



SHENZHEN EXPRESSWAY COMPANY LIMITED

Stock code: 00548(SEHK) 600548(SSE)

2014

Third Quarterly Results Presentation



31 October 2014

- **The overall traffic volume and toll revenues of the toll highway projects maintained a stable growth.**
- **Revenue amounted to RMB2,796 million with a YOY increase of 19.0%.**
- **Net profit amounted to RMB2,005 million with a YOY increase of 215.7%; deducting Gains on Disposal of Meiguan Assets, net profit amounted to RMB888 million with a YOY increase of 39.8%.**

The financial statements of the Company were prepared in accordance with China Accounting Standards for Business Enterprise, and also were complied with the disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules of HKEx.

In this material, the total of breakdown and the total may not equal in mantissa due to rounding.

Financial Highlights

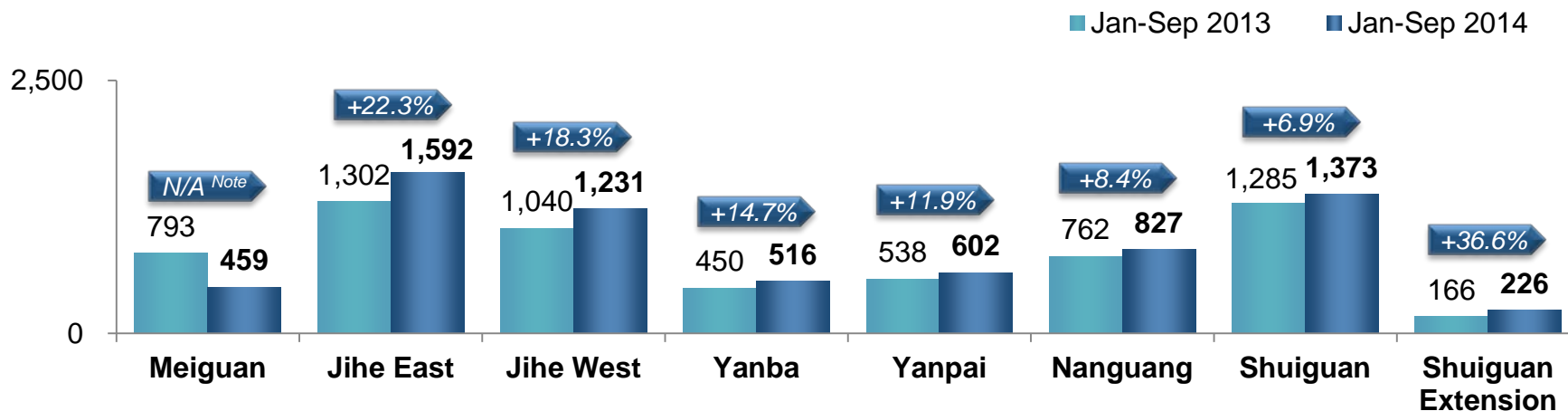
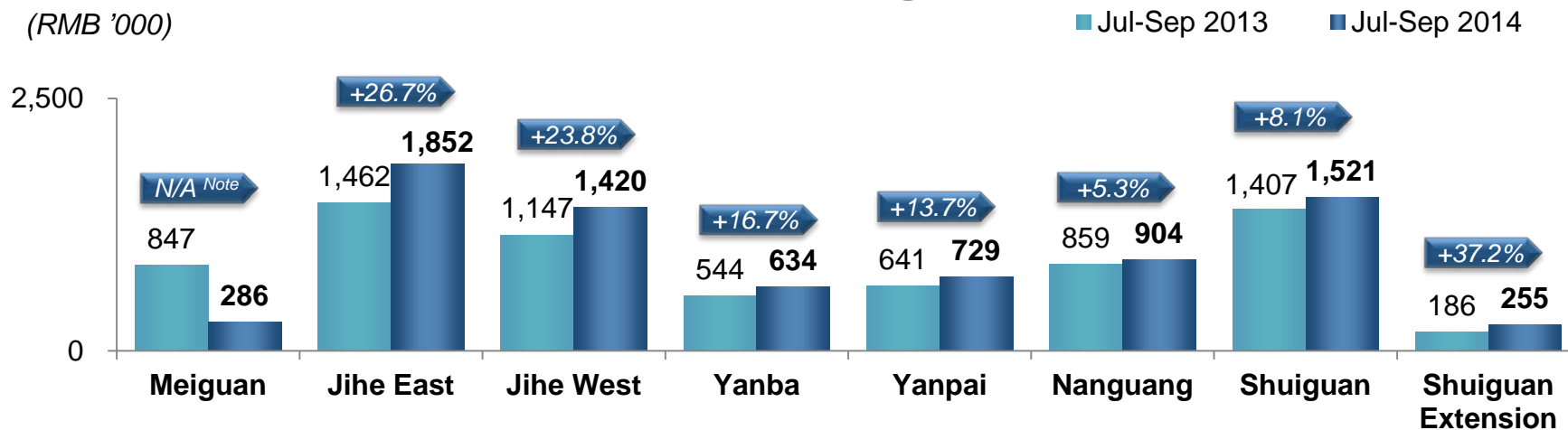


	Jul-Sep 2014	Jul-Sep 2013	Change YOY	Jan-Sep 2014	Jan-Sep 2013	Change YOY
	<i>(RMB 'million)</i>			<i>(RMB 'million)</i>		
Revenue	868	862	+0.75%	2,796	2,351	+18.95%
Net profit attributable to owners of the Company	308	250	+23.23%	2,005	635	+215.65%
Earnings per share (EPS) (RMB)	0.141	0.114	+23.23%	0.919	0.291	+215.65%
Return on equity – weighted average (ROE) (%)				18.54%	6.52%	+12.02 p.pt
Deducting Gains on Disposal of Meiguan Assets <small>Note</small>						
Net profit attributable to owners of the Company				888	635	+39.75%
Earnings per share (EPS) (RMB)				0.407	0.291	+39.75%

Note: The Group recognized Gains on Disposal of Meiguan Assets of approximately RMB1,117 million in the second quarter of 2014.

Shenzhen Region

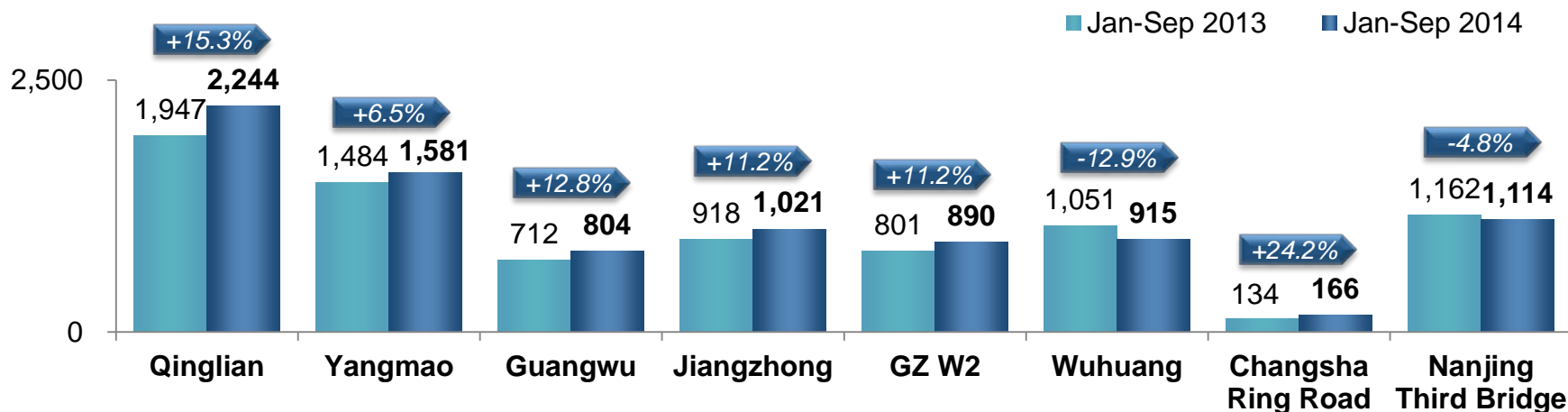
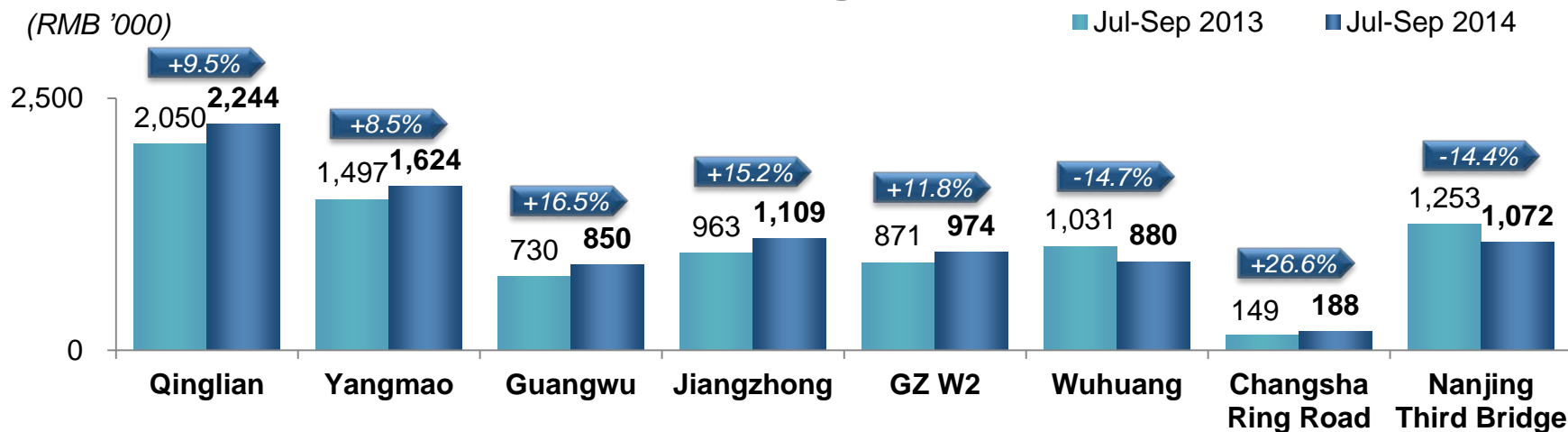
(RMB '000)



Note: Since 1 April 2014, the toll adjustment proposal of Meiguan Expressway has been implemented. As there is a relatively great change on the toll mileage, no YOY change data was provided.



Other Regions



Operational Performance—Average Daily Mixed Traffic Volume



	Jul-Sep 2014	Jul-Sep 2013	Change YOY	Jan-Sep 2014	Jan-Sep 2013	Change YOY
Shenzhen region	<i>(Number of vehicles in thousands)</i>			<i>(Number of vehicles in thousands)</i>		
Meiguan	74	139	N/A note	89	128	N/A note
Jihe East	215	166	+29.0%	185	146	+26.1%
Jihe West	170	136	+25.2%	146	122	+19.7%
Yanba	49	39	+24.2%	37	32	+16.8%
Yanpai	70	60	+16.2%	59	50	+17.6%
Nanguang	94	82	+14.4%	85	73	+16.7%
Shuiguan	182	170	+7.0%	166	154	+7.9%
Shuiguan Extension	67	40	+67.3%	59	35	+68.7%

Note: Since 1 April 2014, the toll adjustment proposal of Meiguan Expressway was implemented. As there is a relatively great change on the toll mileage, no YOY change data has been provided.

Operational Performance—Average Daily Mixed Traffic Volume



	Jul-Sep 2014	Jul-Sep 2013	Change YOY	Jan-Sep 2014	Jan-Sep 2013	Change YOY
Other regions	<i>(Number of vehicles in thousands)</i>			<i>(Number of vehicles in thousands)</i>		
Qinglian	35	29	+18.3%	34	28	+20.0%
Yangmao	40	35	+14.9%	36	32	+11.9%
Guangwu	32	28	+14.5%	33	26	+23.1%
Jiangzhong	110	95	+15.7%	101	88	+14.4%
GZ W2	48	45	+7.9%	46	41	+11.7%
Wuhuang	40	40	-1.6%	40	39	+1.3%
Changsha Ring Road	18	14	+27.0%	17	14	+20.9%
Nanjing Third Bridge	27	30	-8.9%	29	30	-3.9%

- Benefitted from the combined effect of continuously improving road networks and the organic growth of traffic volume, the traffic volume and toll revenue of toll highway projects of the Group maintained a growth with over half of the projects recorded a double-digit growth rate during the period from January to September 2014.
- After the implementation of the toll adjustment proposal of Meiguan Expressway, the traffic volume for Toll Free Section increased rapidly. It did not only stimulate the traffic volume of Toll Section, but also enhanced the performance of Jihe Expressway.
- The opening of the second phase of Qingping Expressway has been creating a positive effect on the operational performance of neighboring Jihe East and Shuiguan Extension in road networks.
- Negatively affected by the further commencement of operation of road networks and the toll sharing model under inter-network toll collection, and the implementation of traffic control measures in Wuhan, the toll revenue during the period from January to September of Wuhuang Expressway recorded a YOY decrease.
- Maanshan Yangtze River Bridge commenced operation at the end of 2013, the vehicles from Hefei, Anhui to Shanghai do not need to pass around Nanjing anymore, which has resulted in certain diversion effect on Nanjing Third Bridge.

	Jul-Sep 2014	Jul-Sep 2013	Change in Amount	Change YOY	Jan-Sep 2014	Jan-Sep 2013	Change in Amount	Change YOY
	<i>(RMB '000)</i>				<i>(RMB '000)</i>			
Revenue	868,234	861,743	+6,491	+0.75%	2,796,280	2,350,788	+445,492	+18.95%
Toll revenue	823,280	789,463	+33,817	+4.28%	2,289,103	2,151,604	+137,499	+6.39%
Other income	44,954	72,280	-27,326	-37.81%	507,177	199,184	+307,993	+154.63%

- The growth of toll revenue from January to September was mainly attributable to the significant increase in toll revenue of projects such as Jihe Expressway and Qinglian Expressway.
- The growth of other income from January to September was mainly attributable to the YOY increase of entrusted construction management service revenue of Coastal Phase I and Guilong Project recognized in the second quarter.

	Jul-Sep 2014	Jul-Sep 2013	Change in Amount	Change YOY	Jan-Sep 2014	Jan-Sep 2013	Change in Amount	Change YOY
	<i>(RMB '000)</i>				<i>(RMB '000)</i>			
Cost of services	393,204	387,399	+5,805	+1.50%	1,309,435	1,080,447	+228,988	+21.19%
General and administrative expenses	15,939	15,033	+906	+6.03%	45,378	40,445	+4,933	+12.20%
Financial expenses	90,425	147,543	-57,118	-38.71%	330,324	441,215	-110,891	-25.13%
Income tax expenses	83,153	71,392	+11,761	+16.47%	606,460	178,274	+428,186	+240.18%

Reasons of the increase in cost of services from Jan.-Sep.:

- ⊙ the recognition of service cost of Coastal Phase I and Guilong Project in the second quarter;
- ⊙ the corresponding increase in the cost depreciation and amortization along with increasing traffic volume;
- ⊙ an increase of road maintenance expense as Qinglian Company completed the maintenance and transfer of Qinglian Class 2 Road in the second quarter.

Reasons of the decrease in financial expenses from Jan.-Sep.:

- ⊙ the decrease in average borrowing scale;
- ⊙ the recognition of interest income in respect of the compensation receivables as agreed in the toll adjustment of Meiguan Expressway.

Reasons of the increase in income tax expenses from Jan.-Sep.:

- ⊙ the recognition of gains on disposal of assets of Meiguan Expressway in the second quarter.

● Capital expenditure from January to September 2014: RMB274 million.

● Total borrowings at the end of 30 September 2014 (including loans and bonds payable): RMB8,173 million (31 December 2013: RMB9,298 million; 30 June 2014: RMB9,715 million). The decrease was mainly attributable to the early repayment of part of the long-term borrowing during the Reporting Period.

● Debt-to-asset ratio at the end of 30 September 2014: 46.19%
(end of 31 December 2013: 50.79%)

● Composite borrowing costs from January to September 2014: 5.82%
(January to September 2013: 5.84%)

Shenzhen Government intends to adjust the land use of the western land parcel in Meilin Toll Station held by Meiguan Company and Huatongyuan Logistic Centre land parcel held by XTC Company, totaling approximately 131,000 square meters, and of which approximately 96,000 square meters will be changed to land for development and construction in accordance with urban renewal policy for comprehensive development.

- On 8 August 2014, the Company and Shenzhen International entered into a framework agreement and will make capital contributions to establish a project company to implement the Meilin Checkpoint Urban Renewal Project.
- The agreement and related arrangements were submitted to the general meeting of the Company and approved by the independent shareholders on 8 October 2014.
- The Company and XTC Company (the wholly-owned subsidiary of Shenzhen International) has set up Shenzhen International United Land Co., Ltd. and own 49% and 51% equity interests in the company respectively.
- The project is situated at geographically advantageous location with obvious advantageous land price. Upon preliminary assessment, the total cost of land is approximately RMB5 billion. The currently planned saleable area is approximately 470,000 square meters
- Subsequent operation plan:
 - Transfer equity interests to brand enterprise in Real Estate;
 - Self-development by the Project Company.



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Company Declaration

All information presented here is publicly available and for the purpose of understanding the operation and development planning of the Company. The Company might adjust the contents without pre-notice in any forms. Besides, investors should note that the data presented in this document does not constitute an invitation to trade the Company's stock and does not guarantee the performance of the stock in the future.