichuan Transportation Investment Group Corporation Limited, 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:

- As at the end of the Reporting Period, the total number of holders of ordinary shares was 48,703, including 48,447 holders of A shares and 256 holders of H shares.
- As at the date of approval of this Report, Shudao Investment Group Company Limited has not yet complete the transfer procedures of China Securities Depository and Clearing Corporation Limited.

3. 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.
4. As at 30 September 2021, 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.
5. Hong Kong Securities Clearing Company Limited is the nominal holder of shares under the Shanghai-Hong Kong Stock Connect.

IV. OTHER REMINDERS

Other important information that needs to be brought to the attention of investors in relation to the operations conditions of the Company during the Reporting Period

Applicable Not applicable

4.1 Chengle Expressway Expansion Construction Project

The resolution in relation to the investment in the Chengle Expansion Construction Project 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. On 2 August 2021, in order to standardize the approval procedures of PPP projects' inclusion and reclassification in the database, Chengdu Transportation Bureau has entered into the Investment Agreement for the Expansion Construction Project of Chengdu-Leshan Expressway and the Public-Private-Partnership (PPP) Project Contract for the Expansion Construction Project of Chengdu-Leshan Expressway with Chengle Company. From the commencement date of construction to 30 September 2021, an accumulated investment of approximately RMB6.396 billion had been invested in the Chengle Expansion Construction Project.

4.2 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 Trading Landmark Company Limited (“**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.

Currently, the sale and delivery of the Project Beichengshidai (phase one) generally comes to an end; as at 30 September 2021, the accumulated sales revenue from phase one amounted to RMB536,021,300; and the Parcel A of Beichengshidai (phase two) is selling well, the construction of Parcel C is progressing steadily and good results have been achieved in sales, the construction of Parcel B is progressing in an orderly manner, in particular, the construction commencement certificate for Section B1 was obtained on 22 September 2020, and the construction commencement certificate for Section B2 was obtained on 1 June 2021. From the beginning of the year to the end of the Reporting Period, the sales proceeds received from the Parcel A and C of phase two amounted to approximately RMB156 million, and the sales revenue recognized from Parcel A amounted to approximately RMB606 million.

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: 198,468.96 sq.m.	91%
Beichengshidai (phase two) Parcel A	Central Business Avenue, Wenlin Town, Renshou County	18 May 2018	Completed	December 2020	Residential, commercial and parking spaces	Land area: 64,882.22 sq.m.; Construction area: 287,437.57 sq.m.	91%

Beichengshidai (phase two) Parcel C	Central Business Avenue, Wenlin Town, Renshou County	24 June 2019	59.48	December 2021 (Forecast)	Residential, commercial and parking spaces	Land area: 38,195 sq.m.; Construction area:180,780.32 sq.m.	91%
Beichengshidai (phase two) Parcel B	Central Business Avenue, Wenlin Town, Renshou County	30 September 2020 (B1); 20 April 2021 (B2)	26.97	November 2023 for Section B1 (Forecast); November 2023 for Section B2 (Forecast)	Residential, commercial and parking spaces	Land area of Section B1: 50,020.34 sq.m.; Construction area of Section B1: 111,856.26 sq.m. Land area of Section B2: 467,171.57 sq.m.; Construction area of Section B2: 250,725.83 sq.m.	91%

On 16 August 2021, the Company entered into the Equity and Corresponding Shareholder’s Loan Transfer Agreement with Sichuan Transportation Investment Property Company Limited* (四川交投地產有限公司) (“STIP”), pursuant to which, the Company would sell the 91% equity interest in Renshou Landmark Company, a non-wholly-owned subsidiary of the Company, and the corresponding shareholder’s loan to STIP at an aggregate consideration of not exceeding RMB1,858.1308 million (including interest accrued on the loan), which aimed to dispose of the real estate business which has relatively low profit margin, long investment cycle and requires relatively substantial investment amount, so as to allow the Group to optimise its asset structure, focus on its core and principal business and improve its resources utilisation efficiency. Upon completion of transfer of the equity and shareholder’s loan, the Company will no longer hold any equity interest and creditor’s rights of Renshou Landmark Company, and the financial results of Renshou Landmark Company will be deconsolidated from the Company.

4.3 Tianqiong Expressway BOT Project

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. participated in bidding for the project of Tianfu New Area to Qionglai Expressway and won the tender. The total length of the project is approximately 42 kilometers with an estimated total investment amount of approximately RMB8.685 billion.

On 4 March 2020, Sichuan Chengqiongya Expressway Company Limited was established in Qionglai of Sichuan Province as a project company to take charge of the investment, construction and operation of Tianqiong Expressway, with the registered capital of approximately RMB1.737 billion, of which the Company contributed RMB1.42434 billion. From the commencement date of construction to 30 September 2021, an accumulated investment of approximately RMB1,142 million had been invested in the Tianqiong Expressway Project.

4.4 Termination of Featured Vocational and Technical Education Project in Qionglai City

On 24 July 2019, Sichuan Chengyu Education Investment Co., Ltd. (“**Chengyu Education Company**”) entered into the 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. In view of the great changes in the market environment since 2020, after taking into consideration various relevant factors carefully, the Company decided to terminate the external investment, so as to safeguard the interests of the Company and the shareholders as a whole. Chengyu Education Company and the People’s Government of Qionglai City reached a consensus through negotiation and entered into an agreement on 8 February 2021 to terminate the investment for the featured vocational and technical school project in Qionglai City.

On 21 May 2021, Chengyu Education Company completed the formalities for company change registration, and the name of the company has been changed to Sichuan Chengyu Transportation Technology Development Co., Ltd.* (四川成渝交通科技發展有限公司). Subsequent to that, it will expand the transportation technology business through the way of external cooperation in combination with self-investment. The change in company name and business scope is in line with the development strategy and planning of the Company in the future and will not have material impact on the production and operation of the Company.

4.5 “Long Bao Da” PPP Project in Lushan County

On 4 March 2021, the consortium comprised of Sichuan Shunan Investment Management Company Limited* (“**Shunan Company**”), as the leader, and Sichuan Transportation Construction Group Co., Ltd.* (四川省交通建設集團股份有限公司) successfully won the bid for the PPP Project of the construction of tourism road from Longmen, Lushan County to Baosheng to Dachuan; on 15 April 2021, Lushan County Shunan Engineering Construction Project Management Co., Ltd. (蜀南工程建設項目管理有限公司), the project company, was incorporated.

The “Long Bao Da” PPP project in Lushan County is located within Lushan County, Ya’an City and Qionglai City, Sichuan Province. The construction mileage of the project is 8.3 km with an estimated total investment of approximately RMB390 million. The model of BOT (build – operation – transfer) would be adopted for the project.

4.6 Strategic Restructuring between STIG and SRIG

On 2 April 2021, the Agreement on Merger between Sichuan Transportation Investment Group Company Limited and Sichuan Railway Investment Group Co., LTD was entered into between Sichuan Transportation Investment Group Company Limited* (四川省交通投資集團有限責任公司) (“**STIG**”), the controlling shareholder of the Company, and Sichuan Railway Investment Group Co., LTD* (四川省鐵路產業投資集團有限責任公司) (“**SRIG**”), pursuant to which, STIG and SRIG will be merged to form a new company named “Shudao Investment Group Company Limited” (“**Shudao Group**”). On 28 May 2021, Shudao Group completed the formalities of incorporation registration and entered into the Agreement on the Completion of Inheritance of Assets among Shudao Investment Group Company Limited, Sichuan Transportation Investment Group Company Limited and Sichuan Railway Investment Group Co., LTD with STIG and SRIG. Since the date of completion, all the assets, liabilities, businesses, personnel, contracts, qualification and all other rights and obligations of STIG and SRIG before the merger will be inherited, taken up or enjoyed by Shudao Group; the equity interest or interest in the branches and subsidiaries of STIG and SRIG before the merger will vest in Shudao Group.

After the completion of the merger and changes in shareholding, all the shares in the Company held by STIG will be taken up by Shudao Group, the controlling shareholder of the Company will be changed to Shudao Group from STIG, however, the State-owned Assets Supervision and Administration Commission of Sichuan Province will remain as the de facto controller. The Company’s production and operation remain normal currently. As of the date of the approval of this Report, the transfer procedures with China Securities Depository and Clearing Co., Ltd for the changes in shareholding has not been completed.

4.7 Transfer of Property Assets of Shuhong Company

In order to optimize the assets structure of the Group, reduce operating cost and focus on the principal business, on 16 August 2021, the Assets Transfer Agreement was entered into between Chengdu Shuhong Property Company Limited (“**Shuhong Company**”), a wholly-owned subsidiary of the Company, and Sichuan Transportation Investment Group Company Limited (“**STIG**”), pursuant to which, Shuhong Company intends to transfer all of its property assets (a real estate project under construction named “**Hongrui International Plaza**”, including financial office space and car parking spaces) to STIG, at a transfer price of not exceeding RMB87.0365 million, comprised of the assets transfer price on the benchmark date amounting to RMB62.0091 million and transfer price in transition period of not exceeding RMB25.0274 million. After the completion of the assets transfer, Shuhong Company will no longer own any interest in property assets, and the Company will still hold 100% equity interest in Shuhong Company.

4.8 Merger and Acquisition Project in Turkey

The 2nd meeting of the 7th session of the Board of Directors of the Company was convened on 20 December 2019, at which the Resolution in relation to Participation in the Acquisition of Overseas Assets and the Connected Transaction of the Company was considered and approved, to explore the overseas expansion model of the principal business of the Company. On 23 December 2019, a cooperation agreement was entered into among the Company, China Merchants Expressway Network and Technology Holdings Co. Ltd, China Merchants Union (BVI) Limited, Zhejiang Expressway Co., Ltd., Jiangsu Expressway Company Ltd. and Anhui Expressway Company Ltd., pursuant to which, agreement was made on matters such as the shareholding arrangement, cooperation mode and capital contribution path, voting rights and ways, fees and profit distribution, termination of the agreement and matters after termination, confidentiality, liability for breach of agreement, governing laws and dispute resolution involved in the formation of joint venture and further carrying out of assets acquisition overseas.

On 4 August 2021, the Company published updates on the progress of the project, the relevant parties have yet reached consensus on the relevant terms of the refinancing agreement, and the conditions precedent for the transaction under the Share Acquisition Agreement have not fully been completed; on 20 August 2021, the Company published further announcement on the progress of the project, the consortium of Chinese side intends to negotiate with the Turkey side for the Termination Agreement for the project.

The acquisition transaction is subject to the likelihood of termination, and investors are reminded to pay attention to investment risks.

4.9 Transfer of shares in Transportation Construction Company

Sichuan Road & Bridge Co., Ltd. (“**Sichuan Road & Bridge**”) proposed to purchase 100.00% equity interest in the Sichuan Transportation Construction Group Co., Ltd. (“**Transportation Construction Company**”) after its change into a limited liability company by way of issue shares and in cash. The Company proposed to participate in the above matter by transferring 5% equity interest in Transportation Construction Company held by the Company and entering into the disposal agreement and entrusted management agreement with Sichuan Road & Bridge. The resolution on the Company’s participation in the above matter has been considered and passed by the sixteenth meeting of the seventh session of the Board. Given that the audit and valuation of the subject assets of the transaction has not yet been completed, the pricing and other arrangements of the relevant transaction will be subject to the agreement of the subsequent negotiation, and there is uncertainty as to whether the transaction can be completed.

The Company will fulfill the corresponding procedures and information disclosure obligations in accordance with the relevant laws and regulatory rules, and the investors are advised to pay attention to the investment risks.

V. QUARTERLY FINANCIAL STATEMENTS

5.1 Type of audit opinion

Applicable Not applicable

5.2 Financial statements

Consolidated Balance Sheet

30 September 2021

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	30 September 2021	31 December 2020
Current assets:		
Cash and bank balances	2,908,350,783.12	3,231,367,092.28
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	420,602.74	494,060.98
Derivative financial assets		
Bills receivable	144,000.00	35,714,429.66
Accounts receivable	323,718,122.00	297,720,085.85
Accounts receivable financing		
Prepayments	721,512,703.53	305,664,146.43
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contracts		
Other receivables	261,420,053.36	253,858,359.93
Including: Interest receivable		217,822.22
Dividends receivable		1,674,200.00

Item	30 September 2021	31 December 2020
Purchases of resold financial assets		
Inventories	2,401,672,939.60	2,604,352,484.75
Contract assets	21,000,000.00	21,000,000.00
Assets classified as held for sale		
Non-current assets due within 1 year	1,726,493,460.40	1,694,701,733.85
Other current assets	134,183,737.06	160,181,533.20
Total current assets	8,498,916,401.81	8,605,053,926.93
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables	2,605,617,794.35	2,440,227,894.11
Long-term equity investment	432,388,628.32	427,052,957.11
Investment in other equity instruments	284,364,021.32	281,883,494.12
Other non-current financial assets		
Investment properties	32,073,078.87	34,153,849.91
Fixed assets	651,241,314.11	597,775,527.20
Construction in progress	27,392,817.00	124,684,332.08
Productive biological assets		
Oil and gas assets		
Right-of-use assets	140,975,055.42	146,064,211.30
Intangible assets	28,612,566,646.90	27,714,540,795.01
Development expenses		
Goodwill		
Long-term deferred expenses	26,403,735.72	29,982,742.26
Deferred income tax assets	36,208,829.22	33,693,119.35
Other non-current assets	29,465,253.15	28,227,158.16
Total non-current assets	32,878,697,174.38	31,858,286,080.61
Total assets	41,377,613,576.19	40,463,340,007.54

Item	30 September 2021	31 December 2020
Current liabilities:		
Short-term borrowings	491,091,519.66	2,382,652,066.14
Loans from central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	1,080,534,466.86	1,936,218,450.14
Advance receipts		
Contract liabilities	286,897,548.52	854,386,205.35
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	183,000,901.30	240,418,433.95
Taxes payable	163,567,203.60	181,826,315.01
Other payable	647,097,238.00	961,807,340.28
Including: Interest payable		
Dividends payable		29,433,775.65
Fee and commission payable		
Reinsurance accounts payable		
Liabilities classified as held for sale		
Non-current liabilities due within 1 year	1,563,649,841.02	2,163,939,357.72
Other current liabilities	93,196,857.43	147,167,742.66
Total current liabilities	4,509,035,576.39	8,868,415,911.25

Item	30 September 2021	31 December 2020
Non-current liabilities:		
Reserve for insurance policies		
Long-term loans	16,958,194,978.62	13,407,552,225.31
Debentures payable	1,290,000,000.00	290,000,000.00
Including: Preference shares		
Perpetual bonds		
Lease liabilities	130,886,351.29	134,379,756.34
Long-term payables	11,303,891.69	162,751,155.36
Long-term salaries payable		
Estimated liabilities	2,635,818.78	2,635,818.78
Deferred income	154,727,364.85	178,190,899.76
Deferred income tax liabilities	7,495,787.35	9,669,868.46
Other non-current liabilities	1,031,037,834.57	876,583,763.07
Total non-current liabilities	19,586,282,027.15	15,061,763,487.08
Total liabilities	24,095,317,603.54	23,930,179,398.33

Item	30 September 2021	31 December 2020
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	1,850,352,226.19	1,850,637,207.81
Less: Treasury stock		
Other comprehensive income	15,498,040.53	12,621,867.81
Special reserve	14,593,182.82	11,420,577.52
Surplus reserve	6,196,697,146.86	6,196,697,146.86
General risk reserve	50,788,044.00	5,229,894.09
Undistributed profit	5,045,003,982.84	4,399,845,299.18
Total equity (or shareholders' equity) attributable to owners of the Company	16,230,992,623.24	15,534,511,993.27
Minority interests	1,051,303,349.41	998,648,615.94
Total owners' equity (or shareholders' equity)	17,282,295,972.65	16,533,160,609.21
Total liabilities and owners' equity (or shareholders' equity)	41,377,613,576.19	40,463,340,007.54
Person in charge of the Company: <u>Gan Yongyi</u>	Person in charge of accounting: <u>Guo Renrong</u>	Head of accounting department: <u>Wei Xu</u>

Consolidated Income Statement

January to September 2021

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
I. Total revenue from operations	6,311,713,048.02	3,298,781,739.52
Including: Operating revenue	6,311,713,048.02	3,298,781,739.52
Interest income		
Premium earned		
Fee and commission income		
II. Total cost of operations	5,111,882,227.91	2,904,391,728.37
Including: Operating cost	4,362,641,153.34	2,193,613,806.80
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	75,049,350.86	14,611,327.19
Selling expenses	69,384,084.62	62,907,086.05
Administrative expenses	202,131,478.23	187,416,033.40
Research and development cost	310,448.34	
Finance costs	402,365,712.52	445,843,474.93
Including: Interest cost	439,448,475.86	483,427,086.86
Interest income	38,945,492.41	38,445,799.00

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
Add: Other gains	28,562,652.42	11,882,761.14
Investment income (loss is represented by “-”)	35,243,115.59	33,891,806.89
Including: Gains from investment in associates and joint ventures	27,988,563.16	23,468,352.38
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 “-”)	-66,012.56	2,955,465.37
Credit impairment losses (loss is represented by “-”)		
Asset impairment losses (loss is represented by “-”)	318,373.96	326,807.35
Gains from disposal of assets (loss is represented by “-”)	1,353,101.67	2,425,008.53
III. Operating profit (loss is represented by “-”)	1,265,242,051.19	445,871,860.43
Add: Non-operating income	16,915,591.57	22,655,963.48
Less: Non-operating expenses	18,407,306.80	4,421,304.31
IV. Total profit (total loss is represented by “-”)	1,263,750,335.96	464,106,519.60
Less: Income tax expenses	250,417,532.35	148,030,639.69
V. Net profit (net loss is represented by “-”)	1,013,332,803.61	316,075,879.91
(I) Items classified by continuing operations		
1. Net profit from continuing operations (net loss is represented by “-”)	1,013,332,803.61	316,075,879.91
2. Net profit from discontinued operation (net loss is represented by “-”)		
(II) Items classified by attribution of ownership		
1. Net profit attributable to shareholders of the Company (net loss is represented by “-”)	935,361,633.57	264,211,462.50
2. Minority interests (net loss is represented by “-”)	77,971,170.04	51,864,417.41

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
VI. Net other comprehensive income after tax	3,080,172.72	-65,965,047.89
(I) Net other comprehensive income after tax attributable to owners of the Company	2,876,172.72	-65,713,447.89
1. Other comprehensive income that can not be reclassified to profit and loss	2,876,172.72	-65,713,447.89
(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	2,876,172.72	-65,713,447.89
(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		
(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	204,000.00	-251,600.00

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
VII. Total comprehensive income	1,016,412,976.33	250,110,832.02
(I) Total comprehensive income attributable to owners of the Company	938,237,806.29	198,498,014.61
(II) Total comprehensive income attributable to minority shareholders	78,175,170.04	51,612,817.41
VIII. Earnings per share:		
(I) Basic earnings per share <i>(RMB/share)</i>	0.3059	0.0864
(II) Diluted earnings per share <i>(RMB/share)</i>	0.3059	0.0864

Person in charge of the Company: Gan Yongyi
 Person in charge of accounting: Guo Renrong
 Head of accounting department: Wei Xu

Consolidated Cash Flow Statements

January to September 2021

Prepared by: Sichuan Expressway Company Limited*

Unit: yuan Currency: RMB Type of audit: unaudited

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	5,376,946,343.12	4,608,903,352.78
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	121,985,275.43	252,765,962.47
Sub-total of cash inflow from operating activities	5,498,931,618.55	4,861,669,315.25

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
Cash paid for purchasing goods and receiving services	2,898,576,380.54	2,657,253,636.68
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	632,217,008.86	612,071,547.75
Taxes and surcharges paid	471,232,075.93	249,071,877.04
Other cash paid relating to operating activities	175,541,603.23	68,693,316.47
Sub-total of cash outflow from operating activities	4,177,567,068.56	3,587,090,377.94
Net cash flows from operating activities	1,321,364,549.99	1,274,578,937.31
II. Cash flows from investing activities:		
Cash received from disposal of investments	9,884,311.89	89,408,528.93
Cash received from return on investments	31,299,138.62	31,160,829.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	312,480.00	3,418,132.08
Net cash received from disposal of subsidiaries and other business entities		
Other cash received relating to investing activities	59,485,269.51	90,182,295.82
Sub-total of cash inflow from investing activities	100,981,200.02	214,169,786.23

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	2,625,353,246.34	1,300,168,017.30
Cash paid for investment	221,597.91	241,185.47
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities	165,973,854.34	42,038,772.63
Sub-total of cash outflow from investing activities	2,791,548,698.59	1,342,447,975.40
Net cash flows from investing activities	-2,690,567,498.57	-1,128,278,189.17
III. Cash flows from financing activities:		
Cash received from investments	3,009,400.00	44,000,000.00
Including: Cash received by subsidiaries from minority shareholders' investment	3,009,400.00	22,000,000.00
Cash received from borrowings	5,321,118,680.96	3,748,788,092.00
Other cash received relating to financing activities		29,990.00
Sub-total of cash inflow from financing activities	5,324,128,080.96	3,792,818,082.00
Cash paid for repayment of liabilities	3,416,853,376.05	2,702,384,378.35
Cash paid for dividends, profits distribution or interest repayment	886,661,279.16	623,528,344.29
Including: Dividend and profit paid by subsidiaries to minority shareholders	61,053,856.29	16,175,681.78
Other cash paid relating to financing activities	15,826,889.88	17,902,024.31
Sub-total of cash outflow from financing activities	4,319,341,545.09	3,343,814,746.95
Net cash flows from financing activities	1,004,786,535.87	449,003,335.05

Item	First three quarters of 2021 (January to September)	First three quarters of 2020 (January to September)
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate		
V. Net increase in cash and cash equivalents	-364,416,412.71	595,304,083.19
Add: Balance of cash and cash equivalents at the beginning of the period	3,180,339,845.16	2,951,704,446.98
VI. Balance of cash and cash equivalents at the end of the period	2,815,923,432.45	3,547,008,530.17
Person in charge of the Company: <u>Gan Yongyi</u>	Person in charge of accounting: <u>Guo Renrong</u>	Head of accounting department: <u>Wei Xu</u>

Adjustments to the relevant items of financial statements at the beginning of the year upon the first adoption of new lease standards since 2021

Applicable Not applicable

This announcement is published in both Chinese and English languages. In case of any discrepancy, the Chinese version shall prevail.

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

Chengdu, Sichuan, the PRC
28 October 2021

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

* For identification purpose only