



深圳高速公路集团股份有限公司

SHENZHEN EXPRESSWAY CORPORATION LIMITED

Stock code: 00548 (SEHK) 600548 (SSE)

2023 Annual Results



23 March 2024



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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

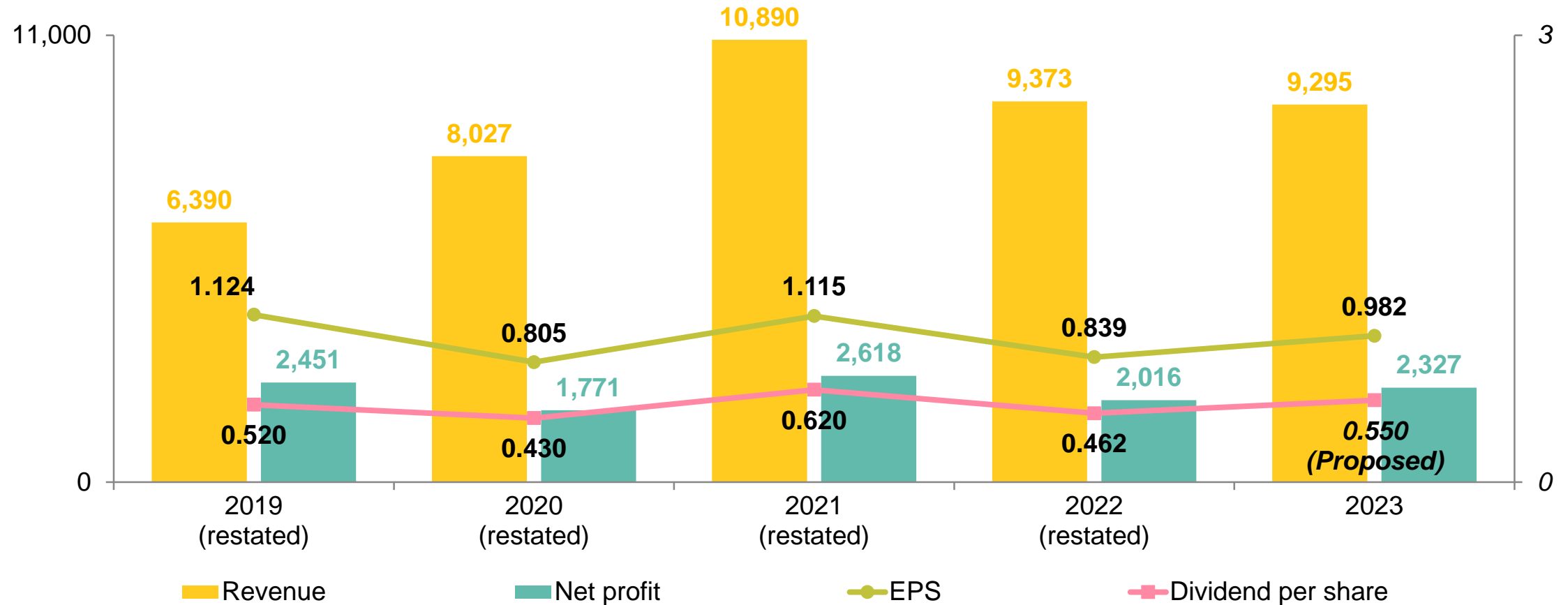




Financial Highlights

(RMB 'million)

(RMB)



- Due to the consolidation of Financial Leasing Company, Logistics Finance Company and Longda Company into the Group as a jointly controlled entity in 2020, the consolidation of SIICHIC (holding 71.83% equity interests of Bay Area Development) into the Group as a jointly controlled entity in 2022, the Company adjusted the data of consolidated financial statements of previous years



Income Summary

(RMB 'million)	2023	2022 (restated)	Change
Revenue	9,295	9,373	-0.82%
Net profit attributable to owners of the Company	2,327	2,016	+15.41%
Earnings per share (EPS) (RMB) ^{Note 1}	0.982	0.839	+17.04%
Return on equity - weighted average (ROE) ^{Note 1}	11.99%	9.93%	+2.06 p.pt
Excluding non-recurring items ^{Note 2}			
Net profit attributable to owners of the Company	2,240	1,228	+82.38%
Earnings per share (EPS) (RMB) ^{Note 1}	0.942	0.478	+97.07%
Return on equity - weighted average (ROE) ^{Note 1}	11.53%	5.65%	+5.88 p.pt

- Restatement of certain financial statement items in accordance with the revision of accounting standards
- According to the provisions of the ASBEs No. 16 and the ASBEs No. 18 - Income Tax, the Company will adjust the opening retained earnings and other related financial statement items of the earliest period presented in the financial statements due to the cumulative effect of taxable temporary differences and deductible temporary differences arising from the regulations

Note 1: Excluding the impact of perpetual bonds

Note 2: Non-recurring items mainly include: gains from changes in fair value arising from equity interests held in participating companies, liquidated damages on contracts provided by subsidiaries, income tax impact, etc.

(RMB 'million)

	2023	Proportion	2022	Change
Revenue	9,295	100.00%	9,373	-0.82%
Toll highway	5,375	57.82%	4,978	+7.97% ^{Note 1}
General-environmental protection	1,618	17.41%	1,757	-7.91%
Clean energy	652	7.02%	692	-5.68% ^{Note 2}
Solid waste recycling treatment - kitchen waste treatment	715	7.70%	554	+29.10% ^{Note 3}
Solid waste recycling treatment - vehicle dismantling & comprehensive battery utilization	222	2.39%	392	-43.40% ^{Note 4}
Other environmental protection businesses	28	0.30%	119	-76.22% ^{Note 5}
Other businesses	2,302	24.77%	2,637	-12.70%
Entrusted construction and management	509	5.48%	888	-42.65% ^{Note 6}
Real estate development (Guilong Project)	90	0.97%	165	-45.57% ^{Note 7}
Construction services under concession arrangements	1,347	14.49%	1,256	7.21% ^{Note 8}
Others	356	3.83%	328	+8.72% ^{Note 9}

Note 1: Due to the combined effect of the recovery growth of traffic volume and the expiry of Wuhuang Expressway, excluding the impact of Wuhuang Expressway, the toll revenue increased by 16.44% YOY

Note 2: Revenue from wind power generation decreased YOY due to limited wind resources in Xinjiang Mulei

Note 3: Including the revenue from project construction, operation and equipment sales; the increase in kitchen waste treatment operating revenue of Bioland and the incremental revenue contributed by Lisai Environmental and Shaoyang Company

Note 4: Lower lithium battery raw material prices led to less revenue from comprehensive utilization of batteries

Note 5: Decrease in sales revenue of wind turbines of Nanjing Wind Power

Note 6: YOY decrease in the recognized revenue resulting from the close completion of Longli River Bridge Project and Bimeng Project

Note 7: The decrease in the delivered units of Guilong Project

Note 8: YOY increase in the construction quantities of projects such as Coastal Phase II, Jihe R&E, and Guangming Environmental Park

Note 9: Business growth of Asphalt Technology Company



Operating Revenue from Toll Highways

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(RMB 'million)	2023	2022	Change
Toll Highway			
Outer Ring	1,194	955	+25.03%
Qinglian	680	615	+10.43%
Jihe East	679	633	+7.38%
Jihe West	547	469	+16.68%
Shuiguan	636	571	+11.26%
Coastal	629	481	+30.84%
Yichang	432	387	+11.69%
Changsha Ring Road	267	238	+12.22%
Meiguan	156	136	+14.53%
Longda	156	132	+18.19%
Subtotal	5,375	4,616	+16.44%
Wuhuang	0	362	-100.00%
Total	5,375	4,978	+7.97%



Cost of Services & General and Administrative Expenses

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(RMB 'million)

	2023	Proportion	2022	Change
Cost of services	5,949	100.00%	6,354	-6.36%
Toll highway	2,667	44.84%	2,800	-4.75% ^{Note 1}
General-environmental protection	1,255	21.10%	1,289	-2.60%
Clean energy	276	4.64%	269	+2.38%
Solid waste recycling treatment - kitchen waste treatment	709	11.92%	534	+32.91% ^{Note 2}
Solid waste recycling treatment - vehicle dismantling & comprehensive battery utilization	252	4.24%	372	-32.33% ^{Note 3}
Other environmental protection businesses	18	0.31%	113	-83.95% ^{Note 4}
Other businesses	2,027	34.07%	2,265	-10.49%
Entrusted construction and management	374	6.29%	690	-45.83% ^{Note 5}
Real estate development (Guilong Project)	64	1.07%	120	-46.68% ^{Note 6}
Construction services under concession arrangements	1,347	22.64%	1,256	+7.21% ^{Note 7}
Others	242	4.07%	198	+22.18% ^{Note 8}
General and administrative expenses	483	-	444	+8.89% ^{Note 9}

Note 1: The concession expiry of Wuhuang Expressway and the decrease in related costs of Yichang Company, etc.

Note 2: Including the cost of project construction, operation and equipment sales; Incremental costs of Lisai Environmental and Shaoyang project, and the increase in cost of the organic waste treatment business of Bioland with the increase in revenue

Note 3: Decrease in business volume of Shenshan Qiantai

Note 4: Decrease in sales of wind power equipment

Note 5: YOY decrease in construction volume of projects such as Longli River Bridge Project and Bimeng Project

Note 6: Decrease in the number of delivered units of Guilong Project

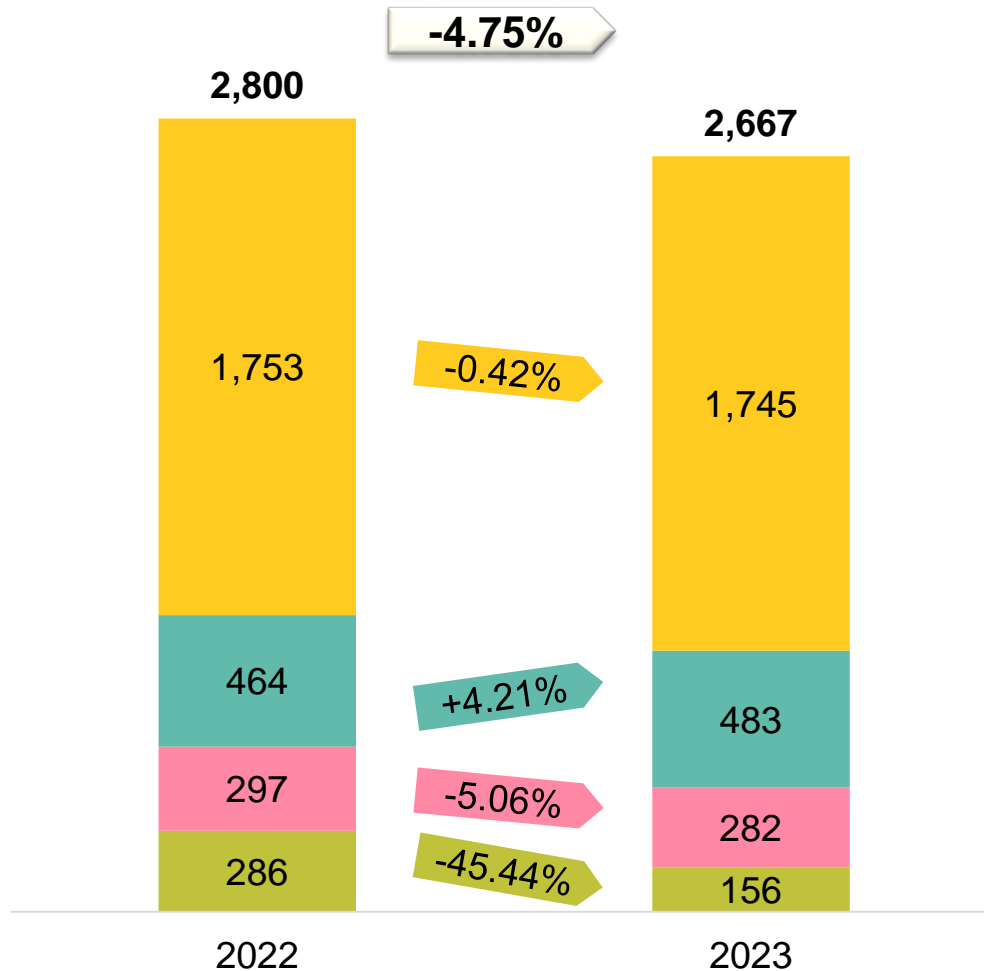
Note 7: YOY increase in the construction quantities of projects such as Coastal Phase II, Jihe R&E, and Guangming Environmental Park

Note 8: Business growth of Asphalt Technology Company

Note 9: The reversal of prior years' bonuses at the same period last year and the YOY increase in depreciation and amortization and property management fees of the newly purchased office buildings for the year

Operating Costs of Toll Highways

(RMB 'million)



■ Depreciation and amortization

■ Employee expenses

■ Road maintenance expenses

■ Other business costs



Increase in the number of toll collection employees due to the needs of curbing overloading and ensuring smooth traffic



The expiry of the concession of Wuhuang Expressway and the decrease in costs of Yichang Company, etc.



Operating Profit and Gross Profit Margin of Toll Highways

(RMB 'million)	Cost of Services		Operating Profit		Gross Profit Margin
	2023	Change	2023	Change	2023
Toll highway					
Outer Ring	387	-13.80%	807	+59.46%	67.60%
Qinglian	530	+24.98%	150	-21.79%	22.03%
Jihe East	282	-3.91%	398	+17.13%	58.55%
Jihe West	127	+2.42%	419	+21.83%	76.71%
Shuiguan	554	+8.31%	81	+36.57%	12.81%
Coastal	325	+12.00%	304	+59.56%	48.30%
Yichang	204	-3.08%	228	+29.30%	52.79%
Changsha Ring Road	96	+11.56%	170	+12.59%	63.81%
Meiguan	83	+6.61%	73	+24.97%	47.08%
Longda	77	+0.58%	79	+42.50%	50.66%
Subtotal	2,665	+4.80%	2,710	+30.71%	50.42%
Wuhuang	2	-99.24%	-2	-101.76%	N/A
Total	2,667	-4.75%	2,708	+24.32%	50.38%

Operating profit = Operating revenue – Operating costs



Operating Profit and Gross Profit Margin of General-Environmental Protection & Other Businesses

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(RMB 'million)	Operating Profit		Gross Profit Margin
	2023	Change	2022
General-environmental protection	363	-22.52%	22.42%
Clean energy	377	-10.83%	57.72%
Solid waste recycling treatment - kitchen waste treatment	6	-69.68%	0.87%
Solid waste recycling treatment - vehicle dismantling & comprehensive battery utilization	-30	-253.53%	-13.75%
Other environmental protection businesses	10	+74.28%	35.81%
Other businesses	275	-26.11%	11.95%
Entrusted construction and management	135	-31.55%	26.55%
Real estate development (Guilong Project)	26	-42.63%	28.85%
Construction services under concession arrangements	0	N/A	0.00%
Others	114	-12.10%	32.02%

- Excluding the impact of the revenue and costs of construction services under concession arrangements recognized in equal amounts, the overall gross profit margin of the Group was 42.1%, representing a YOY increase of approximately 4.9 percentage points, mainly due to the increase in revenue from toll roads with higher gross profit margin during the period

Operating profit = Operating revenue – Operating costs



Investment Income

(RMB 'million)

Item

Investment income attributable to associate / joint venture:

	2023	2022	Change in amount	Change
Associated / joint toll highway enterprises	494.7	144.5	+350.1	+242.24%
United Land (Meilin Checkpoint Renewal Project)	624.7	26.4	+598.3	+2,264.22%
Derun Environment	178.8	256.0	-77.3	-30.18%
Others <small>Note</small>	179.7	155.7	+24.0	+15.40%
Subtotal	1,477.8	582.7	+895.1	+153.61%
Investment income from disposal of equity interests in associates	1.3	921.2	-919.9	-99.86%
Investment income from other non-current financial assets	11.0	18.6	-7.7	-41.12%
Investment income from wealth management products	14.6	9.4	+5.2	+55.91%
Others	0.2	2.0	-1.8	-89.56%
Total	1,504.9	1,533.9	-29.0	-1.89%

- Investment income decreased by 1.89%, mainly due to the combined effect of the general recovery growth in toll revenue of associated/joint toll highways in the current year, the recognition of property development income by United Land in the current year and the recognition of asset disposal income from the capital reduction of United Land in the previous year, the corresponding reversal of previous provision for resurfacing of the road section due to its proposed reconstruction and expansion, the YOY decrease in investment income of Derun Environment as a result of the reduction in sewage treatment price, etc.

Note: Including Yunji Intelligent, Bank of Guizhou, Shengchuang Fund, Guizhou Hengtongli, Huai'an Zhongheng, Fengrunjiu, Fenghe Energy, etc.



Financial Expenses

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(RMB 'million)

	2023	2022	Change
Item			
Interest expenses	1,241.9	1,213.9	+2.31%
Less: Interest capitalized	- 12.3	- 28.8	-57.14%
Interest income	- 71.0	- 130.1	-45.44%
Add: Exchange loss	+ 72.8	+ 318.2	-77.13%
Others	+ 8.8	+ 13.5	-34.78%
Total financial expenses	1,240.2	1,386.7	-10.56% ^{Note 1}

	31 December 2023	31 December 2022	Change
Comprehensive borrowing cost - nominal costs ^{Note 2}	3.67%	3.49%	+0.18 p.pt
Average borrowing scale (RMB 'billion)	32.8	32.9	-0.30%

Note 1: Mainly due to the combined effect of the factors: 1) the increase in interest expenses resulting from the rise in the interest rates of foreign currency loan arising from the increase in overseas HIBOR interest rates; 2) interest income decreased with declining cash on hand; 3) the decrease in foreign exchange losses as a result of the lower depreciation of RMB in the current period than the same period of last year, resulting in a decrease in exchange losses

Note 2: Excluding the impact of the significant increase in overseas interest rate on foreign currency debts, the consolidated borrowing cost for the period was 3.15%, representing a YOY decrease of 0.53 p.pt



Assets and Liabilities Highlights

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(RMB 'million)	31 December 2023	31 December 2022 (restated)	Change
Total equity attributable to owners of the Company	22,358	21,348	+4.73%
Net assets per share (RMB) ^{Note 1}	8.42	7.96	+5.78%
Total assets	67,507	69,205	-2.45%
of which: Cash and cash equivalents	1,955	3,197	-38.85%
Total liabilities	39,509	41,841	-5.57%
of which: Total outstanding interest-bearing liabilities	31,685	33,331	-4.94% ^{Note 2}

Note 1: Net assets per share excluding the impact of perpetual bonds

Note 2: Repayment of borrowings during the Reporting Period



Debt Ratio and Repayment

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	31 December 2023	31 December 2022 (restated)
Debt-to-asset ratio (Total liabilities / Total assets)	58.53%	60.46%
Net borrowings-to-equity ratio ((Total borrowings – cash and cash equivalents) / Total equity)	106.18%	110.12%

	2023	2022
Net borrowing / EBITDA ((Total borrowings – cash and cash equivalents) / Earnings before interests, tax, depreciation and amortization)	4.65	5.16
Interest covered multiple ((Profit before tax + interest expenses) / Interest expenses)	3.42	3.16
EBITDA interest multiple (Earnings before interests, tax, depreciation and amortization / Interest expenses)	5.32	5.12



Financial Strategies

- Expanding financing channels, reducing financing costs, optimizing debt structure and maintaining a safe financial situation

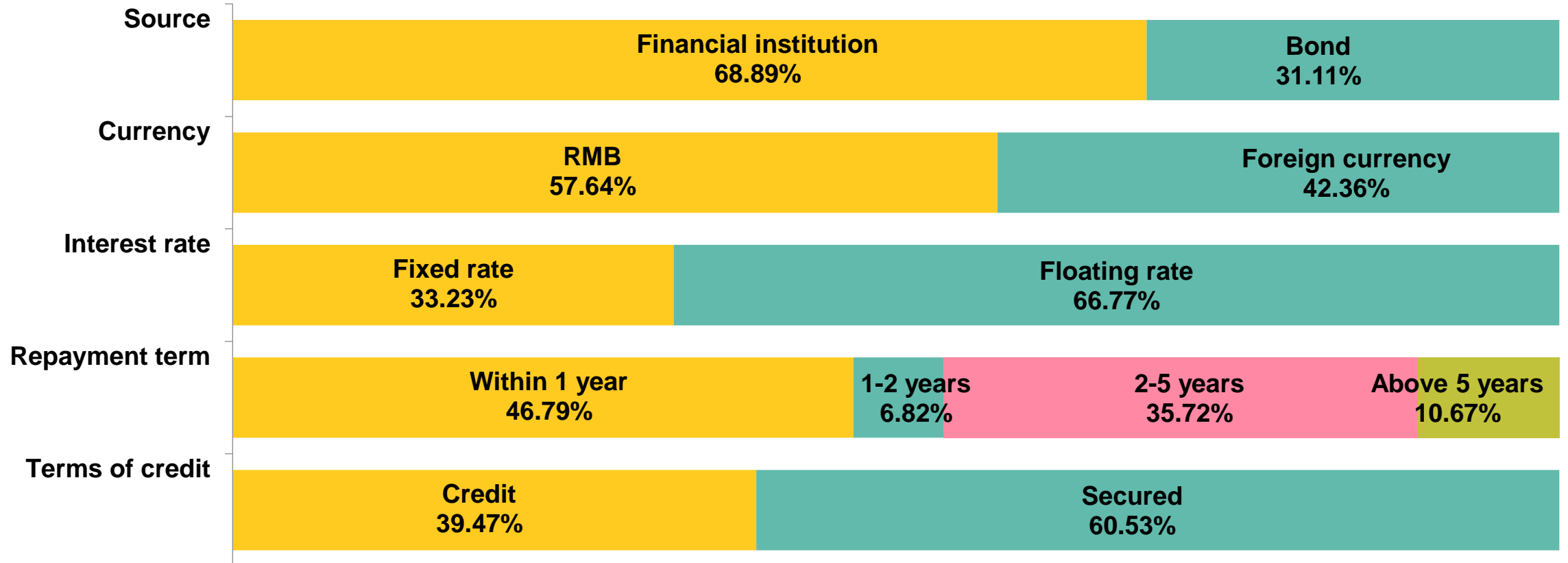
Financing Arrangements

- Issued three phases of ultra-short-term commercial paper (FIP) for RMB3.5 billion (coupon rate: 2.16-2.25%)
- Issued two phases of medium-term notes for RMB2 billion (coupon rate: 2.89%, 3.05%)
- Issued one phase of green corporate bonds (coupon rate: 2.88%)
- Issuance of A shares to specific targets
 - **Target subscribers:** no more than 35 specific targets including the controlling shareholder
 - **Issue size:** not more than 654,000,000 shares, not exceeding 30% of the share capital before the issuance
 - **Proceeds:** not more than RMB4.9 billion, mainly used for the construction of Outer Ring Phase III and repayment of interest-bearing liabilities
 - Subject to review by the SSE and registration with the CSRC
- Yichang Expressway Public REITs
 - The offering was completed on 7 March 2024 and to be listed on the SEE by the end of March 2024 (transaction code: 508033, on-exchange abbreviation: SGS REIT)
 - Raised 300 million shares, with an offering price of RMB6.825/share. The total fund raised was RMB2,047.5 million. Among which, the Company, as the original beneficial owner, subscribed for 120 million strategic placing shares, representing 40% of the total number of offering shares



Borrowing Structure

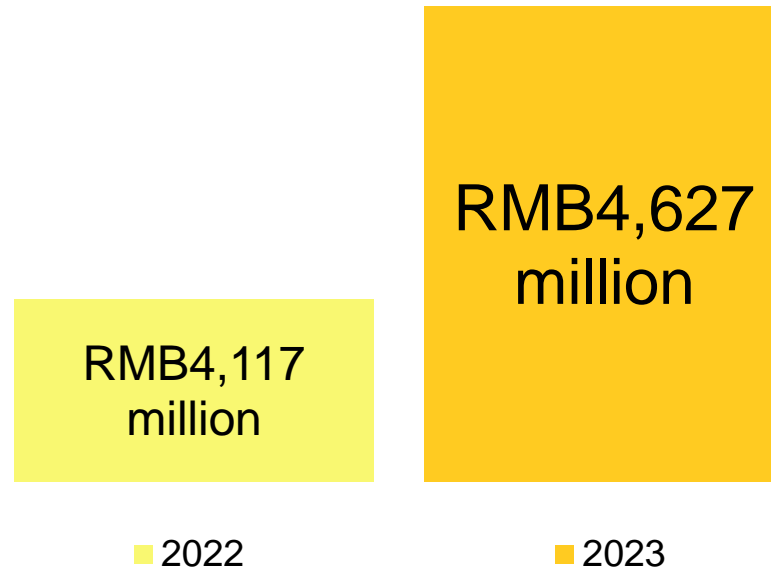
(as at 31 December 2023)



■ Maintained the highest credit rating and bond rating of AAA for domestic entities, and the investment grade from international rating

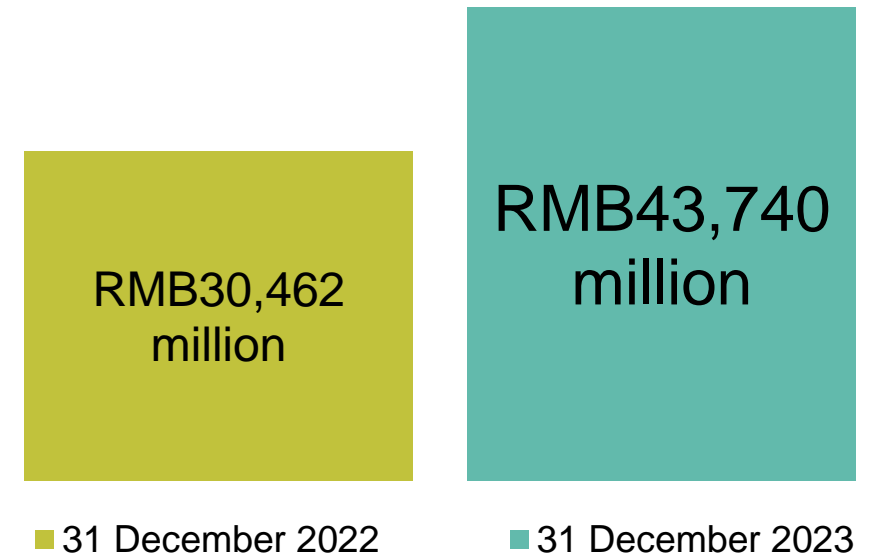
Net cash flows from operating activities & Recurring cash return on investments

+RMB510 million Note



Unused banking facilities

+RMB13,278 million



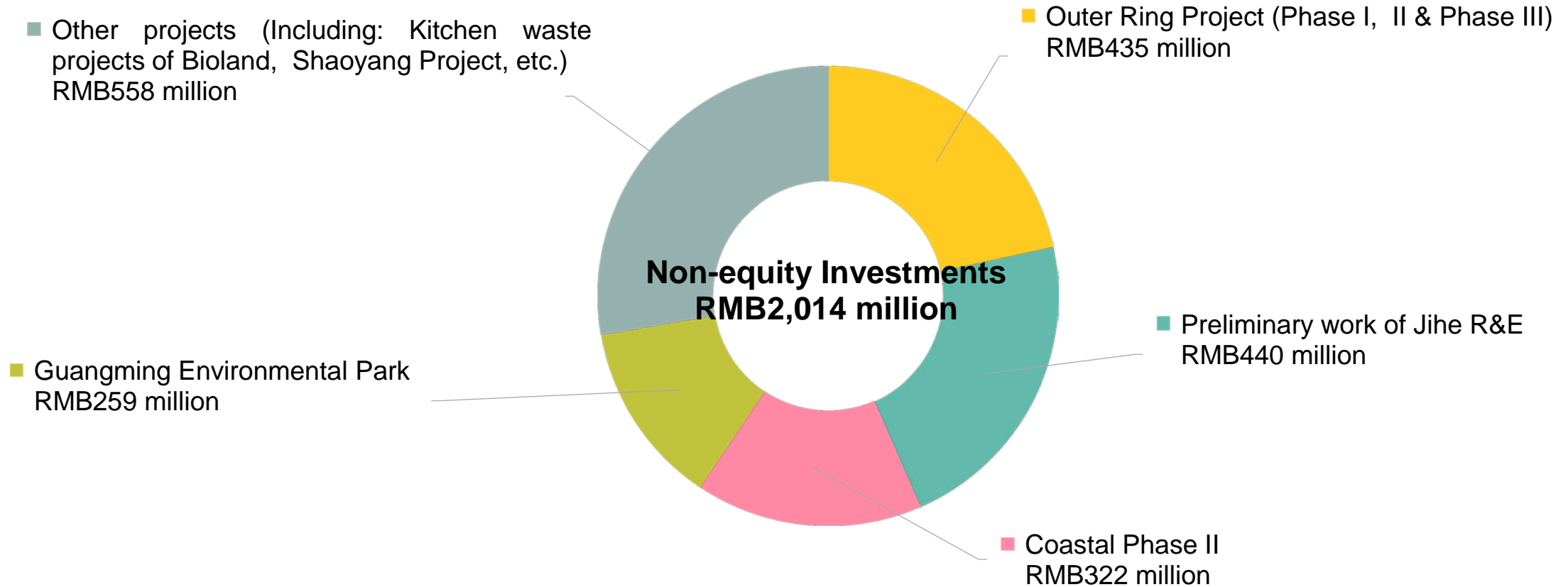
Note: Mainly due to the combined effect of the increase in toll revenue of ancillary toll highways and the YOY decrease in dividends received from some investment projects



Capital Expenditure in 2023

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RMB2,014 million





Capital Expenditure Plan

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(RMB 'million)

	2024	2025	2026	Total
Investment in intangible assets and fixed assets	3,571.77	3,268.12	2,022.83	8,862.73
Outer Ring Phases I, II and III	914.87	1,889.89	1,983.60	4,788.36
Coastal Phase II	294.84	-	-	294.84
Jihe Expressway reconstruction & expansion	1,695.75	1,218.12	-	2,913.87
Kitchen waste projects of Bioland	372.13	130.63	9.00	511.76
Guangming Environmental Park (Kitchen waste treatment)	243.57	0.39	30.23	274.19
Shaoyang Project (Kitchen waste treatment)	16.18	0.35	-	16.53
Lisai Environmental technological renovation Project	6.36	10.75	-	17.11
Final payment for renovation of the office property	-	17.98	-	17.98
Final payment for pavement structural reinforcement of Changsha Ring Road	9.45	-	-	9.45
Preliminary expenses of PV projects in Pingshan County	13.96	-	-	13.96
Shengneng Energy Technology Project	4.68	-	-	4.68
Equity investment	6.48	-	-	6.48
Final payment for acquisition of Lisai Environmental	6.48	-	-	6.48
Total	3,578.25	3,268.12	2,022.83	8,869.20

- The investment and financing model of Jihe R&E has not yet been determined

Business Review





- The complex and changing international political and economic environment and the weak recovery of the global economy have put pressure on overall domestic economic production and slowed down the growth of road freight transportation demand
- As the domestic economy and society gradually returned to normal operation, the demand for road transportation has recovered, and the passenger car travel volume has increased steadily
- The concession period of Wuhuang Expressway expired in December 2022, which has a certain impact on the toll revenue of the Group during the Reporting Period
- Changes in road network may generate positive or negative impacts on toll road projects
- The country is accelerating the modernization process of the transportation industry, bringing room for the development of the expressway industry
- National policies continue to support the solid waste recycling treatment industry and clean energy power generation industry
- “Dual-carbon” strategy brings significant market opportunities in the general-environmental protection industry



Projects in Shenzhen region

Project	Average daily traffic volume ^{Note 1} (No. of vehicles in thousands)		Average daily toll revenue ^{Note 2} (RMB '000)	
	2023	YOY change	2023	YOY change
Meiguan Expressway	164	+19.1%	427	+14.5%
Jihe East	318	+12.5%	1,861	+7.4%
Jihe West	218	+16.5%	1,498	+16.7%
Coastal Project	189	+34.1%	1,724	+30.8%
Outer Ring Project	307	+26.9%	3,270	+25.0%
Longda Expressway	165	+18.4%	427	+18.2%
Shuiguan Expressway	269	+13.3%	1,742	+11.3%
Shuiguan Extension	64	+17.4%	214	+13.2%

Projects in other regions

Project	Average daily traffic volume ^{Note 1} (No. of vehicles in thousands)		Average daily toll revenue ^{Note 2} (RMB '000)	
	2023	YOY change	2023	YOY change
Qinglian Expressway	51	+15.3%	1,862	+10.4%
GS Expressway	632	+19.9%	7,924	+28.1%
GZ West Expressway	270	+21.6%	3,572	+24.8%
Yangmao Expressway	55	+24.5%	2,064	+22.7%
GZ W2 Expressway	91	+25.1%	1,366	+23.1%
Yichang Project	61	+10.4%	1,184	+11.7%
Changsha Ring Road	96	+16.6%	730	+12.2%
Nanjing Third Bridge	39	+34.9%	1,510	+20.8%

■ Due to the low base in the corresponding period in 2022, the traffic volume and toll revenue of most projects YOY increased significantly during the Reporting Period

Note 1: Excluding toll-free traffic volume during holidays

Note 2: Revenue is tax-exclusive



Construction in Progress

Outer Ring Phase III

- Planned mileage of 16.8 km with estimated investment of RMB8,447 million. Construction has already commenced at the end of 2023 and is expected to complete and open to traffic in 2028

Coastal Phase II

- Mainly includes the interchange of International Convention and Exhibition Centre (completed and opened to traffic in 2019) and the connecting line on the Shenzhen side of Shenzhen-Zhongshan Tunnel
- About 5.7 km of the connecting line on the Shenzhen side of Shenzhen-Zhongshan Tunnel is under construction and is expected to be opened simultaneously with Shenzhen-Zhongshan Tunnel in 2024

Reconstruction and Expansion Project

Jihe Expressway

- The Shenzhen Municipal Government intends to adjust the construction implementation plan and adjust the investment and financing plan accordingly; which has not been finalized yet
- As a project unit approved by the Guangdong Provincial Development and Reform Commission, the Company is actively assisting in the adjustment of the relevant plan and agreements of the project, and will perform the corresponding approval procedures after the confirmation

GS Expressway

- Guangzhou-Dongguan Section commenced construction at the end of 2023, and Shenzhen section is proceeding with the revision of the feasibility study report
- Bay Area Development, in which the Company indirectly holds 71.83% of shares, assumes no more than 50% of the shareholders' capital contribution in proportion to its shareholding (estimated to be no more than RMB 3.7 billion for Guangzhou-Dongguan Section)

Equity Operation

Yichang Expressway Public REITs

- The transfer of mature project with stable cash flows to public REITs fund can effectively revitalize the stock of highway infrastructure assets, recover operating investment and exchange gains in advance, improve asset turnover efficiency, enhance the Group's ability of rolling investment, and help the Group to further expand financing channels and improve business model



- Set up Environment Company as an investment management platform
- The designed organic waste treatment capacity of the Group exceeded 6,900 tons/day

Bioland

- 92.29% of shareholding, with projects in 17 cities
- Owns 20 organic waste treatment projects with a designed kitchen waste treatment capacity of over 4,800 tons/day, of which 13 projects (with a total designed capacity of 3,020.5 tons/day) are in commercial operation, and some are in trial operation or commissioning stage
- Due to the YOY increase in the volume of kitchen waste, the operating revenue in 2023 has increased to a certain extent. However, due to the combined effect of factors such as the decrease in sales price of grease, the low production rate of some projects, the high costs at the early stage of the projects, and the lagging settlement and transfer of some engineering projects, the overall operating performance in 2023 is unsatisfactory
- Countermeasures: Promote grid-connexion of power generation projects and expand surrounding markets; develop sales of oil and grease outside the region; adjust business structure, focusing on operating business, reducing and terminating EPC engineering and equipment manufacturing business; optimize personnel organizational structure and strengthen cost control; strengthen the quality and efficiency of existing projects and strengthen standardized management

Lisai Environmental

- 70% of shareholding, located in Shenzhen
- Designed capability: 650 tons/day of kitchen waste, 30 tons/day of oil and grease; basically achieving full operation at present
- BOT (Build-Operate-Transfer) business model
Concession period: 10+5 years for kitchen waste treatment, 25 years for municipal sludge treatment

Shaoyang Project

- 100% owned, located in Shaoyang, Hunan Province
- Designed capacity: 200 tons/day of kitchen waste
- TOT (Transfer-Operate-Transfer) business model
Concession period: 30 years
- Trial operation on 28 February 2023



General-Environmental Protection – Solid Waste Treatment 2

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Organic Waste			Disposal volume (‘000 tons)	Operating revenue (RMB ‘million)
Project	Holding ratio	Revenue consolidation ratio	2023	2023
Bioland				
Projects in commercial operation				
Guiyang Project	100%	100%	174.83	94.69
Nanning Project	100%	100%	187.24	106.98
Dezhou Project	100%	100%	125.98	33.76
Taizhou Project	100%	100%	95.84	32.36
Other projects	70~100%	100%	401.53	84.73
Project in trial operation or commissioning				
Inner Mongolia Project	51%	100%	83.83	42.86
Other projects	89~90%	100%	21.39	4.74
Subtotal			1,090.56	475.90
Lisai Environmental	70%	100%	292.28	149.63
Shaoyang Project	100%	100%	37.09	26.19
Total			1,419.93	651.71



Guangming Environmental Park

- 100% owned, located in Shenzhen
- Designed capacity: 1,000 tons/day of organic waste, 100 tons/day of bulky waste (waste furniture), 100 tons/day of greening waste
- BOT business model, Concession period: 10+5 years
- It is expected to enter trial operation in early 2024

Shenshan Qiantai

- 63.33% of shareholding
- Provide scrapping, recycling and disposal services for fuel vehicles and integrated resource comprehensive utilization services for new energy vehicles and retired power batteries; recognized as a specialized, refined and innovative small and medium-sized enterprise, approved to establish a province-level science and technology expert workstation in 2023, and selected as the first pilot unit of the regional service center for new energy vehicle power batteries in Shenzhen; apply for 10 new patents and upgrade production lines to improve production capacity
- Lower-than-expected results:
 - Affected by falling price of lithium battery materials and the slowing demand growth of power battery market, related business development missed expectations
 - The market price of scrapped vehicle recycling continues to increase while the market price of scrapped metal decreased, which led to a decline in dismantling profits. The acquisition of scrapped vehicle recycling business and the overall volume of scrapped vehicle recycling were affected
- Countermeasures:
 - Strengthen the acquisition of new customer resources and actively expand the business of scrapped vehicles outside the province with initial progress
 - Strengthen product research and development capabilities, expand cooperation with upstream and downstream industry chains and market development, and improve corporate profitability and anti-risk ability

- Established New Energy Company as an investment management platform
- The cumulative installed capacity of wind power projects invested and operated by the Group reached 648MW

Wind Farm Operation

Project	Equity ratio	Revenue consolidation ratio	On-grid power supply (’000 MWh)	Wind power generation business revenue (RMB ’million)
			2023	2023
Baotou Nanfeng	100%	100%	783.2	245.82
Xinjiang Mulei	100%	100%	651.2	299.80
Yongcheng Zhuneng	100%	100%	83.2	40.93
Zhongwei Gantang	100%	100%	121.1	64.53
Huai’an Zhongheng	20%	-	222.6	106.15

Project Expansion

- Two PV projects in Pingshan County, Hebei Province: 60MW PV project and 70MW PV project, which have been included in a local supported project and a local reserved project, respectively
- Wind power projects in Guizhou Province: Jinshen New Energy, a joint venture established by New Energy Company and a controlling subsidiary of SPIC, obtained the approval quota of 460MW wind power projects in Guizhou Province
- “PV, storage and charging integration” project in SZE Qiantai Industrial Park: developed and constructed by Shengneng Technology, a joint venture established by New Energy Company and Infrastructure and Environmental Protection Company, to explore and try distributed PV; the project is expected to be completed and connected to the grid in 2024

Other Projects

- Nanjing Wind Power
 - Currently, it is mainly engaged in post-wind farm operation and maintenance services invested by the Group and also assisted in market development for wind power and PV projects
 - Weak operating performance due to factors such as the suspension of the original wind turbine manufacturing and sales business, provision for asset impairment and estimated liabilities
 - The performance commitment parties have transferred 47.04% equity interest to Environment Company at nil consideration according to the VAM compensation clause and Environment Company currently holds 98.04% equity interest
 - Countermeasures: enhance business transformation, accelerate asset revitalization and capital recovery, and promote its operating conditions



General-Environmental Protection

– Water Environmental Remediation and Others

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Derun Environment

- 20% of shareholding
- Holding A-share main board-listed Chongqing Water (code: 601158) and Sanfeng Environment (code: 601827) with the major businesses including water supply and sewage treatment, waste incineration power generation and environmental restoration

Shenzhen Water Planning

- 11.25% of shareholding
- Listed on ChiNext Market of Shenzhen Stock Exchange in August 2021 (code: 301038)



Entrusted Management

- **Entrusted construction business** Shenshan Environmental Park Project, Longli River Bridge Project (former Duohua Bridge Project), and Bimeng Project, etc.
- **Entrusted management business** Comprehensive management and maintenance project of the Four Expressways, operation and management project of the Xiufeng, Tangbei and Henggang toll stations, municipal road maintenance business

Industrial-Financial Integration

- **Bank of Guizhou** 3.44% of shareholding, listing on the main board of the Stock Exchange (code: 06199. HK)
- **Financial Leasing Company** 100% owned, mainly engaged in synergistic projects with dual core businesses
- **Shengchuang Fund** 45% interest, mainly invested in four types of operating projects: industrial hazardous waste treatment, solid waste treatment, sewage treatment and the new energy of wind power
- **State-owned Assets Collaborative Development Fund** 7.48% interest, mainly investing in public utilities, financial and strategic emerging industries

Land Development & Management

- **Guilong Project** 70% of shareholding, due to the overall real estate environment, the sales of houses were slow
- **Meilin Checkpoint Renewal Project** 34.3% of shareholding, the residential units of Phases I, II & III have been sold out; the sell-through rate of apartments is approximately 41%; commercial is mainly self-operated, with small external sales; office building not sold yet
- **Xintang Project** Bay Area Development, the controlling subsidy of the Group, holds 15% interest with the planned gross floor area of 600,000 sq.m. It is divided into three phases: Phase I is being examined and delivered and Phase II has been completed with approximately 88% image progress

Other Businesses

- **Yunji Intelligent** 22% of shareholding
- **Digital Technology Company** 51% of shareholding
- **Unitoll Services** 10.2% of shareholding

Outlook





Operating Environment

Challenge

- Geopolitical and economic relations tension intensified and the international financial situation was unstable
- Slowdown in domestic economic growth and increased uncertainty in social expectations
- The amendment to the Regulations on the Administration of Toll Roads has not yet been introduced, and the principle of determining the toll collection period and toll collection standards has not formed a market-oriented determination and adjustment mechanism
- Stricter regulatory policies for the environmental protection industry and higher industry standards

Opportunity

- China's economy is expected to grow steadily, positive in the long term
- Favourable Regional Policies
- Accelerating the modernization of the transportation industry in China
- Driven by China's ongoing general-environmental protection policies

Core Competitiveness

- State-owned platform advantage of infrastructures in the Greater Bay Area
- Comprehensive integrated management capability of investment, construction, operation and maintenance, and industrial synergy ability
- Innovation capability of business model and technology management
- Advantages of good financing platform at home and abroad



✚ Toll Highway Business

- ✓ Improve road traffic efficiency and service quality
- ✓ Focus on new projects and existing highway reconstruction and expansion projects, and doing a good job in major engineering construction
- ✓ Promote intelligent innovation and development, strengthen the integration of digital technology and highway business, and improve management standardization
- ✓ Pay attention to investment and M & A opportunities of high-quality projects
- ✓ Promote the development and utilization of land resources along the route and improve the overall investment efficiency



General-environmental Protection & Other Businesses

- ✓ Cooperate with industry-leading enterprises to obtain high-quality project resources, learn advanced technologies and management experience
- ✓ Improve the construction of new projects and strengthen independent development capabilities
- ✓ Improve the standardized operation and control system of clean energy power generation projects and strengthen core competitiveness
- ✓ optimize business structure and organizational structure of kitchen waste treatment segment, promote technological upgrading, and improve the quality and efficiency of existing projects; Enhancing the competitiveness and risk resistance capacity of Shenshan Qiantai
- ✓ Strengthen the management and integration of projects which are not as expected, revitalize assets and recover funds as soon as possible
- ✓ Integrate industry and finance to promote the coordinated development of various business segments



Financial Management & Corporate Governance

- ✓ Promote the digital transformation of finance, improve budget management level and capital utilization efficiency, and reduce financial risks
- ✓ Adjust the capital strategy in a timely manner and do a good job in capital management and coordination
- ✓ Develop diversified financing channels (e.g. promoting private placement of A shares, bond issuance, etc.), optimize capital structure and reduce financial risks
- ✓ Strengthen the management of subsidiaries to enhance their market competitiveness
- ✓ optimize the corporate governance structure, establish and improve the compliance management system, adhere to high-level information disclosure, and ensure the high-quality and sustainable development of the Company



Operating expectations

- ✓ Based on the analysis and expectations of the operating environment and operating conditions, it is expected that the Group's main business income and operating costs will remain stable in 2024

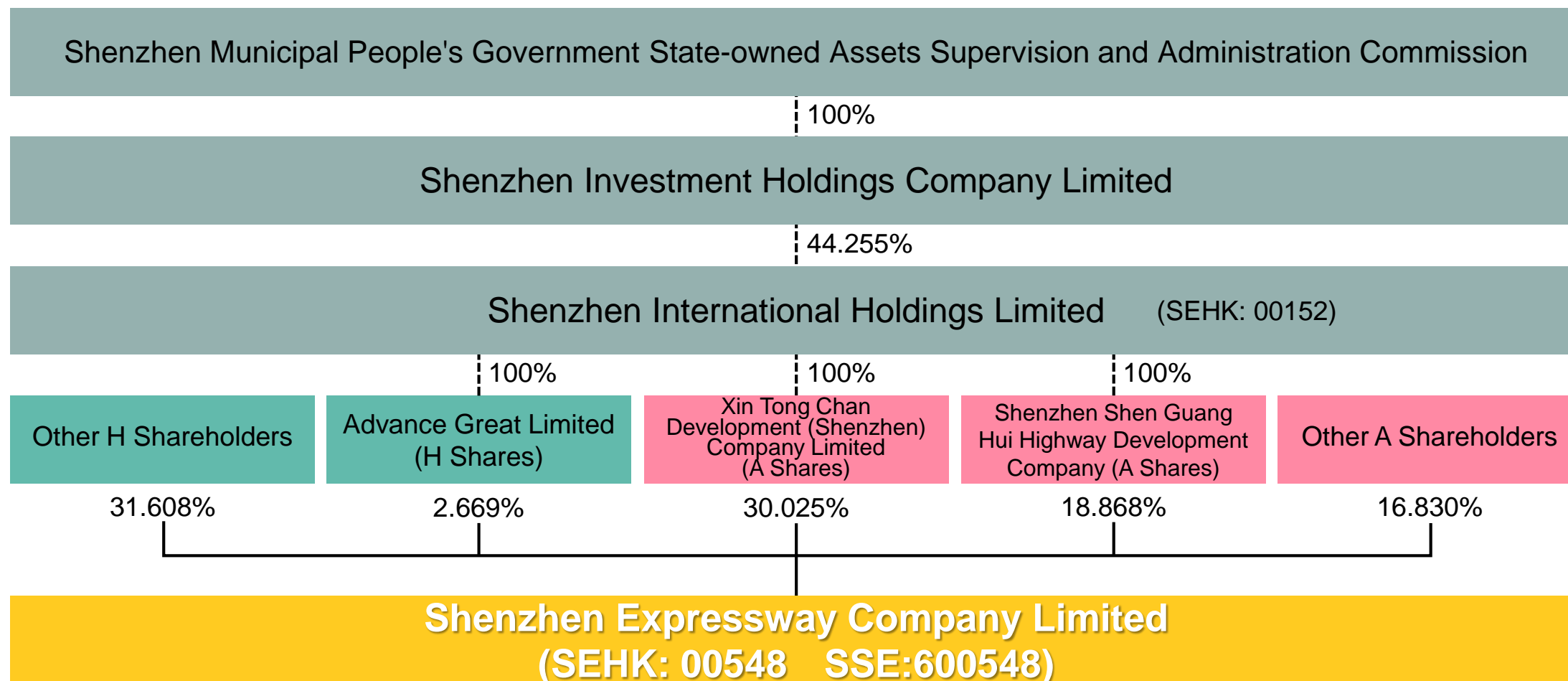
Appendix





Shareholding Structure

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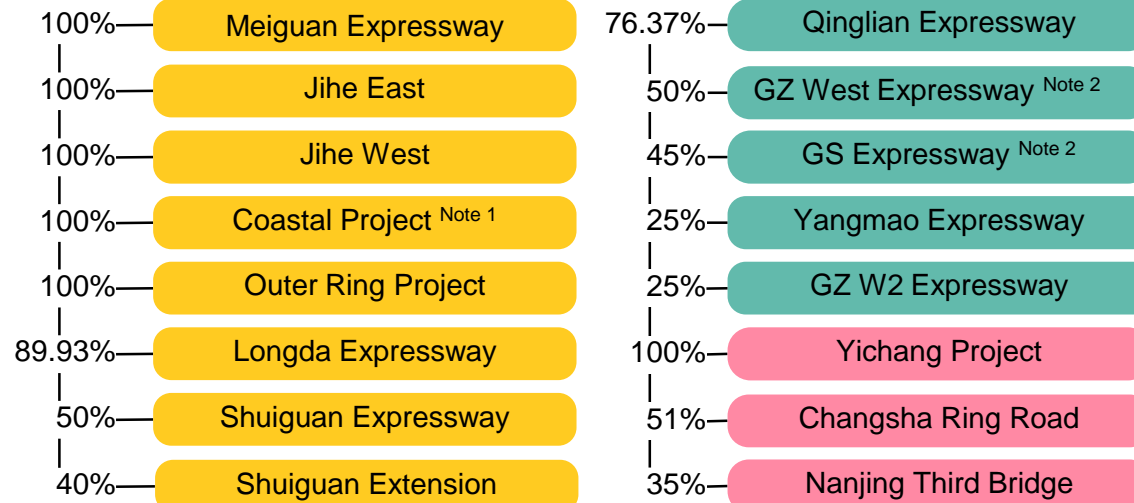


The total share capital of the Company is 2,180,770,326, of which H shares are 747,500,000, accounting for 34.28% and domestic shares are 1,433,270,326, accounting for 65.72%.



Shenzhen Expressway Company Limited

Toll Highway Business



Icon

Guangdong-Shenzhen region

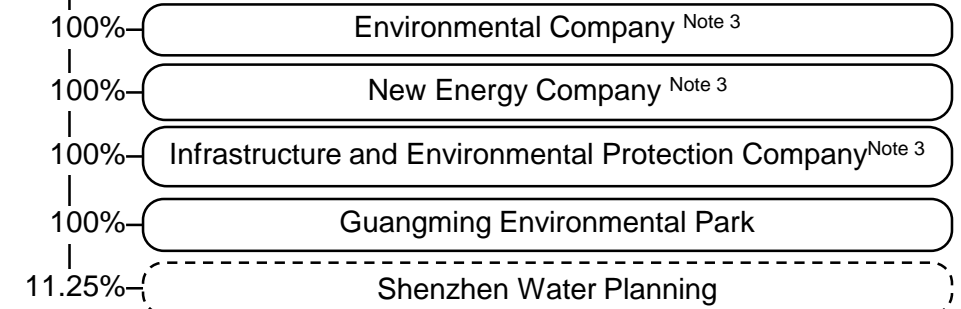
Guandong-Other regions

Other provinces in the PRC

Items included in the scope of consolidation

Items excluded from the scope of consolidation

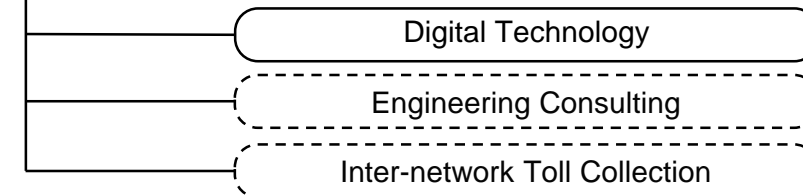
General-Environmental Protection Business



Entrusted Management and Other Infrastructure Development

Industrial-Financial Integration

Other Businesses



Note 1: The Company holds 49% equity interests in Coastal Project directly and 51% equity interests in Coastal Project indirectly through Bay Area Development

Note 2: Indirectly holding interests in GS Expressway and GZ West Expressway through holding 71.83% interest in Bay Area Development

Note 3: The Company directly or indirectly holds equity interests in certain environmental protection projects through environmental, new energy and infrastructure environmental protection platform companies



Toll Highway Projects Summary

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Toll Highway	Interest Held by the Company	Location	Toll Mileage (km)	Number of Lanes	Status
Meiguan Expressway	100%	Shenzhen	5.4	8	Under operation
Jihe East	100%	Shenzhen	23.7	6	Under operation
Jihe West	100%	Shenzhen	21.8	6	Under operation
Shuiguan Expressway	50%	Shenzhen	20.0	10	Under operation
Shuiguan Extension	40%	Shenzhen	6.3	6	Under operation
Coastal Project	100%	Shenzhen	36.6	8	Phase I: Under operation Phase II: Part under construction
Outer Ring Project	100%	Shenzhen	76.8	6	Phase I & II: Under operation Phase III: Under construction
Longda Expressway	89.93%	Shenzhen	4.426	6	Under operation
Yangmao Expressway	25%	Guangdong	79.8	8	Under operation
GZ W2 Expressway	25%	Guangdong	40.2	6	Under operation
Qinglian Expressway	76.37%	Guangdong	216.0	4	Under operation
Yichang Expressway	100%	Hunan	78.3	4	Under operation
Changsha Ring Road	51%	Hunan	34.7	4	Under operation
Nanjing Third Bridge	35%	Jiangsu	15.6	6	Under operation
GZ West Expressway	50%	Guangdong	98.0	6	Under operation
GS Expressway	45%	Guangdong	122.8	6	Under operation



Average Daily Toll Revenue for Five Years

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(RMB '000)

2019

2020

2021

2022

2023

Shenzhen region in Guangdong - Shenzhen Region

Meiguan Expressway	382.9	392.6	448.9	373.2	427.4
Jihe East	2,104.8	2,012.0	2,012.4	1,733.0	1,861.0
Jihe West	1,829.5	1,680.4	1,526.7	1,284.0	1,498.1
Outer Ring Project ^{Note 1}	1,786.4	1,658.5	1,808.7	1,565.6	1,741.9
Coastal Project	331.0	252.8	244.1	189.2	214.3
Longda Expressway ^{Note 2}	1,459.1	1,498.4	1,619.6	1,317.8	1,724.1
Shuiguan Expressway	-	-	2,523.5	2,615.6	3,270.4
Shuiguan Extension	-	-	400.1	361.0	426.6

Guangdong – Other Regions

Qinglian Expressway	2,293.2	2,274.5	2,399.5	1,686.1	1,862.0
GS Expressway ^{Note 3}	-	-	-	6,186.4	7,923.8
GZ West Expressway ^{Note 3}	-	-	-	2,862.4	3,572.2
Yangmao Expressway	1,524.0	1,293.6	1,352.6	1,681.9	2,063.9
GZ W2 Expressway	1,597.1	1,543.5	1,380.4	1,109.6	1,365.6

Other provinces in the PRC

Changsha Ring Road	427.8	511.5	816.3	650.9	730.4
Nanjing Third Bridge	1,393.2	1,516.9	1,301.3	1,250.1	1,509.7
Yichang Expressway	1,105.5	1,065.8	1,277.5	1,059.7	1,183.6

■ Revenue is tax-exclusive

Note 1: Outer Ring Phase I opened to traffic on 29 December 2020; Outer Ring Phase II opened to traffic on 1 January 2022

Note 2: As the Group completed the acquisition of 89.93% equity interests in Longda Company November 2020, Longda Company has been consolidated into the consolidated financial statements of the Group since 26 November 2020

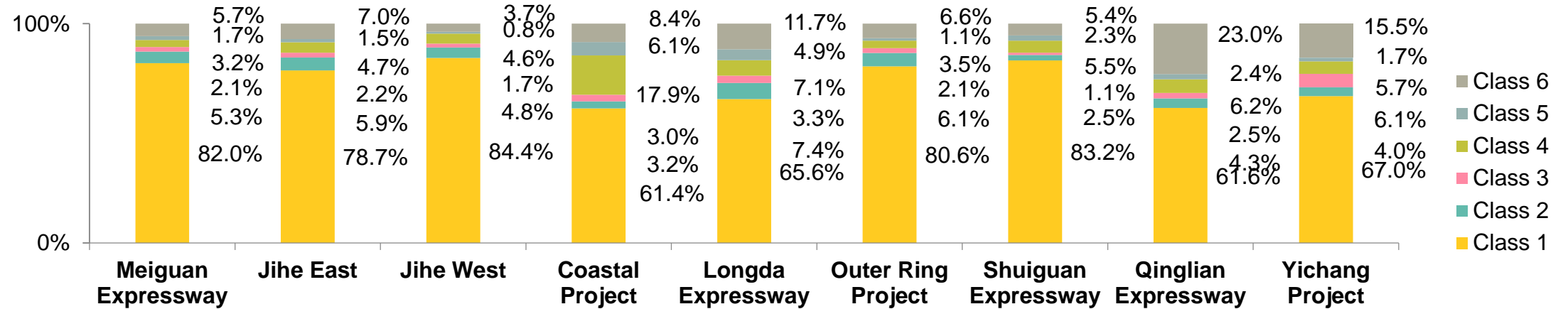
Note 3: Since 11 January 2022, the Group has indirectly held approximately 71.83% equity interest in Bay Area Development, which indirectly enjoys 50% profit of GZ West Expressway and 45% profit of GS Expressway



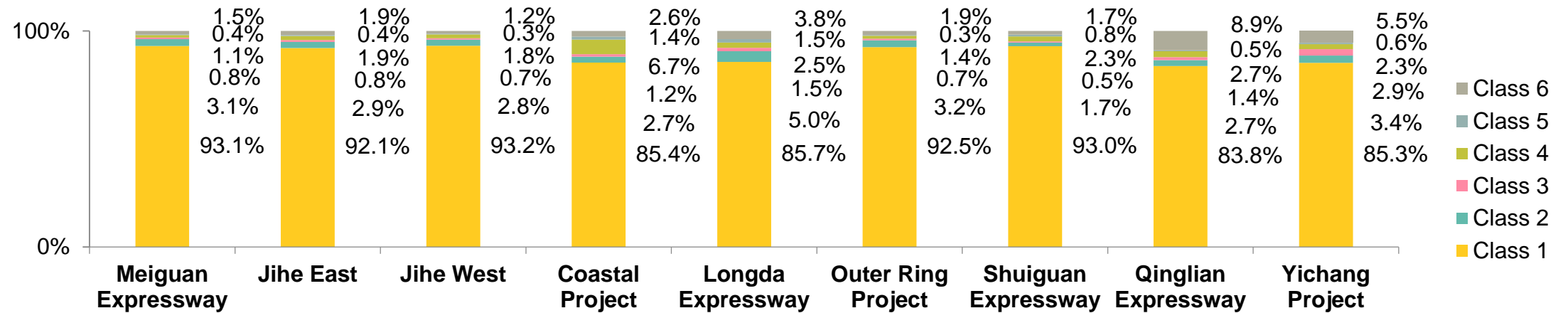
Vehicle Category of Major Highways in 2023

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By revenue



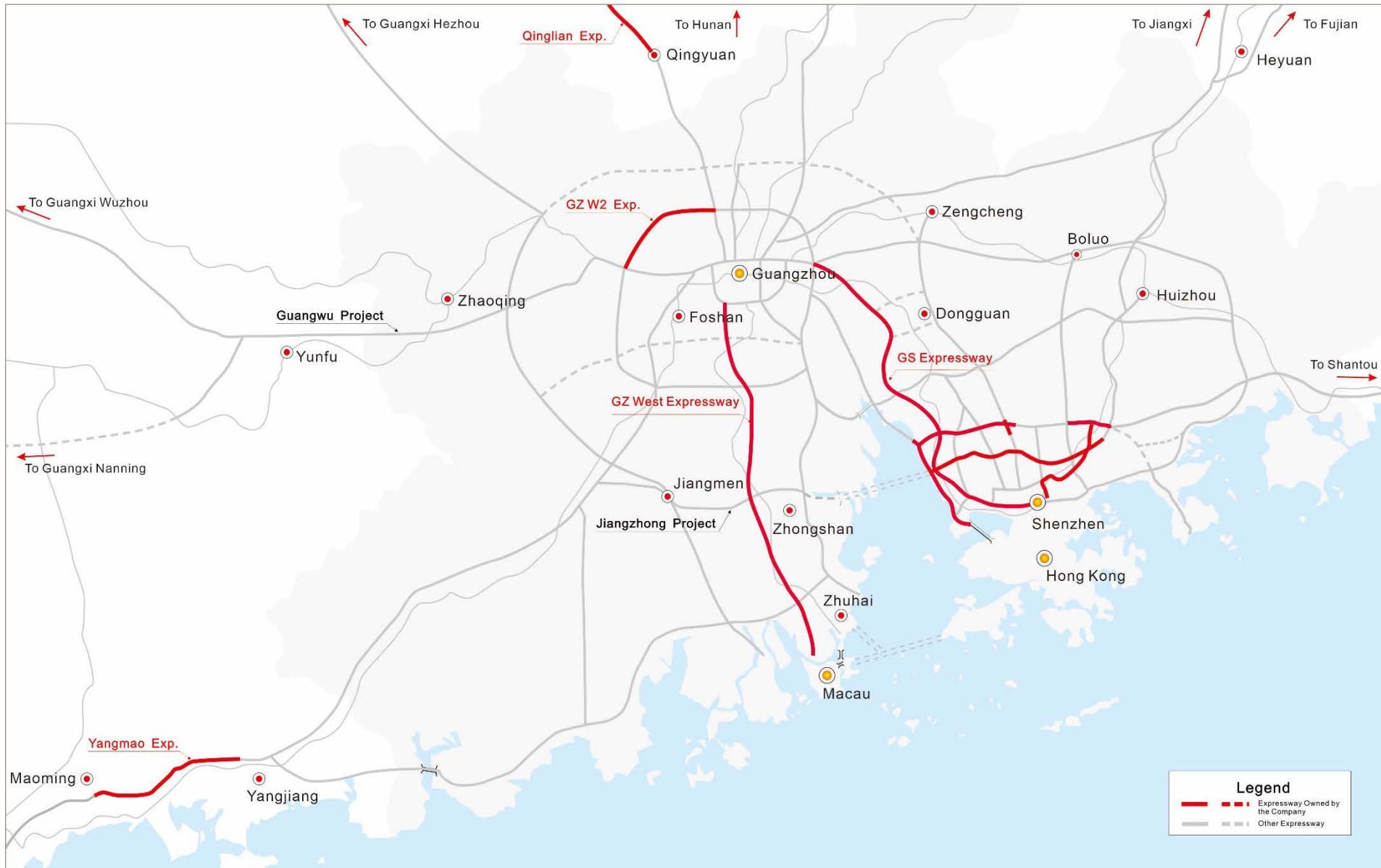
By traffic volume



Road Network of Shenzhen



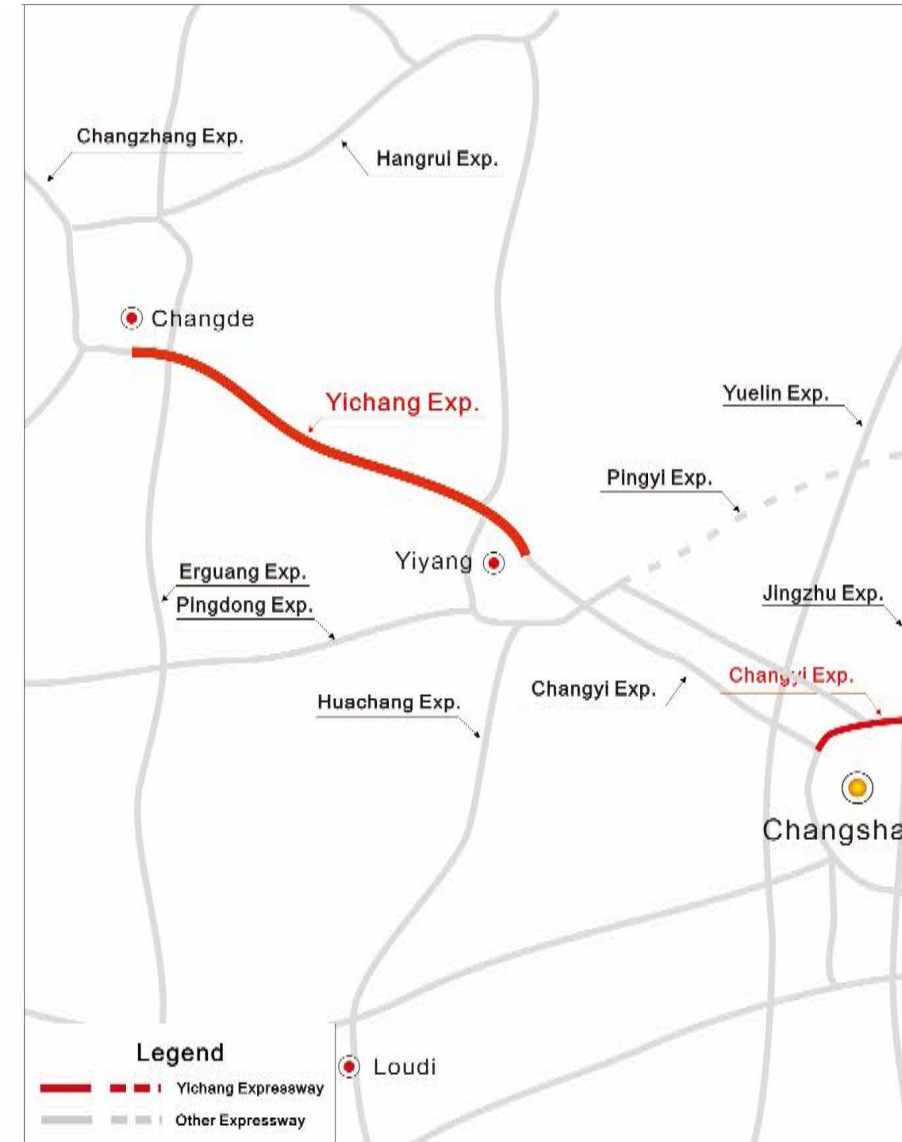
Road Network of Pearl River Delta



Road Network of Qinglian Expressway



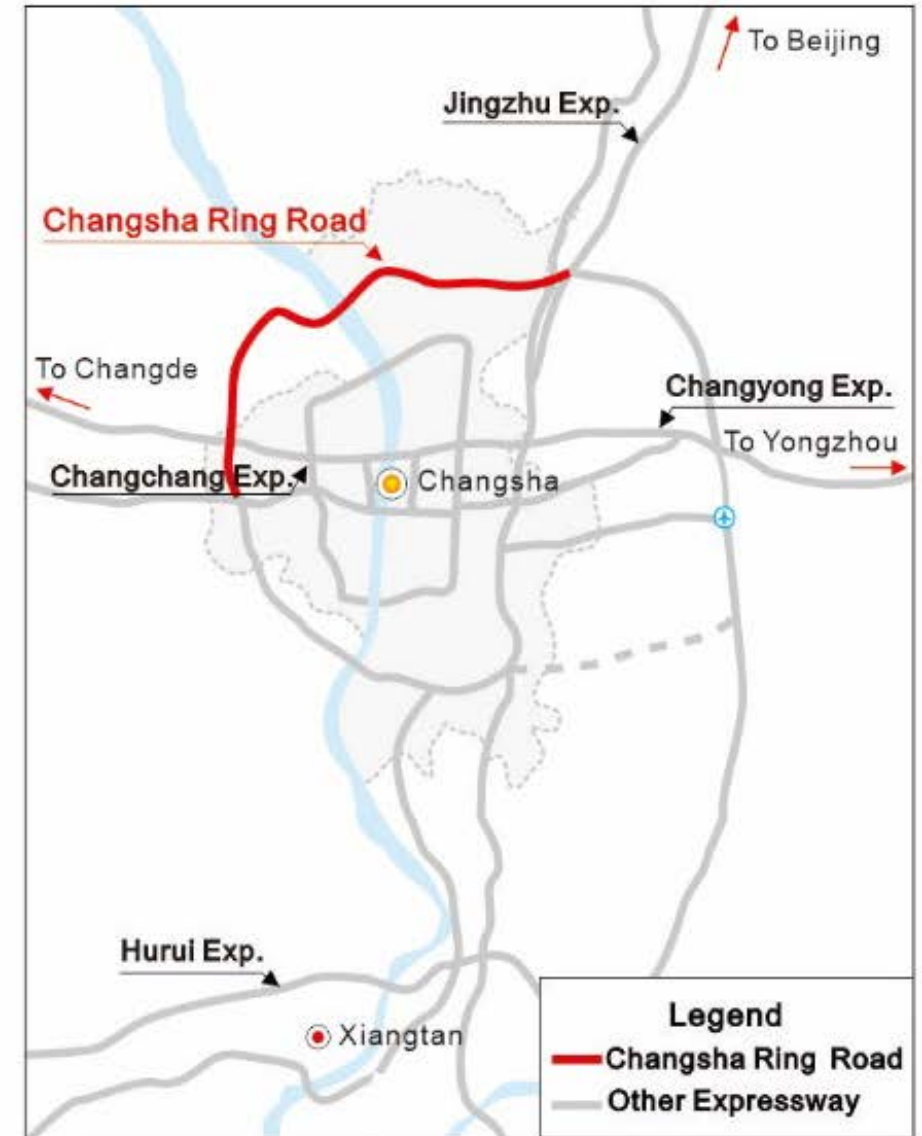
Road Network of Yichang Expressway



Road Network of Nanjing Third Bridge



Road Network of Changsha Ring Road



Company Statement

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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