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深圳高速公路集團股份有限公司

SHENZHEN EXPRESSWAY CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00548)

THIRD QUARTERLY REPORT OF 2023

This report 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 and the Shanghai Stock Exchange 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 the 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 Shenzhen Expressway Corporation Limited (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. Liao Xiang Wen, responsible person of the Company, Ms. Zhao Gui Ping, Chief Financial Officer and Mr. Jiang Wei Qi, Deputy General Manager of Accounting Department, confirm the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.3 The financial statements contained in this Third Quarterly Report of 2023 (the “Report”) of the Company for the three months ended 30 September 2023 (the “Reporting Period” or “Period”) have not been audited.
- 1.4 Unless otherwise stated, the currency of the amounts stated in the Report is in RMB.
- 1.5 Unless otherwise stated, the abbreviation of the highways/projects operated, invested and managed by the Company and the investee companies of the Company in the Report shall have the same meaning as defined in 2023 Interim Report of the Company.

2. PRINCIPAL FINANCIAL DATA AND CHANGE IN SHAREHOLDERS

2.1 Principal financial data

Unit: RMB

	As at 30 Sep 2023	As at 31 Dec 2022		Change (%)
		Before adjustment	After adjustment	After adjustment
Total assets	67,359,514,836.14	69,201,468,263.76	69,204,698,015.50	-2.67
Owners' equity attributable to shareholders of the Company	21,419,374,164.45	21,346,287,718.08	21,348,467,566.83	0.33

	Jul ~ Sep 2023	Jul ~ Sep 2022		Change (%)	Jan ~ Sep 2023	Jan ~ Sep 2022		Change (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Net cash flows from operating activities	N/A	N/A	N/A	N/A	2,992,715,053.98	2,587,314,668.15	2,587,314,668.15	15.67

	Jul ~ Sep 2023	Jul ~ Sep 2022		Change (%)	Jan ~ Sep 2023	Jan ~ Sep 2022		Change (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Revenue	2,246,408,274.72	2,552,227,234.66	2,552,227,234.66	-11.98	6,371,288,240.00	6,646,320,880.31	6,646,320,880.31	-4.14
Net profit attributable to owners of the Company	609,624,394.83	1,164,307,058.62	1,169,523,078.13	-47.87	1,538,899,495.84	2,012,856,197.18	2,018,234,710.82	-23.75

	Jul ~ Sep 2023	Jul ~ Sep 2022		Change (%)	Jan ~ Sep 2023	Jan ~ Sep 2022		Change (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Net profit attributable to owners of the Company –excluding non-recurring items	613,714,463.93	507,595,218.06	512,811,237.58	19.68	1,418,307,690.27	1,266,520,845.11	1,271,899,358.75	11.51
Return on equity - weighted average (%)	3.29	6.11	5.97	Decrease 2.68 pct.pt	7.96	9.86	9.86	Decrease 1.90 pct.pt
Earnings per share - basic (RMB/share)	0.258	0.512	0.515	-49.90	0.642	0.859	0.861	-25.43
Earnings per share - diluted (RMB/share)	0.258	0.512	0.515	-49.90	0.642	0.859	0.861	-25.43

Note: “Reporting Period” means the 3-month period from the beginning of the third quarter to the end of the third quarter, the same as below.

Explanation of reasons for retrospective adjustments or restatements:

1. The Ministry of Finance issued and implemented the Accounting Standards for Business Enterprises Interpretation No. 16 on 30 November 2022, which stipulates that “the deferred income tax related to assets and liabilities arising from a single transaction is not subject to the accounting treatment of the initial recognition exemption”, and shall be implemented from 1 January 2023. For the lease liabilities and right-of-use assets recognised due to the application of this regulation on a single transaction at the beginning of the earliest period presented in the financial statements under the first implementation of this regulation, and the provisions related to the estimated liabilities related to the retirement obligations and the corresponding assets recognised, and the taxable temporary differences and deductible temporary differences generated, the Group adjusted the opening retained earnings and other related financial statement items of the earliest period presented in the financial statements according to this regulation and the provisions of the Accounting Standards for Business Enterprises No. 18 — Income Taxes.
2. In 2020, the Company issued RMB4 billion perpetual bonds, which were included in other equity instruments, and deducted the impact of perpetual bonds when calculating earnings per share and weighted average return on net assets in accordance with relevant regulations.

Non-recurring Items and Amounts:

Unit: RMB

Items	Jul ~ Sep 2023	Jan ~ Sep 2023	Descriptions
Gains or losses from disposal of non-current assets	3,989.84	13,911,928.74	
Government grants recognised in the profit or loss for the period, except for those which are closely related to the Company's normal business operation, qualified with the requirements under national policies and continuously entitled to government subsidies on a fixed amount or fixed quantity basis	12,893,218.52	23,967,291.06	
Capital occupation fee received from non-financial corporation recognised in the profit or loss for the period	846,696.45	3,818,394.57	
Profit and loss from fair value changes arising from the held-for-trading financial assets, derivative financial assets, transactional financial liabilities, and derivative financial liabilities other than those from the effective hedging business in relation to the normal operation of the Company; and the investment income from the disposal of held-for-trading financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other debt investments	14,193,364.02	162,425,932.86	Mainly due to profits from changes in fair value of the equity interests held in participating companies.
Other non-operating income and expenditure excluding above items	-47,830,395.31	-80,718,134.04	
Less: Income tax effects	7,827,143.30	38,093,114.61	
Minority shareholder's interest effects (after tax)	-23,630,200.68	-35,279,506.99	
Total	-4,090,069.10	120,591,805.57	

Changes in principal accounting data and financial indicators, and reasons

Items	Change (%)	Main reasons
Net profit attributable to shareholders of the Company during the Reporting Period	-47.87	During the Reporting Period and the first three quarters of the year, the Group recorded a year-on-year decrease in net profit attributable to shareholders of the Company, mainly due to the fact that United Land, an associate of the Company, completed the capital reduction procedures in the third quarter of 2022, and the Company's share of the premium due to the unilateral capital increase by other shareholders in previous years was transferred from capital reserve to investment income, increasing investment income of RMB921,000,000 in the third quarter of the previous year. Excluding the impact of such investment income, the Group achieved a year-on-year increase of 27.37% and 15.94% in net profit attributable to shareholders of the Company during the Reporting Period and the first three quarters of the year, respectively.
Net profit attributable to shareholders of the listed company – from the beginning of the year to the end of the Reporting Period	-23.75	
Basic earnings per share (RMB/share) – during the Reporting Period	-49.90	
Basic earnings per share (RMB/share) – from the beginning of the year to the end of the Reporting Period	-25.43	
Diluted earnings per share (RMB/share) during the Reporting Period	-49.90	
Diluted earnings per share (RMB/share) – from the beginning of the year to the end of the Reporting Period	-25.43	

2.2 Shareholders information

As at the end of the Period, based on the shareholders' registers provided by the share registrar and the transfer offices of the Company in the PRC and Hong Kong, the total number of shareholders of the Company is 15,329, of which 15,085 were holders of A shares and 244 were holders of H shares. The top ten shareholders and the top ten holders of non-restricted circulating shares of the Company were as follows:

Unit: share

The top ten shareholders					
Name of shareholder	Nature of shareholders	Percentage	Number of shares held	Number of restricted circulating shares held	Information on shares pledged or frozen
HKSCC NOMINEES LIMITED ^{Note}	Overseas legal person	33.47%	729,821,375	0	Unknown
Xin Tong Chan Development (Shenzhen) Company Limited	State-owned legal person	30.03%	654,780,000	0	None
Shenzhen Shen Guang Hui Highway Development Company Limited	State-owned legal person	18.87%	411,459,887	0	None
China Merchants Expressway Network & Technology Holdings Co., Ltd.	State-owned legal person	4.18%	91,092,743	0	None
Guangdong Roads and Bridges Construction Development Company Limited	State-owned legal person	2.84%	61,948,790	0	None
China Merchants Bank-SSE Dividend Trading Open Index Securities Investment Fund (招商銀行股份有限公司－上證紅利交易型開放式指數證券投資基金)	Domestic non-state-owned legal person	1.57%	34,317,290	0	Unknown
AU SIU KWOK	Overseas natural person	0.50%	11,000,000	0	Unknown
Industrial and Commercial Bank of China Co., Ltd. – Fullgoal China Securities Dividend Index Enhanced Securities Investment Fund (中國工商銀行股份有限公司－富國中證紅利指數增強型證券投資基金)	Domestic non-state-owned legal person	0.41%	8,949,800	0	Unknown
Hong Kong Central Clearing Company Limited	Others	0.40%	8,826,117	0	Unknown
ZHANG PING YING	Domestic natural person	0.35%	7,738,565	0	Unknown
Top ten holders of non-restricted circulating shares					
Name of shareholder			Number of non-restricted circulating shares held	Type of shares	
HKSCC NOMINEES LIMITED ^{Note}			729,821,375	H share	
Xin Tong Chan Development (Shenzhen) Company Limited			654,780,000	A share	
Shenzhen Shen Guang Hui Highway Development Company Limited			411,459,887	A share	
China Merchants Expressway Network & Technology Holdings Co., Ltd.			91,092,743	A share	
Guangdong Roads and Bridges Construction Development Company Limited			61,948,790	A share	
China Merchants Bank-SSE Dividend Trading Open Index Securities Investment Fund (招商銀行股份有限公司－上證紅利交易型開放式指數證券投資基金)			34,317,290	A share	
AU SIU KWOK			11,000,000	H share	
Industrial and Commercial Bank of China Co., Ltd. – Fullgoal China Securities Dividend Index Enhanced Securities Investment Fund (中國工商銀行股份有限公司－富國中證紅利指數增強型證券投資基金)			8,949,800	A share	
Hong Kong Central Clearing Company Limited			8,826,117	A share	
ZHANG PING YING			7,738,565	A share	
Connected relationship or concerted action relationship among the abovementioned shareholders:	Xin Tong Chan Development (Shenzhen) Company Limited (“XTC Company”) and Shenzhen Shen Guang Hui Highway Development Company Limited are connected persons under the same control of Shenzhen International Holdings Limited (“Shenzhen International”). In addition to the above associations, there is no connected relationship among the state-owned shareholders in the above table. The Company did not notice any connected relationship among the other abovementioned shareholders or any connected relationship among the abovementioned state-owned shareholders and other shareholders.				

Note: The H shares held by HKSCC NOMINEES LIMITED were held on behalf of various clients.

3. OTHER REMINDERS

Other important information about the Company's operating conditions during the Reporting Period that need to be reminded of investors:

3.1 Operating information

3.1.1 Main operating data of toll road business

Toll highway			Average daily mixed traffic volume (number of vehicles in thousands) ⁽¹⁾		Average daily toll revenue (RMB'000) ⁽¹⁾	
Project	Shareholding ratio of the Group	Proportion of revenue consolidated	Jul ~ Sep 2023	Jan ~ Sep 2023	Jul ~ Sep 2023	Jan ~ Sep 2023
Guangdong Province – Shenzhen Region:						
Meiguan Expressway	100%	100%	171	163	452	423
Jihe East	100%	100%	332	319	1,954	1,865
Jihe West	100%	100%	227	218	1,583	1,501
Coastal Project ⁽²⁾	100%	100%	198	188	1,835	1,704
Outer Ring Project	100%	100%	326	306	3,541	3,275
Longda Expressway	89.93%	100%	173	166	458	427
Shuiguan Expressway	50%	100%	281	269	1,828	1,736
Shuiguan Extension	40%	—	68	65	227	216
Guangdong Province – Other Regions:						
Qinglian Expressway	76.37%	100%	55	52	1,972	1,928
GS Expressway ⁽³⁾	45%	—	652	636	8,321	7,901
GZ West Expressway ⁽³⁾	50%	—	291	271	3,954	3,590
Yangmao Expressway	25%	—	64	58	2,210	2,123
GZ W2 Expressway	25%	—	100	91	1,476	1,346
Other Provinces in the PRC:						
Yichang Project	100%	100%	71	65	1,307	1,226
Changsha Ring Road	51%	100%	104	96	778	728
Nanjing Third Bridge	35%	—	42	40	1,584	1,508

Notes:

- (1) Traffic volume during holidays which are toll free is not included in the figures of average daily mixed traffic volume in the above table and the average daily toll revenue is tax-excluded.

- (2) According to the freight compensation agreement entered into between Shenzhen Transport Bureau, the Company and Coastal Company, it is agreed that during the period from 1 January 2021 to 31 December 2024, the lorries passing the Coastal Expressway should be charged at 50% of the standard rate of the toll, and such toll waived by the Company and Coastal Company shall be compensated by the government in an one-off manner in March of the following year.
- (3) The Group indirectly holds approximately 71.83% equity interest in Bay Area Development, which indirectly holds 50% profit sharing rights in GZ West Expressway and 45% profit sharing rights in GS Expressway.

3.1.2 Main operating data of organic waste treatment projects

For the first three quarters of 2023, the key operating data of the organic waste treatment projects of the Group that has entered into commercial operation are as follows:

Organic waste treatment			Organic waste disposal volume (thousand tons)		Operating income (RMB'000)	
Project	Shareholding ratio of the Group	Proportion of revenue consolidated	Jul ~ Sep 2023	Jan ~ Sep 2023	Jul ~ Sep 2023	Jan ~ Sep 2023
I. Bioland						
Guiyang Project	100%	100%	48.57	129.56	25,210.48	68,146.68
Nanning Project	100%	100%	54.49	152.53	25,560.19	70,690.43
Dezhou Project	100%	100%	34.69	93.82	8,654.02	24,679.08
Taizhou Project	100%	100%	22.97	69.34	7,977.76	23,705.69
Zigong Project	84.57%	100%	10.51	37.00	9,170.42	29,144.06
Zhuji Project	90%	100%	15.33	45.18	5,327.22	14,956.93
Longyou Project	100%	100%	15.10	42.89	913.67	2,457.72
Handan Project	90%	100%	11.44	35.28	4,595.40	13,227.87
Other projects	70~100%	100%	54.02	133.46	19,165.34	56,086.29
Subtotal			267.11	739.05	106,574.50	303,094.75
II. Lisai Environmental	70%	100%	51.20	135.49	40,727.68	109,577.22
Total			318.31	874.55	147,302.18	412,671.97

Notes:

- (1) The operating income in the above table includes the estimated subsidy income calculated based on the amount of waste disposed of. The data was compiled based on the internal information of the Group and has not been audited. There may be differences with the actual data and is for reference only. Investors are advised to use such data with caution.
- (2) In addition, the Inner Mongolia project and the Beihai project of Bioland entered the trial operation stage in August 2022 and July 2023, respectively. The Chuzhou project entered the commissioning stage in July 2023, and the total organic waste treatment volume of these projects from January to September 2023 was approximately 67,710 tonnes.

3.1.3 Main operating data of wind power projects

Wind Power			On-grid power supply (MWh)		Revenue (RMB'000)	
Project	Shareholding ratio of the Group	Proportion of revenue consolidated	Jul ~ Sep 2023	Jan ~ Sep 2023	Jul ~ Sep 2023	Jan ~ Sep 2023
Baotou Nanfeng	100%	100%	150,169.65	563,118.97	44,398.50	173,643.10
Xinjiang Mulei	100%	100%	193,806.92	537,374.46	89,928.27	249,841.91
Yongcheng Zhuneng	100%	100%	15,093.61	62,842.49	6,383.49	30,811.72

Wind Power			On-grid power supply (MWh)		Revenue (RMB '000)	
Project	Shareholding ratio of the Group	Proportion of revenue consolidated	Jul ~ Sep 2023	Jan ~ Sep 2023	Jul ~ Sep 2023	Jan ~ Sep 2023
Zhongwei Gantang	100%	100%	29,142.85	93,441.25	15,809.17	49,758.26
Huaian Zhongheng	20%	—	38,576.80	154,357.50	19,459.11	77,702.50

Notes:

- (1) On-grid power supply is accounted for in accordance with the settlement cycle of the power grid, and the revenue included the estimated electricity compensation income based on the on-grid power supply. The above data was based on the Group's internal records which are unaudited. Differences may arise between such data and the actual data. Therefore, the above data is for information purposes only and investors are advised to use such data cautiously.

3.2 Progress of important matters

1. With the approval of the Board, on 30 September 2022, the Company signed a PPP project contract (“Jihe project contract”) with the Shenzhen Transportation Bureau for the reconstruction and expansion of Jihe Expressway, and two joint investment and construction agreements on project cooperation with the proposed investor Shenzhen SEZ Construction and Development Transportation Investment Co., Ltd. (“SZCDTI”) Since Shenzhen City later intended to adjust the construction and implementation plan of the Jihe Expressway reconstruction and expansion project, and adjust the investment and financing plan accordingly, the above Jihe project contract was terminated on 31 March 2023 pursuant to the termination clause therein, and the joint investment and construction agreements between the Company and SZCDTI were terminated accordingly. After the termination of the Jihe project contract, the Company, as the owner of the Jihe Expressway reconstruction and expansion project approved by the Guangdong Provincial Development and Reform Commission (“Guangdong PDRC”), has actively assisted in commencing the adjustment of the construction implementation plan, investment and financing plan, and related agreements for the project. As of the date of this Report, the relevant adjustment plan has not yet been determined. The Company will perform the corresponding approval procedure after the relevant investment and financing plan is made clear. For details, please refer to the Company’s announcements dated 30 September, 13 October, 20 October, 24 October and 2 December 2022, and 31 March 2023.

2. On 14 July 2023, with the approval of the Board, the Company considered and approved the subsequent investment plan for the Shenzhen section of Outer Ring Expressway (“Outer Ring project”). The Company was appointed as the owner of the Outer Ring Expressway Project in 2006, responsible for the overall investment, construction, operation and management of the project. According to the overall location and direction, construction standard and investment scale of the project, the Outer Ring Expressway Project is implemented in three phases. Phases I and II were approved for investment by the Company’s 2015 annual general meeting on 19 May 2016, and were completed and opened to traffic at the end of December 2020 and 1 January 2022, respectively. In April 2023, the Guangdong PDRC approved the estimated total investment of RMB8.447 billion in the Kengzi-Dapeng section of approximately 16.8 kilometres in Outer Ring Phase III. On 14 July 2023, the Board approved the Company to continue investing approximately RMB8.447 billion in the construction of Outer Ring Phase III. After the completion of Outer Ring Phase III, it will enrich the Company’s core highway assets, bring the best overall economic and social benefits for the Outer Ring Expressway Project, and also bring traffic flows to other toll highways of the Group by improving the road network layout. For details about the Outer Ring Expressway Project, please refer to the relevant contents in the Company’s announcements dated 18 March 2016 and 14 July 2023, and circular dated 25 April 2016.

3. The Company implements the GS Expressway reconstruction and expansion project through Guangshenzhu Company of Bay Area Development (HKEx stock code: 00737), in which the Guangzhou-Dongguan section has been approved by the Guangdong PDRC, and the feasibility study report is being prepared for the Shenzhen section.

4. On 14 July 2023, with the approval of the Board, the Company planned to issue not more than 654,231,097 (inclusive) A shares (“this issuance”) to not more than 35 (inclusive) specific targets in compliance with the regulations of the China Securities Regulatory Commission (“CSRC”), representing an amount of not more than 30% of the Company’s total share capital before this issuance. The total amount of funds to be raised in this issuance is expected to be not more than RMB6.5 billion, and will be used for the investment and construction of the Outer Ring Expressway Project, the repayment of interest-bearing liabilities, etc. after the deduction of offering expenses. XTC Company, a subsidiary of Shenzhen International, the controlling shareholder of the Company, intended to subscribe for A shares with a subscription amount of not more than RMB1.51 billion under this issuance. It is intended that Shenzhen International will indirectly hold not less than 45.00% of the Company’s total share capital upon completion of this issuance. The plan and related matters of this issuance were approved by the general meeting of Shenzhen International, and the general meeting and class meetings of the Company held on 14 September 2023 and 20 September 2023, respectively. As of the date of this announcement, the Company was actively promoting the preparation and application of relevant materials for this issuance. This issuance can only be implemented after obtaining approval from the Shanghai Stock Exchange and approval for registration from the CSRC. There are uncertainties in whether and when it can be approved and registered. For details, please refer to the Company’s announcements dated 14 July and 20 September 2023, circular dated 24 August 2023, and the documents of the first extraordinary general meeting and the first A-share class general meeting in 2023.

5. On 18 August 2023, the Board of the Company considered and approved the Proposal on the Application Plan for Public REITs of Yichang Expressway (《關於益常高速公募 REITs 申報方案的議案》). The Board agreed to use the Yichang Expressway and its affiliated facilities, which are wholly-owned subsidiaries of the Company and enjoy 100% of rights to toll highways, as an underlying infrastructure project to carry out pilot application for REITs (real estate investment trusts) in the field of infrastructure. As of the date of this announcement, this task was being actively promoted. For more details, please refer to the Company’s announcement dated 18 August 2023.

6. Pursuant to the Notice of Acceptance of Registration issued by the China Association of Interbank Market Dealers (Zhong Shi Xie Zhu [2022] No.SCP136) (《接受註冊通知書》(中市協注[2022]SCP136 號)), the Company may issue an ultra-short-term financing bond in a principal amount of not more than RMB2 billion within two years of the signing date of the Notice of Acceptance of Registration. The Company completed the offering of Tranche 3 of the ultra-short-term financing bond of 2023 on 10 August 2023, with a size of RMB1.5 billion, a term of 270 days and a coupon rate of 2.25%. For more details, please refer to the Company’s announcements dated 9 May 2022 and 10 August 2023.

7. Pursuant to the notice issued by the China Association of Interbank Market Dealers, the Company has obtained a total registered amount of medium-term notes of RMB5 billion in 2023, with an effective period of two years from the signing date of the Notice of Acceptance of Registration. The Company may issue medium-term notes in instalments within the effective period of registration. According to the Notice of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No.MTN37) (中市協注[2023]MTN37 號《接受註冊通知書》), the Company issued Tranche 2 medium-term notes of 2023 on 4-5 September 2023, with an

issuance size of RMB1 billion, a term of 5 years and a coupon rate of 3.05%. For details, please refer to the Company's announcements dated 19 January and 6 September 2023, respectively.

8. Pursuant to the Approval for Consent to the Registration of Public Issuance of Green Corporate Bonds to Professional Investors by Shenzhen Expressway Corporation Limited (CSRC Approval [2022] No.559) (《關於同意深圳高速公路集團股份有限公司向專業投資者公開發行綠色公司債券註冊的批復》) issued by the CSRC ("the Approval"), the Company may publicly offer green corporate bonds with a total nominal value not more than RMB4.1 billion to professional investors publicly. Pursuant to the Approval, the Company issued the 2023 green corporate bond (Tranche 1) (bond code: 240067) on 17-18 October 2023, with an offering price of RMB100 per bond, a term of 3 years, an actual offering size is RMB550 million and a coupon rate of 2.88%. For details, please refer to the Company's announcements dated 28 March 2022, and 18 October 2023, respectively.

9. As approved by the Board of the Company, provided that the safety and liquidity of its capital reserves are ensured, the Group may invest part of its capital reserves in monetary funds, wealth management products issued by banks, financial products for financing purposes issued by holding enterprises within the Shenzhen SASAC system and other types of wealth management products. During the Reporting Period, the Group incurred two new transactions of principal-guaranteed floating-rate wealth management products, with an entrusted financial management amount of RMB400 million. As at the end of the Reporting Period, the balance of the Group's wealth management products was RMB200 million, and there was no outstanding principal or income.

By order of the Board
Liao Xiang Wen
Executive Director

Shenzhen, the PRC, 27 October 2023

As at the date of this announcement, the Directors of the Company are Mr. LIAO Xiang Wen (Executive Director and President), Mr. WANG Zeng Jin (Executive Director), Mr. WEN Liang (Executive Director), Mr. DAI Jing Ming (Non-executive Director), Ms. LI Xiao Yan (Non-executive Director), Mr. LÜ Da Wei (Non-executive Director), Mr. BAI Hua (Independent non-executive Director), Mr. LI Fei Long (Independent non-executive Director), Mr. MIAO Jun (Independent non-executive Director) and Mr. XU Hua Xiang (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 2023

Unit: RMB; Unaudited

Item	As at 30 Sep 2023	As at 31 Dec 2022
Current assets:		
Cash at banks and on hand	3,411,522,460.72	3,635,862,158.72
Transactional financial assets	411,095,648.25	1,112,243,771.54
Notes receivable	600,000.00	3,500,000.00
Accounts receivable	973,955,701.16	1,052,263,013.07
Prepayments	300,761,165.17	225,509,293.25
Other receivables	661,210,815.05	1,121,628,992.41
Inventories	1,358,302,812.41	1,314,262,956.81
Contract assets	347,853,729.43	377,341,353.82
Non-current assets due within one year	286,137,690.89	196,704,222.31
Other current assets	457,803,519.78	257,805,744.15
Total current assets	8,209,243,542.86	9,297,121,506.08
Non-current assets:		
Long-term prepayments	1,059,145,265.98	996,880,056.74
Long-term receivables	2,271,957,632.49	2,152,166,502.48
Long-term equity investments	17,904,962,485.81	17,749,069,948.37
Other non-current financial assets	878,659,894.71	763,264,630.44
Investment properties	24,958,605.67	26,068,821.95
Fixed assets	6,884,096,051.57	7,209,500,786.33
Construction in progress	234,484,359.26	225,703,626.92
Right-of-use assets	69,811,437.64	75,412,073.15
Intangible assets	26,050,483,960.40	26,847,604,300.36
Development expenditure	5,570,000.92	5,500,636.18
Goodwill	202,893,131.20	202,893,131.20
Long-term prepaid expenses	42,496,943.33	53,624,450.56
Deferred income tax assets	325,897,654.13	426,637,402.74
Other non-current assets	3,194,853,870.17	3,173,250,142.00
Total non-current assets	59,150,271,293.28	59,907,576,509.42
Total assets	67,359,514,836.14	69,204,698,015.50

Consolidated Balance Sheet (continued)

30 Sep 2023

Unit: RMB; Unaudited

Item	As at 30 Sep 2023	As at 31 Dec 2022
Current liabilities:		
Short-term borrowings	11,801,550,091.32	9,396,229,275.32
Transactional financial liabilities	87,310,475.71	133,009,243.01
Notes payable	131,191,153.09	228,669,880.66
Accounts payable	2,312,877,877.96	2,812,967,920.77
Advance receipt	-	794,329.08
Contract liabilities	95,096,390.64	30,333,016.72
Employee benefits payable	209,237,856.25	363,794,024.54
Taxes payable	572,005,712.12	507,605,023.01
Other Payables	1,078,410,860.70	1,371,768,690.38
Non-current liabilities due within one year	3,131,840,856.33	6,380,323,337.26
Other current liabilities	1,537,410,857.85	2,017,855,853.48
Total current liabilities	20,956,932,131.97	23,243,350,594.23
Non-current liabilities:		
Long-term borrowings	9,600,374,613.53	9,573,248,109.29
Bonds payable	6,638,033,671.60	5,769,517,430.62
Including: preferred stock	-	-
Perpetual bond	-	-
Lease liabilities	54,444,240.97	47,738,699.35
Long-term payables	955,716,521.58	1,148,281,363.36
Long-term employee benefits payable	115,649,911.45	115,716,411.45
Provisions	200,136,372.36	187,330,812.16
Deferred revenue	411,519,628.13	474,342,722.05
Deferred income tax liabilities	1,196,589,961.64	1,281,034,171.47
Total non-current liabilities	19,172,464,921.26	18,597,209,719.75
Total liabilities	40,129,397,053.23	41,840,560,313.98
Owners' equity (or shareholders' equity):		
Share capital (or Equity)	2,180,770,326.00	2,180,770,326.00
Other equity instruments	4,000,000,000.00	4,000,000,000.00
Including: preferred stock	-	-
Perpetual bond	4,000,000,000.00	4,000,000,000.00
Capital reserves	4,364,240,714.37	4,390,599,135.60
Other comprehensive income	-714,617,535.59	-408,012,206.05
Surplus reserves	3,218,191,232.88	3,103,651,659.99
Undistributed profit	8,370,789,426.79	8,081,458,651.29
Total shareholders' equity attributable to the parent company (or shareholders' equity)	21,419,374,164.45	21,348,467,566.83
Minority interests	5,810,743,618.46	6,015,670,134.69
Total owners' equity (or shareholders' equity)	27,230,117,782.91	27,364,137,701.52
Total liabilities and owners' equity (or shareholders' equity)	67,359,514,836.14	69,204,698,015.50

Consolidated Income Statement

Jan ~ Sep 2022

Unit: RMB; Unaudited

Item	Jan ~ Sep 2023	Jan ~ Sep 2022
1.Total revenue	6,371,288,240.00	6,646,320,880.31
Revenue	6,371,288,240.00	6,646,320,880.31
2.Total costs	5,094,425,319.22	5,605,334,276.73
Including: Operating costs	3,787,130,615.28	4,091,266,634.76
Taxes and surcharges	30,680,652.91	28,941,085.79
Selling expenses	14,577,319.74	25,863,988.80
General and administrative expenses	286,897,326.13	309,769,847.66
Research and development expenses	19,799,494.56	26,730,061.43
Financial expenses	955,339,910.60	1,122,762,658.29
Including: Interest expense	931,552,403.40	861,348,298.66
Interest income	83,708,019.94	41,007,438.45
Add: Other income	26,120,515.95	21,996,039.62
Investment income (loss shown with “-”)	642,835,759.51	1,431,207,149.57
Including: Share of profits of associates and joint ventures	670,990,923.42	494,473,022.33
Gain or loss from changes in fair value (loss shown with “-”)	162,425,932.86	51,627,475.53
Credit impairment losses (loss shown with “-”)	-12,244,184.52	-22,306,439.67
Asset impairment losses (loss shown with “-”)	-41,237,184.70	-4,425,132.81
Gains or loss on disposal of assets (loss shown with “-”)	12,751,714.48	4,841,160.38
3.Operating profits (loss shown with “-”)	2,067,515,474.36	2,523,926,856.20
Add: Non-operating income	8,701,313.93	16,781,138.79
Less: Non-operating expenses	89,419,447.97	9,327,736.29
4.Total profit (loss shown with “-”)	1,986,797,340.32	2,531,380,258.70
Less: Income tax expenses	428,216,380.54	463,359,323.78
5.Net profit (net loss shown with “-”)	1,558,580,959.78	2,068,020,934.92
I. Classified by business continuity		
1. Net profit from continuing operations (net loss shown with “-”)	1,558,580,959.78	2,068,020,934.92
2. Net profit from discontinued operations (net loss shown with “-”)	-	-
II. Classified by business ownership		
1. Net profit attributable to owners of the Company(net loss shown with “-”)	1,538,899,495.84	2,018,234,710.82
2. Minority interests (net loss shown with “-”)	19,681,463.94	49,786,224.10

6. Other comprehensive income after tax (loss shown with “-”)	-331,536,595.58	-997,379,307.36
I. Other comprehensive income after tax attributable to owners of the Company	-306,605,329.53	-939,752,495.88
1. Other comprehensive income that cannot be reclassified to profit or loss	-	-
2. Other comprehensive income to be reclassified to profit or loss	-306,605,329.53	-939,752,495.88
(1) Other comprehensive income that can be transferred to profit or loss under the equity method	5,031,335.39	-2,734,108.41
(2) Changes in fair value of other debt investments	-	-
(3) The amount of financial assets reclassified and included in other comprehensive income	-	-
(4) Credit impairment provisions for other debt investments	-	-
(5) Cash flow hedging reserve	-	-
(6) Translation differences of foreign currency financial statements	-311,636,664.92	-937,018,387.47
(7) Other	-	-
II. Other comprehensive income attributable to minority shareholders after taxes	-24,931,266.05	-57,626,811.48
7. Total comprehensive income	1,227,044,364.20	1,070,641,627.56
I. Total comprehensive income attributable to owners of the Company	1,232,294,166.31	1,078,482,214.94
II. Total comprehensive income attributable to minority shareholders’ interests	-5,249,802.11	-7,840,587.38
8. Earnings per share		
I. Basic earnings per share (RMB/share)	0.642	0.861
II. Diluted earnings per share (RMB/share)	0.642	0.861

Consolidated Cash Flow Statement
Jan ~ Sep 2023

Unit: RMB; Unaudited

Item	Jan ~ Sep 2023	Jan ~ Sep 2022
1. Cash flows from operating activities:		
Cash received from rendering services and selling goods	5,909,154,777.20	5,385,537,017.41
Refund of taxes	38,073,133.95	228,170,888.97
Cash received relating to other operating activities	224,043,564.00	292,270,084.08
Sub-total of cash inflows from operating activities	6,171,271,475.15	5,905,977,990.46
Cash paid for goods and services	1,331,996,096.34	1,478,989,619.87
Cash paid to and on behalf of employees	842,020,283.33	865,447,119.62
Payments of taxes and surcharges	544,913,930.73	573,982,892.80
Cash paid relating to other operating activities	459,626,110.77	400,243,690.02
Sub-total of cash outflows from operating activities	3,178,556,421.17	3,318,663,322.31
Net cash flows from operating activities	2,992,715,053.98	2,587,314,668.15
2. Cash flows from investing activities		
Cash received from recovery of investments	2,386,350,600.82	993,931,054.29
Cash received from returns on investments	620,714,503.72	548,485,413.47
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	12,456,044.17	53,539.38
Cash received relating to other investing activities	228,064,106.90	72,918,061.31
Sub-total of cash inflows from investing activities	3,247,585,255.61	1,615,388,068.45
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,264,862,400.44	1,391,806,066.52
Payments for investing activities	1,918,244,248.44	1,286,049,575.45
Cash paid to acquire subsidiaries and other business units	-	1,492,473,918.01
Cash paid relating to other investing activities	1,727,307.24	-
Sub-total of cash outflows from investing activities	3,184,833,956.12	4,170,329,559.98
Net cash flows from investing activities	62,751,299.49	-2,554,941,491.53
3. Cash flows from financing activities		
Cash received from returns on investments	4,200,000.00	3,561,468.00
Including: Cash received from capital injection of minority shareholders in subsidiaries	4,200,000.00	3,561,468.00
Cash received from borrowings	17,113,434,438.95	20,042,378,059.37
Cash received relating to other financing activities	-	12,108,422.80
Sub-total of cash inflows from financing activities	17,117,634,438.95	20,058,047,950.17
Cash paid for debt repayment	17,898,576,184.49	18,376,875,970.11
Cash payments for distribution of dividends, profits or interest expenses	2,311,207,148.16	2,536,988,381.74
Including: dividends and profits paid by subsidiaries to minority shareholders	69,597,069.50	230,650,401.53
Cash payments relating to other financing activities	183,918,087.74	250,626,039.24
Sub-total of cash outflows from financing activities	20,393,701,420.39	21,164,490,391.09
Net cash flows from financing activities	-3,276,066,981.44	-1,106,442,440.92
4. Effect of foreign exchange rate changes on cash and cash equivalents	4,816,473.92	98,433,693.53
5. Net increase in cash and cash equivalents	-215,784,154.05	-975,635,570.77
Add: Cash and cash equivalents at beginning of the period	3,197,002,667.41	5,456,959,403.09
6. Cash and cash equivalents at end of the period	2,981,218,513.36	4,481,323,832.32