



深圳高速公路股份有限公司

Shenzhen Expressway Company Limited

Interim Results Presentation 2010



23 August, 2010



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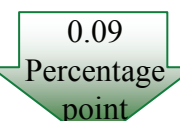
Note: All financial data presenting in this material is prepared in accordance with HKFRS.

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Analysis of Results






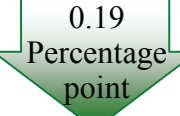
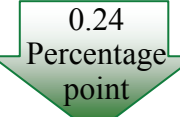
	<p>Results Exceeds the Management's Expectations</p> <ul style="list-style-type: none">■ Toll Revenue Surged■ Costs and Expenses Increased as Expected■ Investment Income Increased Obviously

Results Highlights

<i>(Unit: RMB' million)</i>	1H2010	1H2009	Change
Revenue	1,366	966	 41.4%
incl: Toll revenue	1,009	523	 92.9%
Construction revenue under service concession	312	410	 24.0%
Profit attributable to equity holders of the Company	359	313	 14.7%
<i>FYI: Net profit excluding the impact of making and adjusting provisions for maintenance/resurfacing obligations</i>	442	299	 48.2%
Earnings per share (EPS) (RMB)	0.165	0.144	 14.7%
Return on equity (ROE)	4.32%	4.41%	 0.09 Percentage point

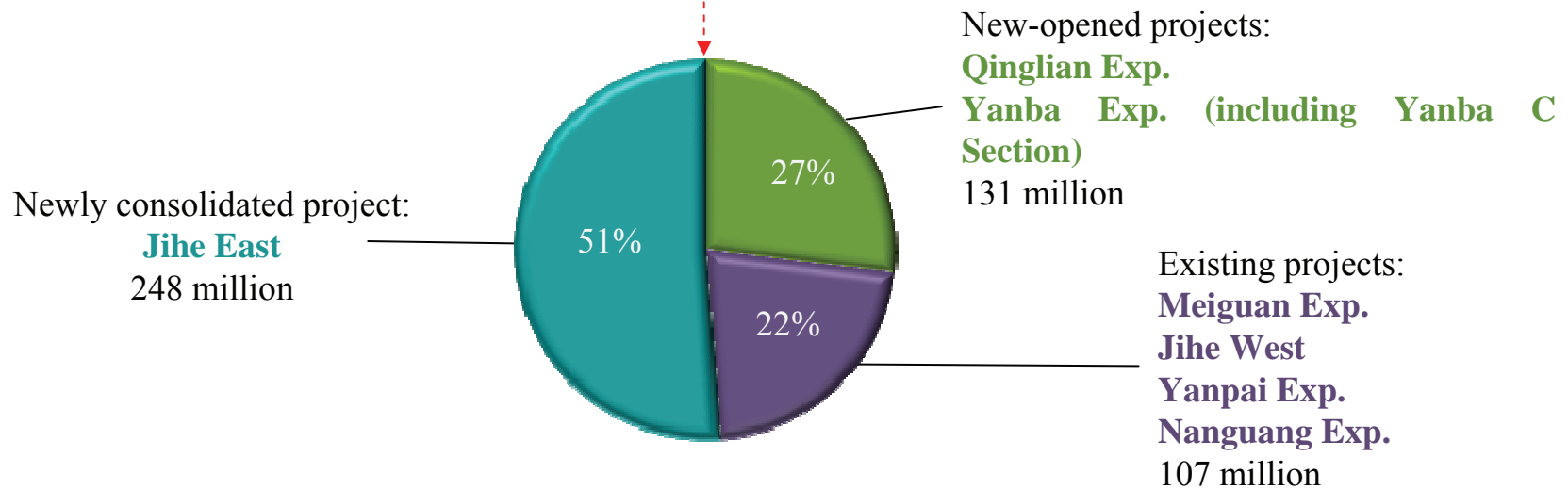
Assets

(Unit: RMB' million)

	30 June 2010	31 December 2009	Change
Total assets	22,355	22,254	 0.5%
Total liabilities	13,362	13,344	 0.1%
incl: Total borrowings	10,209	10,179	 0.3%
Equity attributable to equity holders of the Company	8,314	8,220	 1.1%
Net assets per share attributable to equity holders of the Company (RMB)	3.81	3.77	 1.1%
Debt-to-asset Ratio [total liabilities / total assets]	59.8%	60.0%	 0.19 Percentage point
Net borrowings-to-equity Ratio [(total borrowings – cash and cash equivalents) / total equity]	108.6%	108.9%	 0.24 Percentage point

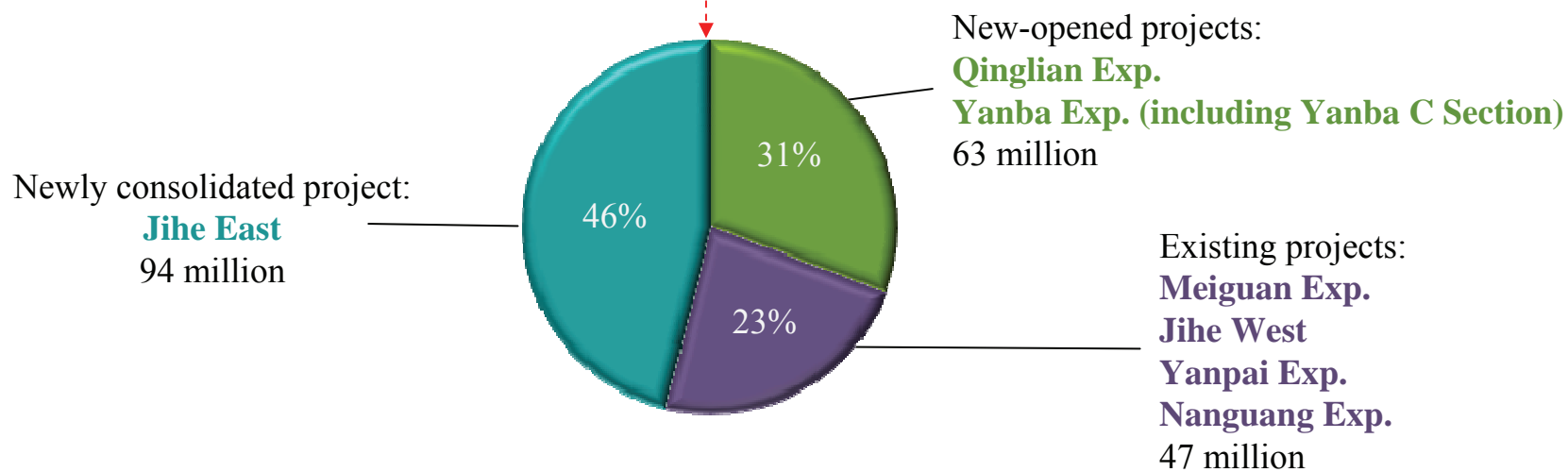
Revenue

	Toll revenue	Management services income	Other income	Construction revenue under service concession
1H2010	1,009	20	25	312
1H2009	523	12	20	410
Change (%)	92.9%	61.7%	25.3%	24.0%
Change (in amount)	486	8	5	98



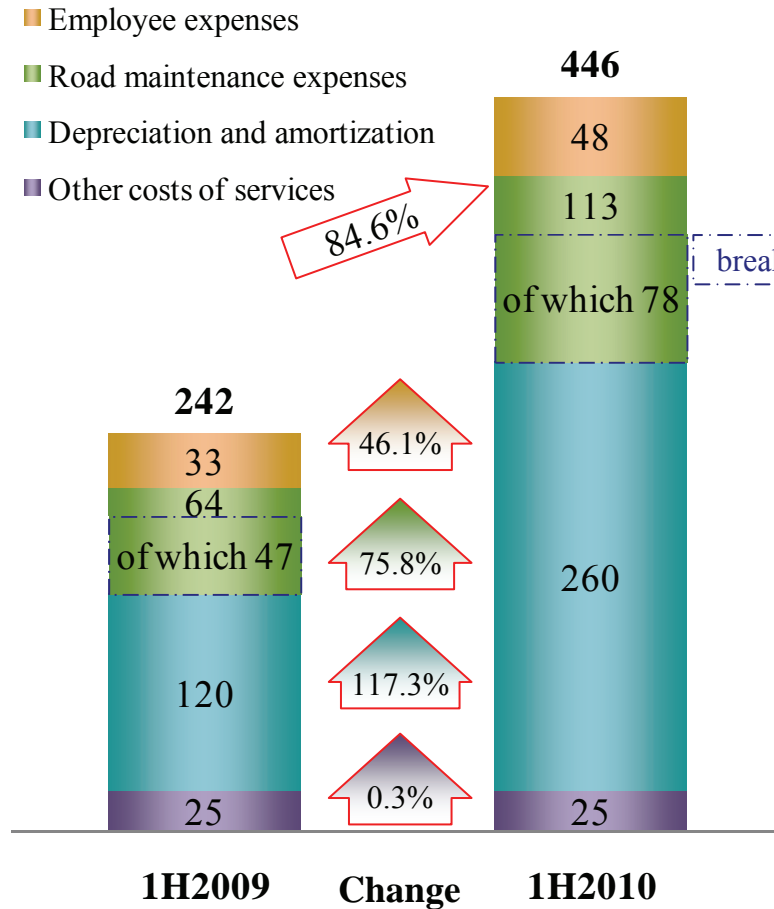
Costs and Expenses

(Unit: RMB' million)	Cost of services	Costs of management services	Other costs	Construction costs under service concessions	Administrative expenses
1H2010	446	10	12	312	22
1H2009	242	5	10	410	27
Change	84.6%	99.8%	20.2%	24.0%	18.7%
<i>(in amount)</i>	204	5	2	98	5



Cost of Services

(Unit: RMB' million)



- Outlay costs remained stable
- The increase in the cost of services was mainly attributable to the fact that Jihe East Company has been consolidated into the Group, as well as a significant increase in depreciation and amortization expenses caused by the increases in traffic volume of the Group's projects







Provisions for Maintenance/resurfacing Obligations and its Impact on Profit

(Unit: RMB' million)

Item	1H2010	2009	1H2009
Cost of services	78	119	47
of which: Jihe West	33	51	21
Yanba Exp.	19	28	11
Yanpai Exp.	16	25	11
Nanguang Exp.	11	15	5
Share of profit/loss of jointly controlled entities and associates ^①	(7)	46	60
Finance costs	23	28	13
Income tax	(25)	(37)	(15)
Profit	(83)	(64)	15

① The difference between the share of profit/loss of jointly controlled entities and associates for the Reporting Period and the 2009 interim was mainly due to the adjustments to provisions for maintenance/resurfacing obligations of Jihe East Company.

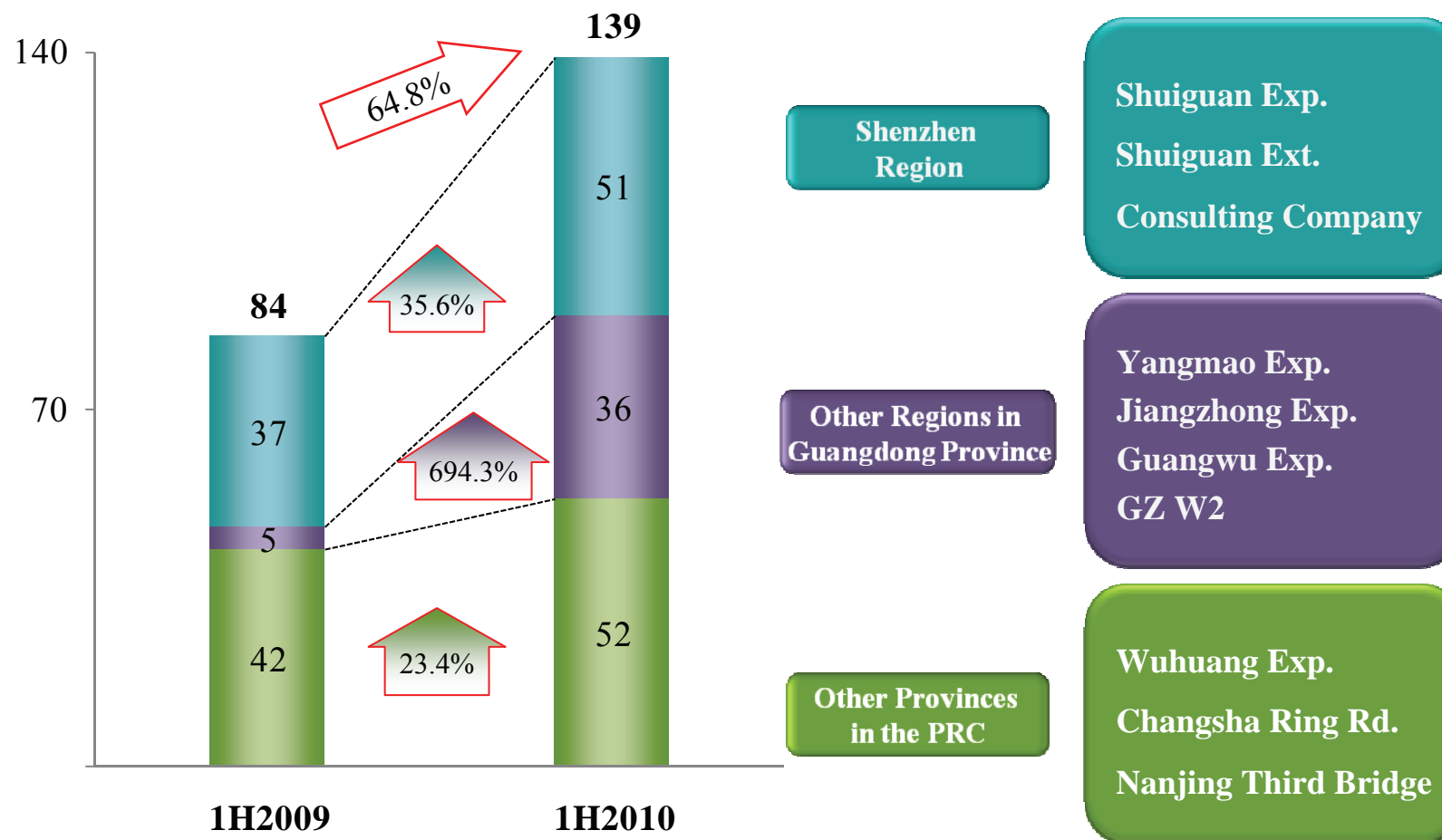
Finance Costs

<i>(Unit: RMB' million)</i>	1H2010	1H2009	Change	
			(%)	(in amount)
Interest expenses	259	241	 7.9%	 19
less: Interest capitalized	(9)	(119)	 92.3%	 110
Exchange gain/loss and others	(13)	(0.6)		
add: Time value of provisions for maintenance/resurfacing obligations	23	13		
Finance costs	261	133	 95.6%	 128

- Upon expressway operation of the main route of Qinglian Project, its borrowing interests were no longer capitalized, leading to a significant increase in the finance costs

Contribution from Jointly Controlled Entities and Associates

(Unit: RMB' million)



- ① The above data exclude the impacts of making and adjusting provisions for maintenance/resurfacing obligations.
- ② Jihe East has been consolidated into the Group since 30 September 2009. The above data exclude its profit as a jointly controlled entity of RMB69 million in the same period of 2009.

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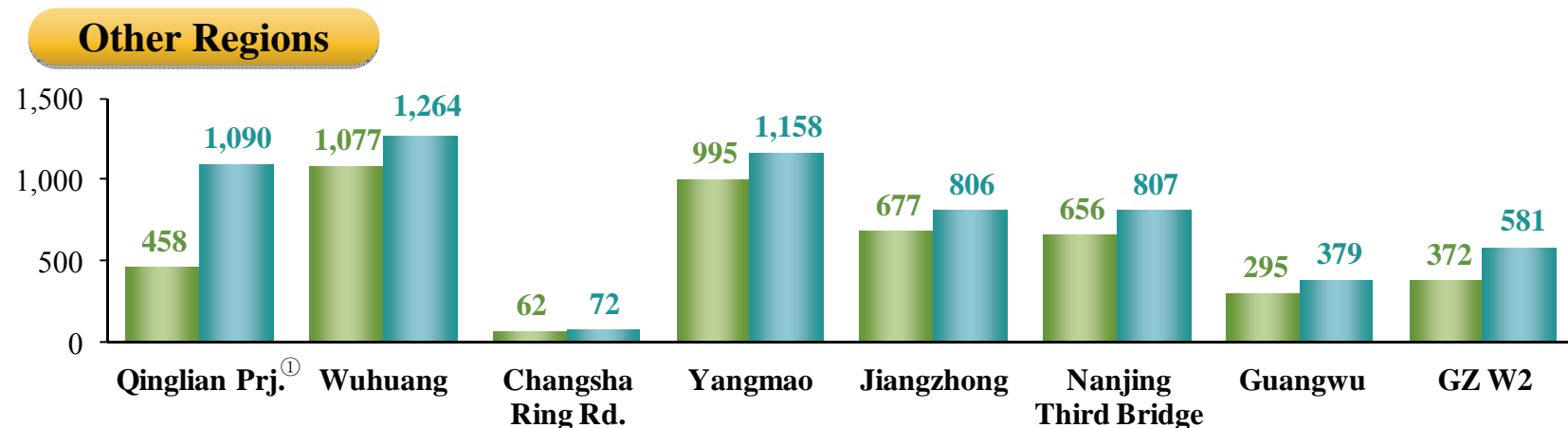
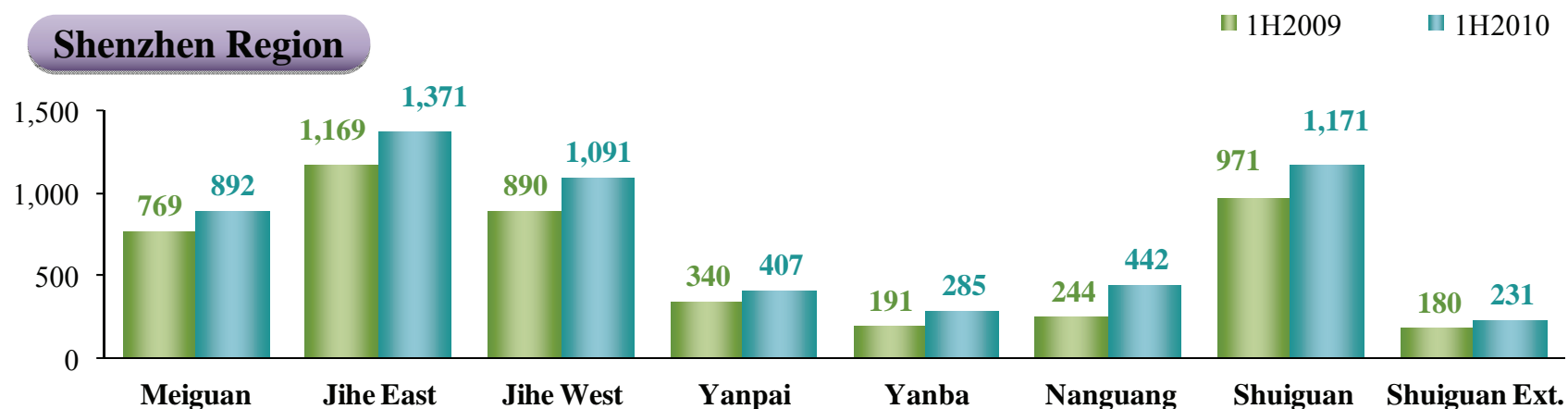
Operation Review

	<ul style="list-style-type: none">■ Steady Growth in Operating Performance■ Project Construction Promoted Efficiently■ Efficient Operation in Financial Management

Steady Growth in Operating Performance

(Unit: RMB' 000)

Average Daily Toll Revenue



① The data is the overall daily toll revenue of Qinglian Company, including the operating statistics of Qinglian Expressway, Liannan Section tolled as class 1 highway as well as Class 2 Road.

Operating Performance - Growth Momentums & Impact Factors

Sustainable Improvement of Economy

- the GDP of the PRC increased approximately by 11.1% YOY
- the total imports and exports of the PRC increased by 43.1% YOY
- the total imports and exports of Shenzhen ports increased by 36.3% YOY

Steady Growth of Car Ownership

- sustained increase in the car ownership in the PRC
- the car ownership in Shenzhen was over 1.5 million

Proactive Marketing Promotion Measures

- adopting active marketing measures for Nanguang Expressway
- adopting traffic guides and price leverage for Yanba Expressway and Yanpai Expressway

Changes in Road Networks The positive impacts on highway projects exceeded the negative impacts as a whole

- **Jihe Expressway**
Guanhui Expressway (Dongguan-Huizhou) and Huishen Coastal Expressway (Huizhou-Shenzhen), running from east to west, opened to traffic in January and March respectively and diverted traffic from Jihe East
- **Yanba Expressway**
The opening of Yanba C and Huishen Coastal Expressway caused the realization of the synergy effects among road networks and promoted the growth in toll revenue of Yanba Expressway
- **Nanguang Expressway**
A municipal road (Songbai Road) parallel to Nanguang Expressway was under expansion and reconstruction, which created a positive effect on its operating performance of Nanguang Expressway
- **Wuhuang Expressway**
Several expressways and express passages opened to traffic in recent years, such as Hubei section of Hurong West Expressway, which contributed to the sustained growth in traffic volume of Wuhuang Expressway

Project Construction Promoted Efficiently

■ Liannan Section of Qinglian Project

- making timely adjustments to optimize the construction organization to reduce the adverse effects caused by persistent rainfall in the Period
- reinforcing external coordination

- reconstruction of original route surface was completed in February during the year
- 80% of the earthwork of road understructure for new route has been completed
- scheduled to complete in early 2011

■ Expansion of Meiguan Expressway

- optimizing design proposal, raising the management level of design
- proactively negotiating with the relevant competent authorities on the overall operation and reconstruction arrangement for South Section

The Progress of the North Section:

- relies or approval have been received on the relevant evaluation reports
- the modification of construction drawing design has been completed and the process of bidding for construction is underway

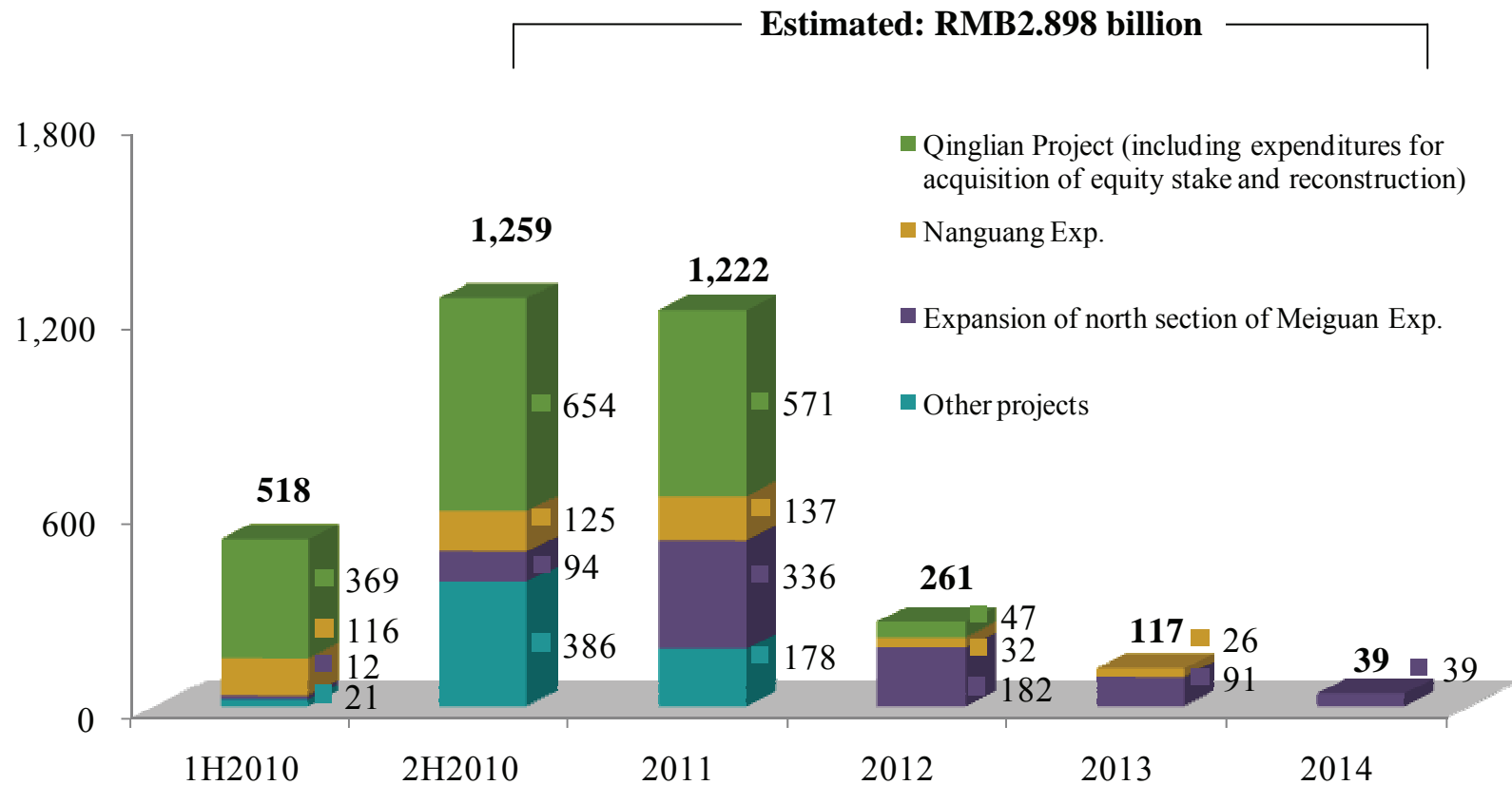
■ Expansion of Shuiguan Expressway

- “first-new-then-old” construction arrangement
- strengthening supervision, active co-ordination

- the road understructure and bridge culverts of the new lanes have been nearly completed
- scheduled to complete in mid 2011

Capital Implementation and Expenditure Plan

(Unit: RMB' million)

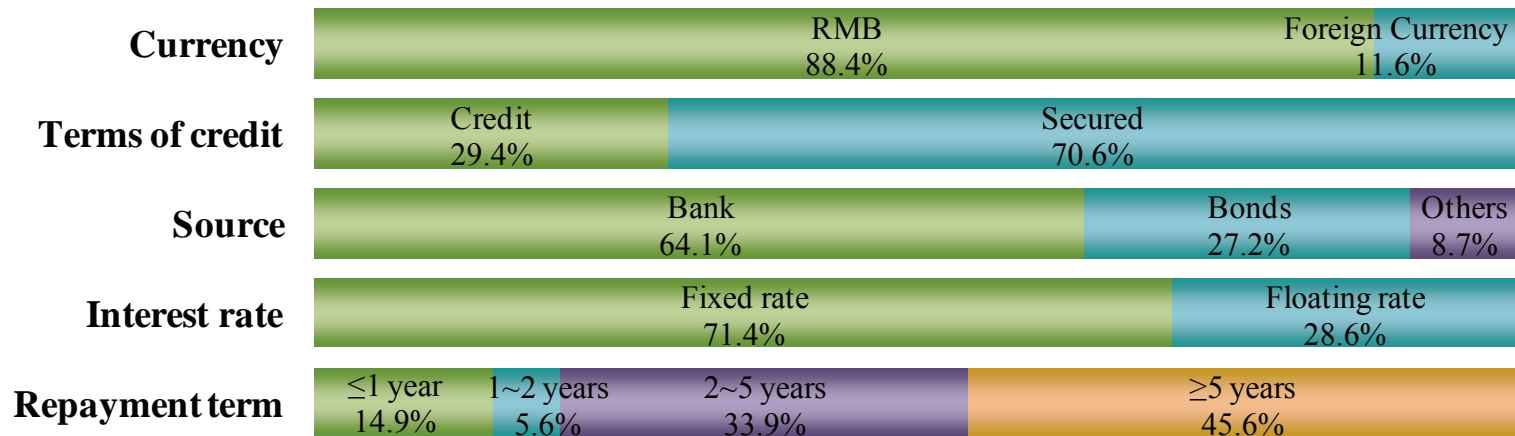


Financial Management - Optimizing Debt Structure

- Maintaining an appropriated proportion of fixed interest rate borrowings
- Keeping a rational arrangement of debt maturity structure
- Appropriately increasing the proportion of foreign currency loans

Borrowing Structure

(as at 30 June 2010)



Financial Management - Reducing Capital Costs

- Issuing medium-term notes of RMB700 million with the nominal interest rate of 3.72%
- Executing transaction arrangements to lock up the borrowing cost at a lower level for loans of HK\$647 million
- Integrating the Group's resources, recombining bank loans

		1H2010	1H2009	Change	2009
Composite borrowing costs	(account cost)	4.95%	5.70%	↓0.75 percentage point	5.47%
	(outlay cost)	4.34%	4.90%	↓0.65 percentage point	4.80%

Financial Management - Preventing Risks

- Maintaining the highest rating of AAA in credit rating for various credit rating categories
- Unutilized banking facilities available amounted to RMB6.8 billion as at the end of June
- Building financial risk alarming system to strengthen the supervision for financial risks
- Strengthening the forecast and analysis on capital liquidity to propose the count measures

<i>(Unit: multiple)</i>	30 June 2010	31 December 2009	Change
Interest covered multiple [profit before interests and tax / interest expenses]	2.43	1.86	↑0.57
EBITDA interest multiple [earnings before interests, tax, depreciation and amortization / interest expenses]	3.38	2.49	↑0.89

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Working Plan of 2H2010

	<ul style="list-style-type: none">■ Achieving the Revenue Target■ Controlling Total Costs■ Strengthening the Construction Management■ Pushing Ahead the Business Development

Achieving the Revenue Target

- Assuring traffic capacity, enhancing service quality
 - strengthening the training and management of toll staff
 - further enhancing the emergency response during the peak hours of each project
- Strengthening marketing strategies
 - Yanba Expressway ■ Nanguang Expressway ■ Qinglian Expressway

Controlling Total Costs

- Enhancing the management of road assets maintenance and reinforcing the in-depth study of the “The optimal cost of the whole lifespan cycle” maintenance measure
- Persistently attending to and studying the changes in the credit environment and market policies, strengthening the management of financing and taxation, and controlling the total capital costs

Strengthening the Construction Management

- Strengthening the supervision and management of the construction and entrusted construction projects
 - Liannan Section of Qinglian Project
 - Nanping Phase II
 - Coastal Expressway (Shenzhen Section)
- Achieving the targets on safety, quality, cost and work schedule

Pushing Ahead the Business Development

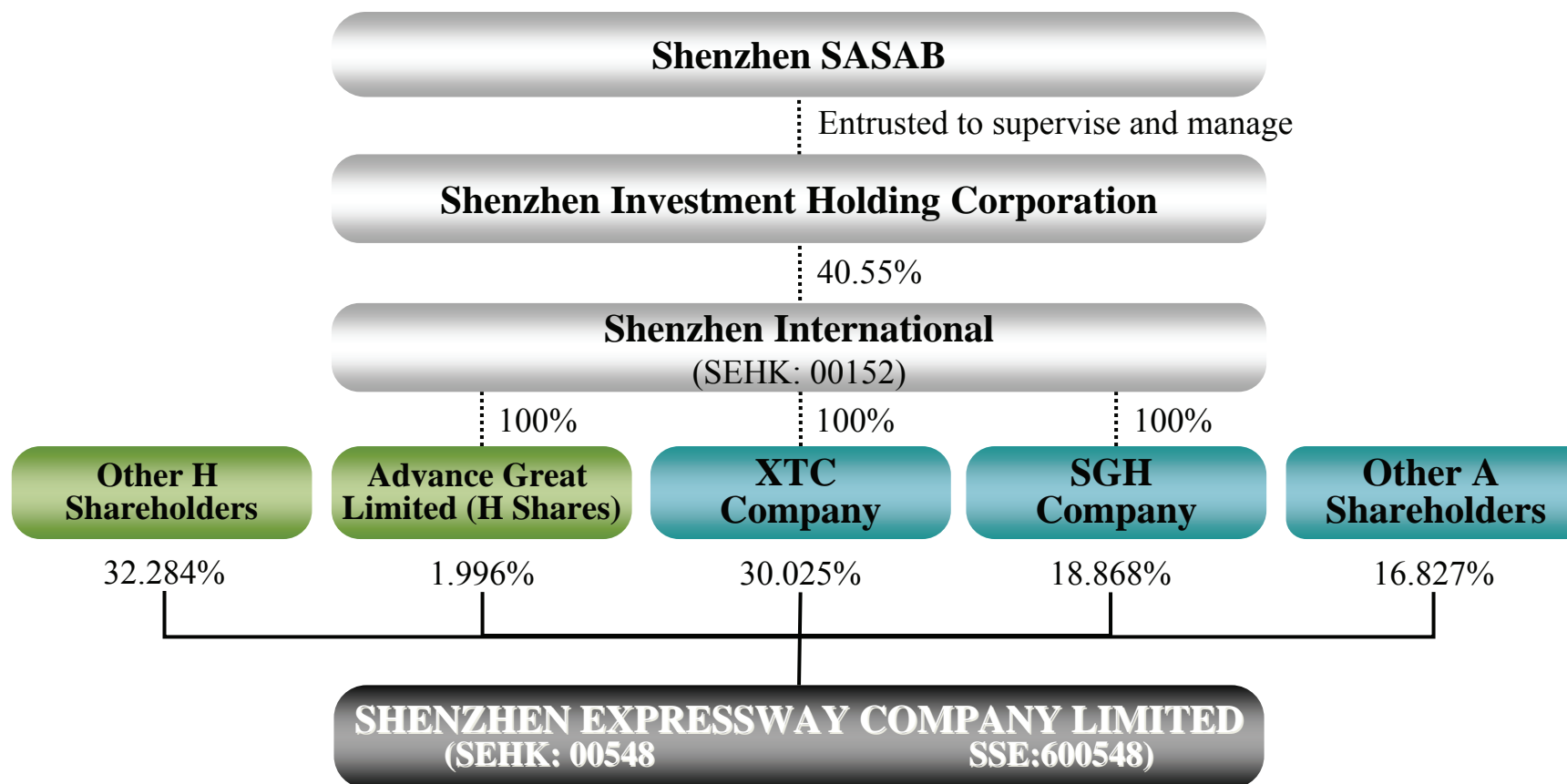
- Implementing the coordination for the operation and reconstruction plans of the Southern Section of Meiguan Expressway
- Strengthening the feasibility study of optimizing the assets pool
- Proactively pushing ahead the research of new industries

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Appendix

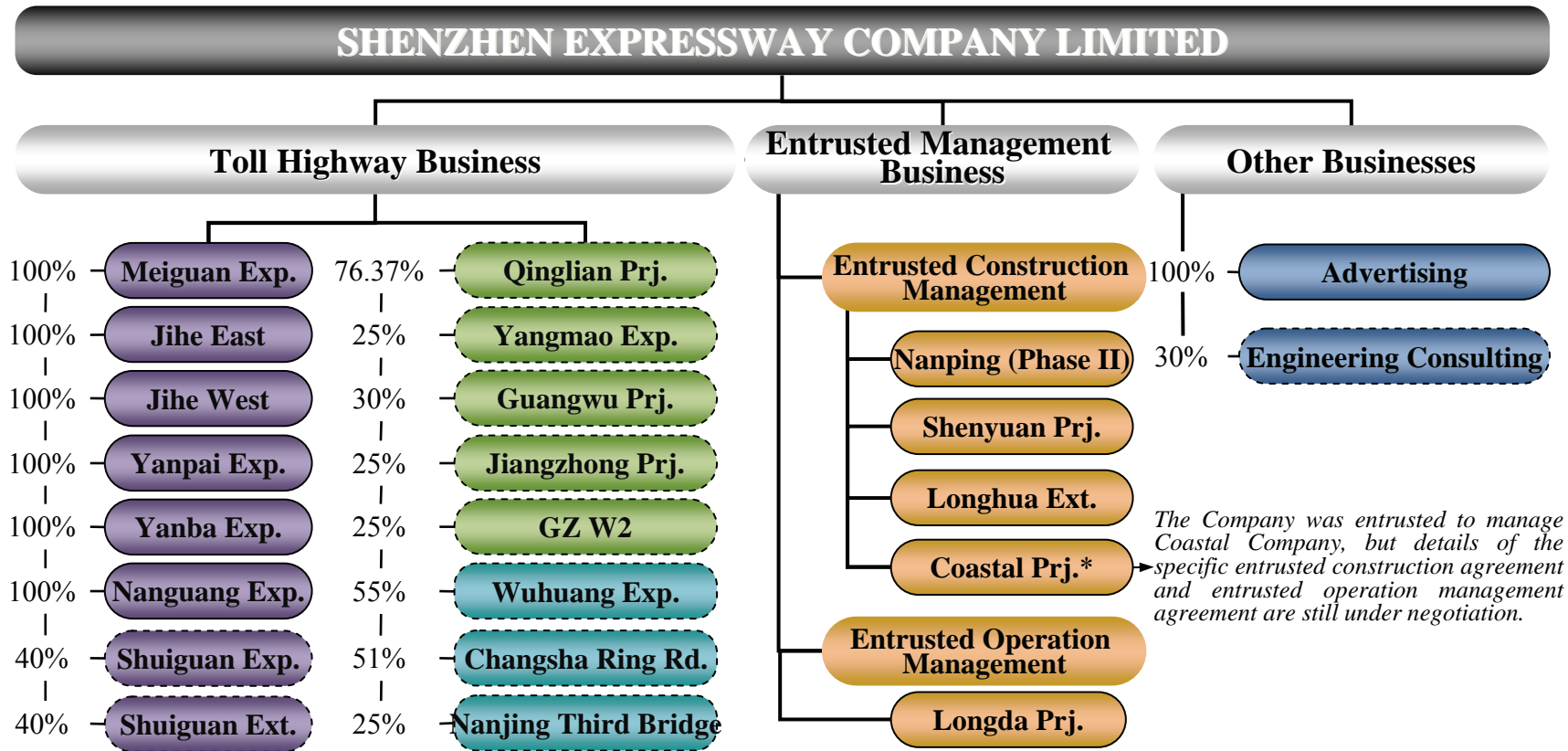
	<ul style="list-style-type: none">■ Company Information■ Operation Information■ Finance Information

Shareholding Structure

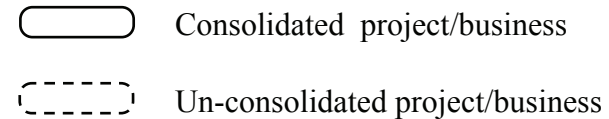


The total share capital of the Company is 2,180,770,326, of which H shares are 747,500,000, accounting for 34.28% and domestic shares are 1,433,270,326, accounting for 65.72%.

Business Structure



Legend



Toll Highway Projects Summary

Toll Highway	Interest held by the Company	Location	Length (km)	No. of lanes	Status	Operation period
Meiguan Exp.	100%	Shenzhen	19.3	6/4	Under operation/ extension	1995.05-2027.03
Jihe East	100%	Shenzhen	23.9	6	Under operation	1997.10-2027.03
Jihe West	100%	Shenzhen	21.6	6	Under operation	1999.05-2027.03
Yanba Exp.	100%	Shenzhen	29.1	6	Under operation	2001.04-2031.03
Shuiguan Exp.	40%	Shenzhen	20.1	6	Under operation/ extension	2002.02-2025.12
Shuiguan Ext.	40%	Shenzhen	5.2	6	Under operation	2005.10-2025.12
Yanpai Exp.	100%	Shenzhen	15.2	6	Under operation	2006.05-2027.03
Nanguang Exp.	100%	Shenzhen	33.1	6	Under operation	2008.01-2033.01
Yangmao Exp.	25%	Guangdong	79.7	4	Under operation	2004.11-2027.07
Guangwu Prj.	30%	Guangdong	39.8	4	Under operation	2004.12-2027.11
Jiangzhong Prj.	25%	Guangdong	37.5	4	Under operation	2005.11-2027.08
GZ W2	25%	Guangdong	42.0	6	Under operation	Applying for approval
Qinglian Exp.	76.37%	Guangdong	188/27	4	Under operation/ reconstruction	2009.07-2034.07
Wuhuang Exp.	55%	Hubei	70.3	4	Under operation	1997.09-2022.09
Changsha Ring Rd.	51%	Hunan	34.5	4	Under operation	1999.11-2029.12
Nanjing Third Bridge	25%	Jiangsu	15.6	6	Under operation	2005.10-2035.10

With the same number of lanes, differences in surface material, designed speed and lane may cause differences in capacity. Generally, the capacity of a four-lane expressway is approximately 100,000 passenger car unit per day, while the capacity of a six-lane expressway is approximately 120,000 passenger car unit per day.

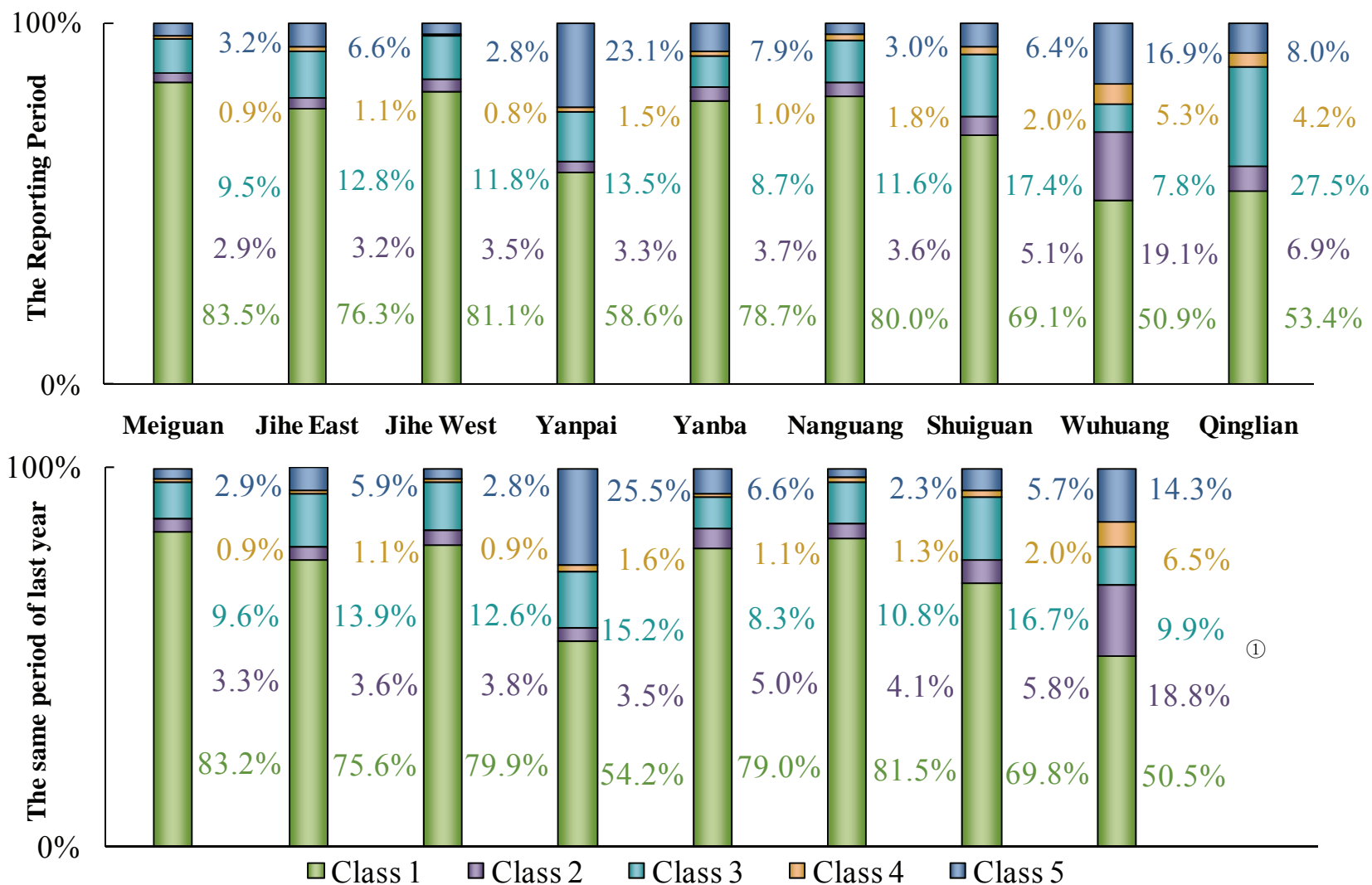
Average Daily Mixed Traffic Volume

<i>(Unit: Number of vehicles)</i>	2005	2006	2007	2008	2009	1H2010
Shenzhen Region						
Meiguan Exp.	76,343	89,909	98,285	92,744	98,318	109,405
Jihe East	56,468	70,278	88,675	90,991	93,019	106,320
Jihe West	46,462	53,765	65,741	67,661	72,800	83,669
Yanba Exp.	11,572	14,179	12,492	13,879	16,509	20,479
Shuiguan Exp.	54,747	75,281	103,236	106,241	118,064	128,868
Shuiguan Ext.	31,739	25,477	28,086	28,181	32,294	37,351
Yanpai Exp.		15,915	26,313	31,898	33,763	37,460
Nanguang Exp.				16,336	32,212	44,074
Other Regions in Guangdong Province						
Yangmao Exp.	10,362	13,099	16,205	18,119	19,618	21,338
Guangwu Prj.	6,120	7,695	9,185	9,806	11,190	13,737
Jiangzhong Prj.	15,472	26,114	39,492	45,344	50,899	57,021
GZ W2		2,186	6,165	9,574	14,883	23,855
Qinglian Exp.					16,011	18,040
Other Provinces in the PRC						
Changsha Ring Rd.	5,393	5,439	5,791	6,020	7,342	8,762
Wuhuang Exp.	22,895	23,530	27,846	29,140	32,412	37,468
Nanjing Third Bridge	8,276	12,184	16,788	18,334	20,029	23,604

Average Daily Toll Revenue

<i>(Unit: RMB'000)</i>	2005	2006	2007	2008	2009	1H2010
Shenzhen Region						
Meiguan Exp.	795	878	903	792	814	892
Jihe East	787	905	1,151	1,227	1,242	1,371
Jihe West	740	776	945	937	951	1,091
Yanba Exp.	115	153	173	196	213	285
Shuiguan Exp.	504	683	965	1,006	1,072	1,171
Shuiguan Ext.	230	163	182	179	203	231
Yanpai Exp.		252	370	407	383	407
Nanguang Exp.				176	303	442
Other Regions in Guangdong Province						
Yangmao Exp.	547	719	913	902	968	1,158
Guangwu Prj.	165	224	266	265	306	379
Jiangzhong Prj.	201	386	582	652	707	806
GZ W2		69	181	302	471	581
Qinglian Exp.					830	1,050
Other Provinces in the PRC						
Changsha Ring Rd.	58	54	62	61	64	72
Wuhuang Exp.	728	888	1,052	1,017	1,090	1,264
Nanjing Third Bridge	325	473	629	640	672	807

Vehicle Category of Major Highways

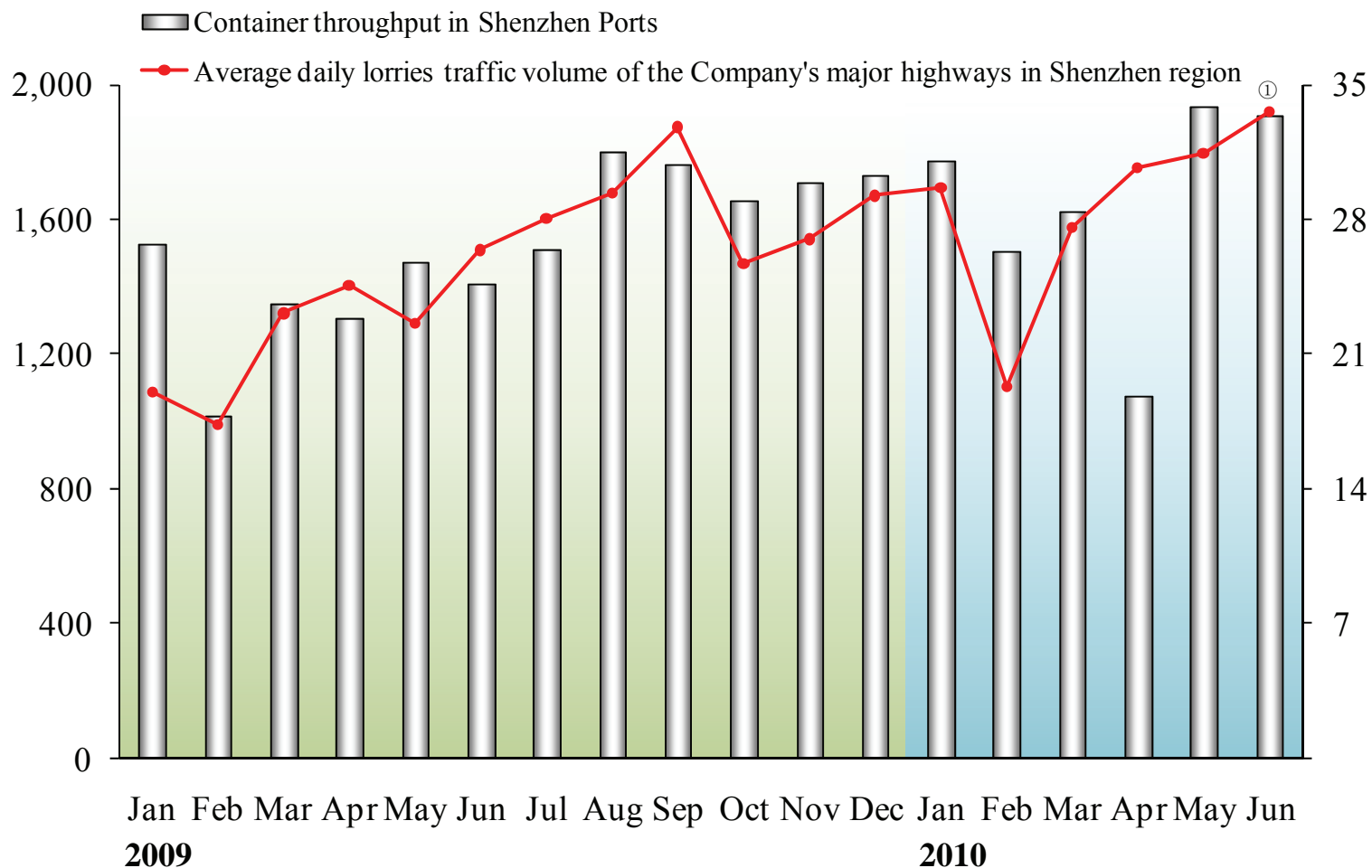


① Qinglian Expressway started expressway operation on 1 July 2009. Its YOY changes of statistics are not available.

Container Throughput and Lorries Traffic Volume in Shenzhen Region

(Unit: '000 TEU)

(Unit: '000 vehicle)



(Source of container throughput in Shenzhen ports: Website of Statistics Bureau of Shenzhen Municipality)

① In June 2010, the average daily lorries traffic volume set a new record of 33,571 vehicle/day, which broke the record of that in July 2008 (33,140 vehicle/day).

IR CONTACT

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Company Declaration

All information presented in the material is available to the public and for the purpose of understanding the operation and the development planning of the Company. The Company might adjust the contents without pre-notice. Besides, the Company wishes to remind investors that the data does not constitute an invitation to trade the Company's stock and the Company does not guarantee the performance of the stock in the future.