深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 548)

2007 Interim Results Announcement

The Board is pleased to announce the unaudited results of the Group for the six months ended 30 June 2007, prepared in accordance with HKFRS, together with comparative figures for the corresponding period in 2006, as follows:

Condensed consolidated income statement

	Note	**Six months ended 30 June 2007**	2006
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
			(Restated)
Revenue	3	**518,449**	343,603
Business tax and surcharges	4	**(17,917)**	(11,015)
Cost of services	4	**(152,830)**	(89,781)
Gross profit		**347,702**	242,807
Other income - net	5	**18,554**	16,005
Administrative expenses	4	**(19,758)**	(17,560)
Operating profit		**346,498**	241,252
Finance costs	6	**(66,837)**	(38,114)
Share of profit of jointly controlled entities		**98,171**	103,055
Share of loss of associates		**(1,318)**	(3,990)
Profit before income tax		**376,514**	302,203
Income tax expenses	7	**(59,474)**	(29,821)
Profit for the period		**317,040**	272,382

	Note	Six months ended 30 June 2007	2006
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
			(Restated)
Attributable to:			
Equity holders of the Company		**317,528**	267,241
Minority interest		**(488)**	5,141
		317,040	272,382
Earnings per share for profit attributable to equity holders of the Company			
(expressed in RMB per share)			
- Basic and diluted	8	**0.146**	0.123
Dividends	9	**-**	-

Condensed consolidated balance sheet

	Note	As at 30 June 2007	As at 31 December 2006
		RMB'000	*RMB'000*
		(Unaudited)	*(Restated)*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,477,576**	3,634,655
Construction in progress		**2,443,477**	857,525
Land use rights		**221,197**	226,869
Interests in associates		**1,178,045**	3,006,665
Interests in jointly controlled entities		**1,623,065**	1,685,182
Deferred income tax assets		**-**	1,878
		12,943,360	9,412,774
Current assets			
Inventories		**4,124**	2,403
Trade and other receivables	10	**152,485**	95,283
Restricted cash		**8,522**	6,872
Cash and cash equivalents		**250,696**	328,494
		415,827	433,052
Non-current assets classified as held for sale		**-**	53,029
		415,827	486,081
Total assets		**13,359,187**	9,898,855

	Note	As at 30 June 2007 RMB'000 (Unaudited)	As at 31 December 2006 RMB'000 (Restated)
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**2,180,700**	2,180,700
Other reserves		**3,264,107**	3,264,107
Retained earnings			
- Proposed final dividend		**-**	283,491
- Others		**1,193,868**	876,340
		6,638,675	6,604,638
Minority interest		**718,417**	-
Total equity		**7,357,092**	6,604,638
LIABILITIES			
Non-current liabilities			
Borrowings		**3,028,567**	855,789
Deferred income tax liabilities		**401,255**	26,867
Government grants		**340,680**	350,461
		3,770,502	1,233,117
Current liabilities			
Other payables and accrued expenses		**1,211,358**	835,243
Current income tax liabilities		**23,996**	22,715
Borrowings		**996,239**	1,203,142
		2,231,593	2,061,100
Total liabilities		**6,002,095**	3,294,217
Total equity and liabilities		**13,359,187**	9,898,855
Net current liabilities		**(1,815,766)**	(1,575,019)
Total assets less current liabilities		**11,127,594**	7,837,755

Notes:

1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2007 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". This basis of accounting differs in certain respects from that used in the preparation of the Group's PRC statutory financial statements. The PRC statutory financial statements of the Group have been prepared in accordance with accounting principles and financial regulations applicable to the Group in the PRC. Appropriate restatements have been made to the PRC statutory financial statements to conform with HKFRS. Differences arising from the restatements are not incorporated in the Group's accounting records.

The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

The Group reported net current liabilities of approximately RMB1,815,766,000 as at 30 June 2007. The directors of the Company made an assessment and concluded that there is no going concern issue of the Group based on the facts that the Group has been generating positive and increasing operating cash flows and it has maintained good relationship with banks that it has not experienced any difficulties in renewing its banking facilities. In addition, the Company issued long-term corporate bonds in an amount of RMB800 million in August 2007, and the Group had unutilised banking facilities of approximately RMB7.2 billion at 30 June 2007 in order to meet its obligations and commitments. Consequently, the interim financial information has been prepared by the directors of the Company on a going concern basis.

2 Accounting policies

Except for the changes in accounting policy for the Company's interests in jointly controlled entities and the method of reserve appropriations presented in the Group's consolidated financial statements as described below, the accounting policies adopted for the preparation of this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2006, as described in the annual financial statements for the year ended 31 December 2006.

In previous years, the Group adopted the proportionate consolidation method under HKAS 31 "Interests in Joint Ventures" to account for its interests in jointly controlled entities. Effective from 1 January 2007, the Group changed to adopt equity method of accounting, the alternative method under HKAS 31, to account for its interests in jointly controlled entities.

The directors of the Company are of the view that the change in accounting method for interests in jointly controlled entities would provide more reliable, relevant and comparable information of its interests in jointly controlled entities on the Group's financial position, financial performance and cash flows, which is consistent with the basis adopted in the Group's PRC statutory financial statements prepared based on the new China Accounting Standards for Business Enterprises ("CAS") effective from 1 January 2007. According to the requirements of CAS, interests in jointly controlled entities are mandatory to be accounted for using equity method of accounting. Given the fact that HKAS 31 does not specify whether proportionate consolidation method or equity method of accounting is superior than the other, the directors of the Company consider that consistent application of equity method of accounting would enhance the comparability of financial information presented in its statutory financial statements prepared under CAS as well as the financial statements prepared under HKFRS.

In addition, in previous years, the Group reported its share of reserve appropriations made by entities consolidated in the Group's consolidated financial statements based on the respective equity interests held by the Company in these entities. Effective from 1 January 2007, the Group does not make such reserve appropriation upon preparing the consolidated financial statements of the Group.

The above relevant changes have been applied retrospectively and do not have significant impact on the financial position and operating results of the Group. The relevant comparative figures have been restated accordingly. Details of the impact on the financial statements of the Group arising from these changes are disclosed in the interim financial report.

3 Revenue

	Note	Six months ended 30 June 2007 RMB'000	2006 RMB'000 (Restated)
Income from toll roads	(a)	467,343	314,149
Income from the construction management service	(b)	33,727	20,524
Income from advertising		9,785	7,425
Others		7,594	1,505
		518,449	343,603

(a) No segment information is presented as revenue of the Group mainly represents toll income earned in the PRC.

(b) The Company was engaged by the local government authorities to manage the construction of the Nanping (Phase I), Hengping Project and Wutong Mountain Project. In return, the Company is entitled to management services income which is determined based on the savings achieved in managing these construction management projects according to the provisions of the relevant contracts.

Since 2006, the construction of Hengping Project had been suspended in accordance with a notice issued by the government authorities due to the fact that there was a change in the toll road network plan of the government, and the project has not been resumed as at 30 June 2007. Accordingly, no service income had been recognised during the period. After consultation made with the legal counsel, the directors considered that it is not likely for the Company to assume any management liabilities for the project delay or it to incur substantial loss.

The construction management service income for the Nanping (Phase I) and Wutong Mountain Project recognised during the period, using the percentage of completion method in accordance with the accounting policies of the Group, amounted to approximately RMB23,085,000 (2006: RMB18,645,000) and RMB10,642,000 (2006: RMB1,879,000), respectively.

4 Expenses by nature

	Note	Six months ended 30 June 2007 RMB'000	2006 RMB'000 (Restated)
Business tax and surcharges	(a)	17,917	11,015
Employee benefit expenses		33,371	24,598
Road maintenance expenses		13,675	4,179
Depreciation and amortisation		94,804	53,935
Other expenses		30,738	24,629
Total cost of services and administrative expenses		190,505	118,356

(a) The amount represents PRC business tax and surcharges levied on the Group's toll road income at RMB15,717,000 (2006: RMB9,801,000); service income derived from the provision of construction management services income at RMB1,123,000 (2006: RMB582,000); and income arising from the provision of other services at RMB1,077,000 (2006: RMB632,000).

Toll income of the Group is subject to the following taxes and surcharges:

- PRC business tax at 3% or 5% of toll income;

- City development tax at 1% of the PRC business tax; and
- Education supplementary fee at 3% or 5% of the PRC business tax.

5 Other income

In June 2005, the Group acquired 56.28% interests in Qinglian Company and accounted for it as interest in an associate. On 8 February 2006, the Company entered into an agreement with the liquidation committee of Qingyuan Yueqing Highway Construction and Development Company Ltd ("Yueqing") for the acquisition of Yueqing's 20.09% interests held in Qinglian Company at a cash consideration of RMB484,000,000. The acquisition was completed on 1 January 2007 ("Acquisition Date") and the Company began to directly and indirectly hold 76.37% aggregate interests in Qinglian Company. Since then, Qinglian Company is accounted for as a subsidiary of the Group.

The acquisition of Qinglian Company constitute a business combination achieved in stages and it is required to account for each transaction separately using the respective acquisition costs and fair values of the share of acquired assets/liabilities as at the date of each transaction in order to determine the amount of any goodwill associated with each transaction. There was no material difference between the acquisition cost and the fair value of the share of net assets acquired relating to the acquisition of 56.28% interests in Qinglian Company. Based on the fair value of the acquired net assets on the Acquisition Date provisionally determined, the excess of fair value of net assets acquired over the cost of acquisition in relation to the acquisition of 20.09% interests in Qinglian Company of RMB127,206,000 is credited to other income in the income statement. The change in the fair value of the 56.28% interests previously held by the Group amounting to RMB127,206,000 is accounted for as assets revaluation loss and has been charged to the income statement against other income.

6 Finance costs

	Six months ended 30 June	
	2007	**2006**
	RMB'000	**RMB'000**
		(Restated)
Interest on bank and other borrowings	93,842	23,820
Interest on short-term commercial papers	-	14,382
Less: interest expenses capitalised in construction in progress	(22,022)	(999)
	71,820	37,203
Other borrowing costs	167	6,532
Net foreign exchange gains	(5,150)	(5,621)
	66,837	38,114

7 Income tax expenses

		Six months ended 30 June	
	Note	**2007**	**2006**
		RMB'000	**RMB'000**
			(Restated)
Current income tax			
- PRC enterprise income tax		41,205	26,803
Deferred income tax			
- Originating temporary differences		1,554	3,018
- Adjustment to the enacted tax rate	(c)	16,715	-
		59,474	29,821

(a) The PRC enterprise income tax charged to the condensed consolidated interim income statement has been calculated based on assessable profits of the Company and its subsidiaries located in the PRC of the period at rates of tax applicable to the respective companies of 15% (2006: 15%).

(b) No provision for Hong Kong profits tax has been made for the period since the Group has no income assessable under Hong Kong profits tax.

(c) On 16 March 2007, the National People's Congress approved the New Tax Law. Effective from 1 January 2008, all enterprises are subject to a standard PRC enterprise income tax rate of 25%, except for particular provisions and preferential policies.

Since the deferred tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax liabilities of the Group. As at the date that this interim financial information is approved for issue, detailed measures of the New Tax Law have yet to be issued, specific provisions concerning the applicable income tax rates, computation of taxable income, as well as specific preferential tax treatments and their related transitional provisions for the periods from 2008 and onwards have not been clarified. Consequently, the Group has applied its estimates on the transitional provisions and the applicable tax rates during transitional period in order to assess the impact on the carrying values of deferred tax liabilities of the Group arising from the New Tax Law promulgation. Based on the estimates applied by the directors of the Company, the carrying amount of deferred tax liabilities of the Group has been increased by RMB16,715,000 as at 30 June 2007.

As and when the detailed measures and other related regulations are announced by the relevant authorities, the Group will assess their impact, if any, and this change in accounting estimate will be accounted for prospectively.

8 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2007	**2006**
Profit attributable to equity holders of the Company (RMB'000)	317,528	267,241
Number of ordinary shares in issue (thousands)	2,180,700	2,180,700
Basic earnings per share (RMB per share)	0.146	0.123

The Company had no diluted potential shares in both 2006 and 2007 interim and the diluted earnings per share presented is the same with basic earnings per share.

9 Dividends

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2007 (2006: Nil).

A 2006 final dividend of RMB0.13 (2005: RMB0.12) per ordinary share, totaling RMB283,491,000 (2005: RMB261,684,000) was approved by the shareholders at the Annual General Meeting of the Company.

10 Trade receivables

As at 30 June 2007, trade receivables balance of the Group is RMB89,320,000 (31 December 2006: RMB61,505,000). As at 30 June 2007 and 31 December 2006, the aging analysis of trade receivables was as follows:

	30 June 2007 RMB'000	31 December 2006 RMB'000 (Restated)
Within 1 year	84,177	45,695
1 - 2 years	-	15,782
2 - 3 years	5,115	-
Over 3 years	28	28
	89,320	61,505

11 Contingencies

Pursuant to the terms of the relevant contract, the Company had arranged banks to issue irrevocable performance guarantees on its behalf to the Shenzhen Longgang Highway Bureau amounting to RMB30,000,000. The Company also paid a guarantee deposit of RMB15,000,000 to the Shenzhen Longgang Highway Bureau.

12 Reconciliation of interim financial information

The Group has prepared a separate set of unaudited interim financial information for the six months ended 30 June 2007 in accordance with the CAS. The differences between the financial information prepared under the CAS and HKFRS are summarised as follows:

	Unaudited	
	Profit attributable to equity holders of the Company for the six months ended 30 June 2007 RMB'000	**Capital and reserves attributable to the Company's equity holders as at 30 June 2007 RMB'000**
As per PRC statutory financial information	444,407	6,664,025
Impact of HKFRS adjustments:		
Deferred income recognition for government grants recorded in capital reserve under CAS	327	(25,350)
Recognition of the changes in fair values of the identifiable net assets relating to the previously held equity interest of the acquiree in the income statement as assets revaluation for a business combination achieved in stages	(127,206)	-
Net amount of adjustments	(126,879)	(25,350)
As restated after HKFRS adjustments	317,528	6,638,675

INTERIM RESULTS AND DIVIDENDS

In accordance with HKFRS, during the Reporting Period, the Group recorded a revenue of RMB518 million, representing an increase of 50.89% as compared to the corresponding period of 2006. Profit attributable to equity holders of the Company during the Reporting Period amounted to RMB318 million, whereas earnings per share was RMB0.146, representing an increase of 18.82% as compared to the corresponding period of 2006.

The Board of the Company does not recommend payment of any interim dividend for the six months ended 30 June 2007 (2006: Nil), nor does it recommend any transfer of capital reserve to share capital.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Review and Discussion

Toll highway operation and investment are the primary sources of the Group's earnings. To concentrate resources on developing quality projects in a more effective manner, the Company's management has always been actively considering integration and optimisation of resources to raise the overall return on assets. In January 2007, the Company completed the industrial and administrative registration for the further acquisition of 20.09% interests in Qinglian Project. The completion of this acquisition helped the Group further expand its asset scale and profit base. In addition, the Group had also disposed of its entire 42% interests in Geputan Bridge by means of an open auction on an assets and equity exchange. The transaction and formalities of equity transfer related thereto were completed in April 2007. Currently, the Group operates and invests in 17 toll highway projects in Shenzhen region, other regions in Guangdong Province and other provinces in the PRC, of which 14 are already in operation and 3 are under construction or reconstruction. Summary of business operation during the Reporting Period is as follows:

1) Toll Highway Operations

Toll Highways	Percentage of interests held by the Group	Percentage of revenue consolidated	Average daily mixed traffic volume (number of vehicles in thousands)		Average daily toll revenue (RMB'000)	
			The Period	Change as compare to the same period of 2006	The Period	Change as compare to the same period of 2006
Shenzhen Region:						
Meiguan Expressway	100%	100%	94	8.0%	892	5.7%
Jihe West	100%	100%	61	22.0%	879	19.5%
Yanpai Expressway*1	100%	100%	22	N/A	328	N/A
Yanba A and B *2	100%	100%	11.9	-2.5%	159	18.9%
Jihe East	55%	—	83	26.6%	1,058	19.6%
Shuiguan Expressway	40%	—	93	46.6%	871	54.7%
Shuiguan Extension	40%	—	26	11.3%	169	-0.8%
Other Regions in Guangdong Province:						
Yangmao Expressway	25%	—	18	27.8%	1,011	35.3%
Jiangzhong Expressway	25%	—	37	64.6%	554	63.7%
Guangwu Expressway	30%	—	9.2	14.3%	261	14.7%
GZ W2 Expressway*1	25%	—	5.1	N/A	146	N/A
Qinglian Project*3	76.37%	100%	21	0.1%	325	-4.4%
Other Provinces in the PRC:						
Wuhuang Expressway	55%	—	27	12.4%	1,012	21.1%
Changsha Ring Road	51%	—	5.6	-1.5%	58	6.3%
Nanjing Third Bridge	25%	—	17	32.1%	620	28.4%

*1. Yanpai Expressway and GZ W2 Expressway commenced toll operation from May 2006 and December 2006 respectively.

*2. The toll revenue of Yanba (A and B) includes the tolls collectively paid by the government under an agreement for all vehicles traveling between Yantian and the Dameisha Interchange. However, the traffic volume in this section was no more included in the scope of statistics from February 2007.

*3. The revenue of Qinglian Project (including Qinglian Class 1 Highway and Qinglian Class 2 Road) was included into the scope of consolidation of the Group's financial statement since January 2007, while the information shown for the first half of 2006 is for reference only.

During the Reporting Period, the toll highways operated and invested by the Group in Shenzhen region recorded increases of 22.4% and 20.9% in average daily mixed traffic volume and average daily toll revenue respectively as compared to the corresponding period of 2006 (the figures of Yanpai Expressway were not included due to the absence of year-on-year figures for comparison). Major factors, which drive the increases in traffic volume and toll revenue of the toll highways, include the continuous and steady economic development of Shenzhen and its nearby areas, an increase in the port cargo throughput of Shenzhen and an improvement in road networks. On the other hand, the government of Shenzhen City has introduced measures to restrict large trucks from travelling on certain main roads in the urban areas starting from the second half of 2006. Such measures facilitated an increase of truck traffic on expressways objectively. Due to the different functions and the impact in varying degrees of factors such as neighbouring traffic environment and change in highway network, each highway performed differently to a certain extent.

In recent years, upon the completion and operation of a number of highway projects such as Longda (Longhua in Shenzhen - Dalingshan in Dongguan) Expressway, Changhu (Changping - Humen, both in Dongguan) Expressway, Shuiguan Extension, Yanpai Expressway, Nanping (Phase I) and HK-SZ Western Corridor (Hong Kong - Shenzhen), an expressway network in Shenzhen and nearby areas has been basically formed, with constant improvements being made to it. The commencement of new expressways and urban trunks has offered more choices to road users and has led to changes in vehicle traffic distribution at different traffic nodes, which has in turn enhanced the public's choices and demand in highway transportation and has further raised the overall utilisation of expressways. The Dongguan Section of Longda Expressway opened to traffic in January 2007. It led to a decrease in traffic volume on the Shuilang - Huanghe Section of Jihe West and the Liguang - Qinghu Section of Meiguan Expressway, but an inceases in the Group's relative expressways due to more vehicles opted to choose Jihe Expressway - Longda Expressway - Changhu Expressway when going to Dongguan City and Guangzhou City. The increases in overall traffic volume on the Group's relevant expressways exceeded the diverted traffic volume, thereby effectively stimulating toll revenue growth.

In line with the traffic arrangement scheme implemented by the Shenzhen Municipal Government which restricted large trucks from travelling in the urban areas, the Company has adopted a series of marketing measures by offering a certain discount to trucks running on the relevant highways including Yanpai Expressway, Jihe Expressway, Shuiguan Expressway and Shuiguan Extension. These measures have attracted more trucks, particularly container vehicles commuting to and from the port, to travel on the expressways. Among these, the average daily traffic volume of Class 5 vehicles on Yanpai Expressway, Jihe East, Jihe West and Shuiguan Expressway grew by 9.2 times, 3.7 times, 2.8 times and 1.8 times respectively as compared to the corresponding period of 2006. Due to traffic restrictions, Meiguan Expressway's average daily traffic volume of container vehicles dropped approximately 19%. The growth rates of traffic volume and toll revenue on Meiguan Expressway were slightly below the average growth rates in the area.

Qinglian Class 1 Highway is now being reconstructed into an expressway. Subject to reconstruction progress, it will be closed by section for construction works, while the sections which remain open will still allow traffic and charge tolls revenue at the standards of a class 1 highway. In the first half of 2007, the overall traffic volume on Qinglian Project was basically on par with the level for the corresponding period of 2006. However, due to the impact of the reconstruction works, more vehicles choose to travel on Qinglian Class 2 Road and the average daily toll revenue decreased by approximately 4% as compared to the corresponding period of 2006. It is anticipated a further fall in revenue of Qinglian Project with the proceeding of the reconstruction works. The reason for the Group to invest in Qinglian Project is that upon completion of the reconstruction of Qinglian Class 1 Highway into an expressway, the expressway will serve as a safe and comfortable pathway for vehicles travelling between Guangdong Province and Hunan Province. As a result, the advantage of its existing location will be fully exploited, thereby generating satisfactory investment return for the Group.

During the first half of 2007, both traffic volume and toll revenue on Wuhuang Expressway witnessed substantial growth as compared to the corresponding period of 2006. Amid such growth, the average daily traffic volume and toll revenue for trucks increased by 26.4% and 32.8%, respectively. A toll-by-weight system has been implemented in Hubei Province since April 2006. The change in toll charges for trucks and the punitive toll policy towards overloaded trucks have led to a substantial increase in toll revenue for Wuhuang Expressway, apart from solving the vehicle overload problem on the expressway. In addition, the rapid economic development, the increase in vehicle ownership and the improvement in neighbouring road networks also provided strong support to the solid operating performance of Wuhuang Expressway. The completion of Daihuan Class 1 Highway's reconstruction into an expressway by the end of 2006 and the opening to traffic of Wuhan Third Ring Road's certain sections in February 2007 also triggered growth in traffic volume and toll revenue for Wuhuang Expressway.

2) Project Construction and Development

At present, the Group's toll highway projects under construction or reconstruction include Nanguang Expressway and Yanba C in Shenzhen, and the reconstruction of Qinglian Class 1 Highway into an expressway in northern Guangdong Province. It is anticipated that such projects will be gradually completed and open to traffic by the end of 2008. By then, the total mileage of the Group's expressways in operation will more than double the current total mileage.

As at the end of the Reporting Period, an aggregate investment amount of approximately RMB1,307 million (end of 2006: RMB750 million) had been utilised for Nanguang Expressway. Approximately 95% of the project's subgrade works, 80% of the bridge works and 20% of the road surface works have been completed, while the construction of ancillary projects such as buildings, mechanical and electrical facilities and traffic engineering have all commenced. The main trunk of the project is expected to be completed and open to traffic as scheduled in the first half of 2008. The construction of Yanba C officially commenced in October 2006. As at the end of the Reporting Period, an aggregate investment amount of approximately RMB236 million (end of 2006: RMB95 million) had been utilised. Works for the project proceeded smoothly.

As at the end of the Reporting Period, an aggregate investment amount of approximately RMB771 million (end of 2006: RMB353 million) had been utilised for Qinglian Project. Currently, the aggregate portions of completed works on subgrade earthwork, old road demolition and clearance, and newly constructed bridge pile foundation accounted for about 42%, 57% and 63%, respectively, of the aggregate budgeted volumes. Completed land requisition works on the main trunk, slopes and auxiliary roads accounted for about 96%, 62% and 40%, respectively, of the total work volume. Approximately 88% of the demolition and relocation of buildings and pipelines were completed as well. The reconstruction of Qinglian Project into an expressway is scheduled for completion by 2008.

To seize the development opportunities in the Shenzhen toll highway market, the Company is currently carrying out preliminary work on the Shenzhen Section of Guangshen Coastal Expressway, including project design, research and evaluation of specific technologies, land-use control etc. and the relevant assessment and approval procedures, for the purpose of ascertaining the investment value of the project. Investment decisions regarding the project will be submitted to the Board for consideration, with reference to the results of the preliminary work.

2. Financial Review and Analysis

During the Reporting Period, the Group's toll highways maintained a solid growth in revenue and profitability. Profit attributable to equity holders of the Company amounted to RMB317,528,000, representing an increase of 18.82% as compared to the corresponding period of 2006. During the Reporting Period, the Group made adjustments, in accordance with the New Tax Law, to deferred income tax liabilities with reference to expected temporary differences and expected income tax rates for future periods. Accordingly, profit for the Reporting Period was reduced by RMB65,848,000. Excluding the impact of the

above-mentioned adjustments, profit attributable to equity holders of the Company increased by 43.46% as compared to the corresponding period of 2006.

The Company completed the acquisition of 20.09% interests in Qinglian Company during the Reporting Period, thereby holding 76.37% interests in Qinglian Company in aggregate and Qinglian Company was changed from an associate to a subsidiary of the Company. Effective from January 2007, the financial statements of Qinglian Company were included into the scope of consolidation of the Group's financial statements, leading to certain increases in the Group's total assets, total liabilities, total equity and gearing ratio. As Qinglian Project is currently under reconstruction into an expressway, its impact on the Group's profit for current period is relatively small.

1) Analysis of Operating Results

During the Reporting Period, the Group's business operations performed well, recording an revenue of RMB518,449,000, representing an increase of 50.89% as compared to the corresponding period of 2006, of which toll income amounted to RMB467,343,000, representing 90.14% of the revenue.

After excluding the impact of adjustment to deferred income tax liabilities of jointly controlled entities, the Group's profit before interests, tax and administrative expenses during the Reporting Period increased by 43.02% as compared to the corresponding period of 2006.

Profit before Interests, Tax and Administrative Expenses (Unit: RMB million)	**The Period**	**Percentage**	**Corresponding Period of 2006**	**Percentage**	**Change**
(1) Profit from toll highways operated by the Group	**318**	62.11%	**236**	65.92%	**34.75%**
(2) Share of profit of jointly controlled entities and associates (after excluding the adjustment to deferred income tax liabilities of BMB49,133,000)	**146**	28.51%	**99**	27.66%	**47.47%**
(3) Others	**48**	9.38%	**23**	6.42%	**108.70%**
Total	**512**	100%	**358**	100%	**43.02%**

(1) Profit from toll highways operated by the Group: During the Reporting Period, the Group recorded a toll revenue of RMB467,343,000, representing an increase of 48.76% as compared to the corresponding period of 2006. Among this, Qinglian Project was included into the scope of consolidation during the Reporting Period, while Yanpai Expressway opened to traffic in May 2006. The above two highways contributed RMB118,214,000 in revenue during the Reporting Period, representing 25.29% of the Group's toll revenue. Revenue from other toll highways increased by 12.66% as compared to the corresponding period of 2006. The growth of the Group's toll revenue mainly came from the increase in traffic volume. The operating performance of the Group's principal toll highways is set out in the section of "Business Review and Discussion" above. During the Reporting Period, operating costs for the Group's toll highways amounted to RMB144,804,000, representing an increase of 78.47% as compared to the corresponding period of 2006, which is mainly attributable to Qinglian Project's inclusion into the scope of consolidation and an additional four months of operating period of Yanpai Expressway. During the Reporting Period, the two highways increased operating costs by RMB62,095,000 in aggregate, while operating costs for other toll highways increased by 2.03% as compared to the corresponding period of 2006.

Toll Highways	Toll Revenue		Operating Costs		Gross Margin		Profit before Interest and Tax	
	The Period (RMB'000)	Change	The Period (RMB'000)	Change	The Period (RMB'000)	Change	The Period (RMB'000)	Change
Meiguan Expressway	161,371	5.71%	30,487	-5.36%	81.11%	2.21%	126,292	8.42%
Jihe West	159,057	19.49%	26,151	10.69%	83.56%	1.31%	128,458	21.58%
Yanba Expressway	28,701	18.86%	22,131	3.63%	22.89%	11.33%	15,193	9.81%
Yanpai Expressway	59,368	N/A	20,737	N/A	65.09%	N/A	37,112	N/A
Qinglian Project	58,846	N/A	45,298	N/A	23.02%	N/A	10,885	N/A
Total	467,343	48.76%	144,804	78.47%	69.02%	-5.15%	317,940	21.58%

* The profit before interests and tax for Yanba Expressway and Yanpai Expressway included government subsidies of RMB9,454,000 and RMB328,000, respectively (2006: RMB11,614,000 and RMB21,000, respectively).

(2) Share of profit of jointly controlled entities and associates: During the Reporting Period, the Group's share of profit of jointly controlled entities and associates amounted to RMB96,853,000, representing a decrease of 2.24% as compared to the corresponding period of 2006. According to the New Tax Law, the Company has increased the deferred income tax liabilities for Magerk Company, Jihe East Company and Qinglong Company as at the end of the Reporting Period by RMB49,133,000, thereby reducing the Group's share of profit accordingly. Excluding the above factor, the Group's share of profit of jointly controlled entities and associates would be RMB145,986,000, representing an increase of 47.36% as compared to the corresponding period of 2006, primarily owing to the impressive growth in traffic volume and revenue on the toll highways operated by the Company's invested enterprises and the fact that their control on operating costs met expectations. As a result, the Company was able to gradually realise and enhance its investment gains.

Principal Toll Highways	Percentage of interests held by the Group	Toll Income		Operating Costs of Toll Highway		Profit/Loss Attributable to the Group	
		The Period (RMB'000)	Change	The Period (RMB'000)	Change	The Period * (RMB'000)	Change (RMB'000)
Jointly Controlled Entities:							
Jihe East	55%	191,511	19.62%	36,233	9.76%	70,165	12,495
Shuiguan Expressway	40%	157,610	54.66%	34,770	48.71%	36,501	18,939
Wuhuang Expressway	55%	183,205	21.14%	92,820	9.29%	39,695	12,171
Changsha Ring Road	51%	10,439	6.34%	8,112	6.33%	943	1,326
Associates:							
Yangmao Expressway	25%	182,966	35.26%	62,432	23.13%	13,359	5,886
Jiangzhong Expressway	25%	100,210	63.69%	52,900	42.93%	-2,876	4,517
Nanjing Third Bridge	25%	112,272	28.37%	47,347	16.49%	-945	2,103
Guangwu Expressway	30%	47,202	14.72%	20,652	-2.45%	-283	1,154
GZ W2 Expressway	25%	26,349	N/A	19,934	N/A	-11,004	N/A
Shuiguan Extension	40%	30,673	-0.77%	12,246	12.41%	1,503	-1,091
Total		1,042,437	33.81%	387,446	25.24%	*147,058	46.23%

* The Group's share of profit/loss as shown in the table does not include the impact of adjustment to deferred income tax liabilities of RMB49,133,000 and loss of the Consulting Company of RMB1,072,000 during the Reporting Period.

(3) Others: Based on reasonable estimates on budgeted project costs and total budgeted construction costs at present, the Company recognised an income of RMB33,727,000 from entrusted construction management services for the entrusted construction projects, namely Nanping (Phase I) and Wutong Mountain Project, according to the completed service percentage determined with reference to the actually incurred costs as a percentage of the total budgeted construction costs, and a corresponding profit of RMB30,375,000 was recognised.

The Group's administrative expenses during the Reporting Period increased by 12.52% to RMB19,758,000 as compared to the corresponding period of 2006, mainly due to rise in remuneration standard for employees at the headquarters and an increase in employees. The Group's finance costs for the Reporting Period increased by 75.36% to RMB66,837,000 as compared to the corresponding period of 2006. The main reasons were: (i) the expansion of the Group's total borrowings due to capital expenditures incurred during the second half of 2006 and the Reporting Period and due to Qinglian Company's inclusion into the scope of consolidation during the Reporting Period; (ii) the cessation of capitalisation of borrowing interests for Yanpai Expressway upon its commencement of operation in May 2006; and (iii) the rise in the Group's average borrowing costs caused by rise in interest rate in the market, and so forth.

During the Reporting Period, the Group's income tax expenses amounted to RMB59,474,000, representing an increase of 99.44% as compared to the corresponding period of 2006. According to the New Tax Law, the Company has increased the deferred income tax liabilities as at the end of the Reporting Period by RMB16,715,000, thereby increasing the Group's income tax expenses. Excluding the above factor, income tax expenses increased by 43.38% as compared to the corresponding period of 2006.

Adjustment to deferred income tax liabilities

As stipulated by the New Tax Law, the enterprise income tax rate would be a unified 25% effective from 1 January 2008. Enterprises enjoying concessionary tax policies will be given a five-year transition period. The exact tax rate applicable during the transition period remains to be determined, however. On the basis and assumption of a two-percentage point increase in the tax rate each year during the five-year transition period and the adoption of the 25% tax rate upon the transition period's expiry, the Company adjusted the deferred income tax liabilities of the Group and its jointly controlled entities as at 30 June 2007, which reduced the profit for the Reporting Period by RMB65,848,000. Among these, the adjustments to deferred income tax liabilities for Meiguan Expressway, Yanba Expressway and Jihe West, which are toll highways operated by the Group, as a result of differences in the accounting base (units-of-usage basis) and tax base (straight-line method) for depreciation method amounted to RMB16,715,000. The relevant income tax expenses during the Reporting Period increased accordingly. Meanwhile, the adjustments to deferred income tax liabilities resulting from the differences in the accounting base (fair value for acquisition) and tax base for the intangible assets of the jointly controlled entity, Magerk Company, and the differences in the accounting base (units-of-usage basis) and tax base (straight-line method) for the depreciation method of the jointly controlled entities, Jihe East Company and Qinglong Company, amounted to RMB49,133,000. Accordingly, the Group's share of profit of jointly controlled entities decreased. Upon announcement of the implementation rules of the enterprise income tax law and the clarification of the transition period's tax rate policies, the Company will review and revise the above deferred income tax liability adjustments with reference to the relevant policies, if applicable.

Fair value recognition for Qinglian Company

According to the relevant requirements under accounting standards, the Company had provisionally recognised the fair value of net assets of Qinglian Company on the acquisition date at RMB3,042 million, with reference to the valuation report prepared by a professional valuer. The corresponding fair value for the Group's 76.37% interests was RMB2,323 million, basically in line with the Group's total acquisition costs. Under HKFRS, the excess of fair value of net assets acquired over the cost of acquisition in relation to 20.09% interests of RMB127,206,000 was recognised as other income, while the decrease in fair value of 56.28% interests previously held during the period from previous acquisition date to the acquisition date of RMB127,206,000, was recognised as assets revaluation loss. The above two items offset each other and had no significant impact in general on the profit for the Reporting Period.

2) Analysis of Financial Position

The Group's financial position remains healthy, with its assets comprising mainly fixed asset investments, jointly controlled entities and associates investments in high-grade toll highways. As at 30 June 2007, the Group's total assets amounted to RMB13,359,187,000, representing an increase of 34.96% as compared to the end of 2006. The increase was primarily owing to Qinglian Company's inclusion into the scope of consolidation, as well as increased investments in construction in progress such as the reconstruction of Qinglian Class 1 Highway into an expressway, Nanguang Expresway and Yanba C. During the Reporting Period, the progress and costs of the above projects under construction met the Company's expectations, and it is estimated that such projects will become the Group's new income sources upon completion and operation.

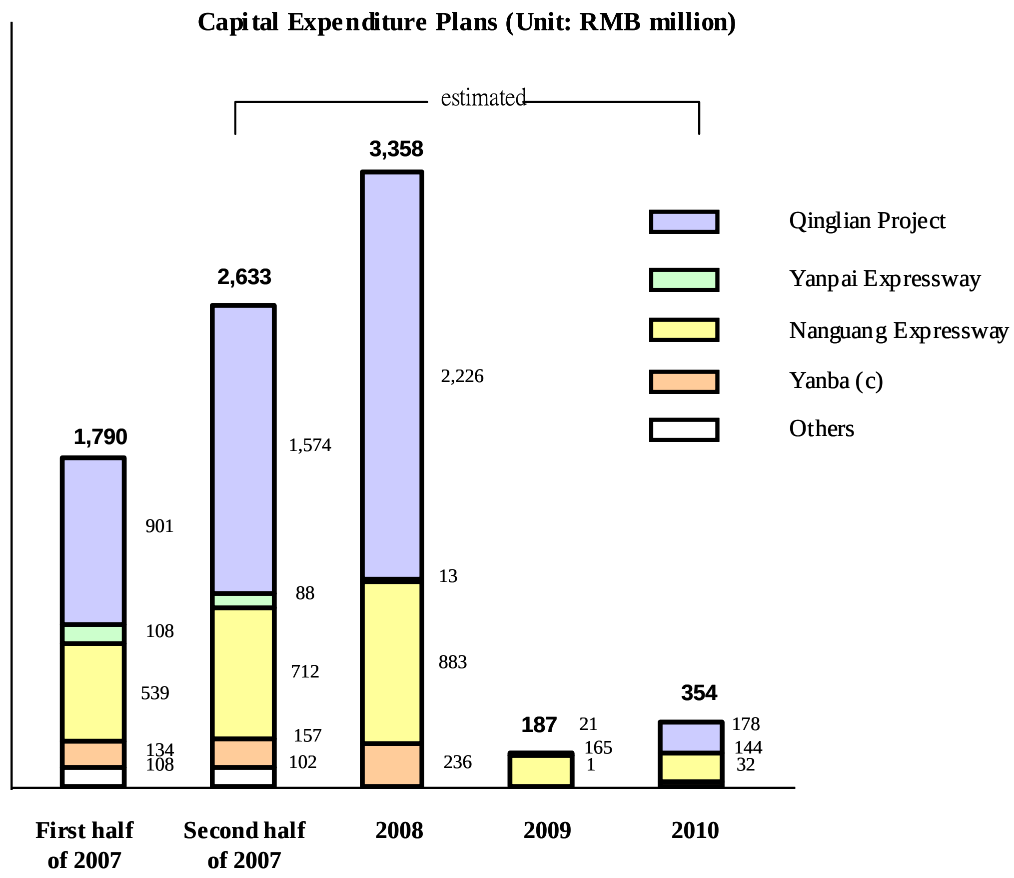
Capital structure and debt repayment capabilities

As the new construction projects proceeded and the relevant capital expenditures were made, the Group's gearing ratio has been rising. The consolidation of Qinglian Company during the Reporting Period led to a certain increase in the Group's gearing ratio. Meanwhile, the Group's operating results and cash flow maintained solid growth. As at the end of the Reporting Period, the Group's gearing ratio remained at a safe level.

	30 June 2007	31 December 2006
Debt-to-asset ratio (total liabilities/total assets)	44.93%	33.28%
Net borrowings-to-equity ratio ((total borrowings-cash and cash equivalents)/total equity)	51.30%	26.20%
	Jan~Jun 2007	**Jan~Dec 2006**
Interest coverage multiple (profits before interest and tax/interest expenses)	4.13	7.71
EBITDA interest multiple (profits before interest, tax, depreciation and amortization /interest expenses)	5.01	8.96

Capital expenditure plans

As at 30 June 2007, the Group's capital expenditure plans comprised mainly construction investments in Nanguang Expressway, Yanba C and reconstruction of Qinglian Class 1 Highway into an expressway. Total capital expenditures to be incurred until the end of 2010 are estimated at approximately RMB6,532 million. The Company plans to fund such capital requirements by internal resources, bank borrowings, issue of bonds and so forth. According to the assessment of the Directors, the Group is able to meet various capital expenditures at present given the Group's financial resources and financing capabilities.



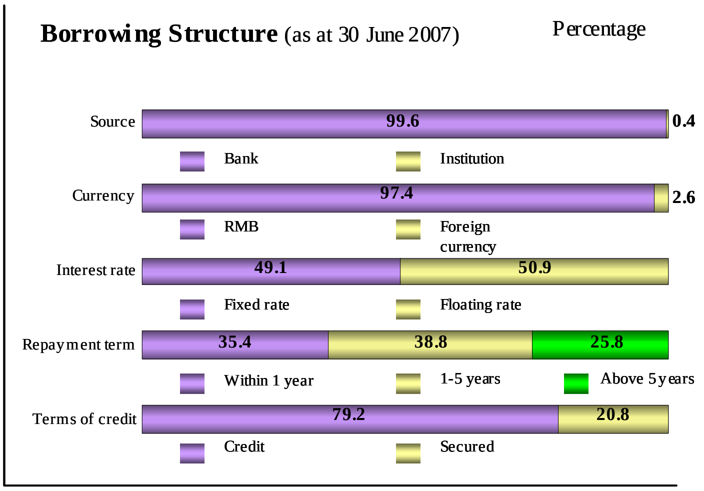
Cash flows of the Group

The Group's cash and cash equivalents amounted to RMB250,696,000 as at the end of the Reporting Period (31 Decemeber 2006: RMB328,494,000), representing a decrease of RMB77,798,000 as compared to the end of 2006. During the Reporting Period, the Group's net operating cash inflows and returns on investments amounted to a total of RMB567,493,000 (2006: RMB390,108,000), increased by 45.47%. Riding on a booming economy and the gradual improvement of road networks, revenues from toll highways operated by the Group continued to grow. This secured a steady net operating cash flow for the Company's capital expenditures and external financing and helped the Company to maintain a strong debt repayment capability. During the Reporting Period, the Group's cash outflows mainly comprised capital expenditures totalling RMB1,649,928,000 (excluding capitalised interests) on Nanguang Expressway, Yanba C, Qinglian Project, office building of the Company and so forth, as well as RMB272,153,000 of dividend payments and RMB104,387,000 of interest expenses.

Financing activities

As at 30 June 2007, the Group's total amount of outstanding bills and borrowings payable was RMB4,687,294,000, representing an increase of RMB2,269,121,000 as compared to RMB2,418,173,000, as at the beginning of the year. The increase was primarily a result of Qinglian Company's inclusion into the scope of consolidation and new borrowings incurred for capital expenditures during the Reporting Period. As a result of the rise in market interest rates, the consolidated borrowing cost for the Reporting Period was 5.10%, slightly above 4.847%, that of the last year.

In recent years, the Company's capital expenditures have been peaking and both the borrowing scale and the gearing ratio have been increasing. Reducing funding costs, averting financial risks and raising the future financing capacity are, therefore, the main objectives of the Company's recent financing activities. During the Reporting Period, the Company actively utilised the opportunity that the capital market and banks kept launching new financing products, thereby broadening the financing channels and optimising the financing structure. The proportions of direct financing, medium/long-term financing and fixed cost financing increased accordingly. As at 30 June 2007, the Group's bank credit facilities available amounted to RMB7.2 billion, of which 64% had a term of over 10 years, whereas 39% bore fixed interest rates and the rest enjoyed the most favourable rates under the interest rate policy of the People's Bank of China. In August 2007, pursuant to the approval by the National Development and Reform Commission through Document 發改財金[2007]1791 號(Fa Gai Cai Jin (2007) No.1791), the Company issued fixed-rate corporate bonds of RMB800 million with a term of 15 years at an interest rate of 5.5%. Proceeds will be used for the reconstruction of Qinglian Class 1 Highway into an expressway. In addition, having obtained approvals at the Board and at the general meetings, the Company is now applying for an issue of Bonds with Warrants of not more than RMB1.5 billion with a term of six years. Proceeds will be used for the construction of Nanguang Expressway. As at the date of this announcement, the application has been conditionally approved by 發行審核委員會 (issuing committee) of China Securities and Regulatory Commission. The issue of the above bonds will help the Company achieve its financing objectives for the current stage.



3) Principal Changes in Accounting Policies

According to HKFRS, jointly controlled entities may be accounted for using either the equity method or the proportionate consolidation method. For 2006 and the preceding years, the Group adopted the proportionate consolidation method to account for its interests in jointly controlled entities in the financial statements prepared in accordance with HKFRS. With effect from 1 January 2007, the CAS has been adopted for statutory financial statements of the Group, affecting the scope of consolidation of financial statements. The Company's interests in jointly controlled entities, namely Jihe East Company, Magerk Company, Qinglong Company and Shenchang Company, are now accounted for using the equity method and will cease to be proportionately included into the scope of consolidation. In order to be consistent with the accounting policy of the statutory financial statements and enhance the comparability of the financial information presented, the Group adopted, with effect from 1 January 2007, the equity method to account for interests in jointly controlled entities in the financial statements prepared in accordance with HKFRS, which has been approved by the Board. The change had no material impact on the financial position and operating results of the Group.

In addition, as approved by the Board, with effect from 1 January 2007, the Group's consolidated income statement prepared in accordance with HKFRS would be presented under the function of expense method instead of the nature of expense method, in order to maintain consistency for the preparation of financial statements and financial information disclosures in the domestic and foreign markets.

3. Outlook and Strategy

The Company's principal toll highway projects are located in areas of China with fast economic growth. Benefiting from a good economic environment and continuous improvements in nearby road networks, the Company is expected to face a trend of further growth in future for the traffic volume on its principal toll highways. Qinglian Expressway, Nanguang Expressway and Yanba C, which are invested in and constructed by the Company, are scheduled to be completed and open to traffic in 2008. This will substantially enhance the Company's overall prowess in terms of asset scale and profitability. Presently, the Company has already been granted the development rights of the Shenzhen Outer Ring Expressway and is actively proceeding with the preliminary research for the Shenzhen Section of Guangshen Costal Expressway. Such work will help the Company further reinforce and expand its share in toll highway sector in Shenzhen whilst building up project resources for the long-term, steady development of the Company.

The Company will continue to focus on the investment, construction and operating management of toll highways and roads, in accordance with the established development strategy. On the one hand, the Company will further strengthen controls over operating costs and financial costs, fully exploiting the profit growth potential of the present operating highways, as well as working hard on the construction and risk management of new projects to ensure that new projects will open to traffic as scheduled and in good quality. On the other hand, the Company will also take advantage of the opportunity offered by the industry's development and a booming market, fully leveraging its advantages, actively monitoring and seeking quality highway projects, and further optimising resource allocation, so as to enhance the overall rate of return. The management will adopt a prudent approach to continuously evaluate and review various risks that it is facing at present, including the challenges brought by construction management, interest rate volatility, changes in the financing environment and the need for human resources, and corresponding preventive measures will be adopted to enhance the risk-resistant capability, thereby facilitating a rapid and steady development of the Company.

USE OF PROCEEDS

The Company raised RMB604 million from the issue of A Shares in 2001. During the Reporting Period, the Company applied such proceeds on the construction of Yanba B in strict compliance with the representations made in the prospectus. An amount of RMB42,951,000 was applied during the Reporting Period and the cumulative amount of proceeds applied was RMB528,002,000. As at 30 June 2007, proceeds in the amount of RMB75,998,000 remained unutilized and were mainly held as deposits with domestic commercial banks in the PRC to be used for Yanba B, involving payment for 2-km uncompleted works as well as settlement of payment for a small quantity of completed works.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the Reporting Period, no shares of the Company were purchased, sold or redeemed by the Company or any of its subsidiaries.

PROFILE OF SHAREHOLDERS

As at 30 June 2007, the Company had 40,895 shareholders in total, including 308 holders of H Shares and 40,587 holders of domestic shares.

As at 30 June 2007, the top ten holders of non-restricted circulating shares of the Company based on the shareholders' registers supplied by the share registrar and the transfer offices of Hong Kong and the PRC were as follows:

Name of shareholder	Number of shares	Type of shares
HKSCC Nominees Limited (Note)	735,915,098	H Share
BOC - YinHua Superior Enterprise (Balanced) Securities Investment Fund	12,473,676	A Share
Social Insurance Fund Portfolio 102	10,124,545	A Share
CCB - First State Cinda Leading Grouth Securities Investment Fund	7,363,599	A Share
ABC - Baoying Strategic Grouth Securities Investment Fund	5,263,389	A Share
ICBC - China Universal Balanced Grouth Securities Investment Fund	4,972,910	A Share
ARSENTON Nominees Limited	3,000,000	H Share
CCB - Bosera Thematic Sector Securities Investment Fund	2,500,000	A Share
CICC - HSBC - JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	2,331,284	A Share
CMB - SSE Dividend Open-ended Index Securities Investment Fund	1,920,238	A Share

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

EMPLOYEES, REMUNERATION AND TRAINING

As at 30 June 2007, the Company and its wholly owned subsidiaries had 1,231 employees, out of whom 307 were management and professional staff while 924 were toll collection staff.

The employee's remuneration of the Company comprises of three parts, namely monthly salary, annual performance bonus as well as statutory and company fringe benefits, which is determined in accordance with the results of the overall assessment by reference to the principles of salary and performance bonus are determined by their positions and performance respectively so as to maintain the competitiveness of the Company. Pursuant to statutory requirements, the Group has participated in an employee's retirement scheme, which is organised by the local government authorities. The Group has also provided various insurances such as basic medical insurance package, industrial injury insurance and unemployment insurance to its employees. The Company values staff training. During the Reporting Period, the Company had organised training courses such as training on enterprise total risk management system, inaugural training for toll collection staff, operational training for engineering and technical staff and introduction on ISO9000, and so forth, with a total of 565 participants.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance. During the Reporting Period, the Company has fully adopted the provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules of HKEX.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed and endorsed the Interim Results Announcement and the Interim Report for the six months ended 30 June 2007 and the relevant financial information has not been audited.

DEFINITIONS

1. Names of Highway and Road Projects

Changsha Ring Road	Hunan Changsha Ring Road (Northwestern Section), located in Changsha City of Hunan Province
Geputan Bridge	Hubei Yungang Geputan Bridge, located in Xiaogan City of Hubei Province
Guangwu Expressway	The expressway from Guangzhou City to Wuzhou City (Section from Ma'an to Hekou), located in Guangdong Province
GZ W2 Expressway	National Trunk Highway Guangzhou Ring Road Xiaotang to Maoshan Section, also referred to as Guangzhou Western Second Ring Expressway, located in Guangdong Province
Hengping Project	Shenzhen Hengping Class 1 Highway (Western Section), the Company has been appointed as project administrator for the project
Jiangzhong Expressway	The expressway from Zhongshan City to Jiangmen City and the second phase of the expressway from Jiangmen City to Heshan City, located in Guangdong Province
Jihe Expressway	The expressway from Shenzhen airport to He'ao in Shenzhen City, comprising Jihe East and Jihe West
Meiguan Expressway	The expressway from Meilin to Guanlan in Shenzhen City
Nanguang Expressway	The expressway from Xili to Gongming in Shenzhen City, also referred to as Liming Avenue
Nanjing Third Bridge	Nanjing Yangtze Third Bridge, located in Nanjing City of Jiangsu Province
Nanping (Phase I)	Shenzhen Nanping Freeway (also referred to as Nanping Avenue) Phase I, the Company has been appointed as project administrator for the project
Qinglian Class 1 Highway	Class 1 Highway from Qingyuan City to Lianzhou City, located in Guangdong Province
Qinglian Project	Qinglian Class 1 Highway, and/or its being reconstructed into an expressway, and/or Class 2 Highway from Qingyuan City to Lianzhou City in Guangdong Province (as the case may be)
Shuiguan Expressway	The expressway from Shuijingcun to Guanjintou in Shenzhen City, also referred to as the No.2 Longgang Passage
Shuiguan Extension	An extension to the Shuiguan Expressway, Phase I of Yuping Avenue(the expressway from Yulongkeng to Pinghu in Shenzhen City, also referred to as Qingping Expressway)
Wuhuang Expressway	The expressway from Wuhan City to Huangshi City, located in Hubei Province
Wutong Mountain Project	Shenzhen Wutong Mountain Avenue (Ancillary Road) and Jihe Expressway Yantian Subsidiary Road Checkpoint Station Project, the Company has been appointed as project administrator for the project

Yanba Expressway	The expressway from Yantian to Bagang in Shenzhen City, comprising Yanba A, Yanba B and Yanba C
Yangmao Expressway	The expressway from Yangjiang City to Maoming City, located in Guangdong Province
Yanpai Expressway	The expressway from Yantian to Paibang in Shenzhen City, also referred to as Yantian Subsidiary Road to Jihe Expressway

2. Enterprises invested

Consulting Company	深圳高速工程顧問有限公司(Shenzhen Expressway Engineering Consulting Company Limited)
Jihe East Company	深圳機荷高速公路東段有限公司(Shenzhen Airport-Heao Expressway (Eastern Section) Company Limited), which owns Jihe East
Magerk Company	湖北馬鄂高速公路經營有限公司(Hubei Magerk Expressway Management Private Limited), which owns the operating rights of Wuhuang Expressway
Qinglian Company	廣東清連公路發展有限公司(Guangdong Qinglian Highway Development Company Limited), which owns Qinglian Project
Qinglong Company	深圳清龍高速公路有限公司(Shenzhen Qinglong Expressway Company Limited), which owns Shuiguan Expressway
Shenchang Company	湖南長沙市深長快速幹道有限公司(Hunan Changsha Shenchang Expressway Company Limited), which owns Changsha Ring Road

3. Others

A Shares	Renminbi-denominated ordinary shares of the Company with a par value of RMB1.00 each, which were issued in the PRC and subscribed in RMB and are listed on The Shanghai Stock Exchange
Board	The board of Directors of the Company
Bonds With Warrants	Convertible bonds, in which bonds and subscription warrants are tradable separately
The Company, Company	Shenzhen Expressway Company Limited
Director(s)	The director(s) of the Company
The Group, Group	The Company and its subsidiaries
H Shares	Overseas-listed foreign shares of the Company with a par value of RMB1.00 each, which were issued in Hong Kong and subscribed in HK$ and are listed on HKEX
HK$	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC
HKEX	The Stock Exchange of Hong Kong Limited
HKFRS	Hong Kong Financial Reporting Standards

New Tax Law	《中華人民共和國企業所得稅法》(The Enterprise Income Tax Law of the People's Republic of China), which will come into effect on 1 January 2008
PRC	The People’s Republic of China excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
The Reporting Period, The Period	For the six month ended 30 June 2007
RMB	Renminbi, the lawful currency of the PRC

By Order of the Board
Yang Hai
Chairman

Shenzhen, the PRC, 24 August 2007

As at the date of this announcement, the directors of the Company are: Mr. Yang Hai (Chairman of the Board), Mr. Wu Ya De (Director and General Manager), Mr. Li Jing Qi (Non-executive Director), Mr. Wang Ji Zhong (Non-executive Director), Mr. Liu Jun (Non-executive Director), Mr. Lin Xiang Ke (Non-executive Director), Ms. Zhang Yang (Non-executive Director), Mr. Chiu Chi Cheong, Clifton (Non-executive Director), Mr. Li Zhi Zheng (Independent non-executive Director), Mr. Zhang Zhi Xue (Independent non-executive Director), Mr. Poon Kai Leung, James (Independent non-executive Director) and Mr. Wong Kam Ling (Independent non-executive Director).

This Results Announcement, which has been published on the website of HKEX at http://www.hkex.com.hk, only gives a summary of the information and particulars contained in the full Interim Report of the Company. A detailed Interim Report containing all the information required by Appendix 16 to the Listing Rules will be subsequently published on the website of HKEX at http://www.hkex.com.hk in due course.