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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 2013**

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 (“CSRC”) 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 Shenzhen Expressway Company Limited (“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 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 Mr. Chiu Chi Cheong, Clifton, Director, was unable to attend the thirteenth meeting of the sixth session of Board in which this report was approved in person due to work engagement, and had appointed Mr. Yang Hai, Director, to attend and vote on his behalf.
- 1.3 The third quarterly financial statements for the three months ended 30 September 2013 (“Reporting Period” or “Period”) of the Company have not been audited.
- 1.4 Mr. Yang Hai, Chairman, Mr. Wu Ya De, President, Ms. Gong Tao Tao, Financial Controller, and Mr. Sun Bin, General Manager of Finance Department, declare and confirm the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.5 Unless otherwise stated, the currency of the amounts stated in this announcement is in RMB.

## 2. PRINCIPAL FINANCIAL DATA AND CHANGE IN SHAREHOLDERS

### 2.1 Principal financial data

<i>(Unit: RMB)</i>	As at 30 Sep 2013	As at 31 Dec 2012	Change
Total assets	24,297,849,710.20	24,209,125,042.19	0.37%
Net assets attributable to owners of the Company	9,891,405,581.90	9,536,486,092.32	3.72%

<i>(Unit: RMB)</i>	Jan ~ Sep 2013	Jan ~ Sep 2012	Change
Net cash flows from operating activities	1,268,003,778.21	1,185,502,405.63	6.96%

<i>(Unit: RMB)</i>	Jan ~ Sep 2013	Jan ~ Sep 2012	Change
Revenue	2,350,787,523.87	2,290,270,385.12	2.64%
Net profit attributable to owners of the Company	635,186,872.49	578,566,473.22	9.79%
Net profit attributable to owners of the Company - excluding non-recurring items	613,800,200.03	559,820,256.10	9.64%
Return on equity - weighted average	6.52%	6.20%	Increased 0.32 percentage point
Earnings per share - basic	0.291	0.265	9.79%
Earnings per share - diluted	0.291	0.265	9.79%

<b>Non-recurring items</b> <i>(Unit: RMB)</i>	Jul ~ Sep 2013	Jan ~ Sep 2013
Profit from entrusted operation management services	4,247,550.00	12,742,650.00
Amortisation of compensation provided by concession grantor	4,600,363.52	11,953,939.68
Other non-operating income and expenses other than above items	1,600,688.57	1,461,070.50
Income tax effect	(1,919,983.06)	(4,734,773.36)
Effect on minority interest (after tax)	(48,771.98)	(36,214.36)
<b>Total</b>	<b>8,479,847.05</b>	<b>21,386,672.46</b>

## 2.2 Shareholders information

As at the end of the Period, the information of the total number of shareholders, the top ten shareholders and the top ten holders of non-restricted circulating shares of the Company based on the shareholders' registers provided by the share registrar and the transfer offices of the Company in Hong Kong and the PRC were as follows:

Unit: share

<b>Total number of shareholders</b>	33,677 (of which 33,391 were holders of domestic shares and 286 were holders of H shares)				
<b>The top ten shareholders</b>					
Name of shareholder	Nature of shareholders	Percentage	Number of shares held	Number of restricted circulating shares held	Number of shares pledged or frozen
HKSCC Nominees Limited <sup>(Note)</sup>	Overseas legal person	32.41%	706,885,098	—	Unknown
Xin Tong Chan Development (Shenzhen) Company Limited	State-owned legal person	30.03%	654,780,000	—	None
Shenzhen Shen Guang Hui Highway Development Company	State-owned legal person	18.87%	411,459,887	—	None
China Merchants Hua Jian Highway Investment Co., Ltd	State-owned legal person	4.00%	87,211,323	—	None
Guangdong Roads and Bridges Construction Development Company Limited	State-owned legal person	2.84%	61,948,790	—	None
Au Siu Kwok	Overseas natural person	0.50%	11,000,000	—	Unknown
Ip Kow	Overseas natural person	0.42%	9,100,000	—	Unknown
Wong Kin Ping + Li Tao	Overseas natural person	0.23%	5,000,000	—	Unknown
Li Kiu	Overseas natural person	0.16%	3,550,000	—	Unknown
Wang Gui Lan	Domestic natural person	0.11%	2,376,561	—	Unknown
<b>Top ten holders of non-restricted circulating shares</b>					
Name of shareholder				Number of non-restricted circulating shares held as at the end of the Period	Type of shares
HKSCC Nominees Limited <sup>(Note)</sup>				706,885,098	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.				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				9,100,000	H Share
Wong Kin Ping + Li Tao				5,000,000	H Share
Li Kiu				3,550,000	H Share
Wang Gui Lan				2,376,561	A Share
<b>Connected relationship or concerted action relationship among the abovementioned shareholders:</b>	<p>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.</p> <p>Save as the abovementioned relationship, there is no connected relationship among the other state-owned shareholders in the above table. In addition, the Company did not notice any connected relationship among the other abovementioned shareholders or any connected relationship among the above four state-owned shareholders and other above mentioned shareholders.</p>				

Note: The H shares held by HKSCC Nominees Limited were held on behalf of various clients.

### 3. SIGNIFICANT MATTERS

#### 3.1 Operational information

Toll highway	Percentage of interests held by the Group	Percentage of revenue consolidated	Average daily mixed traffic volume (number of vehicles in thousands) <sup>(1)</sup>		Average daily toll revenue (RMB'000)		Average daily mixed traffic volume (number of vehicles in thousands) <sup>(1)</sup>		Average daily toll revenue (RMB'000)	
			Jul - Sep 2013	YOY	Jul - Sep 2013	YOY	Jan - Sep 2013	YOY	Jan - Sep 2013	YOY
<i>Shenzhen region:</i>										
Meiguan Expressway	100%	100%	139	3.2%	847	-3.9%	128	3.2%	793	-12.2%
Jihe East	100%	100%	166	19.0%	1,462	20.6%	146	12.6%	1,302	0.1%
Jihe West	100%	100%	136	16.1%	1,147	9.8%	122	14.8%	1,040	-7.6%
Yanba Expressway <sup>(2)</sup>	100%	100%	39	13.6%	544	21.0%	32	7.2%	450	13.2%
Yanpai Expressway	100%	100%	60	22.9%	641	8.8%	50	18.4%	538	1.7%
Nanguang Expressway	100%	100%	82	32.8%	859	27.2%	73	26.9%	762	25.2%
Shuiguan Expressway	40%	—	170	13.4%	1,407	7.0%	154	13.3%	1,285	8.4%
Shuiguan Extension	40%	—	40	27.2%	186	22.4%	35	22.8%	166	5.6%
<i>Other regions in Guangdong Province:</i>										
Qinglian Expressway	76.37%	100%	29	36.8%	2,050	49.4%	28	19.8%	1,947	29.8%
Yangmao Expressway	25%	—	35	26.1%	1,497	14.0%	32	16.6%	1,484	9.9%
Guangwu Project	30%	—	28	12.7%	730	15.8%	26	1.3%	712	1.3%
Jiangzhong Project	25%	—	95	2.5%	963	3.4%	88	-4.5%	918	-3.3%
GZ W2 Expressway	25%	—	45	29.3%	871	22.0%	41	19.7%	801	12.8%
<i>Other provinces in the PRC:</i>										
Wuhuang Expressway	55%	100%	40	0.4%	1,031	-13.0%	39	-1.8%	1,051	-9.8%
Changsha Ring Road	51%	—	14	6.3%	149	14.9%	14	5.9%	134	15.6%
Nanjing Third Bridge	25%	—	30	23.6%	1,253	42.2%	30	17.7%	1,162	30.6%

Notes:

- (1) Traffic volume which is toll free during the period in which the Toll Free Scheme on Holidays<sup>1</sup> was implemented is not included in the figures of average daily mixed traffic volume. Day of implementation of the Toll Free Scheme on Holidays during January-September 2013: 13 days (January-September 2012: 1 day); including which July-September 2013: Nil (July-September 2012: 1 day).
- (2) For the convenience of residents in Shenzhen to go to the eastern coast for leisure and vacation, the government has made collective payment to the Company for the vehicles travelling to and from Yantian and Dameisha ramp based on the agreed standards and methods since February 2007. During 2013 to 2017, toll fees paid by the government as agreed are RMB19 million annually, which will be included in the toll revenues of Yanba Expressway on a monthly basis. Arrangement after 2017 will be negotiated and confirmed by both parties before the expiry of the agreement.

From July to September 2013, the overall traffic volume and toll revenues of the highway projects operated and invested by the Group maintained a stable growth. More than half of the projects recorded a double-digit growth. During the Reporting Period, the implementation of Standardisation Scheme<sup>2</sup> in Guangdong Province still had negative effects on the toll revenues of the projects in the province. However, as the policy has been implemented since the same period of last year, the effect on YOY changes to the toll revenues of the projects is gradually disappearing or mitigating. In addition to the effect of the policy, as the impact on each project brought from such factors as economic environments and changes in road networks varied to a certain extent, the overall operational performance of the projects differed.

<sup>1</sup> **Toll Free Scheme on Holidays:** As approved by the State Council, since the second half of 2012, the toll fees for passenger cars with seven seats or less were waived during the periods of four national holidays, i.e. Spring Festival, Tomb Sweeping Day, Labor Day and National Day, and their consecutive days off.

<sup>2</sup> **Standardisation Scheme:** A unified toll fees standardisation has been implemented to all expressway projects according to the unified toll rate, toll coefficient, calculating method for ramps and rounding principle in Guangdong Province since 1 June 2012. Subsequent adjustment was also adopted in case the toll fees had been increased as a result of the implementation of aforesaid scheme.

***Shenzhen region:*** During the Reporting Period, the expansion works for the North Section of Meiguan Expressway was continued and the maintenance works for Jihe West was still underway, which affected the traffic conditions and operational performance of the projects and the connected roads to a certain degree. As at the end of the Reporting Period, the reconstruction works for some bridges in North Section of Meiguan Expressway has substantially completed. Construction works for widening and strengthening the old and the new bridges, construction of the road surface and other auxiliary works were in progress and it is expected the works will be completed by the end of 2013 as scheduled. Taking into account of the growth of economy and transportation in peripheral regions, Shenzhen Municipal Government plans to repurchase the South Section of or the whole of Meiguan Expressway. Due to the wide coverage and the complication of the approval procedures, no detailed plan has been formulated. The early treatment for the damage of the Jihe West has basically completed. Based on the progress of the tender process for maintenance works, the project is scheduled to be completed at the first half of the coming year. The maintenance works for the road surface of Jihe East was in progress in the second half of 2012, resulting in a relatively lower operational statistics during the same period of last year. As affected by a combination of factors as gradual improvement of its road network, adjustment to the agreed payment made by the government and the organic growth, Yanba Expressway recorded a faster YOY growth in the toll revenue. As approved by the Board, toll collection rights of Yanbai Expressway were pledged to Industrial and Commercial Bank of China Shenzhen Branch in September 2013 to secure the principal and interests of bank loans within an aggregate amount of RMB0.8 billion. The registration procedures for the pledge of relevant asset are still in progress. Benefit from some sections of the connecting Nanping (Phase II) opening to traffic and the marketing campaign which drove up the traffic volume, Nanguang Expressway recorded a significant YOY increase in the toll revenue. The Phase II of Qingping Expressway, which is connecting to Shuiguan Extension, was opened for traffic in the mid-September 2013, and is expected to be a driving force for the increase of the traffic volume on Shuiguan Extension.

***Other regions in Guangdong Province:*** A number of highways in Hunan Province including Yonglan Expressway (Erguang Expressway Yongzhou to Lanshan section in Hunan) and Hengwu Expressway (Dual-line of G4 National Expressway Hengyang to Linwu section in Hunan) opened to traffic by the end of 2012. The continuous improvement of the connected road networks has driven the growth of traffic volume in Qinglian Expressway. In addition, the overhaul of Leiyi Section (Leiyang to Yizhang in Hunan) of G4 National Expressway commenced in late May 2013. During the period of overhaul, relevant traffic diversion measures drove rapid YOY growths in toll traffic volume and toll revenue of Qinglian Expressway. As at the date of this report, the detailed arrangement to be implemented after the cancellation of toll collection of Qinglian Class 2 Road is yet to be finalised. The Group will continue to follow up this issue actively and maintain good communication and coordination, in order to protect the interests of the Company and its shareholders. Benefited from the restricted access measure on some freight vehicles travelling through Guangzhou Ring Expressway effective from the beginning of the year and additional marketing efforts being put by the project company, GZ W2 Expressway saw rapid growth in both traffic volume and toll revenue. On the other hand, Guangzhou Western Expressway (Guangzhou to Zhuhai) fully opened to traffic in January 2013, which has brought slightly negative effects to Jiangzhong Project.

***Other provinces in the PRC:*** The negative effects brought from the commencement of operation of Han'e Expressway (Wuhan – Ezhou) which basically runs parallel to Wuhuang Expressway on 31 December 2012, the full opening of Hurong National Expressway (Shanghai to Chengdu), and further implementation of traffic control measures in Wuhan area dragged down both toll traffic volume and toll revenue of Wuhuang Expressway from the beginning of the year to the end of reporting period as compared to the corresponding period of last year. As at the date of this report, relevant government authority has not yet held any hearing for the standards of the toll fees for Wuhuang Expressway, and no concrete date for such hearing has been fixed either. Restrictions on certain freight vehicles and long distance passenger vehicles accessing Nanjing Yangtze River Second Bridge and related sections were imposed since late 2012, which affected the vehicle composition of the traffic on Nanjing Third Bridge and thus promoted the overall operational performance of the project.

For detailed descriptions on the policy environment on the industry and its effects on the Group, please refer to the section “Management Discussion & Analysis” in 2013 Interim Report of the Company.

### **3.2 Financial analysis**

During the Reporting Period, the Group recorded revenue of RMB861,743,000 (same period of 2012: RMB729,642,000), representing a YOY increase of 18.10%, of which toll revenue amounted to RMB789,463,000 (same period of 2012: RMB682,386,000), representing a YOY increase of 15.69%. During the Reporting Period, the Group recorded net profit attributable to owners of the Company (“Net Profit”) of RMB249,644,000 (same period of 2012: RMB159,746,000), representing a YOY increase of 56.28%. The greater YOY increase in the Net Profit of the Group during the Reporting Period was mainly attributable to the projects operated and invested by the Group including Qinglian Expressway, Nanguang Expressway, Jihe East and Nanjing Third Bridge which were benefited from the combined effects of the factors such as the improvement of surrounding road networks, traffic diversion measures adopted during the overhaul of neighboring roads and the organic growth of traffic flow, driving a more satisfactory growth of toll revenues.

During the period from January to September 2013, the Group recorded revenue of RMB2,350,788,000 (January to September 2012: RMB2,290,270,000), representing a YOY increase of 2.64%, of which toll revenue amounted to RMB2,151,604,000 (January to September 2012: RMB2,064,841,000), representing a YOY increase of 4.20%. During the period from January to September 2013, the Group recorded the Net Profit of RMB635,187,000 (January to September 2012: RMB578,566,000), representing a YOY increase of 9.79%.

During the period from January to September 2013, the increase in revenue of the Group was mainly attributable to the growth of toll revenue of the projects including Qinglian Expressway, Nanguang Expressway and Yanba Expressway. As the Standardisation Scheme and the Toll Free Scheme on Holidays effective from the second half of 2012, the Group recorded an increase of revenue for the Reporting Period, which is significantly higher than that for the period from January to September 2012.

During the period from January to September 2013, the cost of services of the Group amounted to RMB1,080,447,000, representing a YOY increase of 6.15%, of which the cost of depreciation and amortisation increased as a result of the growth of traffic volume and the increase in the salaries for the toll collection staff and the number of staff members also led to a YOY increase in the employee expenses. In addition, the maintenance cost of the Group decreased as Qinglian Company’s maintenance cost for Qinglian Class 2 Road recorded a YOY decrease.

During the period from January to September 2013, the Group’s financial expenses recorded a YOY decrease of 5.80% to RMB441,215,000 as a result of the decrease in the average borrowing scale and the increase in exchange gains.

During the period from January to September 2013, the capital expenditure of the Group amounted to RMB531 million (including capitalised interests). As at the end of the Reporting Period, the total outstanding bonds payable and bank borrowings of the Group amounted to RMB10,826 million (31 December 2012: RMB10,564 million), representing an increase of 2.48% and 8.52% over the end of 2012 and the end of June 2013 respectively, which mainly represented new borrowings during the Reporting Period for repayment of the bond of RMB1,500 million due in early October. As at the end of the Reporting Period, the gearing ratio was 54.06%. The composite borrowing costs during the period from January to September 2013 amounted to 5.84% (January to September 2012: 5.73%).

### **3.3 Changes in accounting estimates**

In compliance with the requirements of the accounting principles and relevant accounting policies of the Company and based on the results of the review on the traffic flow and a revised study on the future traffic flow of the major toll highways of the Company and its subsidiaries, the Company has made adjustments to the amortisation of concession intangible assets of Nanguang Expressway, Yanba Expressway and Qinglian Expressway since 1 July 2013. These adjustments represented the changes in accounting estimates on a prospective basis. For details, please refer to the announcements of the Company on the resolution of the Board and the changes in accounting

estimates dated 16 August 2013. The change in accounting estimates resulted in the increase of the net profit attributable to owners of the Company for the period from July to September 2013, the total asset as at 30 September 2013 and the equity attributable to owners of the Company as at 30 September 2013 by approximately RMB5,950,000, RMB11,292,000 and RMB5,950,000 respectively, which had no material effect on the Group's financial position and operating results.

### 3.4 Changes in the scope of consolidated financial statements

During the Reporting Period, the accounts of 貴州聖博置地有限公司(Guizhou Shengbo Property Company Limited) were consolidated into the Group's financial statements. The company was established by Guishen Company, a subsidiary of the Company, with registered capital of RMB1,000,000, in which the Company indirectly holds 70% of its interests.

### 3.5 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 2013	As at 31 Dec 2012	Change (%)	Primary reasons for the change
Advances to suppliers	89,540	320,335	-72.05%	During the first half of 2013, Guishen Company reclassified prepayment for the land use right in relation to the land located in Longli Country, Guizhou Province with area of approximately 883 mu amounting to approximately RMB320 million to inventories account.
Other receivables	153,862	37,497	310.34%	The expenditure of Guilong Project increased in line with the progress of the construction works.
Inventories	325,171	2,980	10,811.69%	During the first half of 2013, Guishen Company reclassified prepayment for the land use right in relation to the land located in Longli Country, Guizhou Province with area of approximately 883 mu amounting to approximately RMB320 million to inventories account.
Construction in progress	7,170	16,357	-56.17%	During the first half of 2013, the reconstruction of isolate area of Wuhuang Expressway was completed and transferred to fixed assets.
Short-term borrowings	472,000	1,000	47,100.00%	Short term borrowings from banks increased during the period from January to September 2013.
Accounts payable	391,426	661,808	-40.86%	Qinglian Company repaid some payables for construction projects and quality guarantee funds.
Employee benefits payable	19,054	82,952	-77.03%	Employee bonus for year 2012 was paid off during the first half of 2013.
Taxes payable	105,366	66,885	57.53%	The taxable income for the Reporting Period increased.
Derivative liabilities	-	16,071	-100.00%	The derivative financial liabilities relating to cross currency and interest rate swap was classified as non-current liabilities due within one year.

	Jul ~ Sep 2013	Jul ~ Sep 2012	Change (%)	Primary reasons for the change
Investment income	54,266	37,528	44.60%	Incomes from investment in associates and joint ventures such as Nanjing Company, GZ W2 Company and Shenchang Company for the Reporting Period increased.
Income tax expenses	71,392	46,931	52.12%	The taxable income for the Reporting Period increased YOY.
Net profit attributable to owners of the Company	249,644	159,746	56.28%	The toll revenues from toll highways operated and invested by the Group recorded a better growth for the Reporting Period, details of which is set out in "3.2 Financial Analysis" above.
Minority interests	16,211	7,533	115.21%	The toll revenues of Qinglian Expressway increased significantly, and the profits attributable to the minority shareholders increased accordingly for the Reporting Period.

	Jan ~ Sep 2013	Jan ~ Sep 2012	Change (%)	Primary reasons for the change
Investment income	143,584	105,977	35.49%	Incomes from investment in associates and joint ventures such as Nanjing Company, GZ W2 Company and Shenchang Company for the period from January to September 2013.
Net cash flows from financing activities	(461,288)	(1,508,921)	-69.43%	During the Reporting Period, new borrowings were made available for repayment of the bond of RMB1,500 million due in early October.

### 3.6 Payment of the principal and interest for bonds

The Company issued the 2011 corporate bonds (“11 Shenzhen Expressway”) on 27 July 2011. The interest payment date for “11 Shenzhen Expressway” of this year was 29 July 2013. An interest of RMB60 (tax included) shall be distributed for each lot of “11 Shenzhen Expressway” (with par value of RMB1,000). Payment of annual interests was completed on schedule.

The Company issued the convertible corporate bonds on 9 October 2007, in which subscription warrants and bonds (“07 Shenzhen Expressway Bonds”) are tradable separately, matured on 9 October 2013. The principal and interest payment date was 9 October 2013. An interest of RMB10 (tax included) and a principal of RMB1,000 shall be distributed for each lot of “07 Shenzhen Expressway Bonds” (with par value of RMB1,000). Payment of principals and interests was completed on schedule. “07 Shenzhen Expressway Bonds” were delisted on 9 October 2013. As at the date of this report, the pledge of 47.3% of toll collection right of Nanguang Expressway as counter-guarantee to Agricultural Bank of China Shenzhen Branch was relieved. For details, please refer to the announcements of the Company dated 17 September 2013 and 29 October 2013 respectively.

### 3.7 Progress of significant matters and the analysis on the relevant impacts and solutions

Applicable                       Not applicable

### 3.8 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 that they will not engage in any industry or business in any form in Shenzhen, which, directly or indirectly, competes with the Company. As at the end of the Period, the Company was not aware of any violation of such undertakings by the above two shareholders.

Shenzhen International Holdings Limited (“Shenzhen International”) and Shenzhen International Holdings (SZ) Limited (formerly known as Yiwang 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. Details related are available in above-mentioned 《詳式權益變動報告書》(Detailed Report on the Change of Equity Interests) or related contents in the annual report 2007 of the Company. As at the end of the Reporting Period, the Company was not aware of any 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. For details of the above undertakings, 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. As at the end of the Reporting Period, the Company was not aware of any violation of such undertakings by Shenzhen International or SIHCL.

**3.9 Profit warning, with reasons therefor, that the cumulative net profit from the beginning of the year to the end of the next period may be a loss or a substantial change as compared to the same period of last year**

Applicable                       Not applicable

**3.10 For abbreviations and definitions of the relevant projects and enterprises invested, please refer to the Annual Report 2012 of the Company.**

By order of the Board  
**Yang Hai**  
Chairman

Shenzhen, the PRC, 29 October 2013

*As at the date of this announcement, the directors of the Company are Mr. Yang Hai (Chairman of the Board), Mr. Wu Ya De (Executive Director and President), Mr. Li Jing Qi (Non-executive Director), Mr. Zhao Jun Rong (Non-executive Director), Mr. Hu Wei (Non-executive Director), Mr. Tse Yat Hong (Non-executive Director), Ms. Zhang Yang (Non-executive Director), Mr. Chiu Chi Cheong, Clifton (Non-executive Director), Mr. Wang Hai Tao (Independent non-executive Director), Mr. Zhang Li Min (Independent non-executive Director), Mr. Au Sing Kun (Independent non-executive Director) and Mr. Lin Chu Chang (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 2013

*Unit: RMB; Unaudited*

<b>Item</b>	<b>As at 30 Sep 2013</b>	<b>As at 31 Dec 2012</b>
<b>Current assets:</b>		
Cash at bank and on hand	2,326,491,109.97	1,956,056,006.44
Accounts receivable	386,408,930.94	385,812,938.72
Advances to suppliers	89,539,632.98	320,335,136.60
Interests receivable	-	2,236,957.19
Other receivables	153,862,386.05	37,496,747.37
Inventories	325,170,903.29	2,980,022.26
Other current assets	8,049,401.15	-
Total current assets	3,289,522,364.38	2,704,917,808.58
<b>Non-current assets:</b>		
Long-term equity investments	1,610,836,506.02	1,653,743,186.99
Investment properties	15,397,450.00	15,829,225.00
Fixed assets	1,022,701,450.80	1,098,074,917.42
Construction in progress	7,170,101.00	16,357,384.44
Intangible assets	18,264,960,110.91	18,636,247,042.26
Long-term prepaid expenses	3,274,035.97	4,717,014.07
Deferred tax assets	83,987,691.12	79,238,463.43
Total non-current assets	21,008,327,345.82	21,504,207,233.61
<b>TOTAL ASSETS</b>	<b>24,297,849,710.20</b>	<b>24,209,125,042.19</b>
<b>Current liabilities:</b>		
Short-term borrowings	472,000,000.00	1,000,000.00
Accounts payable	391,425,881.47	661,807,999.88
Advances from customers	24,379,721.75	19,343,485.00
Employee benefits payable	19,054,345.32	82,952,114.94
Taxes payable	105,365,873.34	66,885,479.35
Interests payable	86,377,998.50	102,406,437.69
Other payables	388,304,789.62	416,155,154.40
Current portion of non-current liabilities	2,143,783,410.97	2,538,991,115.62
Other current liabilities	1,683,558.00	-
Total current liabilities	3,632,375,578.97	3,889,541,786.88
<b>Non-current liabilities:</b>		
Long-term borrowings	5,318,528,980.00	5,217,739,400.00
Bonds payable	3,087,021,626.33	3,081,681,079.84
Provisions	204,704,256.00	195,892,410.37
Deferred tax liabilities	893,740,401.32	935,283,505.52
Hedging instruments	-	16,070,892.42
Total non-current liabilities	9,503,995,263.65	9,446,667,288.15
Total liabilities	13,136,370,842.62	13,336,209,075.03
<b>Owners' equity:</b>		
Share capital	2,180,770,326.00	2,180,770,326.00
Capital surplus	3,184,244,260.85	3,181,011,501.38
Surplus reserve	1,604,265,015.87	1,604,265,015.87
Undistributed profits	2,922,125,979.18	2,570,439,249.07
Total equity attributable to owners of the Company	9,891,405,581.90	9,536,486,092.32
Minority interests	1,270,073,285.68	1,336,429,874.84
Total owners' equity	11,161,478,867.58	10,872,915,967.16
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>24,297,849,710.20</b>	<b>24,209,125,042.19</b>

**Balance Sheet**  
30 Sep 2013

*Unit: RMB; Unaudited*

Item	As at 30 Sep 2013	As at 31 Dec 2012
<b>Current assets:</b>		
Cash at bank and on hand	1,905,355,169.55	1,168,598,474.41
Accounts receivable	337,555,820.75	340,856,332.71
Advances to suppliers	973,683.51	4,090,690.03
Interests receivable	-	2,236,957.19
Other receivables	454,171,078.02	818,899,488.99
Inventories	1,628,738.20	1,634,514.63
Total current assets	2,699,684,490.03	2,336,316,457.96
<b>Non-current assets:</b>		
Long-term receivables	1,224,354,443.59	818,333,335.01
Long-term equity investments	6,501,571,029.00	6,626,238,971.59
Investment properties	15,397,450.00	15,829,225.00
Fixed assets	543,436,836.42	590,628,811.45
Construction in progress	2,837,057.32	2,837,057.32
Intangible assets	4,862,515,254.96	4,982,655,389.41
Long-term prepaid expenses	1,448,398.94	2,134,482.53
Deferred tax assets	82,432,462.17	77,553,285.95
Total non-current assets	13,233,992,932.40	13,116,210,558.26
<b>TOTAL ASSETS</b>	<b>15,933,677,422.43</b>	<b>15,452,527,016.22</b>
<b>Current liabilities:</b>		
Short-term borrowings	332,000,000.00	-
Accounts payable	85,671,188.42	86,207,026.06
Advances from customers	6,333,333.02	750,000.00
Employee benefits payable	12,151,278.41	56,868,475.27
Taxes payable	44,220,509.85	30,057,866.34
Interests payable	78,933,115.48	94,227,811.89
Other payables	278,482,158.12	263,316,621.65
Current portion of non-current liabilities	1,960,713,221.92	2,372,232,167.49
Total current liabilities	2,798,504,805.22	2,903,659,968.70
<b>Non-current liabilities:</b>		
Long-term borrowings	1,078,500,000.00	837,462,400.00
Bonds payable	3,092,923,650.35	3,088,084,219.09
Provisions	204,704,256.00	195,892,410.37
Total non-current liabilities	4,376,127,906.35	4,121,439,029.46
Total liabilities	7,174,632,711.57	7,025,098,998.16
<b>Owners' equity:</b>		
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	1,604,265,015.87	1,604,265,015.87
Undistributed profits	2,658,421,434.25	2,326,804,741.45
Total owners' equity	8,759,044,710.86	8,427,428,018.06
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>15,933,677,422.43</b>	<b>15,452,527,016.22</b>

## Consolidated Income Statement

Jul ~ Sep 2013

*Unit: RMB; Unaudited*

Item	Jul ~ Sep 2013	Jul ~ Sep 2012
<b>1. Revenue</b>	861,742,585.07	729,642,127.69
Less: Cost of services	387,399,071.48	353,203,508.79
Business tax and surcharges	30,387,924.10	25,676,769.11
General and administrative expenses	15,032,514.79	17,846,519.51
Finance expenses - net	147,543,072.84	156,288,345.07
Add: Investment income	54,265,839.37	37,528,051.43
Including: Share of profit of associates and joint ventures	54,265,839.37	37,528,051.43
<b>2. Operating profit</b>	335,645,841.23	214,155,036.64
Add: Non-operating income	3,401,427.05	71,103.30
Including: Gain on disposal of non-current assets	2,724,676.14	-
Less: Non-operating expenses	1,800,738.48	16,634.11
Including: Loss on disposal of non-current assets	1,297,738.48	5,350.00
<b>3. Total profit</b>	337,246,529.80	214,209,505.83
Less: Income tax expenses	71,391,530.66	46,931,092.21
<b>4. Net profit</b>	265,854,999.14	167,278,413.62
Net profit attributable to owners of the Company	249,643,885.01	159,745,667.36
Minority interests	16,211,114.13	7,532,746.26
<b>5. Earnings per share</b>		
(1) Basic earnings per share	0.114	0.073
(2) Diluted earnings per share	0.114	0.073
<b>6. Other comprehensive income</b>	1,041,020.92	1,679,798.68
<b>7. Total comprehensive income</b>	266,896,020.06	168,958,212.30
Attributable to owners of the Company	250,684,905.93	161,425,466.04
Minority interests	16,211,114.13	7,532,746.26

## Income Statement

Jul ~ Sep 2013

*Unit: RMB; Unaudited*

Item	Jul ~ Sep 2013	Jul ~ Sep 2012
<b>1. Revenue</b>	336,197,038.93	272,603,372.25
Less: Cost of services	131,973,228.12	106,544,960.72
Business tax and surcharges	12,131,261.18	9,542,933.89
General and administrative expenses	13,159,220.71	15,650,546.48
Finance expenses - net	57,458,707.78	66,014,222.67
Add: Investment income	134,131,631.45	113,470,588.11
Including: Share of profit of associates and joint ventures	54,265,839.37	37,528,051.43
<b>2. Operating profit</b>	255,606,252.59	188,321,296.60
Add: Non-operating income	299,571.36	70,000.00
Including: Gain on disposal of non-current assets	-	-
Less: Non-operating expenses	538,838.67	16,634.11
Including: Loss on disposal of non-current assets	35,838.67	5,350.00
<b>3. Total profit</b>	255,366,985.28	188,374,662.49
Less: Income tax expenses	27,314,553.95	18,154,035.72
<b>4. Net profit</b>	228,052,431.33	170,220,626.77
<b>5. Other comprehensive income</b>	-	-
<b>6. Total comprehensive income</b>	228,052,431.33	170,220,626.77

## Consolidated Income Statement

Jan ~ Sep 2013

*Unit: RMB; Unaudited*

Item	Jan ~ Sep 2013	Jan ~ Sep 2012
<b>1. Revenue</b>	2,350,787,523.87	2,290,270,385.12
Less: Cost of services	1,080,447,093.48	1,017,827,461.90
Business tax and surcharges	83,685,085.48	81,814,499.68
General and administrative expenses	40,444,956.70	43,306,853.11
Finance expenses - net	441,215,443.42	468,375,467.00
Add: Investment income	143,583,902.39	105,976,612.07
Including: Share of profit of associates and joint ventures	143,583,902.39	105,976,612.07
<b>2. Operating profit</b>	848,578,847.18	784,922,715.50
Add: Non-operating income	4,177,269.53	269,757.75
Including: Gain on disposal of non-current assets	3,097,832.27	43,550.00
Less: Non-operating expenses	2,716,199.03	216,630.98
Including: Loss on disposal of non-current assets	1,515,840.91	144,759.40
<b>3. Total profit</b>	850,039,917.68	784,975,842.27
Less: Income tax expenses	178,273,969.88	177,763,294.93
<b>4. Net profit</b>	671,765,947.80	607,212,547.34
Net profit attributable to owners of the Company	635,186,872.49	578,566,473.22
Minority interests	36,579,075.31	28,646,074.12
<b>5. Earnings per share</b>		
(1) Basic earnings per share	0.291	0.265
(2) Diluted earnings per share	0.291	0.265
<b>6. Other comprehensive income</b>	3,232,759.47	(686,218.10)
<b>7. Total comprehensive income</b>	674,998,707.27	606,526,329.24
Attributable to owners of the Company	638,419,631.96	577,880,255.12
Minority interests	36,579,075.31	28,646,074.12

## Income Statement

Jan ~ Sep 2013

*Unit: RMB; Unaudited*

Item	Jan ~ Sep 2013	Jan ~ Sep 2012
<b>1. Revenue</b>	879,630,073.41	877,143,442.55
Less: Cost of services	311,494,785.11	314,522,211.61
Business tax and surcharges	32,357,448.14	30,466,835.72
General and administrative expenses	34,418,744.83	38,429,258.08
Finance expenses - net	176,525,120.16	207,592,580.22
Add: Investment income	367,359,173.76	366,399,735.10
Including: Share of profit of associates and joint ventures	143,583,902.39	105,976,612.07
<b>2. Operating profit</b>	692,193,148.93	652,532,292.02
Add: Non-operating income	301,971.36	99,554.44
Including: Gain on disposal of non-current assets	-	24,450.00
Less: Non-operating expenses	591,676.77	137,358.86
Including: Loss on disposal of non-current assets	40,676.77	106,574.75
<b>3. Total profit</b>	691,903,443.52	652,494,487.60
Less: Income tax expenses	76,786,608.34	71,300,747.26
<b>4. Net profit</b>	615,116,835.18	581,193,740.34
<b>5. Other comprehensive income</b>	-	-
<b>6. Total comprehensive income</b>	615,116,835.18	581,193,740.34

## Consolidated Cash Flow Statement

Jan ~ Sep 2013

*Unit: RMB; Unaudited*

Item	Jan ~ Sep 2013	Jan ~ Sep 2012
<b>1. Cash flows from operating activities</b>		
Cash received from rendering of services	2,346,870,402.55	2,294,678,086.50
Cash received relating to other operating activities	164,637,142.60	349,996,174.36
Sub-total of cash inflows	2,511,507,545.15	2,644,674,260.86
Cash paid for goods and services	369,346,812.41	358,322,643.65
Cash paid to and on behalf of employees	230,349,377.32	189,181,369.46
Payments of taxes and surcharges	286,905,518.24	365,010,487.79
Cash paid relating to other operating activities	356,902,058.97	546,657,354.33
Sub-total of cash outflows	1,243,503,766.94	1,459,171,855.23
Net cash flows from operating activities	1,268,003,778.21	1,185,502,405.63
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	6,188,944.97	18,426,093.89
Cash received from returns on investments	44,930,000.00	47,121,363.73
Net cash received from disposal of fixed assets	7,314,932.84	28,651.00
Cash received relating to other investing activities	23,779,056.38	23,788,120.23
Sub-total of cash inflows	82,212,934.19	89,364,228.85
Cash paid to acquire fixed assets and intangible assets	518,161,815.57	435,262,229.06
Cash paid relating to other investing activities	4,996,035.97	8,227,632.68
Sub-total of cash outflows	523,157,851.54	443,489,861.74
Net cash flows from investing activities	(440,944,917.35)	(354,125,632.89)
<b>3. Cash flows from financing activities</b>		
Cash received from capital contributions	-	142,735,990.13
Including: Cash received from capital contributions by minority owners of subsidiaries	-	142,735,990.13
Cash received from borrowings	1,486,650,000.00	272,938,192.00
Sub-total of cash inflows	1,486,650,000.00	415,674,182.13
Cash repayments of borrowings	1,154,032,280.00	944,818,500.00
Cash payments for interest expenses and distribution of dividends or profits	793,062,542.44	970,584,214.41
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	102,935,664.46	168,287,394.18
Cash payments relating to other financing activities	843,042.82	9,192,385.38
Sub-total of cash outflows	1,947,937,865.26	1,924,595,099.79
Net cash flows from financing activities	(461,287,865.26)	(1,508,920,917.66)
<b>4. Effect of foreign exchange rate changes on cash</b>	656,991.63	(1,085,382.93)
<b>5. Net increase in cash</b>	366,427,987.23	(678,629,527.85)
Add: Cash at beginning of the Period	1,954,204,126.56	2,167,953,309.07
<b>6. Cash at end of Period</b>	2,320,632,113.79	1,489,323,781.22



**Cash Flow Statement**  
Jan ~ Sep 2013

*Unit: RMB; Unaudited*

Item	Jan ~ Sep 2013	Jan ~ Sep 2012
<b>1. Cash flows from operating activities</b>		
Cash received from rendering of services	885,724,880.89	893,470,691.49
Cash received relating to other operating activities	33,363,016.14	216,800,463.64
Sub-total of cash inflows	919,087,897.03	1,110,271,155.13
Cash paid for goods and services	128,305,763.60	69,805,778.28
Cash paid to and on behalf of employees	124,568,181.91	106,712,417.90
Payments of taxes and surcharges	102,224,137.68	155,974,762.16
Cash paid relating to other operating activities	55,511,281.74	77,853,506.45
Sub-total of cash outflows	410,609,364.93	410,346,464.79
Net cash flows from operating activities	508,478,532.10	699,924,690.34
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	87,950,206.62	114,071,381.04
Cash received from returns on investments	268,705,271.53	307,544,486.75
Net cash received from disposal of fixed assets	10,650.00	23,250.00
Cash received relating to other investing activities	833,900,091.02	277,185,838.52
Sub-total of cash inflows	1,190,566,219.17	698,824,956.31
Cash paid to acquire fixed assets and intangible assets	32,302,859.43	105,433,481.04
Net cash paid to acquire subsidiaries or other business units	-	190,000,000.00
Cash paid relating to other investing activities	757,694,946.00	50,008,000.00
Sub-total of cash outflows	789,997,805.43	345,441,481.04
Net cash flows from investing activities	400,568,413.74	353,383,475.27
<b>3. Cash flows from financing activities</b>		
Cash received from borrowings	1,130,000,000.00	105,000,000.00
Sub-total of cash inflows	1,130,000,000.00	105,000,000.00
Cash repayments of borrowings	837,709,700.00	961,864,000.00
Cash payments for interest expenses and distribution of dividends or profits	467,783,607.88	589,677,996.48
Cash payments relating to other financing activities	801,409.43	4,828,622.20
Sub-total of cash outflows	1,306,294,717.31	1,556,370,618.68
Net cash flows from financing activities	(176,294,717.31)	(1,451,370,618.68)
<b>4. Effect of foreign exchange rate changes on cash</b>	(2,649.69)	(496,785.01)
<b>5. Net increase in cash</b>	732,749,578.84	(398,559,238.08)
Add: Cash at beginning of the Period	1,166,746,594.53	1,412,201,859.12
<b>6. Cash at end of Period</b>	1,899,496,173.37	1,013,642,621.04