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深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 00548)

THIRD QUARTERLY REPORT OF 2016

This announcement is made pursuant to the disclosure obligation under Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and related requirements.

This quarterly report is prepared in accordance with relevant regulations of the China Securities Regulatory Commission on disclosure of information in quarterly reports for listed companies. The financial information set out in this quarterly report has not been audited. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

1. IMPORTANT NOTICE

1.1 The board of directors, the supervisory committee and the directors, the supervisors, the senior management of Shenzhen Expressway Company Limited (the "Company") confirm the truthfulness, accuracy and completeness of the content of this quarterly report and that there are no false representations or misleading statements contained in or material omissions from this report, and assume several and joint legal responsibility.

1.2 The director who was unable to attend the board meeting in which this quarterly report was approved in person:

Name of the director unable to attend the board meeting	Position of the director unable to attend the board meeting	Reason for the absence	Name of the director appointed to vote
ZHANG Yang	Director	Business reason	HU Wei
LIN Chu Chang	Independent Non-executive Director	Business reason	AU Sing Kun

1.3 Mr. Hu Wei, Chairman, Ms. Gong Tao Tao, Financial Controller, and Mr. Sun Bin, General Manager of Finance Department, confirm the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

- 1.4 The financial statements contained in the Third Quarterly Report of 2016 (the “Report”) of the Company for the three months ended 30 September 2016 (the “Reporting Period” or “Period”) have not been audited.
- 1.5 Unless otherwise stated, the currency of the amounts stated in this announcement is in RMB.
- 1.6 Unless otherwise stated, the abbreviation of the highways/projects operated, invested and managed by the Company and the investee companies of the Company in the Report shall have the same meaning as defined in Interim Report 2016 of the Company.

2. PRINCIPAL FINANCIAL DATA AND CHANGE IN SHAREHOLDERS

2.1 Principal financial data

Unit: RMB

	As at 30 Sep 2016	As at 31 Dec 2015	Change
Total assets	31,789,794,011.53	31,670,655,088.41	0.38 %
Net assets attributable to owners of the Company	12,574,484,063.42	12,368,892,973.17	1.66 %

	Jan~Sep 2016	Jan~Sep 2015	Change
Net cash flows from operating activities	1,509,694,215.04	977,849,620.96	54.39%

	Jan~Sep 2016	Jan~Sep 2015	Change
Revenue	3,179,809,568.00	2,438,282,427.64	30.41%
Net profit attributable to owners of the Company	946,755,266.61	852,922,810.62	11.00%
Net profit attributable to owners of the Company - excluding non-recurring items	835,776,754.47	776,395,460.07	7.65%
Return on equity - weighted average(%)	7.57	7.24	Increased 0.33 percentage point
Earnings per share - basic	0.434	0.391	11.00%
Earnings per share - diluted	0.434	0.391	11.00%

Non-recurring items and amounts

Unit: RMB

Non-recurring items	Jul ~ Sep 2016	Jan ~ Sep 2016	Illustration
Profit from entrusted operation management services	8,429,433.97	59,050,415.10	Profits from entrusted management services provided to Coastal Company and Longda Company in current period.
Investment income from transfer of subsidiaries	-	48,535,491.48	Earnings arising from the transfer of the entire equity interest and creditors' right of Guizhou Pengbo and 51% equity interest of Guizhou Hengtongli.
Gains arising from the remaining equity interest re-calculated per fair value after cease of control in subsidiaries	-	16,673,414.89	Gains arising from the remaining 49% equity interest of Guizhou Hengtongli re-calculated per fair value.
Amortisation of compensation provided by concession grantor	5,441,911.73	15,962,951.79	The amortisation of compensation to Yanpai Expressway and Yanba Expressway provided by concession grantors recognised according to traffic volume method for the Period which is disclosed as a deduction of the amortisation of the related concession intangible assets.
Investment income arising from investment financing products	5,219,622.08	8,460,614.59	
The interest income arising from the compensation receivables of toll collection adjustment of Meiguan Expressway and Three Projects.	1,164,545.20	3,560,217.20	
Loss arising from changes in fair value of foreign exchange swaps	-2,196,680.45	-2,196,680.45	Loss arising from changes in fair value of foreign exchange swaps in relation to overseas bonds amounting to USD300 million for hedging exchange rate risk as recognised at the end of the Reporting Period
Other non-operating income and expenses other than the above items	441,162.51	1,194,169.55	
Income tax effect	-3,773,654.06	-21,480,751.05	
Effect on minority interest (after tax)	-77,207.29	-18,781,330.96	
Total	14,649,133.69	110,978,512.14	

2.2 Shareholders information

As at the end of the Period, based on the shareholders' registers provided by the share registrar and the transfer offices of the Company in the PRC and Hong Kong, the total number of shareholders of the Company is 24,848, of which 24,606 were holders of A shares and 242 were holders of H shares. The top ten shareholders and the top ten holders of non-restricted circulating shares of the Company were as follows:

Unit: share

The top ten shareholders					
Name of shareholder	Nature of shareholders	Percentage	Number of shares held	Number of restricted circulating shares held	Information on shares pledged or frozen
HKSCC NOMINEES LIMITED ⁽¹⁾	Overseas legal person	33.01%	722,667,099	0	Unknown
Xin Tong Chan Development (Shenzhen) Company Limited	Domestic non-state-owned legal person	30.03%	654,780,000	0	None
Shenzhen Shen Guang Hui Highway Development Company	Domestic non-state-owned legal person	18.87%	411,459,887	0	None
China Merchants Hua Jian Highway Investment Co., Ltd ⁽²⁾	State-owned legal person	4.00%	87,211,323	0	None
Guangdong Roads and Bridges Construction Development Company Limited	State-owned legal person	2.84%	61,948,790	0	None
AU SIU KWOK	Overseas natural person	0.50%	11,000,000	0	Unknown
IP KOW	Overseas natural person	0.32%	7,000,000	0	Unknown
ZHANG PING YING	Domestic natural person	0.27%	6,094,806	0	Unknown
HONG KONG SECURITIES CLEARING COMPANY LIMITED ⁽³⁾	Overseas legal person	0.15%	3,270,655	0	Unknown
Shanghai Golden Bridge Investment Center (LP) – Golden Bridge Flexible Allocation II	Domestic non-state-owned legal person	0.15%	3,232,500	0	Unknown
Top ten holders of non-restricted circulating shares					
Name of shareholder			Number of non-restricted circulating shares held	Type of shares	
HKSCC NOMINEES LIMITED ⁽¹⁾			722,667,099	H share	
Xin Tong Chan Development (Shenzhen) Company Limited			654,780,000	A share	
Shenzhen Shen Guang Hui Highway Development Company			411,459,887	A share	
China Merchants Hua Jian Highway Investment Co., Ltd ⁽²⁾			87,211,323	A share	
Guangdong Roads And Bridges Construction Development Company Limited			61,948,790	A share	
AU SIU KWOK			11,000,000	H share	
IP KOW			7,000,000	H share	
ZHANG PING YING			6,094,806	A share	
HONG KONG SECURITIES CLEARING COMPANY LIMITED ⁽³⁾			3,270,655	A share	
Shanghai Golden Bridge Investment Center (LP) – Golden Bridge Flexible Allocation II			3,232,500	A share	
Connected relationship or concerted action relationship among the abovementioned shareholders:	Xin Tong Chan Development (Shenzhen) Company Limited and Shenzhen Shen Guang Hui Highway Development Company are connected persons under the same control of Shenzhen International Holdings Limited. There is no connected relationship among the state-owned shareholders in the above table. The Company did not notice any connected relationship among the other abovementioned shareholders or any connected relationship among the above state-owned shareholders and other shareholders.				

Notes:

- The H shares held by HKSCC NOMINEES LIMITED were held on behalf of various clients.
- The Company was informed that China Merchants Hua Jian Highway Investment Co., Ltd had been renamed China Merchants Expressway Network & Technology Holdings Co., Ltd in August 2016.
- The A shares held by HONG KONG SECURITIES CLEARING COMPANY LIMITED were held on behalf of the overseas participants of Northbound trading under Shanghai-Hong Kong Stock Connect.

3. SIGNIFICANT MATTERS

3.1 Operational information

Toll highway	Percentage of equity held by the Group	Percentage of revenue consolidated	Average daily mixed traffic volume (number of vehicles in thousands) ⁽¹⁾		Average daily toll revenue (RMB'000)		Average daily mixed traffic volume (number of vehicles in thousands) ⁽¹⁾		Average daily toll revenue (RMB'000)	
			Jul~ Sep 2016	YOY	Jul~ Sep 2016	YOY	Jan ~ Sep 2016	YOY	Jan ~ Sep 2016	YOY
Guangdong Province - Shenzhen region:										
Meiguan Expressway	100%	100%	90	10.9%	330	7.2%	82	11.1%	298	7.3%
Jihe East	100%	100%	268	11.9%	1,837	-3.2%	247	14.7%	1,715	-1.4%
Jihe West	100%	100%	221	16.3%	1,740	5.6%	200	15.2%	1,621	10.3%
Shuiguan Expressway ⁽²⁾	50%	100%	247	17.9%	1,829	7.9%	230	22.5%	1,685	11.2%
Shuiguan Extension	40%	—	108	31.2%	318	16.4%	97	34.1%	296	21.1%
Guangdong Province - other regions:										
Qinglian Expressway	76.37%	100%	38	13.2%	1,852	4.1%	37	9.7%	1,876	4.4%
Yangmao Expressway	25%	—	53	13.8%	1,839	1.3%	47	14.4%	1,809	6.6%
Guangwu Project	30%	—	44	20.8%	1,040	5.9%	40	15.1%	1,014	13.1%
Jiangzhong Project	25%	—	130	12.5%	1,186	3.5%	118	9.8%	1,120	4.2%
GZ W2 Expressway	25%	—	62	11.7%	1,080	-4.5%	57	16.6%	1,033	7.1%
Other provinces:										
Wuhuang Expressway	55%	100%	46	8.7%	957	-1.9%	44	7.8%	934	1.7%
Changsha Ring Road	51%	—	27	25.4%	333	39.0%	25	30.7%	294	40.7%
Nanjing Third Bridge	25%	—	28	2.7%	1,113	6.9%	28	0.4%	1,099	5.5%

Notes:

- (1) Traffic volume which is toll free during holidays is not included in the figures of average daily mixed traffic volume.
- (2) As the Group has acquired additional 10% equity interests in the Qinglong Company in 2015, and obtained effective control over the Qinglong Company, the financial statements of Qinglong Company have been consolidated into those of the Group since 30 October 2015 and the proportion of revenue consolidated into the financial statements has been adjusted to 100% from not being consolidated.
- (3) According to the agreements signed between the Company and The Transport Commission of Shenzhen Municipality (the "Shenzhen Transport Commission"), Yanba Expressway, Yanpai Expressway and Nanguang Expressway (the "Three Projects") were toll free from 00:00 on 7 February 2016. The Company calculated and determined the revenue of the Three Projects according to the method stipulated in the agreements.

Guangdong Province - Shenzhen region:

Since the toll adjustment proposals of the Three Projects were implemented in February 2016, the traffic volumes in toll free sections had increased, driving the growth of traffic volumes of the connected Jihe Expressway and Shuiguan Expressway. The Group performed maintenance and reinforcement of Pinghu Marshalling Yard Bridge of Jihe East from mid-May to mid-July in 2016, during which some of the traffic that would have travelled along that section changed their routes to Shuiguan Expressway and Shuiguan Extension, driving the growth of traffic volumes of Shuiguan Expressway and Shuiguan Extension. The maintenance and reinforcement of Pinghu Marshalling Yard Bridge of Jihe East were completed on 16 July 2016. The improvements in traffic conditions will enhance the operational performance of that section.

Guangdong Province - other regions:

Wuzhou – Guigang Section of Guangxi Cangshuo Expressway (Cangwu – Shuolong) commenced operation in the first half of 2015, which made the connected road network of Yunwu Expressway (Yunfu – Wuzhou) in Guangxi more accessible and promoted the traffic growth in the areas covered by the connected road network between the two provinces, thus leading to the traffic growth of Guangwu Project.

In the third quarter of 2016, Guangle Expressway (Guangzhou – Lechang, in Guangdong), being the dual line of G4 National Expressway (Guangdong Section, formerly known as Jingzhu Expressway), and Erguang Expressway continued to result in certain diversions on Qinglian Expressway. However, Qinglian Company actively carried out promotion of routes and implementation of a multi-level marketing strategy, which produced positive effect, the impact of diversion became stable. In addition, the expansion of Guangqing Expressway was completed for operation at the end of September 2016. The improvement of road networks will help enhance the traffic efficiency and quality of the service of the whole passage, further improving the operational performance of Qinglian Expressway.

Other provinces:

From January to September 2016, the toll revenue of Wuhuang Expressway basically remained the same as that in the same period of 2015, and its operational performance was still under the negative impact of various factors including the commencement of operation of nearby road networks and implementation of traffic control measures for municipal roads. However, the impact on YOY changes was generally eliminated. The toll revenue of Nanjing Third Bridge recorded a YOY increase due to the traffic growth of large vehicles but diversions on traffic to a certain extent resulted from the implementation of toll-free passage for Nanjing Wei San Road Tunnel and Wei Qi Road Tunnel since 1 January 2016. Benefiting from multiple positive impacts such as the improvement of road networks, the implementation of traffic control measures of neighbouring roads and the improvement in business of enterprises along the highway, Changsha Ring Road achieved a greater YOY increase in toll revenue.

3.2 Financial analysis

In the third quarter of 2016, the Group recorded a revenue of RMB1,116,681,000 (same period of 2015: RMB938,664,000), representing a YOY increase of 18.96%, in which toll revenue of RMB978,631,000 (same period of 2015: RMB792,646,000) was recorded, representing a YOY increase of 23.46%. During the Reporting Period, the Group recorded net profit attributable to owners of the Company (“Net Profit”) of RMB331,851,000 (same period of 2015: RMB 313,964,000), representing a YOY increase of 5.70%.

From January to September 2016, the Group recorded a revenue of RMB3,179,810,000 (same period of 2015: RMB2,438,282,000), representing a YOY increase of 30.41%, in which toll revenue of RMB2,744,333,000 (same period of 2015: RMB2,187,843,000) was recorded, representing a YOY increase of 25.44%. From January to September 2016, the Group recorded Net Profit of RMB946,755,000 (same period of 2015: RMB852,923,000), representing a YOY increase of 11.00%.

From January to September 2016, the Group recorded a YOY increase in revenue, mainly due to the contribution from revenue of RMB249,059,000 and RMB466,114,000 for the past three quarters resulting from the consolidation of Consulting Company and Qinglong Company into the Group's financial statements since 1 July 2015 and 30 October 2015 respectively. Save for the effect of changes in scope of consolidation, the Group's revenue recorded a YOY increase of 5.54%, and its toll revenue recorded a YOY increase of 4.34%, which was mainly due to beneficial factors including the organic growth of traffic volume of Jihe West and Qinglian Expressway, and an increase in their toll revenue to a certain extent. In addition, pursuant to the agreements relating to the toll adjustment of Three Projects entered into between the Company and the Shenzhen Transport Commission, the Company recognised a compensation amount of RMB447,403,000 for toll revenue of the Three Projects from January to September 2016 in accordance with the agreements. Details of the operational performance of various toll highway projects during the Reporting Period are set out in Section 3.1 above.

From January to September 2016, the Group recorded costs of services of RMB1,643,658,000, representing a YOY increase of 46.78%, of which the Group recorded increases in costs of services of RMB206,813,000 and RMB310,174,000 respectively resulting from the consolidation of Consulting Company and Qinglong Company into the Group's financial statements. Save for the effect of the consolidation, the Group's cost of services recorded a YOY increase of 8.40%, which was mainly due to the recognition of the cost of construction management service of Section A of Outer Ring and the increase in depreciation and amortisation costs. Affected by the receipt of prepayment from the Shenzhen Government for compensation for the toll adjustment of the Three Projects at the end of 2015, the amount of interest-bearing debts of the Group recorded a YOY increase and the financial expenses represented a YOY increase of 60.84% to RMB419,456,000.

From January to September 2016, the capital expenditures of the Group amounted to approximately RMB2.089 billion. During the Reporting Period, the Group issued bonds amounting to USD300 million with a term of five years and repaid the bonds of approximately RMB1.5 billion at maturity. As at the end of the Reporting Period, the Group's total outstanding interest-bearing debts amounted to RMB12.96 billion (as at 30 September and 31 December 2015: RMB8.057 billion and RMB13.276 billion). As at the end of the Reporting Period, the Group's debt-to-asset ratio was 52.47%.

According to the requirements of relevant accounting policies and systems of the Company, and in view of actual conditions of the main toll highways, the Group changed the accounting estimation in relation to the unit amortisation amount of the concession intangible assets in Qinglian Expressway, Nanguang Expressway, Yanpai Expressway and Yanba Expressway since 1 January 2016. The change of this accounting estimation led to a decrease of approximately RMB17,827,000 in the equity attributable to owners of the Company as at 30 September 2016 and a decrease in Net Profit of approximately RMB17,827,000 from January to September 2016, which does not have significant effect on the Group's financial position and operating results. For details thereof, please refer to the announcement of the Company dated 29 January 2016.

3.3 Substantial changes of key financial statements items and financial indicators of the Company and the reasons for the changes:

Unit: RMB'000

	As at 30 Sep 2016	As at 31 Dec 2015	Change	Primary reasons for the change
Cash at bank and on hand	4,498,171	6,422,378	-29.96%	Additional capital contribution to United Land, purchase of bank wealth management products and dividends distribution.
Dividends receivable	38,200	-	N/A	Dividends receivable for 2015 distributed by Bank of Guizhou.
Interest receivable	10,056	959	948.33%	Interest income receivable from term deposits.
Current portion of non-current assets	96,937	139,082	-30.30%	Part of the receivables from Guilong Road BT Project was received.
Other current assets	771,420	18,880	3,986.02%	Purchase of bank wealth management products.
Long-term prepayments	4,688	6,851	-31.57%	Delivery of some of government affordable housing applied.
Available-for-sale financial assets	43,490	30,170	44.15%	Additional capital contribution to Guangdong UETC.
Long-term equity investments	4,657,812	1,982,890	134.90%	Additional capital contribution to United Land Company, and the amount of the additional capital contribution made to Bank of Guizhou transferred to "Long-term equity investments" from "Other non-current assets".
Construction in progress	18,456	29,456	-37.34%	Transfer of completed expansion of toll stations to fixed assets.
Long-term prepaid expenses	14,878	10,980	35.50%	An increase in renovation expenses for office premises of subsidiaries.
Advances from customers	464,657	232,848	99.55%	An increase in the proceeds from pre-sale of commodity housing of Guilong Development Project, and part of advances from construction management of Section A of Outer Ring and Coastal Phase II.
Employee benefits payable	49,749	154,056	-67.71%	Performance bonus for year 2015 was paid to employees.
Taxes payable	180,605	258,045	-30.01%	Corporate income tax for the fourth quarter of 2015 was paid.
Interest payable	52,613	118,790	-55.71%	Bond interest accrued was paid.
Dividends payable	31,777	-	N/A	Dividends payable to minority interests.
Financial assets at fair value through profit or loss	2,197	-	N/A	Recognition of loss arising from changes in fair value of exchange swaps.
Bonds payable	3,663,075	2,690,330	36.16%	USD300 million bonds were issued and medium-term notes due in May 2017 in the amount of RMB1 billion were classified as "current portion of non-current liabilities".

	Jul ~ Sep 2016	Jul ~Sep 2015	Change	Primary reasons for the change
Cost of services	576,619	436,941	31.97%	The consolidation of Qinglong Company into the financial statements increased cost of services of the Group.
Business tax and surcharges	5,255	39,284	-86.62%	The VAT Scheme was fully put into effect by the Group on 1 May 2016.
Selling expense	4,815	3,629	32.67%	The marketing expenses for Guilong Development Project increased.
Financial expenses	148,700	98,199	51.43%	Increase in interest-bearing debt.
Gain or loss arising from changes in fair value	-2,197	-	N/A	Recognition of loss arising from changes in fair value of foreign exchange swaps.
Minority interests	39,573	23,780	66.41%	The consolidation of Qinglong Company into the financial statements, according to minority interest income increased.
	Jan ~ Sep 2016	Jan ~Sep 2015	Change	Primary reasons for the change
Revenue	3,179,810	2,438,282	30.41%	The consolidation of Consulting Company and Qinglong Company into the financial statements increased revenue of the Group.
Cost of services	1,643,658	1,119,808	46.78%	The consolidation of Consulting Company and Qinglong Company into the financial statements increased cost of services of the Group.
Business tax and surcharges	46,101	91,276	-49.49%	The VAT Scheme was implemented by the Group since 1 May 2016.
Financial expenses	419,456	260,788	60.84%	Increase in interest-bearing debts.
Gain or loss arising from changes in fair value	-2,197	-	N/A	Recognition of loss arising from changes in fair value of foreign exchange swaps.
Investment income	334,292	228,437	46.34%	Income from transfer of equity interest in subsidiaries and recognition of investment income from Bank of Guizhou.
Minority interests	118,410	46,138	156.64%	The consolidation of Qinglong Company into the financial statements, according to minority interest income increased.
Net cash flows from operating activities	1,509,694	977,850	54.39%	Payment of income tax of approximately RMB424 million on income arising from disposal of assets of a toll free section of Meiguan Expressway in the same period last year.
Net cash flows from investing activities	-2,473,910	1,542,611	N/A	Additional capital contribution to United Land , purchase of bank wealth management products,and part of compensation received related to the toll adjustment of Meiguan Expressway in the same period last year. .

3.4 Progress of significant matters and the analysis of the relevant impact and solutions

As the 2011 corporate bonds with a term of 5 years (“11 Shenzhen Expressway”) issued by the Company on 27 July 2011 were matured on 27 July 2016, the Company repaid the principal with interests on it for the last year on 27 July 2016, which amounted to RMB1,589,996,820 in aggregate, in accordance with relevant terms under 《2011 年公司債券發行公告》 (the Announcement on 2011 Corporate Bond Issue), 《2011 年公司債券票面利率公告》 (the Announcement on Coupon Rate of 2011 Corporate Bonds) and 《2011 年公司債券上市公告書》 (the Announcement on Listing of 2011 Corporate Bonds), and 11 Shenzhen Expressway was delisted on the same date accordingly. Please refer to 《“11 深高速”本息兌付和摘牌公告》 (the Announcement on Repayment of Principal with Dividends and Delisting of 11 Shenzhen Expressway) of the Company dated 15 July 2016 for details.

During the Reporting Period, the Company completed the issue of USD300 million bonds with a term of 5 years at a coupon rate of 2.875% with a value date on 18 July 2016. The bonds were listed and dealt in on The Stock Exchange of Hong Kong Limited since 19 July 2016. Please refer to announcements of the Company dated 5 July 2016, 12 July 2016 and 18 July 2016 respectively for details

Pursuant to the resolution passed at the 13th meeting of the seventh session of the Board of the Company, the Company purchased RMB-denominated short-term corporate wealth management product with guaranteed principal from cooperative banks since 28 March 2016 on the condition that both safety and liquidity of capital reserve can be ensured. The yield rates ranged from 2.50% to 3.50%. During the Reporting Period, the Company had 16 transactions related to such short-term wealth management products with five banks. The balance of wealth management products amounted to RMB750 million as at the end of the Reporting Period without any overdue principal or income. For the first nine months of 2016, the Company recorded income of RMB8,919,900 (tax inclusive), of which RMB5,532,800 (tax inclusive) was for the third quarter of 2016.

3.5 The fulfillment of the undertakings made by the Company, the shareholders holding over 5%

The shareholders of the Company, Xin Tong Chan Development (Shenzhen) Company Limited and Shenzhen Shen Guang Hui Highway Development Company, each of which holds more than 5% shareholding in the Company, have undertaken in the promoters’ agreement in January 1997 that they will not engage in any industry or business in any form in Shenzhen, which, directly or indirectly, competes with the Company. The Company did not notice violation of such undertakings by the above two shareholders up to the end of the Reporting Period.

Shenzhen International Holdings Limited (“Shenzhen International”) and 深國際控股(深圳)有限公司(Shenzhen International Holdings (SZ) Limited, formerly known as 怡萬實業發展(深圳)有限公司(Yiwan Industry Development (Shenzhen) Company Limited)) made undertakings in 《詳式權益變動報告書》 (Detailed Report on the Change of Equity Interests) published on 18 October 2007 in the securities market of PRC. The undertakings include avoiding competition and standardising connected transactions, etc. For details thereof, please refer to the abovementioned 《詳式權益變動報告書》 (Detailed Report on the Change of Equity Interests) or related contents of the Annual Report 2007 of the Company. Up to the end of the Reporting Period, the Company did not notice violation of such undertakings by the above two companies.

Shenzhen International made undertakings in respect of the matters such as avoiding competitions and supporting the development of the Company in December 2010 and June 2011 respectively. 深圳市投資控股有限公司(Shenzhen Investment Holdings Company Limited, "SIHCL") made undertakings in respect of the matters such as avoiding competitions and supporting the development of the Company in December 2010 and May 2011 respectively. The undertakings include that the highway assets shall be injected into the Company in 5-8 years in the case of qualified. For details thereof, please refer to 《收購報告書》 (Acquisition Report) published on 4 January 2011 in the securities market of PRC by SIHCL and the announcement of the Company dated 1 June 2011. Up to the end of the Reporting Period, the Company did not notice violation of such undertakings by Shenzhen International or SIHCL .

- 3.6 Profit alert, with reasons therefore, that the cumulative net profit from the beginning of the year to the end of the next reporting period may be a substantial change as compared to the same period of last year
applicable not applicable

By order of the Board
Hu Wei
Chairman

Shenzhen, the PRC, 27 October 2016

As at the date of this announcement, the directors of the Company are Mr. HU Wei (Executive Director and Chairman of the Board), Mr. WU Ya De (Executive Director and President), Mr. WANG Zeng Jin (Executive Director), Mr. LI Jing Qi (Non-executive Director), Mr. ZHAO Jun Rong (Non-executive Director), Mr. TSE Yat Hong (Non-executive Director), Ms. ZHANG Yang (Non-executive Director), Mr. AU Sing Kun (Independent non-executive Director), Mr. LIN Chu Chang (Independent non-executive Director), Mr. HU Chun Yuan (Independent non-executive Director) and Mr. CHEN Tao (Independent non-executive Director).

This announcement is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

Appendix:**Consolidated Balance Sheet**

30 Sep 2016

Unit: RMB; Unaudited

Item	As at 30 Sep 2016	As at 31 Dec 2015
Current assets:		
Cash at bank and on hand	4,498,171,473.42	6,422,377,830.89
Bills receivable	502,000.00	-
Accounts receivable	685,015,218.71	659,832,794.56
Advances to suppliers	257,229,834.46	242,115,831.87
Interest receivable	10,055,780.88	959,220.83
Dividends receivable	38,200,000.00	-
Other receivables	154,816,699.85	123,461,626.41
Inventories	782,176,007.64	648,713,256.36
Held for sale assets	-	169,004,404.40
Current portion of non-current assets	96,937,255.94	139,082,269.66
Other current assets	771,420,203.85	18,879,520.24
Total current assets	7,294,524,474.75	8,424,426,755.22
Non-current assets:		
Long-term prepayments	4,687,810.00	6,850,959.00
Available-for-sale financial assets	43,490,000.00	30,170,000.00
Long-term receivable	73,278,234.39	68,710,261.56
Long-term equity investments	4,657,812,051.05	1,982,890,024.59
Investment properties	13,670,350.00	14,102,125.00
Fixed assets	1,072,822,885.34	1,156,211,660.69
Construction in progress	18,455,769.23	29,456,086.42
Intangible assets	18,518,151,499.61	19,271,775,774.01
Goodwill	1,543,560.21	1,543,560.21
Long-term prepaid expenses	14,878,293.84	10,980,369.76
Deferred tax assets	76,479,083.11	77,617,511.95
Other non-current assets	-	595,920,000.00
Total non-current assets	24,495,269,536.78	23,246,228,333.19
TOTAL ASSETS	31,789,794,011.53	31,670,655,088.41

Consolidated Balance Sheet (continued)

30 Sep 2016

Unit: RMB; Unaudited

Item	As at 30 Sep 2016	As at 31 Dec 2015
Current liabilities:		
Accounts payable	193,318,609.38	182,023,959.15
Advances from customers	464,656,926.24	232,847,835.82
Employee benefits payable	49,749,356.92	154,056,117.83
Taxes payable	180,605,276.66	258,044,934.34
Interests payable	52,612,652.96	118,790,435.51
Dividends payable	31,777,391.31	-
Other payables	1,111,961,758.65	1,325,053,997.31
Current portion of non-current liabilities	1,608,878,359.96	1,836,240,879.39
Deferred income	2,768,402.45	3,464,972.66
Financial liabilities at fair value through profit or loss	2,196,680.45	-
Total current liabilities	3,698,525,414.98	4,110,523,132.01
Non-current liabilities:		
Long-term borrowings	1,807,824,000.00	2,201,928,764.00
Bonds payable	3,663,075,051.10	2,690,329,788.48
Provisions of liabilities	121,176,057.74	125,239,600.71
Deferred income	165,181,860.64	174,680,489.68
Deferred tax liabilities	1,275,948,071.40	1,339,812,592.32
Other non-current liabilities	5,948,806,182.39	6,067,060,199.11
Total non-current liabilities	12,982,011,223.27	12,599,051,434.30
Total liabilities	16,680,536,638.25	16,709,574,566.31
Owners' equity:		
Share capital	2,180,770,326.00	2,180,770,326.00
Capital surplus	2,274,351,523.42	2,274,351,523.42
Other comprehensive income	893,903,254.81	893,605,520.32
Surplus reserve	1,915,883,968.12	1,915,883,968.12
Undistributed profits	5,309,574,991.07	5,104,281,635.31
Total equity attributable to owners of the Company	12,574,484,063.42	12,368,892,973.17
Minority interests	2,534,773,309.86	2,592,187,548.93
Total owners' equity	15,109,257,373.28	14,961,080,522.10
TOTAL LIABILITIES AND OWNERS' EQUITY	31,789,794,011.53	31,670,655,088.41

Balance Sheet

30 Sep 2016

Unit: RMB; Unaudited

Item	As at 30 Sep 2016	As at 31 Dec 2015
Current assets:		
Cash at bank and on hand	3,014,932,127.73	4,888,439,240.81
Accounts receivable	477,223,248.76	495,255,623.24
Advances to suppliers	8,459,522.04	6,985,783.71
Interest receivable	9,724,280.88	956,785.27
Dividends receivable	39,575,925.30	80,000,000.00
Other receivables	598,367,455.74	1,269,557,969.42
Inventories	484,264.79	1,952,913.31
Other current assets	700,000,000.00	-
Total current assets	4,848,766,825.24	6,743,148,315.76
Non-current assets:		
Long-term prepayments	3,329,760.00	3,329,760.00
Available-for-sale financial assets	43,490,000.00	30,170,000.00
Long-term receivables	4,034,091,062.81	3,112,019,232.87
Long-term equity investments	9,283,393,301.50	6,721,818,997.37
Investment properties	13,670,350.00	14,102,125.00
Fixed assets	460,316,911.70	508,597,421.41
Construction in progress	3,815,692.54	4,008,899.94
Intangible assets	4,168,148,131.21	4,327,665,068.64
Long-term prepaid expenses	543,794.27	2,871,534.84
Deferred tax assets	41,009,642.47	41,792,784.92
Other non-current assets	-	595,920,000.00
Total non-current assets	18,051,808,646.50	15,362,295,824.99
TOTAL ASSETS	22,900,575,471.74	22,105,444,140.75

Balance Sheet (continued)

30 Sep 2016

Unit: RMB; Unaudited

Item	As at 30 Sep 2016	As at 31 Dec 2015
Current liabilities:		
Short-term borrowings	-	120,000,000.00
Accounts payable	20,704,026.50	22,230,271.50
Advances from customers	64,010,000.59	1,583,333.37
Employee benefits payable	9,281,804.51	57,554,501.48
Taxes payable	63,275,544.01	42,852,641.21
Interests payable	50,275,528.26	111,110,863.10
Other payables	1,352,424,373.27	1,367,946,083.86
Current portion of non-current liabilities	1,507,928,160.85	1,567,040,879.39
Financial liabilities at fair value through profit or loss	2,196,680.45	-
Total current liabilities	3,070,096,118.44	3,290,318,573.91
Non-current liabilities:		
Bonds payable	3,666,972,614.20	2,694,728,466.81
Provisions of liabilities	121,176,057.74	125,239,600.71
Other non-current liabilities	5,948,806,182.39	6,065,310,000.00
Total non-current liabilities	9,736,954,854.33	8,885,278,067.52
Total liabilities	12,807,050,972.77	12,175,596,641.43
Owners' equity:		
Share capital	2,180,770,326.00	2,180,770,326.00
Capital surplus	2,315,587,934.74	2,315,587,934.74
Surplus reserve	1,915,883,968.12	1,915,883,968.12
Undistributed profits	3,681,282,270.11	3,517,605,270.46
Total owners' equity	10,093,524,498.97	9,929,847,499.32
TOTAL LIABILITIES AND OWNERS' EQUITY	22,900,575,471.74	22,105,444,140.75

Consolidated Income Statement

Jul ~ Sep 2016

Unit: RMB; Unaudited

Item	Jul ~ Sep 2016	Jul ~ Sep 2015
1. Total revenue	1,116,681,418.56	938,664,445.20
Including: Revenue from services	1,116,681,418.56	938,664,445.20
2. Total operating cost	762,648,758.85	611,107,303.32
Including: Cost of services	576,619,445.30	436,941,480.68
Business tax and surcharges	5,255,263.54	39,283,963.45
Selling expenses	4,814,919.28	3,629,273.34
General and administrative expenses	27,258,960.11	33,053,429.93
Financial expenses	148,700,170.62	98,199,155.92
Add: Gain or loss arising from changes in fair value (“-” indicates loss)	-2,196,680.45	-
Investment income (“-” indicates loss)	106,936,754.71	91,817,190.46
Including: Share of profit of associates and joint ventures	101,717,132.63	87,289,483.56
3. Operating profit (“-” indicates loss)	458,772,733.97	419,374,332.34
Add: Non-operating income	1,497,206.72	453,326.87
Including: Gain on disposal of non-current assets	52,364.08	8,720.00
Less: Non-operating expenses	1,056,044.21	691,264.14
Including: Loss on disposal of non-current assets	90,107.44	51,669.21
4. Total profit (“-” indicates total loss)	459,213,896.48	419,136,395.07
Less: Income tax expenses	87,789,657.79	81,392,302.03
5. Net profit (“-” indicates net loss)	371,424,238.69	337,744,093.04
Net profit attributable to owners of the Company	331,851,259.03	313,964,036.18
Minority interests	39,572,979.66	23,780,056.86
6. Other comprehensive income after tax	50,215.65	-
Item that may be reclassified subsequently to profit and loss	50,215.65	-
Including: Currency translation reserve	50,215.65	-
7. Total comprehensive income	371,474,454.34	337,744,093.04
Total comprehensive income attributable to owners of the company	331,901,474.68	313,964,036.18
Total comprehensive income attributable to minority interest	39,572,979.66	23,780,056.86
8. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.152	0.144
(2) Diluted earnings per share (RMB per share)	0.152	0.144

Consolidated Income Statement

Jan ~ Sep 2016

Unit: RMB; Unaudited

Item	Jan ~ Sep 2016	Jan ~ Sep 2015
1. Total revenue	3,179,809,568.00	2,438,282,427.64
Including: Revenue from services	3,179,809,568.00	2,438,282,427.64
2. Total operating cost	2,189,554,141.51	1,545,340,803.33
Including: Cost of services	1,643,658,085.08	1,119,807,845.36
Business tax and surcharges	46,100,692.54	91,275,882.62
Selling expenses	11,756,292.32	10,637,617.18
General and administrative expenses	68,583,324.88	62,831,444.31
Financial expenses	419,455,746.69	260,788,013.86
Add: Gain or loss arising from changes in fair value (“-” indicates loss)	-2,196,680.45	-
Investment income (“-” indicates loss)	334,292,001.03	228,437,156.07
Including: Share of profit of associates and joint ventures	222,422,480.07	220,909,449.17
3. Operating profit (“-” indicates loss)	1,322,350,747.07	1,121,378,780.38
Add: Non-operating income	2,851,550.70	1,504,726.32
Including: Gain on disposal of non-current assets	61,071.92	849,767.50
Less: Non-operating expenses	1,657,381.15	2,402,925.87
Including: Loss on disposal of non-current assets	158,862.58	1,761,492.80
4. Total profit (“-” indicates total loss)	1,323,544,916.62	1,120,480,580.83
Less: Income tax expenses	258,380,038.20	221,419,904.81
5. Net profit (“-” indicates net loss)	1,065,164,878.42	899,060,676.02
Net profit attributable to owners of the Company	946,755,266.61	852,922,810.62
Minority interests	118,409,611.81	46,137,865.40
6. Other comprehensive income after tax	297,734.48	-
Item that may be reclassified subsequently to profit and loss	297,734.48	-
Including: Currency translation reserve	297,734.48	-
7. Total comprehensive income	1,065,462,612.90	899,060,676.02
Total comprehensive income attributable to owners of the company	947,053,001.09	852,922,810.62
Total comprehensive income attributable to minority interest	118,409,611.81	46,137,865.40
8. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.434	0.391
(2) Diluted earnings per share (RMB per share)	0.434	0.391

Income Statement

Jul ~ Sep 2016

Unit: RMB; Unaudited

Item	Jul ~ Sep 2016	Jul ~ Sep 2015
1. Revenue	341,464,042.81	346,336,627.46
Less: Cost of services	117,698,275.93	134,869,772.61
Business tax and surcharges	1,249,681.86	11,626,043.37
General and administrative expenses	13,535,754.46	14,840,019.70
Financial expenses	82,883,159.65	50,890,986.93
Add: Gain or loss arising from changes in fair value (“-” indicates loss)	-2,196,680.45	-
Investment income (“-” indicates loss)	257,639,673.15	176,407,469.91
Including: Share of profit of associates and joint ventures	102,468,791.70	87,289,483.56
2. Operating profit (“-” indicates loss)	381,540,163.61	310,517,274.76
Add: Non-operating income	570,415.30	321,259.27
Including: Gain on disposal of non-current assets	1,262.14	7,920.00
Less: Non-operating expenses	266,317.85	16,036.94
Including: Loss on disposal of non-current assets	5,832.99	16,036.94
3. Total profit (“-” indicates total loss)	381,844,261.06	310,822,497.09
Less: Income tax expenses	32,087,378.90	32,817,720.42
4. Net profit (“-” indicates net loss)	349,756,882.16	278,004,776.67
5. Other comprehensive income	-	-
6. Total comprehensive income	349,756,882.16	278,004,776.67

Income Statement

Jan ~ Sep 2016

Unit: RMB; Unaudited

Item	Jan ~ Sep 2016	Jan ~ Sep 2015
1. Revenue	1,052,474,792.13	944,026,865.60
Less: Cost of services	399,791,555.19	357,854,527.39
Business tax and surcharges	9,175,293.78	32,694,580.18
General and administrative expenses	39,647,806.14	39,610,913.04
Financial expenses	208,175,435.35	124,768,792.13
Add: Gain or loss arising from changes in fair value (“-” indicates loss)	-2,196,680.45	-
Investment income (“-” indicates loss)	612,808,983.02	497,033,310.23
Including: Share of profit of associates and joint ventures	223,669,528.57	220,909,449.17
2. Operating profit (“-” indicates loss)	1,006,297,004.24	886,131,363.09
Add: Non-operating income	1,178,847.08	423,799.77
Including: Gain on disposal of non-current assets	1,262.14	22,520.00
Less: Non-operating expenses	297,659.89	1,345,200.48
Including: Loss on disposal of non-current assets	26,765.68	1,345,095.27
3. Total profit (“-” indicates total loss)	1,007,178,191.43	885,209,962.38
Less: Income tax expenses	102,039,280.94	95,179,834.85
4. Net profit (“-” indicates net loss)	905,138,910.49	790,030,127.53
5. Other comprehensive income	-	-
6. Total comprehensive income	905,138,910.49	790,030,127.53

Consolidated Cash Flow Statement

Jan ~ Sep 2016

Unit: RMB; Unaudited

Item	Jan ~ Sep 2016	Jan ~ Sep 2015
1. Cash flows from operating activities		
Cash received from sales of goods and rendering of services	3,088,164,832.86	2,571,389,867.24
Refund of taxes	68,227.54	122,411.45
Cash received relating to other operating activities	72,766,100.92	114,775,387.51
Sub-total of cash inflows	3,160,999,161.32	2,686,287,666.20
Cash paid for goods and services	359,602,737.27	310,700,777.45
Cash paid to and on behalf of employees	438,356,673.36	290,545,679.78
Payments of taxes and surcharges	534,008,739.86	747,711,963.43
Cash paid relating to other operating activities	319,336,795.79	359,479,624.58
Sub-total of cash outflows	1,651,304,946.28	1,708,438,045.24
Net cash flows from operating activities	1,509,694,215.04	977,849,620.96
2. Cash flows from investing activities		
Cash from repayment of investments	33,980,100.85	-
Cash received from returns on investments	124,971,076.79	109,907,754.23
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	86,887.95	1,793,133,924.62
Net cash received from disposal of subsidiaries and other business units	138,573,770.52	3,000,000.00
Cash received relating to other investing activities	2,968,322,470.72	252,247,415.86
Sub-total of cash inflows	3,265,934,306.83	2,158,289,094.71
Cash paid to acquire fixed assets, intangible assets and other long-term assets	90,284,021.76	85,198,713.41
Net cash paid to acquire subsidiaries and other business units	1,998,260,000.00	524,300,000.00
Cash paid relating to other investing activities	3,651,300,000.00	6,179,073.80
Sub-total of cash outflows	5,739,844,021.76	615,677,787.21
Net cash flows from investing activities	-2,473,909,714.93	1,542,611,307.50
3. Cash flows from financing activities		
Cash received from borrowings	31,000,000.00	810,000,000.00
Cash receives from bonds	1,961,787,292.20	897,570,000.00
Sub-total of cash inflows	1,992,787,292.20	1,707,570,000.00
Cash repayments of borrowings	2,075,101,764.00	1,702,267,000.00
Cash payments for interest expenses and distribution of dividends or profits	1,177,306,203.94	1,430,085,254.80
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	132,275,058.91	87,337,055.45
Cash payments relating to other financing activities	2,814,719.79	359,599.00
Sub-total of cash outflows	3,255,222,687.73	3,132,711,853.80
Net cash flows from financing activities	-1,262,435,395.53	-1,425,141,853.80
4. Effect of foreign exchange rate changes on cash and cash equivalents	550,437.10	-5,283,286.37
5. Net increase in cash and cash equivalents	-2,226,100,458.32	1,090,035,788.29
Add: Cash and cash equivalents at beginning of the Period	6,180,992,066.06	1,255,154,897.37
6. Cash and cash equivalents at end of the Period	3,954,891,607.74	2,345,190,685.66

Cash Flow Statement

Jan ~ Sep 2016

Unit: RMB; Unaudited

Item	Jan ~ Sep 2016	Jan ~ Sep 2015
1. Cash flows from operating activities		
Cash received from sales of goods and rendering of services	713,923,878.88	965,925,644.21
Cash received relating to other operating activities	581,840,806.41	807,110,673.49
Sub-total of cash inflows	1,295,764,685.29	1,773,036,317.70
Cash paid for goods and services	71,456,672.49	104,252,894.00
Cash paid to and on behalf of employees	154,580,812.34	140,206,221.41
Payments of taxes and surcharges	133,625,808.26	132,768,904.22
Cash paid relating to other operating activities	163,808,339.09	24,153,500.50
Sub-total of cash outflows	523,471,632.18	401,381,520.13
Net cash flows from operating activities	772,293,053.11	1,371,654,797.57
2. Cash flows from investing activities		
Cash received from disposal of investments	161,984,053.64	73,179,541.62
Cash received from returns on investments	490,301,180.19	1,075,031,615.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	1,920.00
Cash received relating to other investing activities	2,680,774,995.93	279,471,554.01
Sub-total of cash inflows	3,333,060,229.76	1,427,684,630.81
Cash paid to acquire fixed assets, intangible assets and other long-term assets	15,285,490.73	20,104,995.11
Net cash paid to acquire subsidiaries and other business units	1,978,260,000.00	924,300,000.00
Cash paid relating to other investing activities	3,372,000,000.00	1,065,324,780.00
Sub-total of cash outflows	5,365,545,490.73	2,009,729,775.11
Net cash flows from investing activities	-2,032,485,260.97	-582,045,144.30
3. Cash flows from financing activities		
Cash received from borrowings	-	930,000,000.00
Cash receives from bonds	1,961,787,292.20	897,570,000.00
Sub-total of cash inflows	1,961,787,292.20	1,827,570,000.00
Cash repayments of borrowings	1,619,997,000.00	910,000,000.00
Cash payments for interest expenses and distribution of dividends or profits	971,037,728.15	1,183,876,245.37
Cash payments relating to other financing activities	2,599,182.57	166,089.17
Sub-total of cash outflows	2,593,633,910.72	2,094,042,334.54
Net cash flows from financing activities	-631,846,618.52	-266,472,334.54
4. Effect of foreign exchange rate changes on cash and cash equivalents	-483,172.69	-4,936,366.23
5. Net increase in cash and cash equivalents	-1,892,521,999.07	518,200,952.50
Add: Cash and cash equivalents at beginning of the Period	4,856,442,761.18	605,631,016.66
6. Cash and cash equivalents at end of the Period	2,963,920,762.11	1,123,831,969.16