



AN LIMITED

2018 First Quarterly Results Presentation

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Financial Highlights

	1Q2018	1Q2017 (restated)	Change YOY
	<i>(RMB'million)</i>		
Revenue	1,342	1,117	+20.09%
Including: Toll revenue	1,212	1,031	+17.55%
Net profit attributable to owners of the Company	397	327	+21.43%
Earnings per share (EPS) (RMB)	0.182	0.150	+21.43%
Return on equity -weighted average (ROE) (%)	2.86%	2.28%	+0.58p.pt

Operational Performance of Toll Highway

- Shenzhen Region

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Project	Average Daily Toll Revenue			Average Daily Mixed Traffic Volume		
	1Q2018	1Q2017	Change YOY	1Q2018	1Q2017	Change YOY
	<i>(RMB '000)</i>			<i>(Number of vehicles in thousands)</i>		
Meiguan	319	316	+1.0%	89	84	+5.6%
Jihe East	1,936	1,783	+8.5%	266	247	+8.0%
Jihe West	1,645	1,567	+4.9%	202	197	+2.4%
Coastal Project	1,142	998	+14.5%	82	78	+4.9%
Shuiguan	1,643	1,614	+1.8%	223	209	+6.0%
Shuiguan Extension	299	280	+6.7%	104	94	+9.9%

- Nanguang Expressway, Yanpai Expressway and Yanba Expressway (the “Three Projects”) have been free to pass since 00:00 on 7 February 2016, and the Company no longer discloses data for the Three Projects.
- Coastal Project has been consolidated into the statements since 1 February 2018.
- The traffic volume which is toll free during the holidays is not included in the figures of average daily mixed traffic volume.

Operational Performance of Toll Highway

- Other Regions

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Project	Average Daily Toll Revenue			Average Daily Mixed Traffic Volume		
	1Q2018	1Q2017	Change YOY	1Q2018	1Q2017	Change YOY
	<i>(RMB '000)</i>			<i>(Number of vehicles in thousands)</i>		
Qinglian	2,428	2,337	+3.9%	49	46	+5.8%
Yangmao	1,911	1,895	+0.8%	55	52	+7.5%
Guangwu	892	856	+4.2%	43	40	+9.6%
Jiangzhong	1,236	1,156	+6.9%	131	130	+5.1%
GZ W2	1,416	1,076	+31.7%	75	61	+22.8%
Wuhuang	1,059	1,062	-0.3%	55	52	+6.7%
Yichang	1,151	-	N/A	54	-	N/A
Changsha Ring Road	370	304	+21.4%	31	28	+10.5%
Nanjing Third Bridge	1,347	1,294	+4.2%	36	34	+5.8%

- Yichang Expressway has been consolidated into the combined financial statements of the Group since 15 June 2017.
- The traffic volume which is toll free during the holidays is not included in the figures of average daily mixed traffic volume.

Operational Performance

- Brief Description

- The total toll revenue of the toll highway projects in Shenzhen region represented a YOY increase of 3.6% (excluding Coastal Project).
- The implementation of *the Administration of Use of Roads by Overloaded Transportation Vehicles* has caused certain negative impacts on the operational performance of Jihe Expressway, Shuiguan Expressway and Yangmao Expressway.
- The traffic volume of Yangmao Expressway remained basically flat year-on-year due to the impact of diversion from Shanzhan Expressway (Yunzhan Section) and the continuous impact brought by implementation of policy governing the over-limit and overloaded vehicles.
- Benefited from the positive implications of factors such as the economic growth in the areas along the highway, changes of road networks and greater efforts in the implementation of traffic management measures, both the average daily traffic volume and toll revenue of GZ W2 Expressway recorded satisfactory YOY growths.
- Guangwu Project was still affected by the diversion of Jiangluo Expressway Phase II. However, the impact has gradually eased, and its average daily toll revenue remained basically flat year-on-year.
- Benefited from the improved road networks and the maintenance of neighboring roads and bridges, the operational performance of Jiangzhong Project has grown steadily.
- The diversion impact brought by the parallel road section is almost eliminated, the average daily toll revenue of Qinglian Expressway has grown steadily year-on-year.
- Due to the combined effects of diversion and the rapid growth of vehicle ownership in surrounding cities, the overall performance of Wuhuang Expressway is stable.
- Benefited from the positive implications of various factors including the economic development of the peripheral areas and regions, and the implementation of preferential transportation policies in provinces, both the average daily traffic volume and toll revenue of Nanjing Third Bridge recorded satisfactory YOY growth.
- Benefited from the positive impact of various factors including the improvement in road networks, implementation of the toll-by-weight policy, the traffic control measures of neighboring roads and the business growth of enterprises along the highway, the toll revenue of Changsha Ring N

Financial Analysis

- Revenue & Investment Income

	1Q2018	1Q2017 (restated)	Change in Amount	Change YOY
	<i>(RMB '000)</i>			
Revenue	1,341,790	1,117,299	+224,491	+20.09%
Toll revenue	1,211,775	1,030,891	+180,884	+17.55%
Other revenue	130,015	86,408	+43,607	+2.55%
Investment income	134,530	97,903	+36,627	+37.41%

- The increase of revenue was mainly due to the growth of toll revenue from the existing ancillary toll highways, the revenue contribution resulted from the consolidation of Shenchang Company, Yichang Company and Coastal Company into the combined financial statements, and the YOY growth of revenue from real estate development recognized for Guilong Development Project.
- The addition of investment income is from Derun Environment.

Financial Analysis

- Cost & Expenses

	1Q2018	1Q2017 (restated)	Change in Amount	Change YOY
	<i>(RMB '000)</i>			
Cost of services	656,942	560,514	+96,427	+17.20%
General and administrative expenses	16,858	17,894	-1,036	-5.79%
Financial expenses	161,932	185,407	-23,474	-12.66%
Income tax expenses	104,800	98,323	+6,477	+6.59%

- Cost of services represented a YOY increase, mainly due to the increase in cost of service resulting from the consolidation of Shenchang Company, Yichang Company and Coastal Company into the combined financial statements, and the increase in the depreciation and amortization expenses of existing ancillary toll highways.
- The decrease of financial expenses was mainly due to the YOY increase in exchange gains from USD debentures arising from RMB appreciation.

Financial Analysis

- Investment & Borrowings

- Capital expenditure: RMB100 million
- Total amount of outstanding interest-bearing liabilities at the end of 31 March 2018: RMB21.5 billion (representing a decrease of approximately RMB200 million (restated) over the beginning of the year)
- Debt-to-asset ratio at the end of 31 March 2018: 63.64% (basically flat as compared with that of the beginning of the year (restated))
(after deducting the compensation for pre-receipt of fees and charges for the Three Projects and the balance of funds allocated by Outer Ring Project and Coastal Phase II Project, the debt-to-asset ratio is about 52%)
- Composite borrowing costs: 4.70% (same period of 2017 (restated): 4.73%)

Business Development

- Coastal Company and Shenzhen Transportation Commission signed the “Freight Compensation Agreement for Guangshen Coastal Expressway Shenzhen Section” on 28 February 2018. Coastal Company will charge a concessionary 50% of the normal rate for trucks travelling along the Coastal Expressway Shenzhen section from 1 March 2018 until 31 December 2020, Shenzhen Transportation Commission will provide cash compensation amount of RMB300 million to Coastal Company.
- The Company signed the development financial cooperation agreement with China Development Bank on 8 March 2018. The total amount of intentional cooperative financing between the two parties on various financial products is RMB20 billion, which provides capital support and assurance for the Company's further development of toll road business and environmental protection business.
- At the beginning of April 2018, the Company was informed officially by Shenzhen Transport Commission that both parties will carry out the preliminary works of the expressway of Shenzhen-Shanwei Special Cooperation Zone together, such as the project planning and design.
- China Securities Regulatory Commission accepted the administrative application of the Company for issuance of A Shares Convertible Corporate Bonds on 13 April 2018.
- The Company entered into the strategic cooperation framework agreement with Beijing Baidu Netcom Science & Technology Co., Ltd. (“Baidu”) On 26 April 2018. Both parties will discuss in-depth cooperation opportunities in the areas of intelligent transportation and intelligent environmental protection to jointly expand national business investment projects to achieve the goals of promoting the realization and implementation of Baidu’s “AI CITY” Strategy in transportation industry and environmental protection industry, achieving the deep intelligent application of Shenzhen Expressway’s “artificial intelligence + transportation and environmental protection”.
- The construction of A area (Phase I) of Meilin Checkpoint Renewal Project has been fully commenced.

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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