



SHENZHEN EXPRESSWAY COMPANY LIMITED

Stock code: 00548(SEHK) 600548(SSE)

2019 Interim Results

23 August 2019

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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.

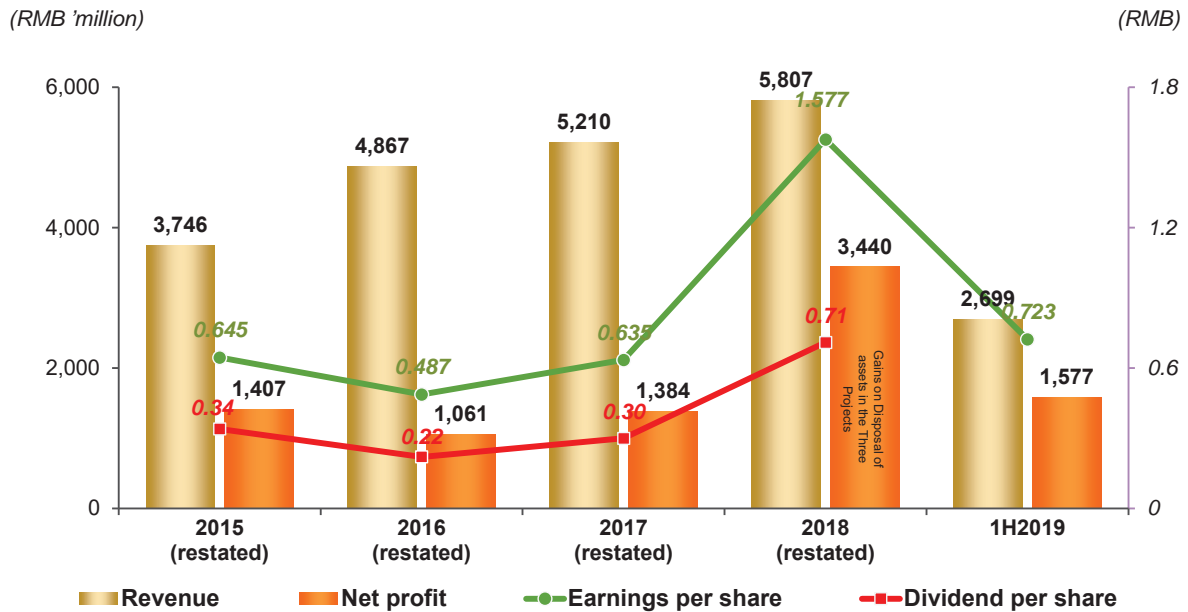
In this material, the total of breakdown and the total may not equal in mantissa due to rounding.

Financial Analysis



Financial Highlights

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Financial Analysis - Income Highlights

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	1H2019	1H2018	Change in Amount	Change
Net profit attributable to owners of the Company (RMB 'million)	1,577	969	+608	+62.79%
Earnings per share (EPS) (RMB)	0.723	0.444	+0.279	+62.79%
Return on equity – weighted average (ROE) (%)	8.80%	6.91%	+1.89 p.pt	
Excluding non-recurring items <small>Note :</small>				
Net profit attributable to owners of the Company (RMB 'million)	1,414	788	+626	+79.49%
Earnings per share (EPS) (RMB)	0.649	0.361	+0.288	+79.49%
Return on equity – weighted average (ROE) (%)	7.93%	5.66%	+2.27 p.pt	

Note: The non-recurring items mainly include equity transfer income recognized from transfer of equity and debt of 4 subsidiaries including Guizhou Shengbo, gains from changes in fair value of financial instruments, fair value change proceeds from the equity interests in Water Planning Company and Guangdong UETC, the net income from entrusted operation and management services provided to Longda Company, etc..



Financial Analysis - Revenue, Cost & Expenses

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	1H2019 (RMB 'million)	1H2018(restated) (RMB 'million)	Change in Amount (RMB 'million)	Change
Revenue	2,699	2,678	+22	+0.81% <i>Note 1</i>
<i>Toll highways</i>	2,204	2,462	-258	-10.48% <i>Note 2</i>
<i>Entrusted management services</i>	85	45	+41	+91.74% <i>Note 3</i>
<i>Real estate development</i>	309	111	+199	+179.30% <i>Note 4</i>
<i>Advertising and others</i>	100	60	+40	+67.54% <i>Note 5</i>
Cost of services	1,409	1,283	+126	+9.81% <i>Note 6</i>
<i>Toll highways</i>	1,052	1,164	-112	-9.63%
<i>Entrusted management services</i>	81	22	+58	+262.82% <i>Note 3</i>
<i>Real estate development</i>	199	57	+143	+252.32% <i>Note 4</i>
<i>Advertising and others</i>	77	40	+37	+93.26% <i>Note 5</i>
General and administrative expenses	83	42	+41	+97.62% <i>Note 7</i>

- Note 1: Revenue was basically flat YOY. Excluding the effect of the toll revenue from the Three Projects for the corresponding period of last year, the comparable revenue increased by 15.57%.
- Note 2: Toll revenue decreased by RMB258 million. Excluding the effect of the toll revenue from the Three Projects of RMB342 million, the comparable toll revenue increased by 3.95%.
- Note 3: Both revenue and cost from entrusted management service increased YOY, mainly in line with the progress of the entrusted construction projects and newly-recognized revenue from entrusted management and maintenance service for Nanguang, Yanpai, Yanba and Longda Expressways (the "Four Expressways").
- Note 4: Revenue and cost of real estate development respectively increased, mainly due to the increase in delivered units in the current period of Guilong Development Project.
- Note 5: Newly recognized revenue from the compensation service / operating cost of the new toll stations of the Three Projects.
- Note 6: Excluding the effect of the cost of services of the Three Projects for the corresponding period of last year, the comparable cost of services increased by 26.25% YOY, which was mainly due to the increases in employee expenses, road maintenance expenses, and depreciation and amortization expenses of other ancillary toll highways, and the increase in real estate development costs carried forward by Guilong Development Project.
- Note 7: The general and administrative expenses increased by approximately RMB40 million, which was mainly due to the increase in the number of managerial staff as the Company's business scale expanded and the consolidation of Nanjing Wind Power into the financial statements.



Financial Analysis - Operating Income from Toll Highways

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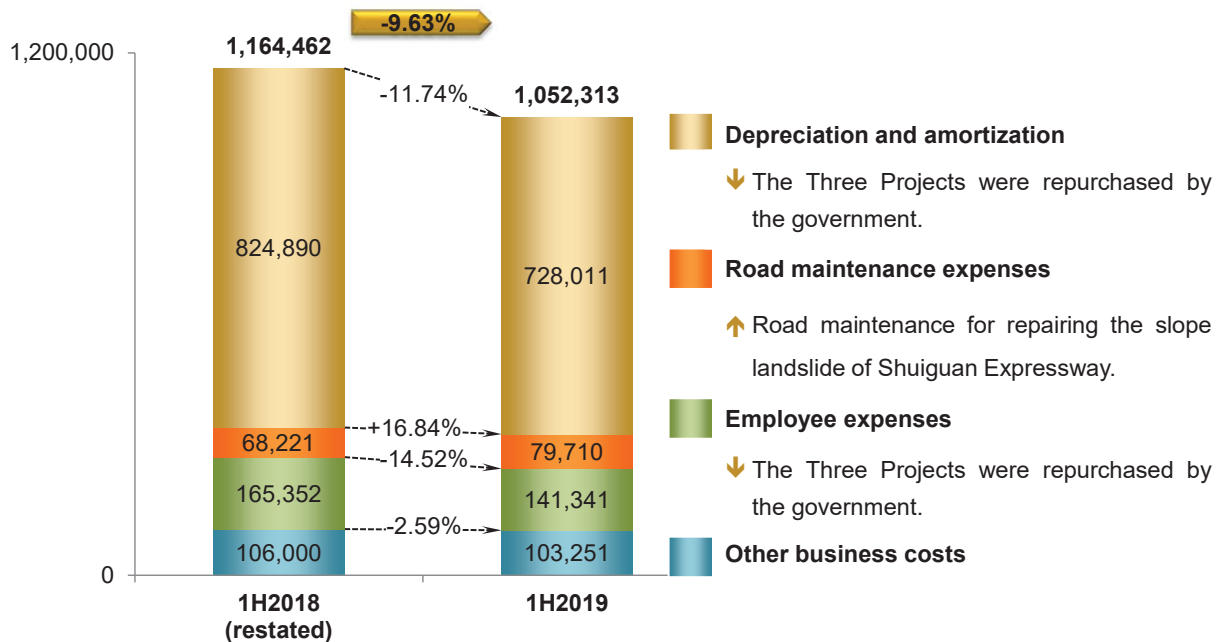
	1H2019 (RMB' 000)	1H2018 (RMB' 000)	Change in Amount (RMB' 000)	Change
Toll highway				
Qinglian	422,006	387,232	+34,774	+8.98%
Jihe East	370,418	366,433	+3,985	+1.09%
Jihe West	321,785	315,996	+5,789	+1.83%
Shuiguan	308,281	310,701	-2,420	-0.78%
Coastal	251,688	215,119	+36,569	+17.00%
Wuhuang	200,770	190,064	+10,706	+5.63%
Yichang	195,510	204,808	-9,298	-4.54%
Changsha Ring Road	70,296	69,474	+822	+1.18%
Meiguan	63,545	60,739	+2,806	+4.62%
Sub-total <i>Note</i>	2,204,299	2,120,567	+83,732	+3.95%
Nanguang	N/A	176,915	N/A	N/A
Yanpai	N/A	88,587	N/A	N/A
Yanba	N/A	76,415	N/A	N/A
Total	2,204,299	2,462,485	-258,186	-10.48%



Financial Analysis - Operating Costs from Toll Highways

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(RMB '000)



Financial Analysis - Operating Profit from Toll Highways

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	Cost of Services		Operating Profit	
	1H2019 (RMB '000)	Change in Amount (RMB '000)	1H2019 (RMB '000)	Change in Amount (RMB '000)
Toll highway				
Qinglian	226,605	+28,504	195,401	+6,270
Jihe East	144,284	-6,380	226,134	+10,365
Jihe West	54,180	-908	267,605	+6,697
Shuiguan	231,124	+19,827	77,157	-22,247
Coastal	135,569	+22,488	116,119	+14,081
Wuhuang	103,286	-15,181	97,484	+25,888
Yichang	96,066	+1,237	99,444	-10,535
Changsha Ring Road	25,823	+4,168	44,473	-3,346
Meiguan	35,376	+1,126	28,169	+1,680
Sub-total	1,052,313	+54,881	1,151,986	+28,851
Nanguang	-	-80,417	-	-96,498
Yanpai	-	-35,489	-	-53,098
Yanba	-	-51,125	-	-25,290
Total	1,052,313	-112,149	1,151,986	-146,036

Operating profit = Operating income – Operating costs



Financial Analysis

- Operating Profits from Entrusted Management Service & Real Estate Development

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	Operating Income		Operating Costs		Operating Profit	
	1H2019 (RMB '000)	Change in Amount (RMB '000)	1H2019 (RMB '000)	Change in Amount (RMB '000)	1H2019 (RMB '000)	Change in Amount (RMB '000)
Entrusted management project						
Outer Ring Project	14,894	+2,334	14,894	+2,515	0	-181
Duohua Bridge Project	29,461	+25,144	29,461	+25,183	0	-39
Other entrusted construction management projects ^{Note1}	958	-18,194	882	-4,649	76	-13,545
Entrusted operation management projects ^{Note2}	40,048	+31,557	35,267	+35,267	4,781	-3,710
Total	85,361	+40,842	80,504	+58,316	4,857	-17,474
Guilong real estate development project	309,498	+198,687	199,220	+142,675	110,278	+56,012

Operating profit = Operating income – Operating costs

Note 1: Including Cargo Organization Adjustment Project and so on.

Note 2: Including Longda Expressway, the Four Expressways and Shahe Road-Yanpai Interchange Project.



Financial Analysis

- Investment Income

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	1H2019 (RMB '000)	1H2018 (RMB '000)	Change in Amount (RMB '000)
Item			
Joint ventures and associates:			
Shuiguan Extension	4,637	4,146	+492
Guangwu Project	20,246	19,324	+922
Yangmao Expressway	41,646	47,173	-5,527
Jiangzhong Project	18,714	11,782	+6,932
GZ W2 Expressway	31,323	29,014	+2,309
Nanjing Third Bridge	29,583	27,916	+1,667
Derun Environment	97,105	92,446	+4,659
Bank of Guizhou	60,687	50,878	+9,810
Others ^{Note}	-3,551	2,606	-6,157
Sub-total	300,390	285,283	+15,107
Investment income arising from transfer of subsidiaries	267,176	-	+267,176
Dividend received from Guangdong UETC	28,080	-	+28,080
Investment income from wealth management products	1,445	3,329	-1,883
Total	597,091	288,612	+308,479

Note: Investment income attributable to the Consulting Company and United Land Company.



Financial Analysis - Financial Expenses

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	1H2019 (RMB '000)	1H2018 (RMB '000)	Change in Amount (RMB '000)
Item			
Interest expenses	346,701	511,949	-165,248
Less: Interest capitalized	- 59,212	- 29,711	+29,501
Interest income	25,312	32,428	-7,116
Add: Exchange profit or loss and others	+ 7,128	+ 50,739	-43,611
Total financial expenses	269,305	500,549	-231,244^{Note}
	1H2019	1H2018	Change in Amount
Comprehensive borrowing cost - nominal costs (%)	4.42%	4.70%	-0.28 p.pt
Average borrowing scale (RMB 'billion)	13.9	21.4	-7.5

- Exchange losses from USD debentures and the fair value gains basically achieved financial hedging.

Note: The financial expenses decreased by 46.20% YOY, which was mainly due to the facts that the interest expenses decreased as the average borrowing scale went down, and exchange losses decreased YOY as foreign liabilities were affected by fluctuation in RMB exchange rate.



Financial Analysis - Assets and Liabilities Highlights

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	30 June 2019 (RMB 'million)	31 December 2018 (RMB 'million)	Change in Amount (RMB 'million)	Change
Total equity attributable to owners of the Company	17,421	17,387	+33	+0.19%
Net assets per share (RMB)	7.99	7.97	+0.02	+0.19%
Total assets	41,353	41,101	+252	+0.61%
of which: Cash and cash equivalents	2,755	2,581	+174	+6.74%
Total liabilities	21,369	21,561	-192	-0.89%
of which: Total outstanding interest-bearing liabilities	14,031	13,923	+108	+0.78%



Financial Analysis - Debt Ratio and Repayment

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	30 June 2019	31 December 2018
Debt-to-asset ratio (Total liabilities / Total assets)	51.68%	52.46%
Net borrowings-to-equity ratio ((Total borrowings - cash and cash equivalents) / Total equity)	56.43%	58.04%
	1H2019	1H2018
Interest covered multiple ((Profit before tax + interest expenses) / interest expenses)	5.74	3.60
EBITDA interest multiple (Earnings before interests, tax, depreciation and amortization / interest expenses)	8.18	5.29

- The Group's businesses demonstrated steady development, recording an increase in revenue while further enhancing the effectiveness of cost management and steadily improving the debt repayment capability.

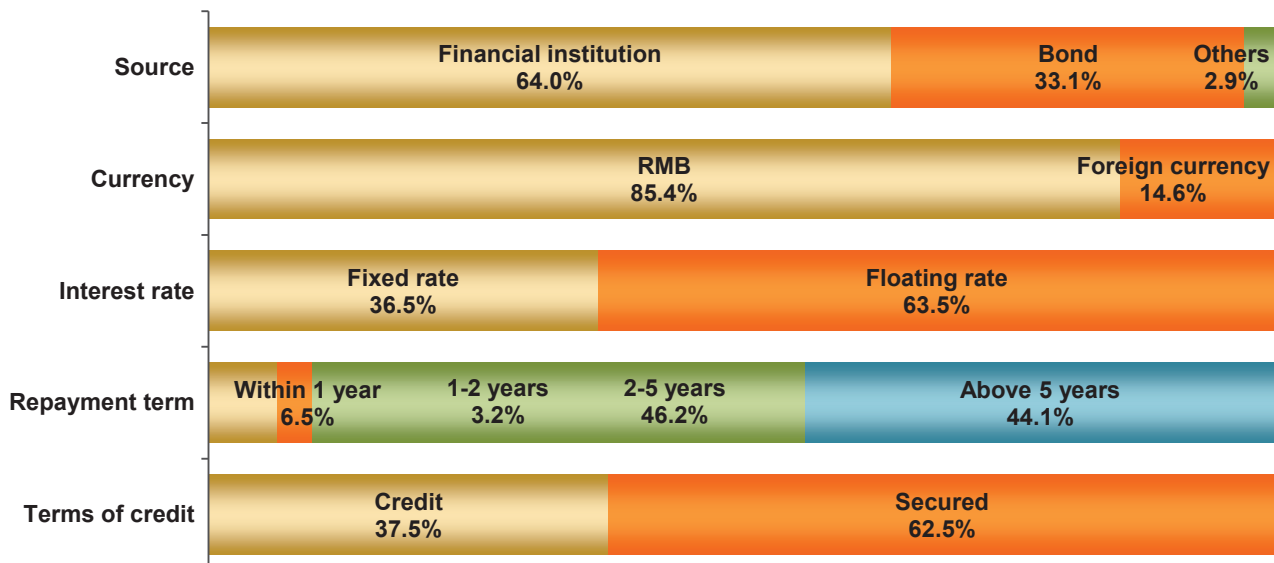


Financial Analysis - Borrowing Structure

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Borrowing Structure

(as at 30 June 2019)



- During the Reporting Period, the Company continued to maintain the highest credit rating of AAA for domestic entities, and maintained the existing investment grade ratings for international. As for credit ratings of debt, corporate bonds and medium-term notes remained at the highest credit rating of AAA and US dollar bonds remained at the investment grade rating of BBB (by S&P, Fitch) and Baa2 (by Moody's).



Financial Analysis - Capital Expenditure 1

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- In the first half of 2019, the total capital expenditure of the Group amounted to RMB1,333 million, of which, equity investments amounted to RMB568 million and non-equity investments amounted to RMB766 million.
- The Group's total capital expenditure will be expected to be approximately RMB5,498 million from the second half of 2019 to 2021, which mainly comprised investment in Outer Ring Project, construction expenditures of projects such as Coastal Phase II and initial expenditure of reconstruction and expansion of Jihe Expressway, ETC equipment due to the abolition of provincial boundary toll stations, and mechanical and electrical equipment of the highway sections operated by subsidiaries.
- During the Reporting Period, the Group's net cash inflows from operating activities and cash return on investments totaled RMB1 billion (1H2018: RMB1.66 billion).
- As at the end of the Reporting Period, unutilized banking facilities amounted to RMB12 billion.



Financial Analysis - Capital Expenditure 2

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(RMB 'million)	Actual Expenditure	Capital Expenditure Plan			
	1H2019	2H2019	2020	2021	Total
Non-equity investments	765.9	1,169.4	2,526.3	1,334.2	5,029.9
Outer Ring Project	661.7	380.0	2,024.8	1,234.4	3,639.2
Reconstruction and expansion of Meiguan Expressway	-	4.0	-	-	4.0
Qinglian Project	6.1	13.9	3.0	-	16.9
Nanguang Expressway	-	18.4	-	-	18.4
Coastal Phase II	4.8	13.5	18.3	18.3	50.2
Initial expenditure of reconstruction and expansion of Jihe Expressway	43.7	88.1	400.0	-	488.1
Investments in ETC equipment due to the abolition of provincial boundary toll stations	-	438.0	-	-	438.0
Other investment (Investment in mechanical and electrical equipment, etc.)	49.7	213.5	80.1	81.4	375.1
Equity investments	567.5	51.3	208.2	208.2	467.6
Yangmao Project	57.5	51.3	208.2	208.2	467.6
Nanjing Wind Power	510.0	-	-	-	-
Total	1,333.4	1,220.7	2,734.5	1,542.3	5,497.5

Business Review



Toll Highway - Brief Analysis of Operation 1

Guangdong Province - Shenzhen Region

- The total toll revenue recorded a YOY growth.
- The commencement of operation of Dongguan Section of Congguan Expressway has promoted the growth of traffic volume in Meiguan Expressway.
- The traffic volume of Jihe Expressway is saturated and the free pass of the Three Projects and Phase II of Qingping Expressway induced traffic volume of Jihe Expressway, resulting in traffic congestion during peak hours.
- The slope landside repair of Shuiguan Expressway had a certain negative impact on its traffic flow and toll revenue.
- Coastal Project has entered a good growth period.



Toll Highway - Brief Analysis of Operation 2

Guangdong Province - Other Regions

- Affected by the diversion of new roads, itself reconstruction and expansion, and the implementation of the governing over-limit and overloaded vehicles policy, both the average daily traffic volume and toll revenue of Yangmao Expressway decreased YOY.
- Affected by the diversion, the average daily toll revenue of both Guangwu Project and Jiangzhong Project decreased YOY.
- The opening of all sections of Xuguang Expressway and Longhuai Section of Shankun Expressway and the implementation of traffic control measures of Qingyuan Bridge have promoted the operational performance of Qinglian Expressway.

Other Provinces

- Due to the combined effects of factors such as growth of vehicle ownership in surrounding cities and continuous improvement of surrounding road networks, the operational performance of Wuhuang Expressway maintained a steady growth.
- Due to the factors such as the regional economic activity and the implementation of traffic control measures, the operational performance of both Nanjing Third Bridge and Changsha Ring Road was stable.
- Due to the diversion effect, the implementation of policies on traffic control and those governing over-limit and overloaded vehicles, and the negative impacts of snowstorms at the beginning of the year, both the average daily traffic volume and toll revenue of Yichang Expressway decreased YOY.

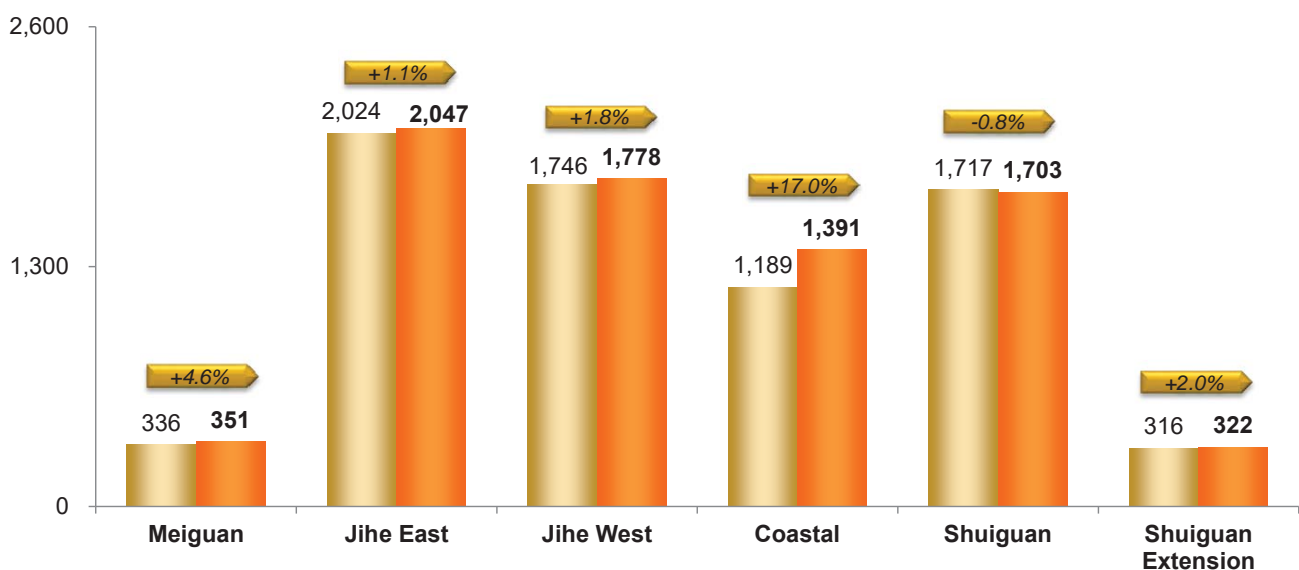


Toll Highway - Operational Performance 1

Average Daily Toll Revenue Shenzhen Region

(RMB '000)

■ 1H2018 ■ 1H2019

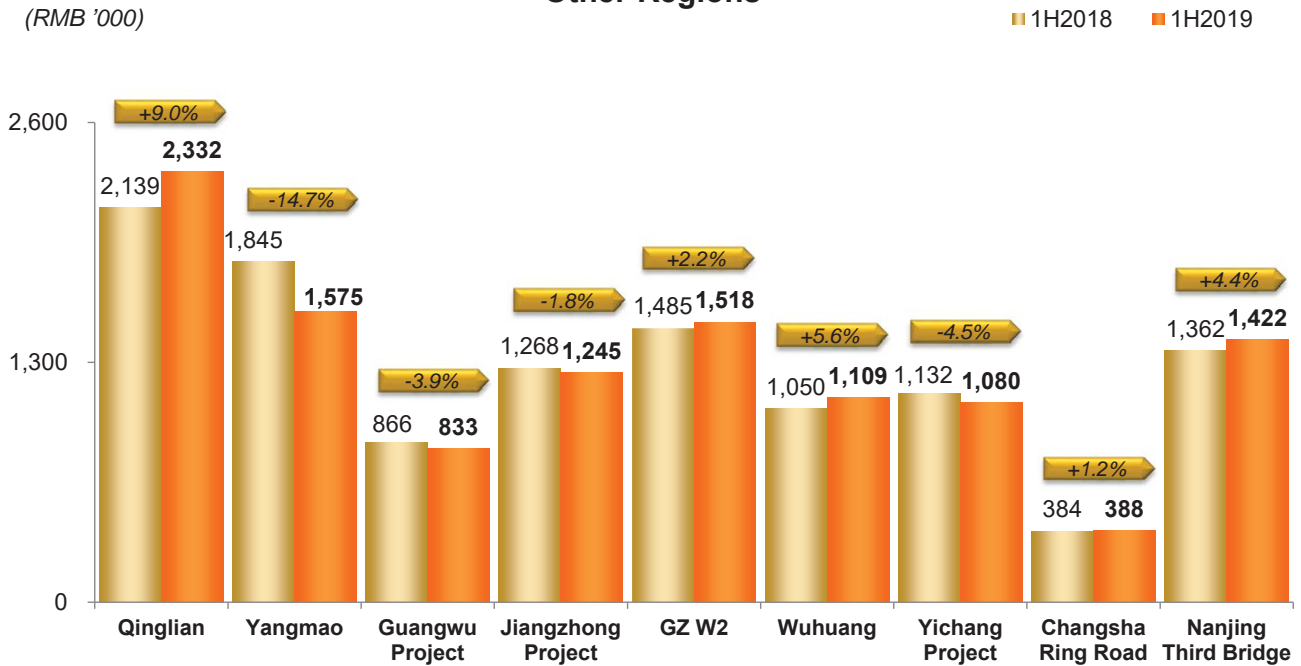


- Coastal Company has been consolidated into the Group's financial statements since 8 February 2018.



Toll Highway - Operational Performance 2

Average Daily Toll Revenue Other Regions



Toll Highway - Project under Construction 1

Section A of Outer Ring

- Section A of Outer Ring is from Coastal Expressway in the west to the interchange of Shenshan Expressway in the east (excluding Dongguan section) with the length of approximately 60 km with six-lane.
- Section A of Outer Ring is the first toll highway project invested by the Group based on PPP model. The project can effectively achieve a balance between the public welfare and reasonable return on business investment of infrastructure.
- Section A of Outer Ring contains Phase I and Phase II, which is under full construction. The main project is scheduled to be completed in 2020.



Toll Highway - Project under Construction 2

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Shenzhen Section of Guangshen Coastal Expressway (Coastal Project)

- Acquired 100% equity interests in Coastal Company at a consideration of RMB1,472 million.
- Coastal Project is a dual eight-lane expressway with the total mileage of approximately 37 km. It is comprised of Coastal Phase I and Coastal Phase II. Coastal Phase I was opened to traffic on 28 December 2013. Coastal Phase II is under construction and will be opened to traffic by sections starting in 2019.
- Coastal Project implements the 50% discount policy for trucks passing through the Coastal Project from 1 March 2018 to 31 December 2020, Shenzhen Transportation Bureau provides cash compensation amount of RMB300 million to Coastal Company.
- It enjoys an excellent geographical location and an economically viable neighborhood region. With the steady development of the regional economy along Coastal Project and the constant improvement of its surrounding road networks, the operational performance of Coastal Project will enter a period of rapid growth.



Toll Highway - Project Development

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Reconstruction and Expansion of Jihe Expressway

- To improve road safety and quality and the traffic environment, the Group actively promoted the preliminary work such as the preparation of the engineering feasibility report and the preliminary design.

Reconstruction and Expansion of Yangmao Expressway

- Yangmao Expressway started the four-to-eight-lane reconstruction and expansion construction in mid-2018 with a total approved estimated budget of RMB8 billion (of which Shenzhen Expressway contributes RMB700 million according to its proportion of shares). It is scheduled to be completed in 2022.

Shenshan Second Expressway

- The Company was entrusted by the Shenzhen Government for the preliminary works of Shenshan Second Expressway.



Nanjing Wind Power

- The Group acquired 51% controlling equity interests in Nanjing Wind Power by ways of equity transfer and capital increase at a consideration of RMB510 million in March 2019. Nanjing Wind Power has been consolidated into the Group's financial statements since 8 April 2019.
- Nanjing Wind Power: possesses the technological capacity to self-develop and produce large scale wind power generating units, as well as the experience and ability to develop, construct, operate and manage wind farms, its market prospect for business development is promising.
- With the continuous improvement and implementation of national policies, the clean energy industry such as wind power will usher in historical opportunities, and the investment value of wind power industry will be highlighted in the future.



Other Infrastructure - Development and Management of Land 1

Guilong Project

- Relying on BT Projects of Guilong Road and Duohua Bridge, from 2012 up to the Reporting Date, the Group has successfully won the bids for parcels of land in Longli, Guizhou with an area of approximately 3,005 mu (approximately 2 million square meters) with a total consideration of approximately RMB961 million:
 - 1,045 mu (approximately 697,000 square meters) has been conducted secondary self-development as Shenzhen Expressway Interlaken Town:
 - Phase I (approximately 247 mu, equivalent to 164,000 square meters) has been developed. A total of 313 sets of villas were basically delivered and the revenue of RMB679 million has been recognized.
 - Phase II (approximately 389 mu, equivalent to 260,000 square meters) is under development. Among which, Stage I launched 238 sets of villas, all of which have been sold out and payments have been received, of which approximately 80% have completed the handover. Stage II launched 95 sets of commercial supporting property. During the Reporting Period, 57 sets out of the 95 commercial properties provided have been contracted for sale and payments have been received. The handover process has commenced.
 - Phase III (approximately 299 mu, equivalent to 153,000 square meters) is under development. Among which, Stage I launched 271 sets of villas, of which 196 have been contracted for sale and payments have been received. It is expected to be completed by the end of 2020. Stage II project is intended to be commercial supporting property.
 - 504 mu (approximately 336,000 square meters) completed the sale in 2016 with the transaction price of RMB150 million.
 - 296 mu (approximately 197,000 square meters) completed the sale in 2018 with the transaction price of RMB180 million.
 - 810 mu (approximately 540,000 square meters) completed the sale in 2019 with the transaction price of RMB567 million.
 - In 2018, bid for 235 mu (approximately 157,000 square meters) of Duohua Bridge Project with the transaction price of RMB118 million. In 2019, bid for 115 mu (approximately 77,000 square meters) of Guilong Project with the transaction price of RMB65 million.
- The Group will, through means such as timely market transfer, cooperation or self-development based on the overall market conditions and development opportunities, realize the market value of the lands it holds and the Group's investment gains as soon as possible, at the same time prevent the contractual and market risks in relation to the lands in an effective way.



Other Infrastructure - Development and Management of Land 2

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Meilin Checkpoint Renewal Project

- The land area of the land parcels is approximately 96,000 square meters and the land is for residential and commercial purposes with a capacity building area of not more than 486,400 square meters (including public affiliated facilities, etc.).
- The Company, XTC Company and United Land Company reduced the capital of the project on 2 February 2018. The total amount of capital reduction was RMB4.5 billion.
- In April 2018, United Land Company has increased the compensation with 9,120 square meters of office building for Meiguan Company. It will increase the net profit attributable to shareholders of the Company by approximately RMB169 million in 2018.
- The land price of the project land parcel is about RMB13,000.00 per square meter.
- The project was determined to adopt the “entrusted development” model. Vanke holds the equity interests of 30% with the capital increase of RMB2.9 billion. The equity interests of XTC Company and Shenzhen Expressway are 35.7% and 34.3%, respectively.
- The Meilin Checkpoint Renewal Project will be developed in three phases within 3 to 5 years. Phase I will comprise residential units with an estimated saleable area of approximately 75,000 square meters, pre-sold houses of more than 830 sets and affordable housing with an area of approximately 42,000 square meters; Phase II will comprise residential units with an estimated saleable area of approximately 68,000 square meters; Phase III will comprise residential units with an estimated saleable area of approximately 63,000 square meters and a complex building of office and business apartment with an area of approximately 190,000 square meters. In addition, the project has reserved approximately 34,500 square meters as commercial supporting property in its overall planning.
- As at the end of the Reporting Period, the sales volume of Hefengxuan Phase I reached more than 700 sets, representing a de-stocking rate of approximately 88%. It is scheduled to be delivered by the end of this year. The main work of Phase II is under construction. Phase III is applying for relevant construction and the preliminary engineering has commenced.



Other Infrastructure - Entrusted Construction Management & Other Infrastructure

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Entrusted Construction Management

- Approximately 56% of the Outer Ring Project has been completed.
- 74% of the physical progress of Cargo Organization Adjustment Project have been completed, among which the 4 toll stations in the first batch have been completed and commenced operation, while the main work for the second batch is yet to commence.
- Approximately 37% of the construction of Longhua Municipal Section Project have been completed.

BT Model Development

- Duohua Bridge Project is approximately 2.2 km long in total, the major construction work of the project is the construction of Duohua Bridge. The investment budget of the project was approximately RMB900 million and the construction period is expected to be approximately 3 years. As at the end of the Reporting Period, approximately 17% of the physical work of the project have been completed.

Others

- The whole project of land levelling and related auxiliary works of Shenzhen-Shanwei Special Cooperation Zone is scheduled to be fully completed by the end of 2019.



Bank of Guizhou

- The Group respectively subscribed for the additional shares issued by Bank of Guizhou in 2015 and 2016, with a total of 426 million shares of Bank of Guizhou. The equity interests held by the Group accounted for approximately 3.44% of the total share capital of Bank of Guizhou.
- The Board of the Company has approved to increase the shareholding in Bank of Guizhou with a total investment amount of not more than RMB190 million from 11 June 2019 to 20 May 2021.

Lvyuan Fund

- The Board of the Company has approved to participate in the investment in Lvyuan Fund. The investment amount to be made is RMB200 million or 25% of the total size of fund, whichever the lower, and the fund shall be allowed to be closed in up to two tranches. The participants of the fund shall complete their respective internal approval and sign the partnership agreement by 31 December 2019. As at the end of the Reporting Period, the Company has not entered into any agreement in relation to the investment in Lvyuan Fund.





Toll Highway Business

- Complete the full upgrade and reform of the existing tolling system and achieve the goal of abolition of provincial boundary highway toll stations and non-stop express toll collection.
- Construction progress and quality of Coastal Phase II and Section A of Outer Ring.

Environmental Protection Business

- Ensure the smooth transition in production and operation management of Nanjing Wind Power Project.
- Focus on the development in sub-sectors emphasizing the environmental industrial parks in regions such as Shenzhen-Shanwei Special Cooperation Zone.
- Enhance the communication and cooperation with Water Planning Company, Derun Environment and Nanjing Wind Power to seek in-depth cooperation opportunities.

Strategic Research and Business Expansion

- Review the implementation of the current strategy and formulate a new development strategy.
- Explore business models which are in the interest of the Group, actively facilitate various works in respect of the existing projects.

Financial Management

- Maintain sound fund management and financing, strengthen medium and long-term forecast management.
- Ensure smooth flow of financing channels, optimize capital structure so as to ensure financial safety and reduce financial costs.

Corporate Governance

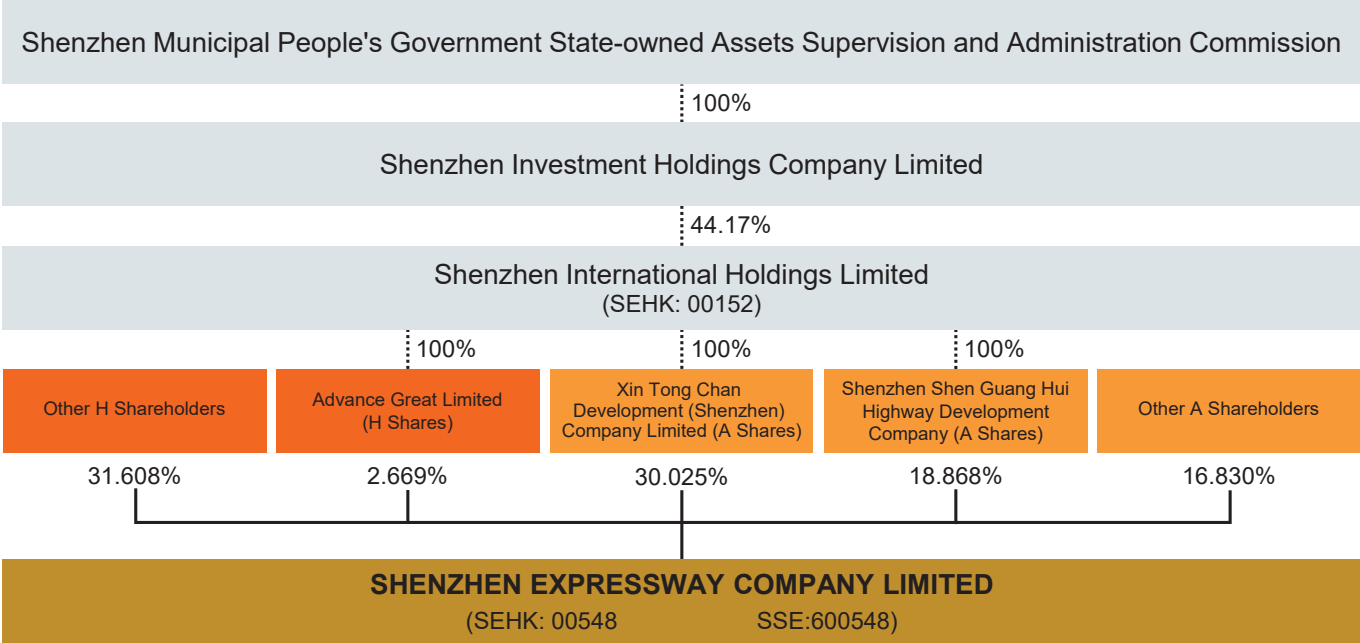
- Adhere to the principles of good corporate governance, improve corporate governance.
- Effectively improve the transparency and independence of the Company's operations, promote the healthy and stable development of the Company.



Appendix



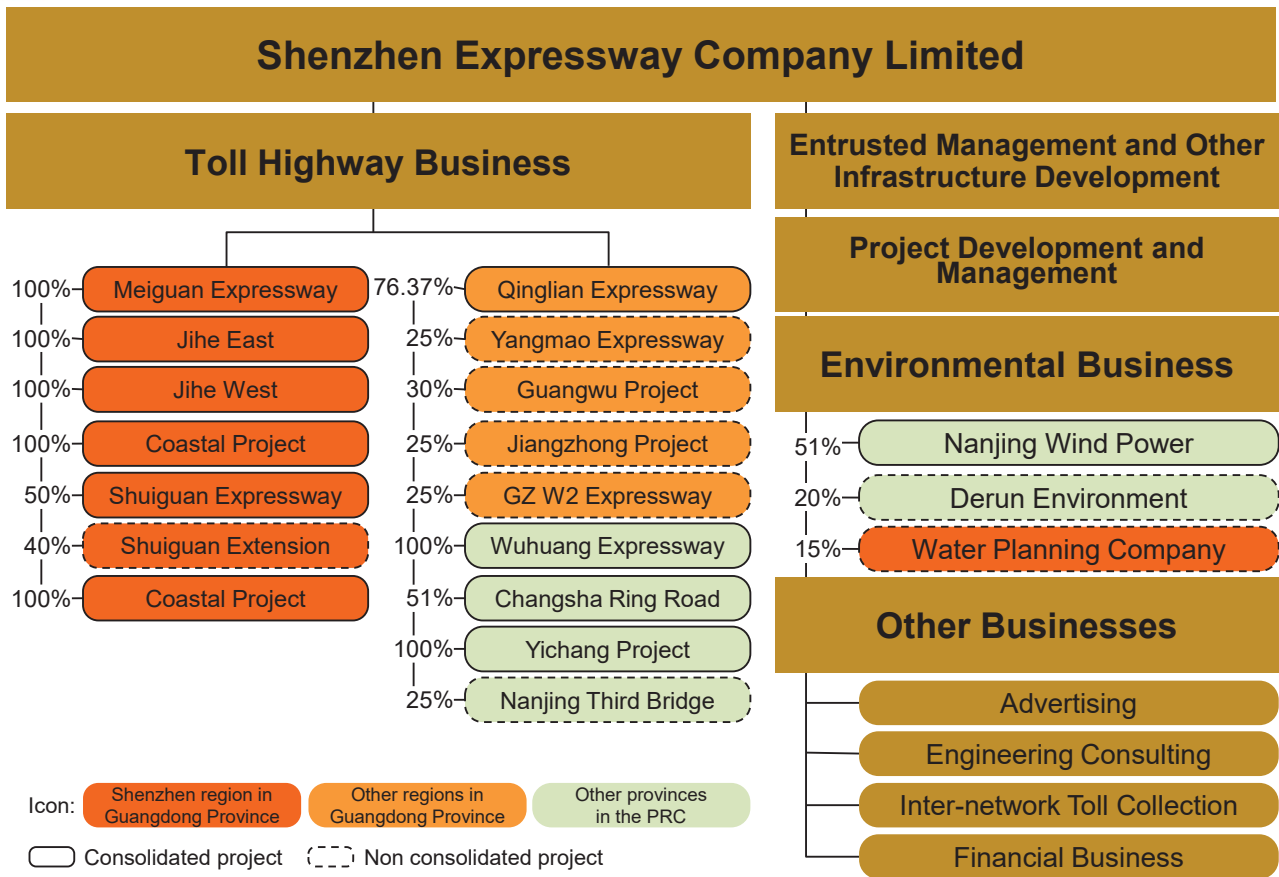
Shareholding Structure



The total share capital of the Company is 2,180,770,326, of which H shares are 747,500,000, accounting for 34.28% and domestic shares are 1,433,270,326, accounting for 65.72%.



Business Structure



Toll Highway Projects Summary

Toll Highway	Interest Held by the Company	Location	Toll Mileage (km)	No. of Lanes	Status	Maturity
Meiguan Expressway	100%	Shenzhen	5.4	8	Under operation	2027.03
Jihe East	100%	Shenzhen	23.7	6	Under operation	2027.03
Jihe West	100%	Shenzhen	21.8	6	Under operation	2027.03
Shuiguan Expressway	50%	Shenzhen	20.0	10	Under operation	2027.02
Shuiguan Extension	40%	Shenzhen	6.3	6	Under operation	2027.02
Coastal Project	100%	Shenzhen	36.6	8	Phase I: Under operation Phase II: Under construction	2038.12
Outer Ring Project	100%	Shenzhen	60.0	6	Under construction	-
Yangmao Expressway	25%	Guangdong	79.8	4	Under operation	2027.07
Guangwu Project	30%	Guangdong	37.9	4	Under operation	2027.11
Jiangzhong Project	25%	Guangdong	39.6	4	Under operation	2027.08
GZ W2 Expressway	25%	Guangdong	40.2	6	Under operation	2030.12
Qinglian Expressway	76.37%	Guangdong	216.0	4	Under operation	2034.07
Wuhuang Expressway	100%	Hubei	70.3	4	Under operation	2022.09
Yichang Expressway	100%	Hunan	73.1	4	Under operation	2033.12
Changsha Ring Road	51%	Hunan	34.7	4	Under operation	2029.10
Nanjing Third Bridge	25%	Jiangsu	15.6	6	Under operation	2030.10



Average Daily Mixed Traffic Volume

36

(Number of vehicles)	2014	2015	2016	2017	2018	1H2019
Shenzhen region in Guangdong Province						
Meiguan Expressway ^{Note1}	84,622	74,956	83,211	92,078	100,341	104,421
Jihe East	189,586	219,169	249,608	270,742	288,506	296,354
Jihe West	149,921	175,533	202,458	215,315	222,106	219,013
Coastal Project ^{Note2}	N/A	N/A	N/A	81,613	90,187	95,002
Shuiguan Expressway	168,728	191,354	227,055	229,537	219,407	216,807
Shuiguan Extension	61,655	75,377	97,710	105,094	80,038	77,958
Other regions in Guangdong Province						
Qinglian Expressway	33,026	33,290	36,753	41,190	43,468	47,697
Yangmao Expressway	34,935	40,485	45,828	50,142	50,768	45,405
Guangwu Project	31,935	34,792	40,086	35,479	39,065	38,563
Jiangzhong Project	101,183	107,246	120,351	142,278	148,624	151,197
GZ W2 Expressway	46,205	50,007	58,638	71,316	74,100	78,705
Other provinces in the PRC						
Wuhuang Expressway	38,891	40,617	43,908	50,736	53,396	57,898
Yichang Expressway ^{Note 3}	N/A	N/A	N/A	47,941	50,059	49,499
Changsha Ring Road	16,188	19,798	26,279	32,206	36,058	38,058
Nanjing Third Bridge	27,665	26,777	27,299	32,619	34,394	36,635

Note1: Toll-free for Meilin to Guanlan section of Meiguan Expressway with a mileage of approximately 13.8 km was implemented on 1 April 2014, and the toll for section from Shenzhen-Dongguan border to Guanlan with a mileage of approximately 5.4 km remained.

Note2: As the Company completed the acquisition of 100% equity interests in Coastal Company in February 2018, Coastal Company has been consolidated into the Group's financial statements since 8 February 2018.

Note3: As the Company completed the acquisition of 100% equity interests in Yichang Company in June 2017, Yichang Company has been consolidated into the Group's financial statements since 15 June 2017.



Average Daily Toll Revenue

37

(RMB '000)	2014	2015	2016	2017	2018	1H2019
Shenzhen region in Guangdong Province						
Meiguan Expressway ^{Note1}	413.6	282.9	311.3	336.3	350.9	351.1
Jihe East	1,614.6	1,745.1	1,767.1	1,962.0	2,076.4	2,046.5
Jihe West	1,267.6	1,491.0	1,641.7	1,729.4	1,794.4	1,777.8
Coastal Project ^{Note2}	N/A	N/A	N/A	1,093.1	1,273.5	1,390.5
Shuiguan Expressway	1,385.6	1,537.3	1,692.9	1,762.8	1,738.1	1,703.2
Shuiguan Extension	230.8	253.7	299.5	314.3	328.6	322.5
Other regions in Guangdong Province						
Qinglian Expressway	2,136.3	1,745.7	1,834.9	2,016.5	2,084.1	2,331.5
Yangmao Expressway	1,551.8	1,694.7	1,800.3	1,819.5	1,770.5	1,574.7
Guangwu Project	802.0	893.9	1,024.8	832.1	868.6	832.8
Jiangzhong Project	1,019.2	1,066.6	1,132.6	1,249.3	1,312.9	1,244.8
GZ W2 Expressway	917.2	990.3	1,073.8	1,343.2	1,653.2	1,517.5
Other provinces in the PRC						
Wuhuang Expressway	891.0	908.5	939.0	1,004.9	1,055.5	1,109.2
Yichang Expressway ^{Note 3}	N/A	N/A	N/A	1,157.3	1,119.1	1,080.2
Changsha Ring Road	167.9	222.8	311.9	373.4	394.6	388.4
Nanjing Third Bridge	1,093.5	1,040.5	1,097.8	1,269.7	1,341.4	1,422.1

Note1: Toll-free for Meilin to Guanlan section of Meiguan Expressway with a mileage of approximately 13.8 km was implemented on 1 April 2014, and the toll for section from Shenzhen-Dongguan border to Guanlan with a mileage of approximately 5.4 km remained.

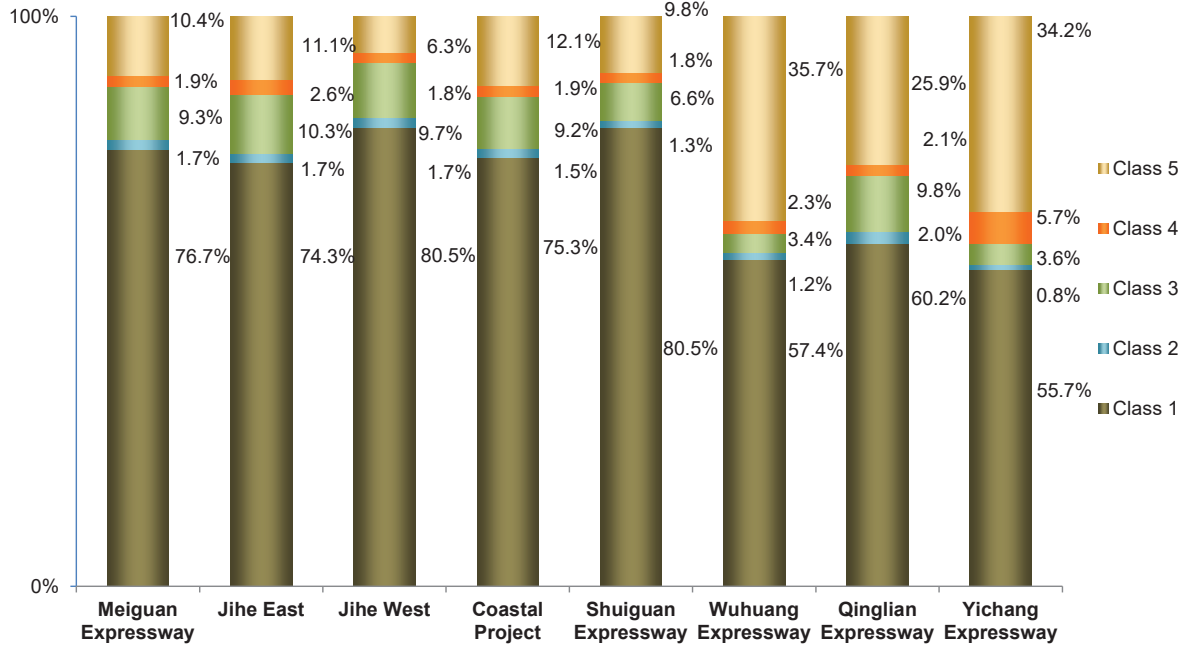
Note2: As the Company completed the acquisition of 100% equity interests in Coastal Company in February 2018, Coastal Company has been consolidated into the Group's financial statements since 8 February 2018.

Note3: As the Company completed the acquisition of 100% equity interests in Yichang Company in June 2017, Yichang Company has been consolidated into the Group's financial statements since 15 June 2017.

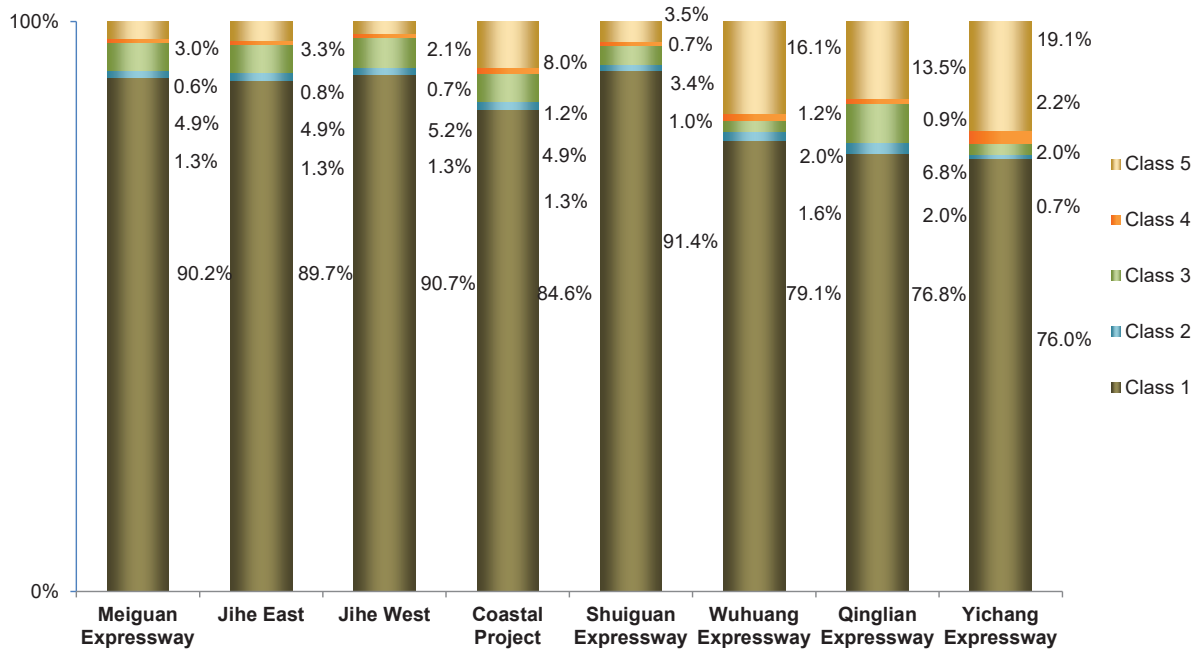


Vehicle Category of Major Highways in 1H2019

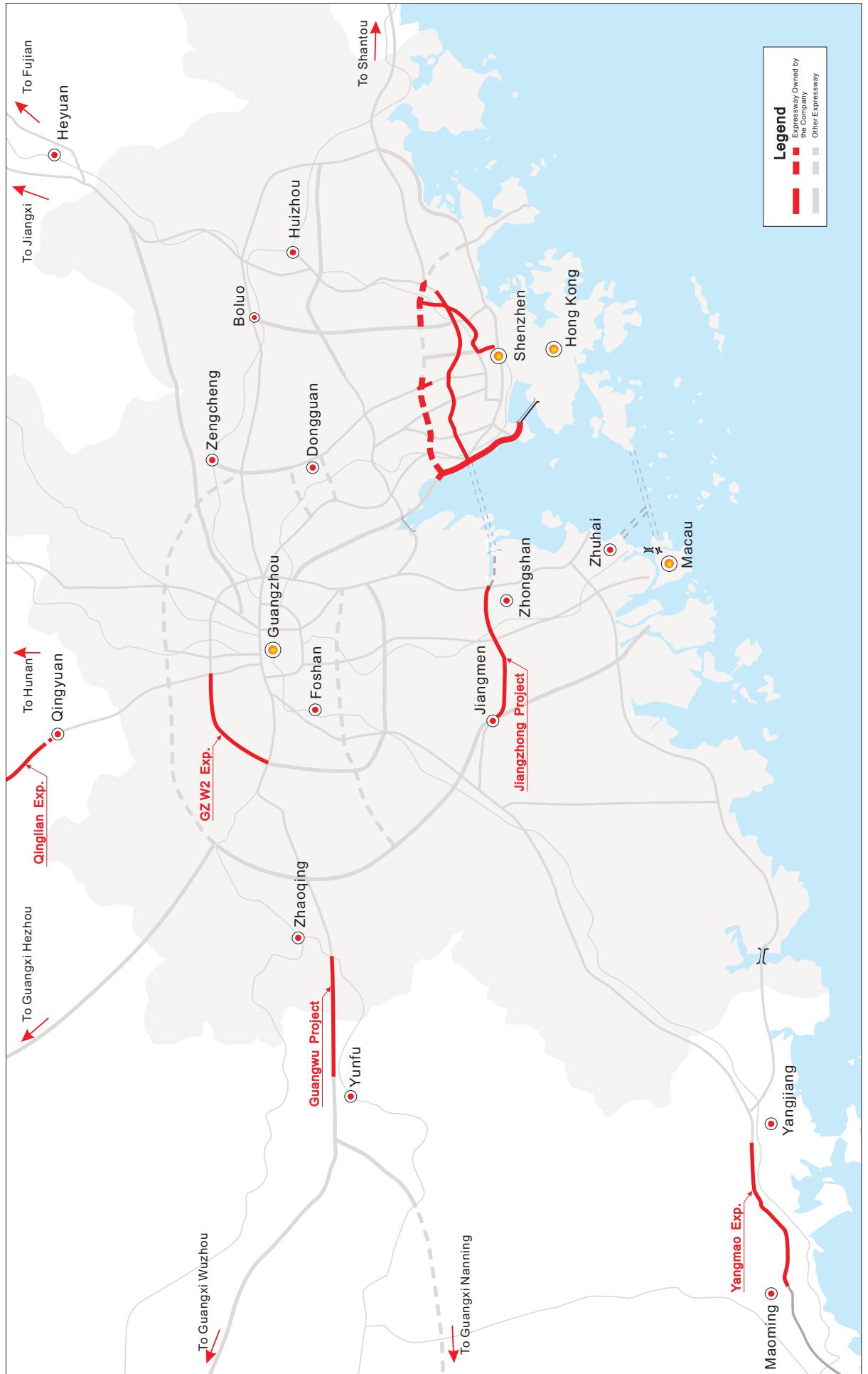
By revenue



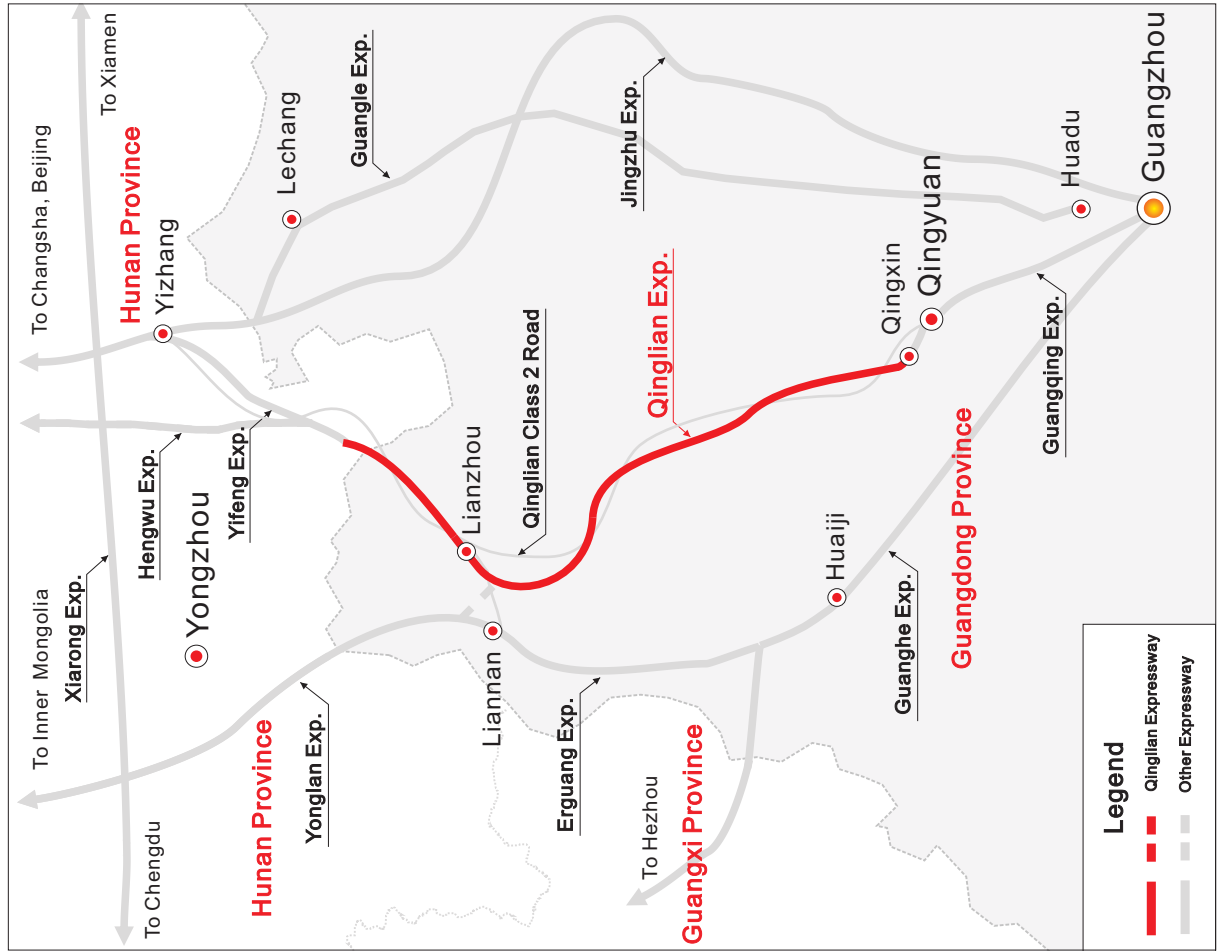
By traffic volume



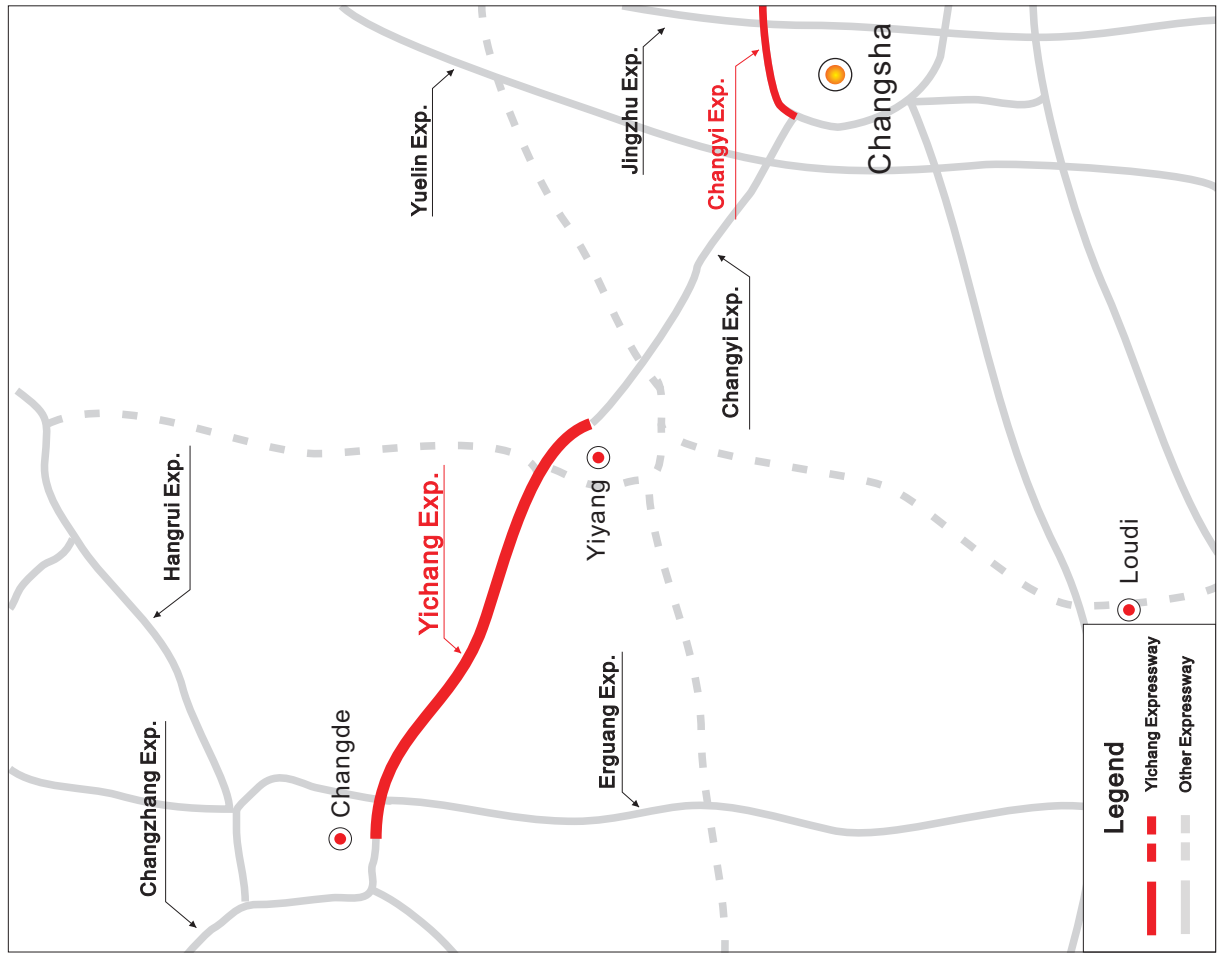
Road Network of Pearl River Delta



Road Network of Qinglian Expressway



Road Network of Yichang Expressway



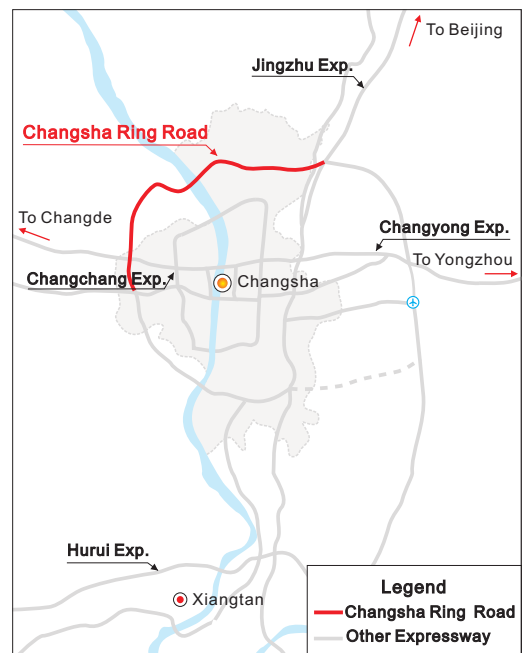
Road Network of Wuhuang Expressway



Road Network of Nanjing Third Bridge



Road Network of Changsha Ring Road





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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.