



SHENZHEN EXPRESSWAY COMPANY LIMITED

Stock code: 00548(SEHK) 600548(SSE)

2016 First Quarterly Results Presentation



26 April 2016



Financial Highlights

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	1Q2016	1Q2015	Change
	(RMB 'million)		
Revenue	998	739	+34.96%
Including: Toll revenue	894	704	+27.08%
Net profit attributable to owners of the Company	252	256	-1.62%
Earnings per share (EPS) (RMB)	0.115	0.117	-1.62%
Return on equity - weighted average (ROE) (%)	2.01%	2.15%	-0.14p.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.

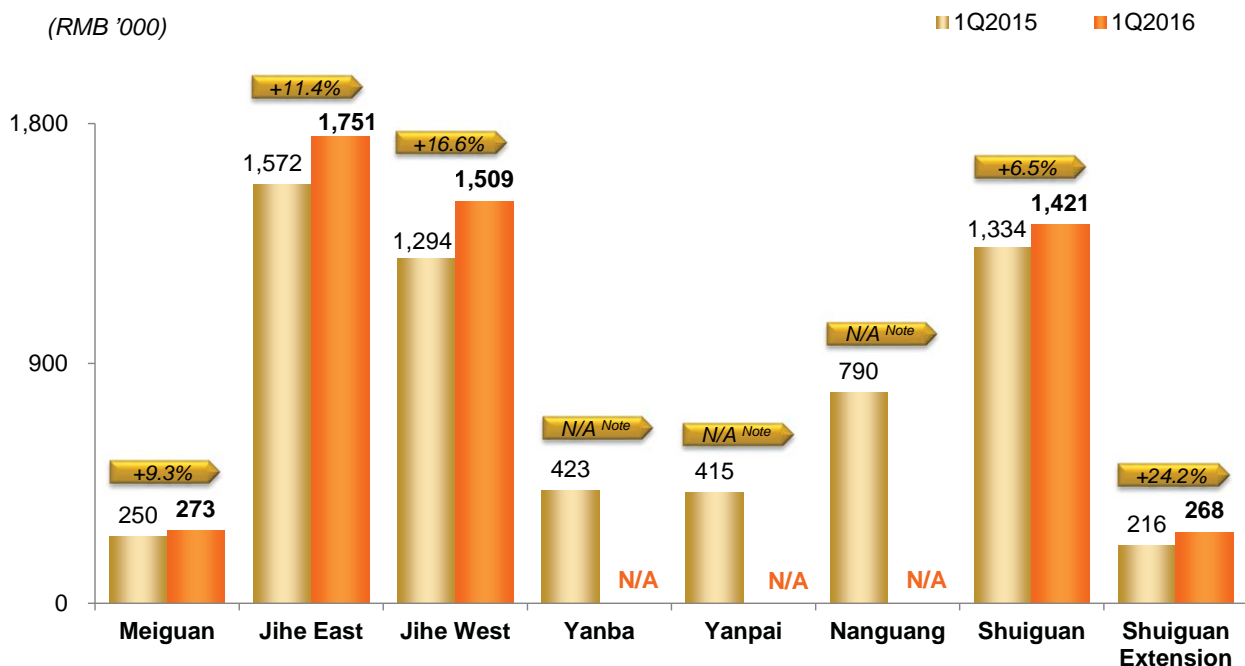
In this material, the total of breakdown and the total may not equal in mantissa due to rounding.



Operational Performance - Average Daily Toll Revenue

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Shenzhen Region



Note: According to the agreement with the Company and Shenzhen government, toll free for Nanguang Expressway, Yanpai Expressway and Yanba Expressway ("Three Project") started from 7 February 2016, and the Company in accordance with the agreement of method to calculate and confirm the toll income.



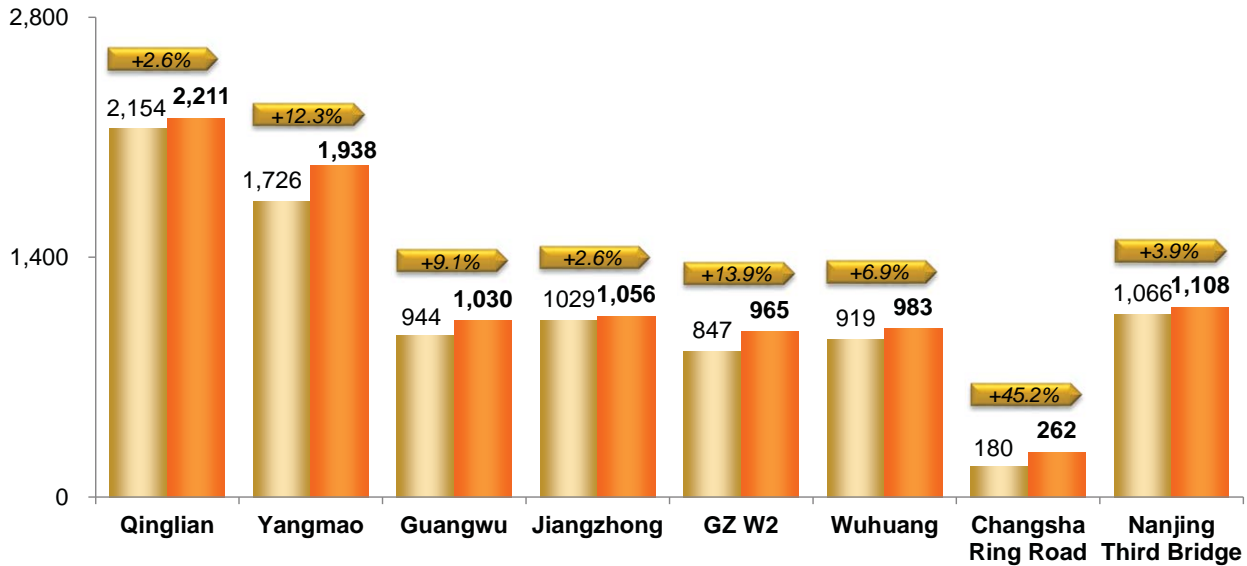
Operational Performance - Average Daily Toll Revenue

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Other Regions

(RMB '000)

■ 1Q2015 ■ 1Q2016



Operational Performance - Average Daily Mixed Traffic Volume

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	1Q2016	1Q2015	Change		1Q2016	1Q2015	Change
Shenzhen region	<i>(Number of vehicles in thousands)</i>			Other regions	<i>(Number of vehicles in thousands)</i>		
Meiguan	75	66	+12.3%	Qinglian	41	38	+6.3%
Jihe East	226	193	+16.7%	Yangmao	48	42	+13.4%
Jihe West	179	155	+15.4%	Guangwu	41	39	+5.8%
Yanba	N/A	30	N/A	Jiangzhong	108	100	+7.8%
Yanpai	N/A	49	N/A	GZ W2	51	44	+15.9%
Nanguang	N/A	85	N/A	Wuhuang	46	43	+8.5%
Shuiguan	197	167	+17.7%	Changsha Ring Road	23	18	+27.7%
Shuiguan Extension	77	63	+22.7%	Nanjing Third Bridge	30	31	-2.7%



Operational Performance – Brief Description

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- + Toll-free policy has been implemented for the Three Projects from 00:00 on 7 February 2016, resulting in growth of traffic volume of the toll-free projects and the connecting Jihe Expressway and Shuiguan Expressway.
- + Benefitted from the positive impacts of economic growth and the implementation of the policy of toll-by-weight for lorries, Yangmao Expressway and GZ W2 Expressway have recorded greater growth in terms of both average daily traffic volume and toll revenue.
- + The toll revenue of Nanjing Third Bridge recorded a slight YOY increase due to the growth of traffic volume of heavy trucks.
- + Benefitted from the positive impacts of the improvement of road networks and the growth of business of enterprises along the highway, Changsha Ring Road achieved a greater YOY increase in toll revenue.
- The implementation of bridge reinforcement and maintenance works for Jihe East has negatively affected the traffic conditions and operational performance of the project and the connecting roads to a certain extent.
- Guangle Expressway and Erguang Expressway have certain diversions on Qinglian Expressway.



Financial Analysis - Revenue & Investment Income

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	1Q2016	1Q2015	Change in Amount	Change
	<i>(RMB '000)</i>			
Revenue	997,749	739,318	+258,431	+34.96%
Toll revenue	894,141	703,585	+190,556	+27.08%
Other income	103,608	35,733	+67,875	+189.95%
Investment income	62,444	60,328	+2,115	+3.51%

- Main reasons of YOY increase in toll revenue:
 - The consolidation of Qinglong Company into the Group's financial statements from 30 October 2015 has contributed a toll revenue of RMB129,306,000 during the Reporting Period.
 - The toll revenue of Jihe Expressway recorded a greater growth as benefitted from the impacts of the organic growth of traffic volume and the attraction of traffic volume after the implementation of toll-free policy of the Three Projects.
- Main reasons of YOY increase in other income:
 - The consolidation of Consulting Company into the Group's financial statements from 1 July 2015 has contributed a revenue of RMB67,445,000 during the Reporting Period.



Financial Analysis – Cost & Expenses

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	1Q2016	1Q2015	Change in Amount	Change
	<i>(RMB '000)</i>			
Cost of services	523,406	337,058	+186,348	+55.29%
General and administrative expenses	24,203	13,147	+11,056	+84.09%
Financial expenses	133,274	79,990	+53,284	+66.61%
Income tax expenses	75,323	70,557	+4,767	+6.76%

- Main reasons of YOY increase in cost of services:
 - The consolidation of Consulting Company into the Group's financial statements from 1 July 2015 has resulted in increases in cost of services of RMB73,719,000.
 - The consolidation of Qinglong Company into the Group's financial statements from 30 October 2015 has resulted in increases in cost of services of RMB89,418,000.
 - The increase in depreciation and amortization costs.
- Main reasons of YOY increase in financial expenses:
 - As affected by the receipt of prepayment for compensation for the toll adjustment of the Three Projects at the end of 2015, the Group recorded a YOY increase in interest-bearing liabilities during the Reporting Period, and the financial expenses correspondingly YOY increased.



Financial Analysis – Investment & Borrowings

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- **Capital expenditure: RMB116 million**
- **Total amount of outstanding interest-bearing liabilities at the end of 31 March 2016: RMB12.767 billion**
(31 March 2015: RMB8.020 billion, 31 December 2015: RMB13.276 billion)
- **Debt-to-asset ratio at the end of 31 March 2016: 52.40%**
(31 March 2015: 44.89%)
- **Composite borrowing costs: 5.12% (same period of 2015: 5.82%)**



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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.