



SHENZHEN EXPRESSWAY COMPANY LIMITED

Stock code: 00548(SEHK) 600548(SSE)

2015 First Quarterly Results Presentation

29 April 2015





Financial Highlights

	1Q2015	1Q2014	Change YOY
	<i>(RMB 'million)</i>		
Revenue	739	845	-12.51%
Including: Toll revenue	704	763	-7.81%
Net profit attributable to owners of the Company	256	238	+7.62%
Earnings per share (EPS) (RMB)	0.117	0.109	+7.62%
Return on equity – weighted average (ROE) (%)	2.15%	2.35%	-0.2p.pt

The financial statements of the Company were prepared in accordance with China Accounting Standards for Business Enterprise (CASBE), 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.

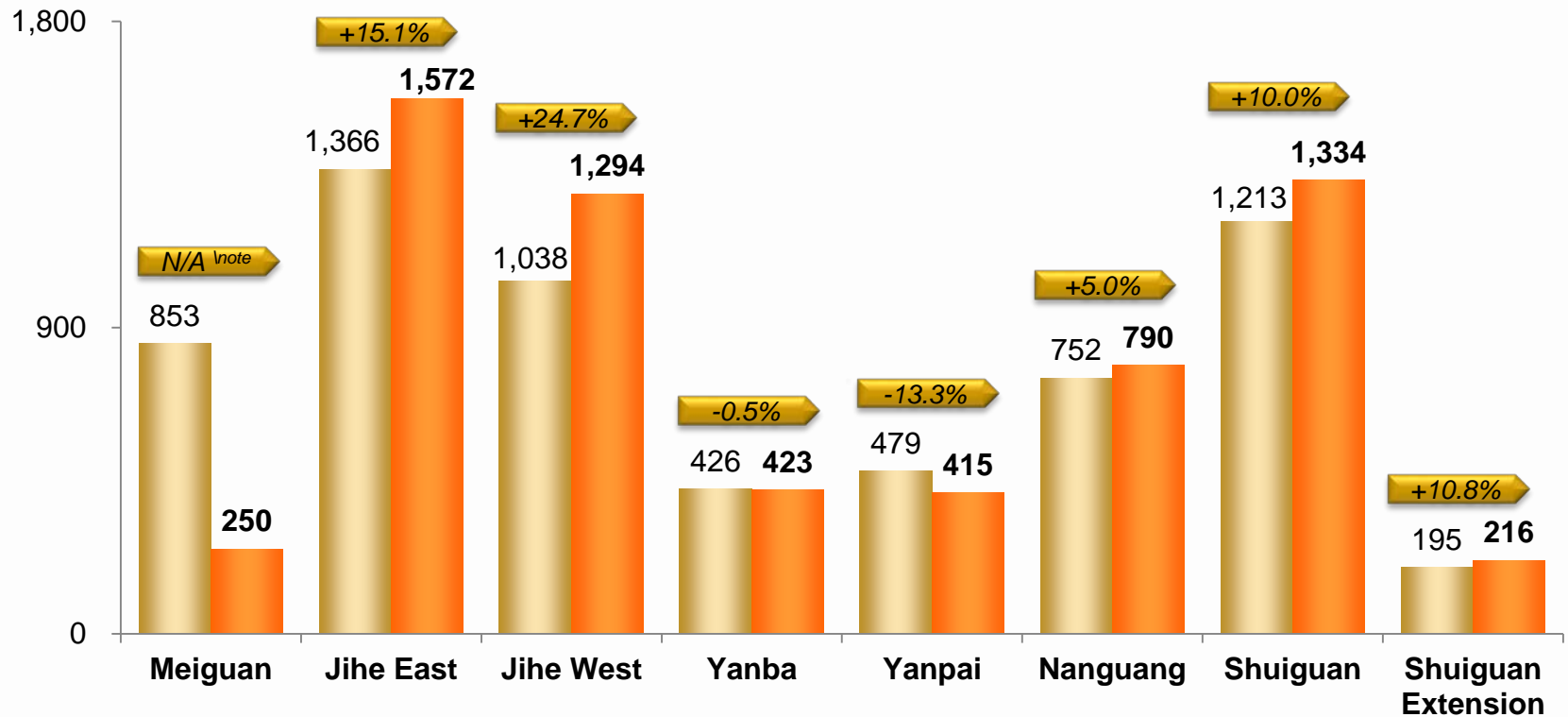


Operational Performance—Average Daily Toll Revenue

Shenzhen Region

(RMB '000)

■ 1Q2014 ■ 1Q2015

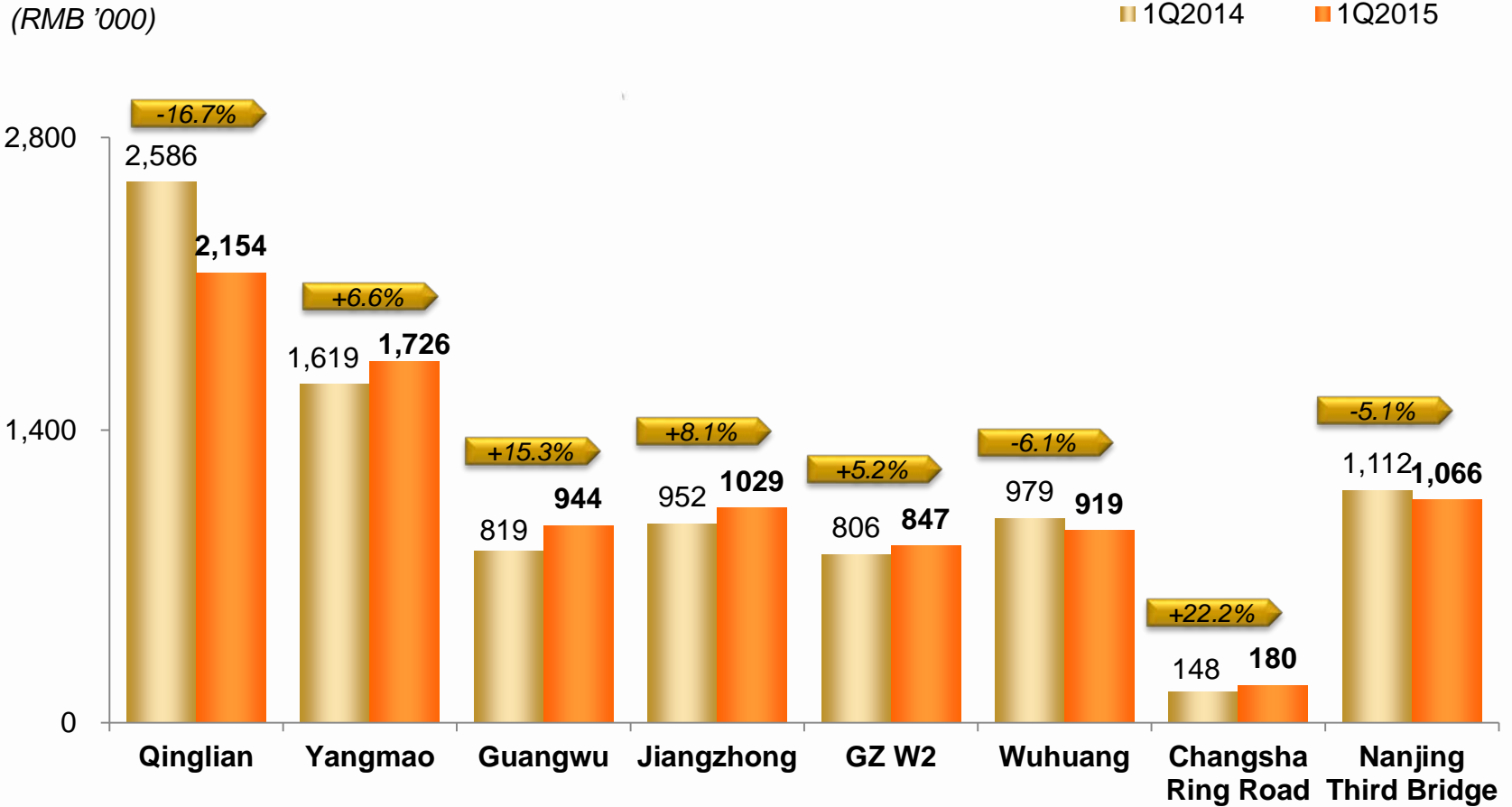


Note: Since 1 April 2014, the toll adjustment proposal of Meiguan Expressway was officially implemented, no YOY change data has been provided as a relatively great change on the toll mileage.



Operational Performance—Average Daily Toll Revenue

Other Regions





Operational Performance—Average Daily Mixed Traffic Volume

	1Q2015	1Q2014	Change YOY		1Q2015	1Q2014	Change YOY
Shenzhen region	<i>(Number of vehicles in thousands)</i>			Other regions	<i>(Number of vehicles in thousands)</i>		
Meiguan	66	129	N/A	Qinglian	38	37	2.8%
Jihe East	193	158	22.4%	Yangmao	42	36	16.3%
Jihe West	155	124	24.8%	Guangwu	39	37	6.4%
Yanba	30	28	7.0%	Jiangzhong	100	92	7.9%
Yanpai	49	48	0.4%	GZ W2	44	42	4.0%
Nanguang	85	75	13.2%	Wuhuang	43	42	2.1%
Shuiguan	167	150	11.7%	Changsha Ring Road	18	16	14.7%
Shuiguan Extension	63	51	22.9%	Nanjing Third Bridge	31	31	-1.7%



Operational Performance—Brief Description

- + Upon the toll adjustment of Meiguan Expressway, the traffic volume of the Toll Free Section recorded a relatively more rapid growth, which stimulated the growth in traffic volume of the toll section and operational performance of the connecting Jihe Expressway.
- + The opening of Qingping Expressway (Phase II) promoted the operational performance of Jihe Expressway and Shuiguan Extension.
- + During the Reporting Period, Longda Expressway carried out maintenance works, which had a certain positive impact on Jihe Expressway.
- + Benefiting from the gradual improvements in road networks, the implementation of traffic control measures in neighboring roads and improvement in business of enterprises along the highway, Changsha Ring Road achieved a relatively faster YOY increase on toll revenue.
- The toll collection in Yantian'ao Tunnel was cancelled with effect from 1 February 2015, which created a diversion effect on container vehicle volume of Yanpai Expressway and a slight diversion effect on Yanba Expressway and Jihe Expressway.
- Guangle Expressway and Lianzhou to Huaiji section of Erguang Expressway in Guangdong were completed and commenced operation at the end of September 2014 and the end of December 2014, respectively. It currently creates a certain diversion effect on Qinglian Expressway.
- Due to the negative effects on Wuhuang Expressway arising from commencement of operation of the neighboring road networks and other factors, and the diversion effect on Nanjing Third Bridge from the opening of Ma'anshan Yangtze River Bridge, the toll revenue of above mentioned projects still recorded a YOY decrease but the decrease was getting smaller.



Operational Performance—Revenue & Investment Income

	1Q2015	1Q2014	Change in Amount	Change YOY
	<i>(RMB '000)</i>			
Revenue	739,318	845,001	-105,683	-12.51%
Toll revenue	703,585	763,223	-59,638	-7.81%
Other income	35,733	81,778	-46,045	-56.30%
Investment income	60,328	51,204	+9,124	+17.82%

- The factors of change in toll revenue:
 - 13.8 km of Meiguan Expressway has commenced toll-free since 1 April 2014.
 - Affected by factors such as diversion effect on Qinglian Expressway, Yanpai Expressway and Wuhuang Expressway.
 - + The natural growth of traffic volume and the changes in the surrounding road networks promoted the growth of toll revenue of Jihe Expressway.
- The decline of other income was mainly due to the decrease of entrusted management service income:
 - The entrusted management service income of RMB40,669,000 in Guilong Project was recognized based on the agreement and the progress of completion during the same period of 2014.



Operational Performance—Cost & Expenses

	1Q2015	1Q2014	Change in Amount	Change YOY
	<i>(RMB '000)</i>			
Cost of services	337,058	389,730	-52,672	-13.52%
General and administrative expenses	13,147	15,965	-2,818	-17.65%
Financial expenses	79,990	134,444	-54,454	-40.50%
Income tax expenses	70,557	61,795	+8,761	+14.18%

- The YOY decrease in cost of services was mainly due to the YOY decrease of the cost of depreciation and amortization of RMB48,487,000:
 - The related assets of Toll Free Section of Meiguan Expressway was disposed during the second quarter of 2014;
 - The unit amortization amount of the concession intangible assets in some toll highways has been adjusted since 1 October 2014;
 - A decrease in depreciation and amortization costs resulting from the decrease in traffic volume in some highways.
- The YOY decrease in financial expenses was mainly due to:
 - A YOY decrease in average borrowing scale;
 - The recognition of interest income in respect of the compensation receivables of Toll Adjustment of Meiguan Expressway.



Operational Performance—Investment & Borrowings

- **Capital expenditure: RMB36 million**
- **Total borrowings at the end of 31 March 2015 (including bonds payable and bank loans): RMB8.02 billion**
(31 March 2014: RMB9.063 billion; and 31 December 2014: RMB8.049 billion)
- **Debt-to-asset ratio at the end of 31 March 2014: 44.89%**
(end of 31 March 2014: 49.23%)
- **Consolidated borrowing costs: 5.82% (same period of 2014: 5.81%)**

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.

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