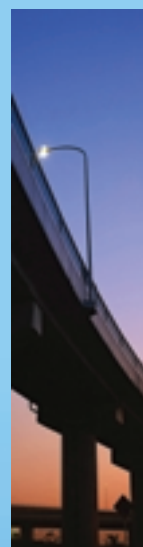
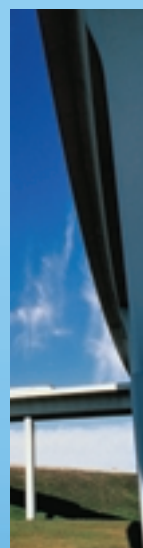
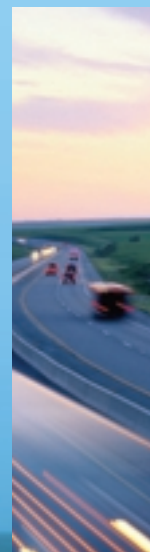




SHENZHEN EXPRESSWAY COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0548)

Driving Ahead with Ten Years' Achievement



Interim Report 2006

Corporate Mission and Objectives

The mission of Shenzhen Expressway is to provide safe, convenient, comfortable and environment-friendly infrastructure facilities and services to the public; to create increasing value to shareholders and the community at large; and to cultivate for its staff a good environment for work and development.

With our full commitment and continuous pursuit for excellence, we strive for:

- ◆ Building and sustaining an unwavering corporate system leadership
- ◆ Providing ever-improving customer service
- ◆ Fulfilling the objectives set by the Company and the government
- ◆ Establishing good business partnerships
- ◆ Valuing mutual respect and development for staff

Our goal is to develop into a highly competitive infrastructure facilities developer and operator in China, an enterprise which is market-driven, commercially prudent and with good corporate governance. We aim to develop and manage world-class toll highways and related businesses, with a view to enhancing value for the Company and its shareholders.



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Financial Highlights

1. Prepared in accordance with Hong Kong Financial Reporting Standards (Unaudited)

Results Highlights

(For the six months ended 30 June)

(RMB'000)	2006	2005	Change (%)
Turnover	532,729	399,499	33.35
Profit before interests, tax, depreciation and amortisation	466,308	358,143	30.20
Profit before interests and tax	366,799	287,936	27.39
Profit attributable to equity holders of the Company	267,241	218,445	22.34
Basic earnings per share for profit attributable to equity holders of the Company (RMB)	0.12	0.10	22.34

Assets Highlights

(RMB'000)	As at 30 Jun 2006	As at 31 Dec 2005	Change (%)
Total assets	9,908,860	10,079,315	-1.69
Total liabilities	3,526,556	3,706,556	-4.86
Equity attributable to equity holders of the Company	6,334,025	6,329,621	0.07
Total equity	6,382,304	6,372,759	0.15
Net assets per share to equity holders of the Company (RMB)	2.90	2.90	0.07

Principal Financial Ratios**

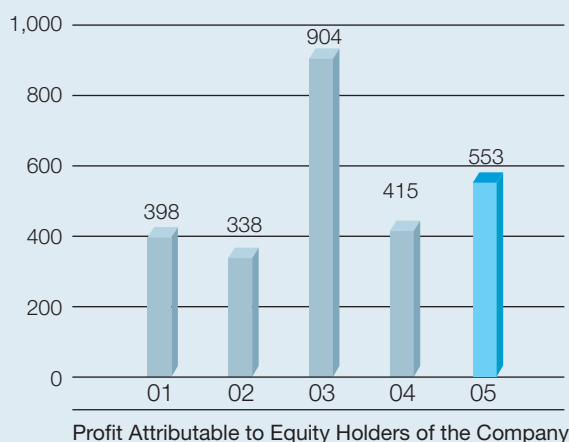
(For the six months ended 30 June)

	2006	2005	Change
Operating profit margin	69.60%	71.51%	Decrease 1.91pct.pt.
Toll road operating profit margin	66.48%	69.05%	Decrease 2.57pct.pt.
Return on equity attributable to equity holders of the Company	4.22%	3.64%	Increase 0.58pct.pt.
Interest covered multiple	7.69	13.49	-5.80

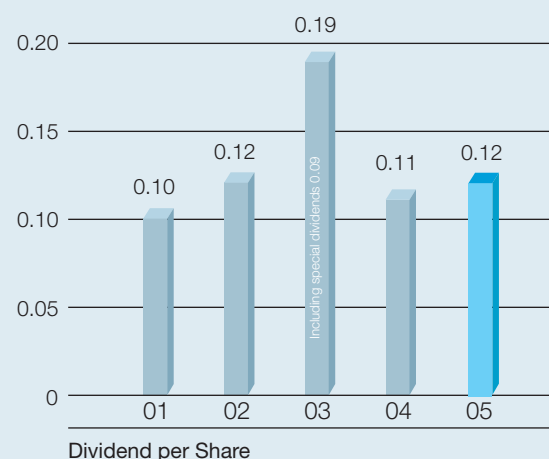
	As at 30 Jun 2006	As at 31 Dec 2005	Change
Gross liabilities-to-equity ratio	55.26%	58.16%	Decrease 2.90pct.pt.
Net borrowings-to-equity ratio	33.79%	25.24%	Increase 8.55pct.pt.

2. Financial Highlights for the Past Five Years

RMB' million



RMB



Principal Financial Ratios **

(For the year ended 31 December)

	2005	2004	2003	2002	2001
		(Restated*)	(Restated*)	(Restated*)	(Restated*)
Operating profit margin	84.14%	74.17%	181.29%	66.35%	75.79%
Toll road operating profit margin	68.57%	66.36%	67.02%	64.23%	63.72%
Return on equity attributable to equity holders of the Company	8.73%	6.88%	15.01%	6.28%	7.57%
Interest covered multiple	7.74	21.99	41.74	17.20	11.00

(As at 31 December)

	2005	2004	2003	2002	2001
		(Restated*)	(Restated*)	(Restated*)	(Restated*)
Gross liabilities-to-equity ratio	58.16%	24.04%	18.39%	28.20%	32.56%
Net borrowings-to-equity ratio	25.24%	N/A	N/A	5.72%	5.35%

* In 2005, the Group adopted certain new or revised Hong Kong Financial Reporting Standards which are relevant to its operations. The comparative figures in previous years have been restated in accordance with the relevant requirements.

** Description of Principal Financial Ratios:

Operating profit margin = Operating profit/Turnover

Toll road operating profit margin = Operating profit from toll roads (excluding government subsidies)/Turnover from toll roads

Return on equity attributable to equity holders of the Company = Profit attributable to equity holders of the Company/Equity attributable to the equity holders of the Company

Interest covered multiple = Profit before interests and tax/Interest expenses

Gross liabilities-to-equity ratio = Total liabilities/Total equity

Net borrowings-to-equity ratio = (Total amount of borrowings - Cash and cash equivalents)/Total equity

Corporate Profile

The Company is principally engaged in the investment, construction, operation and management of toll highways and roads.

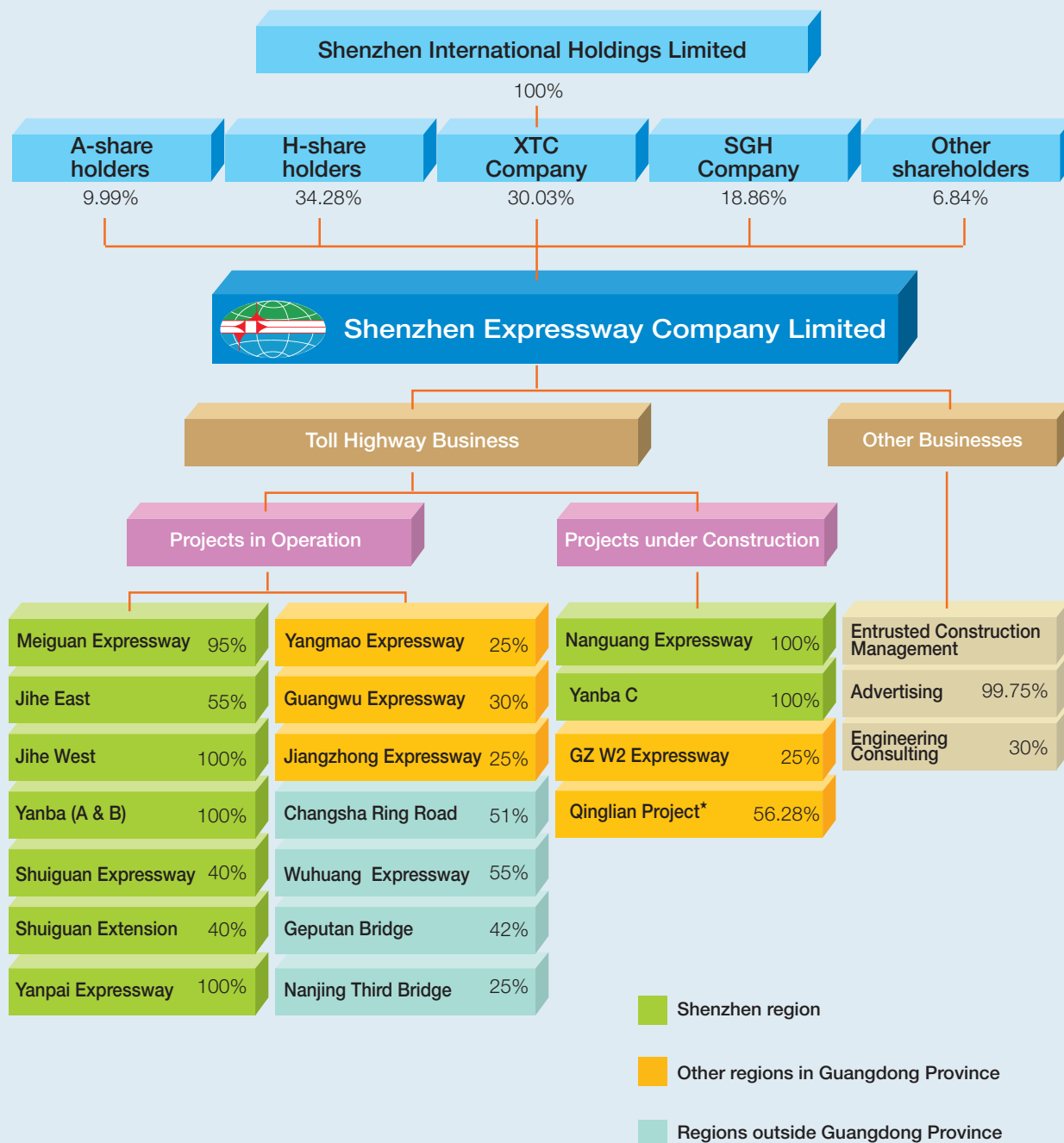
The Company adheres to the development strategy of focusing on toll highway operations as its core business and the investment strategy of expanding towards the Pearl River Delta region as well as other economically developed regions in the PRC through establishing a foothold in Shenzhen. It aims at bringing ever-improving returns to its shareholders and providing premier and efficient services to the public and government at reasonable costs.

The Company was established on 30 December 1996 with a total share capital of RMB1,268,200,000. In March 1997, the Company issued 747,500,000 overseas-listed foreign shares (H Shares), which were listed on HKEX on 12 March 1997 (stock code: 0548). In December 2001, the Company issued 165,000,000 Renminbi-denominated ordinary shares (A Shares), which were listed on SSE on 25 December 2001 (stock code: 600548).

The existing total share capital of the Company amounts to RMB2,180,700,000. The Share Segregation Reform Proposal of the Company was implemented on 27 February 2006, subsequent to which the total number of shares held by the former holders of non-circulating shares of the Company decreased from 1,268,200,000 shares to 1,215,400,000 shares, with the nature of such shares changed from non-circulating shares to restricted circulating shares, and the total number of circulating A Shares increased from 165,000,000 shares to 217,800,000 shares. The total number of shares of the Company before and after the implementation of the Share Segregation Reform remained unchanged. The largest shareholder of the Company is Xin Tong Chan Development (Shenzhen) Company Limited, a wholly-owned subsidiary of Shenzhen International Holdings Limited, which is listed on HKEX (stock code: 0152) holding approximately 30.03% shares of the Company.

The toll highways operated and invested in by the Group in Shenzhen City and other regions of Guangdong Province are major components of the national or provincial trunk highway networks. These toll highways not only connect major ports, the airport, customs checkpoints and industrial zones that form a complete road network in Shenzhen, but also constitute part of the major road passages between Shenzhen and Hong Kong leading towards the Pearl River Delta region. They are important infrastructures for the implementation of CEPA and the establishment of the Pan Pearl River Delta Economic Zone.

The Shareholding and Business Structure of the Company (as at 30 June 2006):



Note:

* The Company entered into an agreement on 8 February 2006 to propose a further acquisition of 20.09% interest in Qinglian Project. Such acquisition was approved at the First Extraordinary General Meeting 2006, and the procedures for equity transfer were in progress.

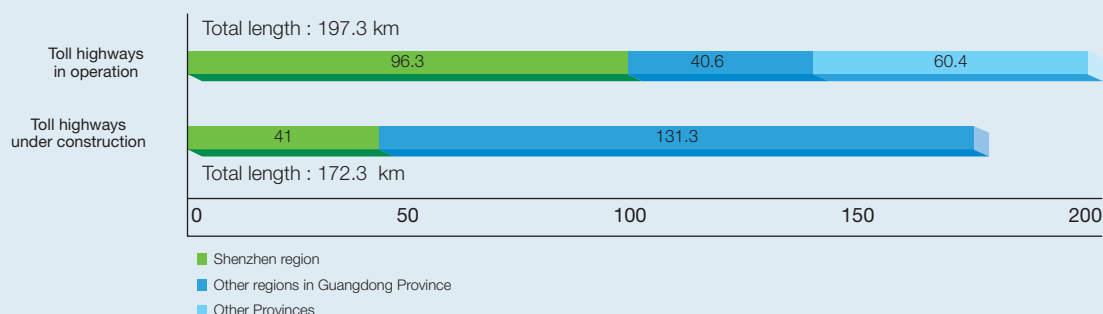
Management Discussion and Analysis

The Board is pleased to announce the unaudited consolidated operating results of the Group for the Reporting Period prepared in accordance with Hong Kong Financial Reporting Standards. During the Reporting Period, the Group recorded turnover of RMB532,729,000 (2005: RMB399,499,000), representing an increase of 33.35% as compared to the corresponding period of the previous year; profit attributable to equity holders of the Company amounted to RMB267,241,000 (2005: RMB218,445,000) and earnings per share was RMB0.12 (2005: RMB0.10), representing an increase of 22.34% as compared to the corresponding period of the previous year.

Business Review

The Group's profits mainly derive from the operation and investment of toll highways. At present, the Group has operated and invested in 18 toll highway projects, among which 14 projects are in operation and 4 projects are under construction. These projects are located in Shenzhen region, other regions in Guangdong Province and other provinces in the PRC.

Total mileage of the toll highways calculated on the basis of equity interests (as at 30 June 2006)



During the Reporting Period, the Group continued to maintain a steady growth in traffic flow and revenue from its various major toll highways, benefiting from sustained economic prosperity, increasing integration of regional economies and the gradual formation of expressway networks. In the first half of the year, the two increases in domestic petroleum prices, the acute shortage of petroleum products in some areas and bad weather conditions like typhoon and thunderstorm had certain impact on the operation of some toll highways, though the extent of the impact was not significant. Compared to the corresponding period of 2005, the Group recorded rapid growth in its overall toll revenue owing to the additional revenue contribution from Wuhuang Expressway during the Reporting Period.

In addition, the construction of projects-in-progress and preparatory development works proceeded smoothly during the Reporting Period, while the transaction relating to the Group's acquisition of an additional 20.09% interest in the Qinglian Project has been approved at a general meeting, and formalities of the transaction are expected to be completed by the second half of the year. The acquisition will enhance the Group's control over this major investment project during the construction period and will further expand its asset scale and income base.

Toll Highway Operations

Toll expressway	Percentage of equity interests held by the Group	Percentage of revenue consolidated	Average daily mixed traffic volume (number of vehicles)			Average daily toll revenue (RMB'000)			Average daily toll revenue per km (RMB'000)
			First half of 2006	First half of 2005	Change (%)	First half of 2006	First half of 2005	Change (%)	
Shenzhen Region:									
Meiguan Expressway	95%	100%	86,669	73,217	18.4	843	778	8.4	44
Jihe West	100%	100%	50,265	43,532	15.5	735	711	3.4	35
Jihe East	55%	55%	65,325	54,218	20.5	885	759	16.6	38
Yanba A and B	100%	100%	12,238	10,241	19.5	133	100	33.2	7
Shuiguan Expressway	40%	40%	63,722	44,626	42.8	563	407	38.3	28
Shuiguan Extension (*1)	40%	—	23,297	N/A	N/A	171	N/A	N/A	33
Yanpai Expressway (*1)	100%	100%	6,935	N/A	N/A	82	N/A	N/A	5
Other Regions in Guangdong Province:									
Yangmao Expressway	25%	—	13,889	11,169	24.4	747	576	29.7	9
Guangwu Expressway	30%	—	8,050	5,481	46.9	228	149	52.8	6
Jiangzhong Expressway (*2)	25%	—	22,175	N/A	N/A	338	N/A	N/A	9
Other Provinces in the PRC:									
Wuhuang Expressway (*3)	55%	55%	23,852	22,740	4.9	836	708	18.0	12
Changsha Ring Road	51%	51%	5,728	5,138	11.5	54	59	-7.5	2
Geputan Bridge	42%	42%	2,591	2,582	0.3	21	19	8.3	36
Nanjing Third Bridge (*4)	25%	—	12,548	N/A	N/A	483	N/A	N/A	31

*1. Shuiguan Extension and Yanpai Expressway commenced toll operation from October 2005 and May 2006 respectively.

*2. Jiangzhong Expressway commenced toll operation from November 2005.

*3. The turnover of Wuhuang Expressway has been consolidated into the Group's financial statements since August 2005, while the figures of the first half of 2005 are for reference only.

*4. Nanjing Third Bridge commenced toll operation from October 2005.

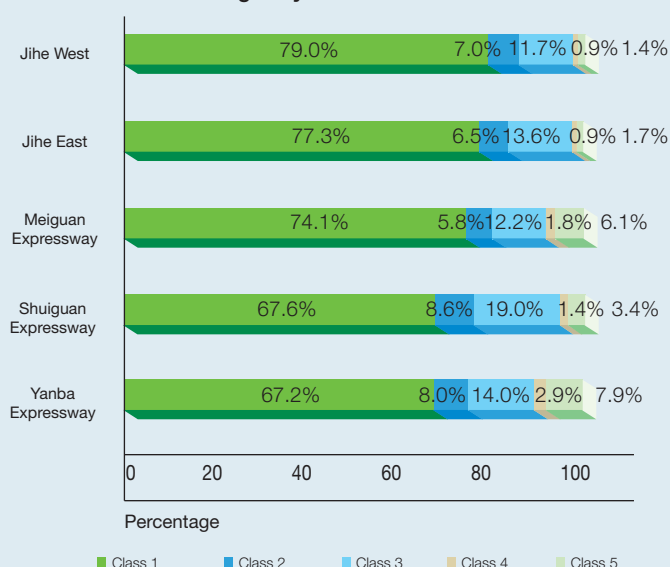
Shenzhen Region:

Compared to the corresponding period of 2005, the Group recorded average growth of approximately 37% and 24% in average daily mixed traffic volume and toll revenue, respectively, generated on its toll highways located in Shenzhen during the Reporting Period. Excluding the impact from Shuiguan Extension and Yanpai Expressway, the growth rates were approximately 23% and 15%, respectively. The continued growth of the economy and automobile ownership in nearby areas remained a base for maintaining a sound operating performance of toll highways.

Over the past two years, a number of highway projects such as Longda (Longhua-Dalingshan) Expressway, Changhu (Changping-Humen) Expressway, Shuiguan Extension, Yanpai Expressway and Nanping Project (Phase I) have been completed and opened to traffic. The construction and development of other projects such as the Western Transit Passage, Nanguang Expressway, Yanba C and Shenhui Coastal Expressway have been advancing rapidly as well. As such, an expressway network in Shenzhen and nearby areas has been basically formed and continuously improving. As a result, traffic flows on the toll highways in these areas will be re-distributed on an ongoing basis as well. The scenario in the first half of the year suggests that with the opening of Longda Expressway, Changhu Expressway and Nanping Project (Phase I), the growth of heavy vehicles travelling on Jihe Expressway and Meiguan Expressway has slowed down and as a result, the rate of growth in revenue from these expressways was lower than the rate of growth in traffic volume. The commencement of operation of Shuiguan Extension and Nanping Project (Phase I) has enabled the growth in traffic volume and toll revenue from Shuiguan Expressway to maintain at above-average levels, which was driven by the partial formation of the local traffic network. Apart from the traffic network effect, the development of logistics parks located along our toll highways also had a major impact on the operating performance of the highways. For instance, the commencement of operation of the Shenzhen-Hong Kong logistics "Green Lane", connecting South China International Logistics Centre in Shenzhen and container terminals in Hong Kong, in the first half of the year has played quite a conducive role in stimulating the performance of Jihe East and Meiguan Expressway.

During the Reporting Period, the marketing activities applied by the Company continued to create a positive impact on the traffic volume of Yanba Expressway. The traffic volume of Class 5 vehicles generated on this expressway grew by 2.7 times over the corresponding period of 2005, while average daily toll revenue jumped 33.2%. Yanba A and B performed uncharacteristically as a whole in the short term, given the improvement works being carried out on the highway network in the eastern part of Shenzhen. It is anticipated that the traffic volume and toll revenue on Yanba Expressway will increase remarkably when the expressway will be linked to the expressway network of Guangdong Province upon completion of the construction of Yanba C and Shenhui Coastal Expressway located in Huizhou in the next two years.

Share of vehicle categories of principal toll highways in the first half of 2006



The performance of Yanpai Expressway has been gradually improving since its operation in mid-May of 2006, with a growth of nearly 50% in average daily traffic volume in June as compared to the initial period of operation. The Group has launched a series of marketing initiatives since the end of June to attract vehicles to Yanpai Expressway and to work with the Shenzhen Municipal Government on the arrangements to improve the border-passing traffic and diversion of cargo transportation to Hong Kong, and these initiatives have initially proven to be effective. The average daily mixed traffic volume and average daily toll revenue of the expressway increased to approximately 11,270 vehicles and RMB139,000 respectively in July, and even reached approximately 23,233 vehicles and RMB289,000 in the first half of August. It is anticipated that with further adoption of marketing initiatives and with an improvement of the expressway's linkage to the nearby traffic network, Yanpai Expressway will perform satisfactorily and will have a positive impact on the operation of Jihe Expressway and Meiguan Expressway.

Other Regions in Guangdong Province:

Yangmao Expressway, Guangwu Expressway and Jiangzhong Expressway are all at the initial stage of operation. Each of these expressways recorded speedy growth in traffic volume and toll revenue during the Reporting Period, benefiting from a promising economic environment, an improving traffic network nearby and road users' growing familiarisation with the routes. As it usually takes at least one to three years for a newly operational expressway to achieve a breakeven, and the Company does not have a controlling stake in these expressways, these expressways will not have a significant impact on the Group's revenues or profits at the moment.

The Qinglian Project is being reconstructed into an expressway, and the road will be closed by section for construction works subject to project progress. During construction, some sections of the road will remain open and thus will still generate toll revenue at the standard of a Class 1 highway. The average daily toll revenue from the Qinglian Project amounted to RMB340,000 approximately in the first half of 2006, and is expected to decline in the second half of the year with the proceeding of the reconstruction works. The Group invested in the Qinglian Project because Qinglian Class 1 Highway, after being reconstructed into an expressway, will serve as a safer and more comfortable express lane for vehicles travelling between Hunan Province and Guangdong Province, thereby capitalising on its existing superb location and generating satisfactory return for the Group. For details, please refer to the relevant contents in "Project Construction and Development" of this section.

Other Provinces in the PRC:

In Hubei Province, the toll rates of heavy trucks were reduced in February 2005 and a toll-by-weight scheme has been implemented since April 2006. As a result, Wuhuang Expressway recorded a satisfactory growth of 18% in toll revenue during the Reporting Period, higher than the rate of growth in traffic volume in the same period. According to the statistics since the implementation of the toll-by-weight scheme, the number of trucks travelling on Wuhuang Expressway accounted for approximately 40% of the total traffic volume. Besides, since the operation of Xiaoxiang (Xiaogan-Xiangfan) Expressway and Yichang (Yichang-Changyang) Expressway in the second half of 2005, the expressway network in Hubei Province has been expanding and improving, and has attracted additional traffic flow to Wuhuang Expressway.

In Hunan Province, the toll rates were adjusted in October 2005, thereby changing the composition of traffic volume on Changsha Ring Road which has in turn led to a decrease in traffic volume on some sections. Changsha Ring Road has therefore suffered from a decline in toll revenue over the corresponding period of 2005 despite a growth in mixed traffic volume. During the Reporting Period, Nanjing Third Bridge and Geputan Bridge performed well as a whole, in line with the Company's expectations.

Project Acquisition

To enhance the Group's control over the Qinglian Project so as to promote a smoother and more efficient reconstruction of Qinglian Class 1 Highway, the Company entered into an agreement with the liquidation committee of Qingyuan City Yueqing Public Road Construction and Development Co., Ltd. (清遠市粵清公路建設發展有限公司清算組) on 8 February 2006 for a proposed acquisition of a further 20.09% interest in Qinglian Company at a consideration of RMB484,000,000. Pursuant to the Listing Rules of the HKEX, this transaction constitutes a connected transaction of the Company and requires the approval of independent shareholders at a general meeting. The above acquisition was approved at the Company's extraordinary general meeting held on 12 June 2006. Relevant formalities for the change in shareholding are being processed and expected to be completed by the second half of the year.

Upon completion of the above acquisition, the Group's interest in Qinglian Company will be increased from 56.28% to 76.37%, entitling the Group to appoint 12 directors out of 15 to the board of directors of Qinglian Company and to hold control over Qinglian company. From an accounting viewpoint, Qinglian Company, formerly an associate of the Company, will become a subsidiary, and its operating performance will be consolidated into the Group's financial statements upon completion of the acquisition. This acquisition will both reduce the Group's average costs of investment in the Qinglian Project and help the Group to further expand its asset scale and income base.

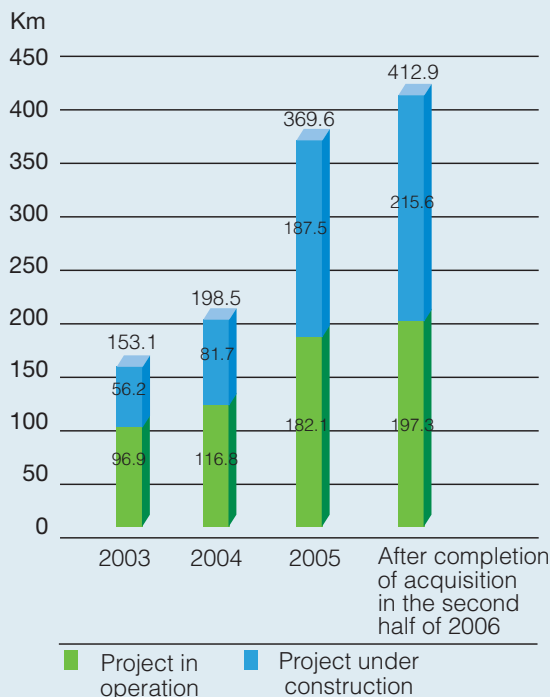
Project Construction and Development

Yanpai Expressway was completed and opened to traffic on schedule during the Reporting Period. The Group and its associates are currently undertaking the construction of various toll highway projects which include Nanguang Expressway, Yanba C, GZ W2 Expressway and the reconstruction of Qinglian Class 1 Highway. Upon completion of these projects by the end of 2008, the total mileage of the Group's expressways in operation will then be more than doubling the current total mileage.

For **Nanguang Expressway**, approximately 40% of land requisition, demolition and relocation had been completed during the Reporting Period and works already commenced on most contract sections. Work commencement proceeded smoothly and the main-line works of the project are scheduled for completion by the end of 2007. For **Yanba C**, the construction plan design has currently been completed. Preparations are underway for land requisition, demolition and relocation as well as invitation of tenders for works. Yanba C is scheduled for completion concurrently with Shenhui Coastal Expressway which is currently under construction in Huizhou. As for **GZ W2 Expressway** constructed by the Group's associate, as at the end of the Reporting Period, approximately RMB1,785,000,000 has been invested, representing approximately 60% of the estimated total investment amount. The expressway is scheduled for completion by the first half of 2007. During the Reporting Period, the initiation of the **reconstruction of Qinglian Project** was approved by the relevant departments of the Guangdong Provincial Government, and Qinglian Company has been granted a 25 years' toll collection and operating right upon the completion of the reconstruction of Qinglian Class 1 Highway into an expressway. The reconstruction works are proceeding smoothly with the experimental section already completed; the preliminary design of the whole line has been completed and has successfully passed the assessment; invitation of tenders was basically completed in July; and land requisition, demolition and relocation are being carried out.

The Company has been granted the project development right to the Shenzhen Outer Ring Expressway in an open tender according to relevant rules and regulations and upon approval of the Shenzhen Municipal Government. The Company is proceeding with the preparatory work on the project and will, based on the findings of relevant work, determine the mode of investment and development plan. The acquisition of the proprietary ownership of the project will help to reinforce the Company's share of the toll highway sector in Shenzhen, whilst retaining a highway project for the Company's long-term, steady development.

Total mileage of toll highways calculated on the basis of equity interests



In recent years, the Group has been engaged in large road construction projects. As a result of factors such as price fluctuations in construction materials, increasing difficulties in land requisitioning and resettlement of residents, changes in construction plans and promulgation of new policies and technical regulations by the government, the construction projects are exposed to the risks of increasing costs, delay and impaired work quality. As core competitive strengths of the Group, the Company's extensive expertise and experience in road construction management have formed the basis for managing the above risks. The Company has formulated and implemented a series of management systems and measures to effectively control risks. Moreover, the Company has also effectively transferred such risks appropriately by entering into relevant insurance contracts, construction outsourcing agreements and centralised procurement contracts for major materials.

Entrusted Construction Management

Appointed by the governments, the Company is now the administrator for Nanping Project (Phase I), Hengping Project and Wutong Mountain Project.

Nanping Project (Phase I) was completed and opened to traffic since the end of June, and was widely acclaimed by the government, the public and other community at large. As agreed, the Shenzhen Municipal Audit Bureau will verify the construction plan budget for the project and audit the actual costs of the project to determine the final surplus amount.

As for **Hengping Project**, the investment made accounted for approximately 40% of the total budgeted investment. In line with the government's proposal to include part of the sections of the Hengping Class 1 Highway into the planning for the Shenzhen Outer Ring Expressway, the Shenzhen Longgang District Public Road Bureau, as the project owner and entrusting party to the management contract, has issued a notice during the Reporting Period to suspend the construction of Hengping Project pursuant to the opinions of the municipal government and relevant departments. The Company, as the project administrator, is fully cooperating with the Shenzhen Longgang District Public Road Bureau in withdrawing staff and equipment from the site and taking care of the works completed following the suspension of the construction. Relevant preparations for checking and settling the accounts of the project are underway.

Pursuant to the contract entered into between the Company and the Shenzhen Communications Bureau on behalf of the Shenzhen Municipal Government in January 2006, the Company has been appointed as project administrator of the **Wutong Mountain Project**, an auxiliary project of Yanpai Expressway. Under this project, the investment (as per progress of physical completion) made in the ancillary road of Wutong Mountain Avenue accounted for approximately 60% of the estimated total investment, which is scheduled for completion by the second half of the year, while the construction of affiliated checkpoints is scheduled for completion by the first half of 2007.

Analysis of Operating Results

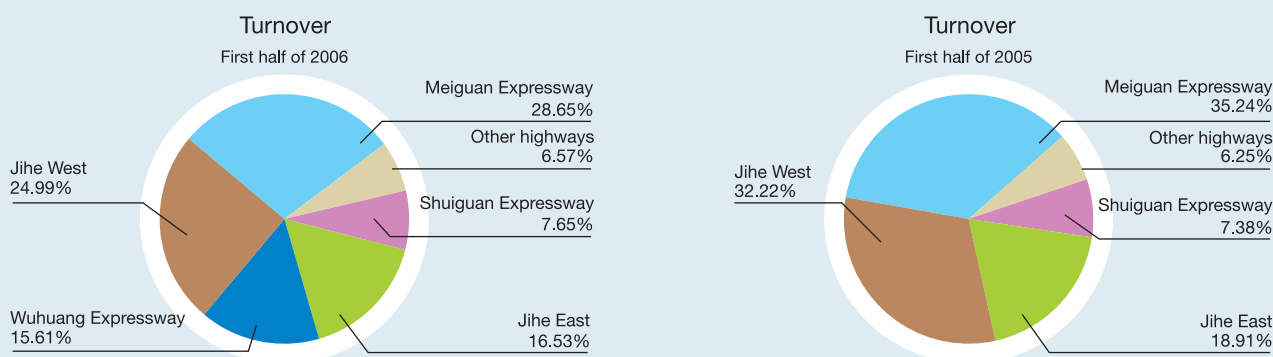
During the Reporting Period, profit attributable to equity holders of the Company amounted to RMB267,241,000, representing an increase of RMB48,796,000 or 22.34% as compared to the corresponding period of 2005. Earnings per share of the Company amounted to RMB0.12 (2005: RMB0.10).

Principal financial indicator (RMB'000)	Jan~Jun 2006	Jan~Jun 2005	Change
Turnover	532,729	399,499	33.35%
Operating expenses	192,421	133,307	44.34%
Other income	47,645	38,602	23.43%
Share of profit/(loss) of associates	(3,990)	2,271	N/A
Finance costs	46,059	21,349	115.74%

Turnover

During the Reporting Period, the Group realised a turnover of RMB532,729,000, representing an increase of RMB133,230,000 or 33.35% over the corresponding period of 2005. An additional turnover of RMB87,421,000 was contributed by Wuhuang Expressway (consolidated since August 2005) and Yanpai Expressway (operational since May 2006) in the Reporting Period as compared to the corresponding period of the previous year. Excluding the impact of these two new expressways, turnover from the Group's original toll highways would have risen by 11.47%.

Composition of Turnover



During the Reporting Period, the source of growth in the Group's turnover was mainly from the increase in traffic volume on the toll highways, which benefited from the continuous economic growth and increase in the number of vehicles in the PRC. Due to the slight increase in the proportion of small vehicles in the Group's toll vehicle composition as compared to the corresponding period of 2005 and the moderate decrease in the toll coefficient for Class 5 vehicles in Guangdong Province since 1 June 2005, the average toll revenue per vehicle for the Group's original toll highways dropped by 6.92% as compared to the corresponding period of 2005, and the growth rate of the toll revenue of the Group's original toll highways was lower than that of traffic volume for the Reporting Period. But as a result of the contribution of the new projects Wuhuang Expressway and Yanpai Expressway, the Group's overall average toll revenue per vehicle increased by 5.77% as compared to the corresponding period of 2005 and the growth rate of the Group's overall average daily toll revenue was higher than the growth rate of the average daily mixed traffic volume. An analysis of the operating performance of the Group's principal toll highways is set out in the section of "Business Review" from pages 5 to 10 of this report.

Toll highway	Average toll revenue per vehicle (RMB)			Change of average daily mixed traffic volume	Change of average daily toll revenue
	Jan~Jun 2006	Jan~Jun 2005	Change		
Meiguan Expressway	9.73	10.62	-8.39%	18.37%	8.44%
Jihe West	14.63	16.34	-10.45%	15.47%	3.41%
Jihe East	13.54	13.99	-3.24%	20.49%	16.58%
Yanba Expressway	10.90	9.78	11.46%	19.50%	33.19%
Shuiguan Expressway	8.84	9.12	-3.13%	42.79%	38.32%
Changsha Ring Road	9.47	11.41	-17.01%	11.48%	-7.48%
Geputan Bridge	8.01	7.42	7.93%	0.32%	8.27%
Sub-total	11.29	12.13	-6.92%	22.69%*	14.19%
Yanpai Expressway	12.81	N/A	N/A	N/A	N/A
Wuhuang Expressway	35.03	N/A	N/A	N/A	N/A
Total	12.83	12.13	5.77%	36.00%*	43.69%

* Total average daily mixed traffic volume of all toll highways in the first half of 2006 / Total average daily mixed traffic volume of all toll highways in the first half of 2005

Taxes on turnover

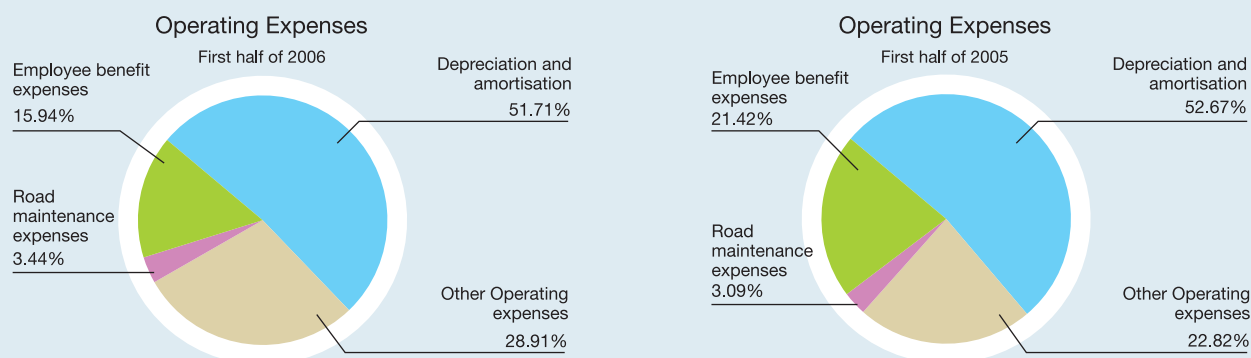
In accordance with the "Notice Concerning Policy Regarding Business Tax on Toll Fee Income of Highway Operation Enterprise by the Ministry of Finance and the State Administration of Taxation" (《財政部、國家稅務總局關於公路經營企業車輛通行費收入營業稅政策的通知》) jointly promulgated by the Ministry of Finance and the State Administration of Taxation, starting from 1 June 2005, the business tax on the Group's toll revenue derived from expressways has been reduced to 3% (before adjustment: 5%). As a result, the Group's business tax of the Reporting Period decreased by 10.27% as compared to the corresponding period of 2005.

Operating Expenses

During the Reporting Period, the Group's operating expenses totalled RMB192,421,000, representing an increase of RMB59,114,000 or 44.34% over the corresponding period of 2005, largely due to additional operating expenses of RMB50,845,000 from Wuhuang Expressway and Yanpai Expressway, among which:

- Depreciation and amortisation increased by 41.74% or RMB29,302,000 to RMB99,509,000, of which depreciation and amortisation arising from Wuhuang Expressway and Yanpai Expressway amounted to RMB26,392,000 during the Reporting Period.
- Employee benefit expenses increased by 7.39% to RMB30,667,000. Excluding an incentive cash bonus of RMB4,412,000 withdrawn under a share appreciation right scheme for the corresponding period of 2005 and the additional employee benefit expenses incurred on Wuhuang Expressway and Yanpai Expressway, the actual growth rate was 23.89%. The increase in employee benefit expenses was largely due to increases in toll stations and toll collection staff as a result of traffic growth, as well as an increase in employee cost paid for entrusted construction management services during the Reporting Period.
- Road maintenance expenses increased by 60.68% to RMB6,625,000. Due to the growth of traffic volume and aging of roads, the Group input additional resources into maintenance to ensure good road conditions and traffic environment. Nevertheless, road maintenance expenses accounted for only a relatively small percentage of toll revenue.
- Other operating expenses increased by 82.83% or RMB 25,199,000 to RMB55,620,000, largely due to the additional entrusted management expenses of RMB21,003,000 on Wuhuang Expressway during the Reporting Period.

Structure of Operating Expenses



Management Discussion and Analysis

Other Income

During the Reporting Period, the Group's other income increased by 23.43% or RMB9,043,000 to RMB47,645,000 as compared to the corresponding period of 2005, mainly attributable to an income of RMB20,524,000 which was recognised according to the completion progress in respect of the entrusted construction management service during the Reporting Period, representing an increase of RMB18,913,000 over the corresponding period of 2005. Among such income, an income of RMB18,645,000 was recognised for the entrusted construction management service provided to Nanping Project (Phase I), while an income of RMB1,879,000 was recognised for the entrusted construction management service provided to Wutong Mountain Project. After deducting the incurred expenses and business tax, the profit recognised during the Reporting Period for the entrusted construction management service provided to Nanping Project (Phase I) amounted to RMB15,340,000. As the outcome of Wutong Mountain Project could not be estimated reliably, and the Directors believe that future reimbursements of expenses incurred relating to this project were probable, the Company recognised income and expenses for the project on the basis of actual expenses of RMB1,879,000 incurred during the Reporting Period. No profit was accounted for during the Reporting Period. Moreover, as some sections of the Hengping Class 1 Highway are to be included in the planning for the Shenzhen Outer Ring Expressway and the Company had suspended the construction of Hengping Project pursuant to the notice issued by the Shenzhen Longgang District Public Road Bureau, no relevant profit or loss is recognised during the Reporting Period.

Operating Profit

During the Reporting Period, the Group realised an operating profit of RMB370,789,000, representing an increase of 29.80% as compared to the corresponding period of 2005. During the Reporting Period, operating profit margin from toll highway (excluding government subsidies) was 66.48%, representing a decrease of 2.57 percentage points over the corresponding period of 2005. This was mainly due to the fact that the operating profit margin of Wuhuang Expressway is lower than those of other toll highways since the entrusted management expenses for Wuhuang Expressway were paid at a fixed rate of 25.25% of toll revenue.

Share of Profit of Associates

During the Reporting Period, the Group's share of results of associates amounted to RMB-3,990,000, representing the net impact of the share of profits or losses after tax of Yangmao Company, Guangyun Company, Jiangzhong Company, Huayu Company, Nanjing Company, Consulting Company and Qinglian Company.

Earnings Before Interest and Tax ("EBIT")

During the Reporting Period, contributions by the Group's principal activities to EBIT were as follows:

Principal operation	Jan~Jun 2006 (RMB'000)	Contribution percentage	Jan~Jun 2005 (RMB'000)	Change
Meiguan Expressway	116,594	31.79%	105,708	10.30%
Jihe West	105,782	28.84%	100,710	5.04%
Jihe East	67,847	18.50%	57,698	17.59%
Yanba Expressway	13,707	3.74%	13,803	-0.70%
Shuiguan Expressway	26,262	7.16%	16,620	58.01%
Wuhuang Expressway	33,896	9.24%	—	N/A
Other highways (Note 1)	(2,317)	-0.63%	3,401	N/A
Entrusted construction management service	15,340	4.18%	—	N/A
Other highway related businesses (Note 2)	20,671	5.64%	20,714	-0.21%
Sub-total	397,782	108.45%	318,654	24.83%
Unallocated expenses of the Group	(30,983)	-8.45%	(30,718)	0.86%
Total	366,799	100%	287,936	27.39%

Note 1: Other highways include Yanpai Expressway, Changsha Ring Road, Geputan Bridge and highways operated by associates.

Note 2: Income from other highway related businesses consisted of income from Advertising Company, discounted interest income from installment payment collections, bank deposit interest income and other incomes, etc.

Finance Costs

During the Reporting Period, the Group's finance costs amounted to RMB46,059,000, representing an increase of 115.74% as compared to the corresponding period of 2005. Such an increase was mainly attributable to the increase in the scale of borrowings.

The Group mainly operates in the PRC with most of the operating transactions and capital expenditures settled in RMB, except for the financing and relating settlement obligation of Mei Wah Company which are denominated in HK\$. As at 30 June 2006, the Group's foreign monetary liabilities to the extent of RMB28,284,000 and RMB282,549,000 were denominated in USD and HK\$ respectively, and foreign monetary assets to the extent of RMB66,241,000 were denominated in HK\$, which resulted in a net liabilities for foreign monetary items. As there is an appreciation trend of RMB under the current market circumstances, the anticipated fluctuation on exchange rates will be favourable to the Group. However, the fluctuation is expected not to have significant impact on the results of the Group.

Analysis of Financial Position

Non-current Assets

The Group is principally engaged in the operation of toll highways and its non-current assets mainly comprise fixed asset investments, equity investments and debt investment in high-grade toll highways. As at 30 June 2006, the Group's net non-current assets amounted to RMB9,323,179,000, representing an increase of 3.66% over the year-end of 2005. This is primarily attributable to the additional investment expenditures for projects such as Jiangzhong Expressway, GZ W2 Expressway, Yanpai Expressway and Nanguang Expressway with an aggregate amount of RMB397,148,000. Besides, investment in Ropeway Project with amount of RMB42,544,000, was accounted as non-current assets classified as held for sale in current assets which was formerly presented as construction in progress.

Current Assets and Current Liabilities

As at 30 June 2006, the Group's current assets amounted to RMB585,681,000 (31 December 2005: RMB1,085,469,000), including cash and cash equivalents of RMB349,697,000, restricted cash of RMB9,734,000, accounts receivable of RMB180,645,000 and non-current assets classified as held for sale of RMB42,544,000.

The cash of the Group is generally placed in commercial banks as current or short-term fixed deposits. No deposit is placed with financial institutions other than banks or used for securities investment.

As at 30 June 2006, the Group's current liabilities amounted to RMB2,130,398,000 (31 December 2005: RMB956,536,000), including RMB1,618,382,000 of short-term borrowings, RMB5,164,000 of long-term liabilities due within one year, RMB76,669,000 of undue balances for the remaining consideration payable for the acquisition of interests in Qinglian Company and JEL Company under the agreements, RMB52,194,000 of performance bonds, and RMB229,690,000 of construction costs payable and deposits. The increase in the Group's current liabilities was mainly attributable to the increase in short-term borrowings.

The Group recorded net current liabilities of approximately RMB1,544,717,000 as at 30 June 2006. The Directors of the Company made an assessment that the Group has been generating positive and increasing operating cash flow and it has maintained good relationship with banks; the Group had unutilised available banking facilities of approximately RMB7.06 billion at 30 June 2006 and the Company is entitled to issue short-term commercial papers within the scope of the maximum remaining amount of RMB1 billion before the end of November 2006 in order to meet its obligations and commitment. Based on the aforesaid facts, the Board is of the opinion that the Group does not face the issue of not being a going concern.

Non-current Liabilities

As at 30 June 2006, non-current liabilities of the Group amounted to RMB1,396,158,000, which included the following:

- Long-term borrowings amounted to RMB882,797,000 (excluding the portion due within one year), including bank borrowings of RMB855,480,000, the Spanish government loans of RMB23,521,000 and minority shareholders' advance of RMB3,796,000.
- Deferred tax liabilities amounted to RMB156,188,000. The Group's net deferred tax liabilities amounted to RMB150,829,000, comprising deferred tax credits of RMB91,083,000 and RMB86,102,000 respectively arising from the temporary differences between the carrying amounts of toll roads and toll road operating right and their tax bases and deferred tax debits of RMB26,356,000 in respect of the provision for impairment loss for investment in the Shenchang Company and the Ropeway Project.
- The balance of government subsidies amounted to RMB357,173,000, which included the balance of RMB279,794,000 of subsidies paid by the relevant government bodies to subsidise insufficient traffic volume of Yanba Expressway owing to its early completion in accordance with the overall township planning requirements of the Shenzhen Government and the balance of RMB23,379,000 of a special financial allocation granted by the Ministry of Finance for the construction of Yanpai Expressway (These subsidies are recognised annually in the income statement pursuant to the accounting policy of the Group within the duration of the operation franchise of Yanba Expressway and Yanpai Expressway), and a fund provided to the Company for construction of Yanba Expressway by the Ministry of Communications amounting to RMB54,000,000 that is non-interest bearing with no fixed repayment terms .

Equity

As at 30 June 2006, total equity of the Group amounted to RMB6,382,304,000, representing an increase of RMB9,545,000 as compared to the year-end of 2005. Such increase was mainly attributable to the increase of RMB267,241,000 as profit attributable to the Company during the Reporting Period and the deduction of RMB261,684,000 as the distribution of final dividends for the year 2005 .

Cash Flow of the Group

As at 30 June 2006, the Group's cash and cash equivalents amounted to RMB349,697,000 (31 December 2005: RMB892,485,000), representing a decrease of RMB542,788,000 as compared to the end of 2005.

During the Reporting Period, the Group's net operating cash inflow and cash received from disposal of investments and returns on investments amounted to RMB379,885,000 (2005: RMB282,251,000), representing an increase of 34.59% as compared to the corresponding period of 2005, mainly attributable to the continuous growth in toll revenue from toll highways operated by the Group during the Reporting Period. During the Reporting Period, the Group's main cash outflows comprised capital expenditures of RMB686,182,000 (excluding interests capitalised) on Yanpai Expressway, Nanguang Expressway, Qinglian Project, Jiangzhong Expressway, GZ W2 Expressway, etc. as well as payment of dividend of RMB251,219,000.

Contingent Liabilities

For details of contingent liabilities, please refer to Note 21 to the financial information.

Capital Structure

	As at 30 Jun 2006	As at 31 Dec 2005
Debt-to-asset ratio (total liabilities/total assets)	35.59%	36.77%
Net borrowings-to-equity ratio ((total borrowings – cash and cash equivalents)/total equity)	33.79%	25.24%

	Jan~Jun 2006	Jan~Jun 2005
Interest coverage (profit before interests and tax/interest expenses)	7.69	13.49

At the end of the Reporting Period, the proportion of the Group's liabilities did not change substantially as compared to the beginning of the year. However, the Group's borrowing structure was improved and its capital costs were reduced.

Capital Expenditures and Financing Activities

As at 30 June 2006, the Group's capital expenditure plan comprised mainly construction expenditure incurred for Nanguang Expressway and Yanba C and investment in acquiring the interests of Qinglian Project, GZ W2 Expressway, Jiangzhong Expressway, etc. The Group's total capital expenditures to be incurred as to the end of 2010 are estimated to be RMB4.36 billion. The Company plans to finance these capital expenditures by both internal resources and borrowings. According to the assessment of the Directors, the Group is able to meet various expected capital expenditures with the Group's financial resources and financing capabilities at present.

Apart from the aforesaid capital expenditure of the Group, funds for reconstruction of Qinglian Class 1 Highway into an expressway amounting to approximately RMB4.2 billion (including interests) are expected to be satisfied by external borrowings by Qinglian Company. In May 2006, Qinglian Company pledged the toll collection right of Qinglian Project for loans of an aggregate amount of RMB4.66 billion advanced by a bank consortium comprising the China Development Bank, Shenzhen Branch of Industrial and Commercial Bank of China, Shenzhen Branch of Agricultural Bank of China, Qingyuan Branch of Bank of China, Shenzhen Branch of China Construction Bank and Shenzhen Branch of China Minsheng Banking Corporation Limited.

With steady growth in cash flow, a sound credit record and an excellent industry reputation, the Company has been granted an AAA credit rating for consecutive years by a recognised institution of the People's Bank of China. A good credit rating is beneficial for the Company's financing activities and allows the Company to continue to enjoy prime lending rates under the interest rate policy of the People's Bank of China.

Capital Expenditure Plan

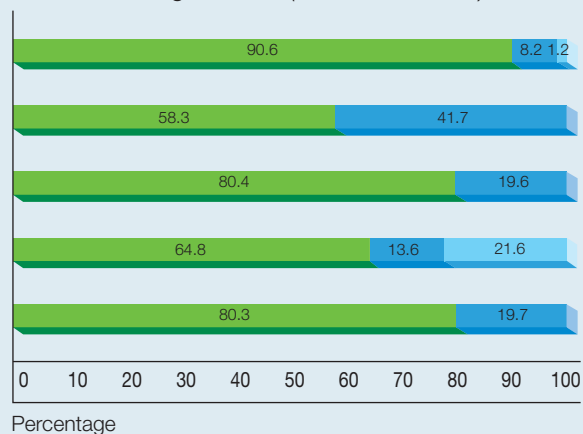


Management Discussion and Analysis

As at 30 June 2006, the Group had a total outstanding amount of RMB2,488,164,000 in borrowings (including bank loans, government lending and short-term commercial papers), representing a decrease of RMB2,981,000 as compared to the year-end of 2005. The Company issued the first batch of short-term commercial papers in January 2006 with the total amount of RMB1 billion, a term of nine months, and an interest rate of 3.07% per annum. The average borrowing rate during the Reporting Period was 4.62%.

- PRC/RMB
- Hong Kong/HK\$
- Spain/USD
- Bank
- Other
- Fixed rate
- Floating rate
- Within 1 year
- 2-5 years
- above 5 years
- Credit
- Secured

Borrowing Structure (As at 30 June 2006)



The Group employs an optimised portfolio comprising fixed and floating interest rates and short-term and long-term borrowings in order to control the risks of interest rate increase within an acceptable range. During the Reporting Period, the Company had no interest rate swap option contracts.

During the Reporting Period, the Group capitalised on both the favourable internal and external conditions to negotiate new financing facilities and agreements with banks. As at 30 June 2006, the Group had unutilised available banking facilities of approximately RMB7.06 billion. The banking facilities available to the Group will meet the need of capital requirements for the Company's future development.

The Share Segregation Reform of the Company was completed in February 2006 (Please refer to page 21 for details), which provided more opportunities for the Company to broaden financing channels. The Company will maintain a balanced mix of debt portfolio and bank facilities and will actively research into various types of financial instruments by taking into account such factors as repayment terms, interest rates and exchange rate risks with reference to the specific conditions of the industry, the domestic loan market and the Company, with an aim to diversify debt risks, ensure its cash liquidity and reasonable capital structure and lower financing costs.

Outlook

Continued economic growth, potential business opportunities derived from the implementation of the State's highway network plans, and increasing transparency, commercialisation and regularisation of the toll highway industry and of the entrusted construction management sector, have provided the Group with unprecedented opportunities for development on the one hand, and have attracted more market entrants, intensified competition and accelerated paces on the other. Exposed to an external environment full of opportunities and challenges, the Group will remain committed to its principal operations and development directions, fully capitalise on its existing competitive advantages, consistently enhance management standards and staff quality, foster and reinforce its core competitive strengths, and improve the operation and construction of its existing highway projects. The management is fully aware of the risks confronting the Group in the financial, marketing, operational and other aspects. On-going assessments and reviews will be conducted in a prudent manner, relevant preventive measures will be adopted accordingly, and resistance to risk will be enhanced, for achieving a rapid and healthy growth.

Other Matters

1. Dividend Distribution

(1) Dividend distribution for the interim of 2006

The Board of the Company does not recommend payment of any interim dividend for the six months ended 30 June 2006 (2005: Nil), nor does it recommend any transfer of capital reserve to share capital.

(2) Dividend distribution scheme of 2005 and its implementation

Pursuant to the approval at the 2005 annual general meeting, the Company paid a final dividend of RMB 0.12 per share on the basis of the total share capital comprising 2,180,700,000 shares as at the year end of 2005, totalling RMB261,684,000. Such dividend distributions were implemented before 31 July 2006.

2. Elections and Changes of Directors, Supervisors and Senior Management

(1) The Company held the Sixth Extraordinary General Meeting 2005 on 28 December 2005, and elected members of the fourth session of the Board and of the Supervisory Committee. The term of office of the members of the fourth session of the Board and the Supervisory Committee is three years, from 1 January 2006 to 31 December 2008.

(2) Mr. Yang Hai and Mr. Zhong Shan Qun have been elected as the Chairman of the Board at the first meeting of the fourth session of the Board and the Chairman of the Supervisory Committee at the first meeting of the fourth session of the Supervisory Committee, respectively, on 6 January 2006.

3. Disclosure of Interests

As at 30 June 2006, none of the Directors, Supervisors or senior management had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required to be entered into the register maintained by the Company under Section 352 of the SFO (including deemed interests and short positions under such provisions of the SFO) or which were required to be notified to the Company and HKEX pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

4. Profile of Shareholders

- (1) As at 30 June 2006, the Company had 32,403 shareholders in total, including 380 H Shares shareholders and 32,023 domestic shares shareholders.
- (2) As at 30 June 2006, so far as it is known to the Directors, Supervisors and senior management of the Company, the interests and short positions of shareholders, other than a Director, Supervisor or senior management of the Company, in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the domestic shares of the Company:

	Number of domestic shares (Note 1)	Approximate percentage of total issued domestic share capital	Approximate percentage of total issued capital
XTC Company (Note 2)	654,780,000	45.68%	30.03%
SGH Company (Note 3)	411,459,887	28.71%	18.86%
Huajian Centre (Note 3)	87,211,323	6.09%	4.00%

Long positions in the H Shares of the Company:

	Number of H Shares (Note 4)	Approximate percentage of total issued H Share capital	Approximate percentage of total issued capital
HSBC Halbis Partners (Hong Kong) Limited	60,298,000 (Note 5)	8.06%	2.77%
Sumitomo Mitsui Asset Management Company, Limited	51,430,000 (Note 6)	6.88%	2.36%
Sumitomo Life Insurance Company	51,430,000 (Note 7)	6.88%	2.36%

4. Profile of Shareholders (continued)

Notes:

1. Restricted circulating shares.
2. XTC Company is a limited company incorporated under the laws of the PRC and is a wholly owned subsidiary of Shenzhen International, the shares of which are listed on the main board of HKEX. Besides the above-mentioned domestic shares of the Company through XTC Company, Shenzhen International held 8,612,000 H Shares of the Company through its wholly owned subsidiary, Advance Great Limited.
3. State-owned company incorporated under the laws of the PRC (limited liability).
4. Shares listed on the main board of HKEX.
5. These 60,298,000 H Shares were held by HSBC Halbis Partners (Hong Kong) Limited as investment manager.
6. These 51,430,000 H Shares were held by Sumitomo Mitsui Asset Management Company, Limited as investment manager.
7. These 51,430,000 H Shares were held through Sumitomo Mitsui Asset Management Company, Limited, in which Sumitomo Life Insurance Company had a controlling interest.

Save as disclosed above, the register required to be kept under section 336 of Part XV of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2006.

- (3) As at 30 June 2006, 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 PRC were as follows:

Name of shareholder	Number of shares	Type of shares
HKSCC Nominees Limited (Note)	730,691,398	H Share
Social Insurance Fund Portfolio 102	12,096,445	A Share
Social Insurance Fund Portfolio 103	7,776,016	A Share
Guodu Securities Company Limited	4,506,366	A Share
China Galaxy Securities Company Limited	3,924,850	A Share
Zhang Yan	3,808,500	A Share
Arsenton Nominees Limited	3,000,000	H Share
Zhu Qi	2,180,390	A Share
HSBC Nominees (Hong Kong) Limited	2,074,000	H Share
Zheng Shuqin	2,073,938	A Share

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

5. The Share Segregation Reform

The Share Segregation Reform Proposal (the "Reform Proposal") of the Company was approved by the relevant general meeting of the A Shares market held on 23 January 2006, pursuant to which all holders of non-circulating shares of the Company would transfer 3.2 shares to circulating A Shares shareholders for every 10 A Shares held by such A Shares shareholder on the registration date of the implementation of the Reform Proposal (i.e. 24 February 2006), so as to obtain the circulation rights of the non-circulating shares on the A Shares stock market. The Reform Proposal was successfully implemented on 27 February 2006 after obtaining approval from the governing authorities. After the implementation of the Reform Proposal, the total number of shares held by the former holders of non-circulating shares of the Company decreased from 1,268,200,000 shares to 1,215,400,000 shares, with the nature of such shares changed from non-circulating shares to restricted circulating shares, and the total number of circulating A Shares increased from 165,000,000 shares to 217,800,000 shares. The total number of shares of the Company before and after the implementation of the Reform Proposal remained unchanged.

Name of restricted circulating shares shareholders	Number of restricted circulating shares	Restricted circulating condition	Date to circulate
XTC Company	654,780,000	Within 36 months from the day of obtaining the circulation rights, they would not be traded on the stock exchange	2 March 2009
SGH Company	411,459,887		
Huajian Centre	87,211,323		
GDRB Company	61,948,790		

6. 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 and jointly controlled entities.

7. 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 in the construction of Yanba B in strict compliance with representations made in the prospectus. The construction of Yanba B started in June 2001 and a section of approximately 7.75km in length was opened to traffic for toll collection in June 2003. After the commissioning of Yanba B, traffic volume and toll revenue of Yanba Expressway had been significantly enhanced with the formation of a local traffic network with Yanba A.

An amount of RMB10,245,000 was applied during the Reporting Period and the cumulative amount of proceeds applied was RMB450,232,000. As at 30 June 2006, proceeds in the amount of RMB153,768,000 remained unutilised and were mainly held as deposits with domestic commercial banks in the PRC to be used for the settlement of remaining project payments for Yanba B.

8. Mortgage and Pledge of Assets

As at the end of the Reporting Period, the Group had the following assets mortgaged or pledged:

Asset	Type	Bank	Scope of security	Terms
Toll collection rights of Shuiguan Expressway	Pledge*	China Construction Bank	RMB650 million principal and interests	Until repayment of all indebtedness by Qinglong Company under the contract of the loan
154,000,000 shares of JEL Company	Mortgage **	Industrial and Commercial Bank of China (Asia) Limited	HK\$680 million principal and interests	Until repayment of all indebtedness by Mei Wah Company under the contract of the loan

* Pledged by Qinglong Company, a jointly controlled entity of the Company

** Mortgaged by Mei Wah Company, a wholly owned subsidiary of the Company

The Company had pledged its 95% shareholding in Meiguan Company in favour of China Development Bank for a credit line of RMB1.4 billion since 25 June 2005. In the Reporting Period, the said pledge was released since the relevant loan was repaid.

9. Continuing Disclosure under the Listing Rules

(1) Pursuant to rule 13.16 of the Listing Rules:

In 2005, the Group acquired 56.28% interest in Qinglian Company. The Group also undertook, in proportion to its equity interests acquired, the loans and the related accrued but unpaid interests of Qinglian Company from the former equity holders of a total amount of RMB958,883,000, which is reflected in the interests of associates. As Qinglian Class 1 Highway held by Qinglian Company is to be reconstructed into an expressway, the Directors have committed to capitalise the balance of such loans as additional capital to Qinglian Company. The relevant procedure is pending the approvals by the relevant PRC government authorities.

(2) Pursuant to rule 13.22 of the Listing Rules:

The condensed balance sheet of Qinglian Company as at 30 June 2006 prepared in accordance with Hong Kong Financial Reporting Standards is set out below:

As at 30 June 2006	
RMB'000	
Assets	
Non-current assets	2,773,168
Current assets	338,906
Total assets	3,112,074
Liabilities	
Non-current liabilities	422,364
Current liabilities	2,172,680
Total liabilities	2,595,044
Net Assets	517,030

10. Connected Transactions

- (1) Details of the connected transactions of the Company during the Reporting Period are set out in the section of “Project Acquisition” on page 9 of this report.
- (2) Advances and liabilities or guarantees related to the connected parties (as defined in the relevant regulations of the PRC):

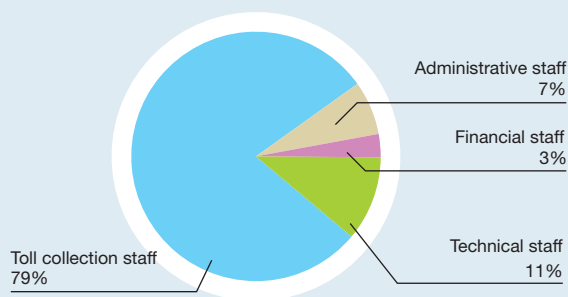
During the Reporting Period, no event in relation to the appropriation of Company’s funds by its controlling shareholders was found. The non-operating current accounts between the Company and its subsidiaries, jointly controlled entities and other related parties (as defined in accordance with the relevant governing regulations of the PRC) represent the payments made by the Company in previous years on behalf the Ropeway Company due to the guarantee provided. The balance as at 30 June 2006 was RMB46,084,000.

In 2005, Mei Wah Company provided its shares in JEL Company as Mortgage to Industrial and Commercial Bank of China (Asia) Limited (“ICBC Asia”) for a loan of HK\$680 million. Moreover, Shenzhen Branch of Industrial and Commercial Bank of China (“ICBC Shenzhen”) issued a letter of credit in favour of Mei Wah Company and the Company provided a credit counter-guarantee to ICBC Shenzhen for such letter of credit. As part of the loan was repaid, the Company entered into supplementary agreements with relevant parties that from 19 June 2006 the letter of credit provided by ICBC Shenzhen had been cancelled. Accordingly, the credit counter-guarantee provided by the Company to ICBC Shenzhen was also cancelled.

In addition, the loan in a sum of US\$3,537,484 from the Spanish Government through China Construction Bank was secured by a major shareholder of the Company, XTC Company.

11. Employees, Remuneration and Training

As at 30 June 2006, the Company had 1,456 employees, of whom 305 were management and professional staff while the remaining 1,151 were toll collection staff. 30% of the Company’s staff held tertiary or above qualifications and 85% of the administrative, financial and technical staff held tertiary or above qualifications.



Pursuant to the “Management Rules for Employee’s Remuneration and Benefits” (《員工薪酬福利管理辦法》) adopted by the Company in 2004, an employee’s remuneration comprises three parts, namely monthly salary, annual performance bonus as well as statutory and company fringe benefits, and is determined in accordance with the results of the overall performance assessment by reference to the principles of salary determined by positions, bonus determined by performance and maintaining the competitiveness of the Company. According to the legal requirements, the Group has participated in an employee’s retirement scheme, which is organised by the local government authorities. The Group has also provided basic medical insurance, industrial injury insurance and unemployment insurance for its employees. In the Reporting Period, the Company engaged human resource consultants to review the present salary system and to re-evaluate the value of each position. The consultants introduced an improvement proposal to ensure that the system of remuneration is more fair and competitive.

The Company values staff training. During the Reporting Period, the Company had organised training such as seminars in respect of management skills for assigned management staff and review of the system of remuneration. A total of 587 staff attended such training sessions. In the second half of the year, the Company will strengthen training and explore an effective and lasting mechanism for staff motivation to satisfy the demand for high-quality staff for the development of the Company.

12. Corporate Governance

(1) 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 to the Listing Rules of HKEX. As compared with 2005, during the Reporting Period, the Company arranged member(s) of the Independent Board Committee to attend the general meetings for the approval of the Company's connected transactions, so as to respond to questions from shareholders.

(2) 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 2006 and the relevant financial information has not been audited.

(3) Model Code for Securities Transactions by Directors and Supervisors

The Securities Transaction Code of the Company has been adopted by the Board, as a written guidelines to regulate dealings in the Company's securities by Directors, Supervisors and relevant staff. The standards set under Appendix 10 to the Listing Rules of HKEX headed Model Code for Securities Transactions by Directors of Listed Issuers have been incorporated into the Securities Transaction Code. After specifically inquiring with all the Directors and Supervisors, except that a Director, Mr. Liu Jun, sold his 100,000 H Shares of the Company on 4 April 2006, the Company confirms that none of the Directors or Supervisors had held, bought or sold any securities of the Company during the Reporting Period. On 5 April 2006, the Board published an announcement regarding the sale of the Company's shares by the Director Mr. Liu Jun in "Hong Kong Economic Times" and "The Standard".

13. Name of Directors

As at the date of this report, 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 Director), Mr. Zhang Zhi Xue (Independent Director), Mr. Poon Kai Leung, James (Independent Director) and Mr. Wong Kam Ling (Independent Director).

By Order of the Board

Yang Hai

Chairman

Shenzhen, the PRC, 25 August 2006

Condensed Consolidated Interim Balance Sheet

As at 30 June 2006

	Note	30 June 2006 RMB'000 (Unaudited)	31 December 2005 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,856,199	4,055,081
Construction in progress	5	190,908	693,443
Land use rights	5	360,010	368,830
Intangible assets	5	800,150	824,585
Interest in associates	6	3,052,913	2,966,903
Deferred income tax assets	10	5,359	6,764
Loan to a jointly controlled entity		57,640	78,240
		9,323,179	8,993,846
Current assets			
Inventories		3,061	3,540
Trade and other receivables	7	180,645	157,829
Restricted cash	12(a)	9,734	31,615
Cash and cash equivalents		349,697	892,485
		543,137	1,085,469
Non-current assets classified as held for sale	13	42,544	—
		585,681	1,085,469
Total assets		9,908,860	10,079,315
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	8	2,180,700	2,180,700
Other reserves		3,375,777	3,376,930
Retained earnings			
– Proposed final dividend		—	261,684
– Others		777,548	510,307
		6,334,025	6,329,621
Minority interest		48,279	43,138
Total equity		6,382,304	6,372,759

	Note	30 June 2006 RMB'000 (Unaudited)	31 December 2005 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	9	882,797	2,230,602
Deferred income tax liabilities	10	156,188	155,030
Government grants	11	357,173	364,388
		1,396,158	2,750,020
Current liabilities			
Other payables and accrued expenses	12	482,402	670,692
Current income tax liabilities		24,450	15,736
Borrowings	9	1,623,546	270,108
		2,130,398	956,536
Total liabilities		3,526,556	3,706,556
Total equity and liabilities		9,908,860	10,079,315
Net current (liabilities)/assets		(1,544,717)	128,933
Total assets less current liabilities		7,778,462	9,122,779

The notes on pages 30 to 48 form an integral part of this condensed interim financial information.

Yang Hai

Director

Wu Ya De

Director

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2006

	Note	Unaudited Six months ended 30 June	
		2006 RMB'000	2005 RMB'000
Turnover	14	532,729	399,499
Other income	15	47,645	38,602
Business tax and surcharges		(17,164)	(19,129)
Depreciation and amortisation		(99,509)	(70,207)
Employee benefit expenses	16	(30,667)	(28,556)
Road maintenance expenses		(6,625)	(4,123)
Other operating expenses	5(a)	(55,620)	(30,421)
Operating profit		370,789	285,665
Finance costs	17	(46,059)	(21,349)
Share of (loss)/profit of associates		(3,990)	2,271
Profit before income tax		320,740	266,587
Income tax expenses	18	(48,358)	(43,846)
Profit for the period		272,382	222,741
Attributable to:			
Equity holders of the Company		267,241	218,445
Minority interest		5,141	4,296
		272,382	222,741
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic	19	0.12	0.10
Dividends	20	—	—

The notes on pages 30 to 48 form an integral part of this condensed interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2006

	Unaudited					
	Attributable to equity holders of the Company					
	Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Minority interest RMB'000	Total equity RMB'000
Balance at 1 January 2005	2,180,700	3,247,852	587,171	6,015,723	41,700	6,057,423
Currency translation differences	—	16	—	16	—	16
Profit for the period	—	—	218,445	218,445	4,296	222,741
Total recognised income for the						
six months ended 30 June 2005	—	16	218,445	218,461	4,296	222,757
Dividends relating to 2004 paid in April 2005	—	—	(239,877)	(239,877)	—	(239,877)
Balance at 30 June 2005	2,180,700	3,247,868	565,739	5,994,307	45,996	6,040,303
Balance at 1 January 2006	2,180,700	3,376,930	771,991	6,329,621	43,138	6,372,759
Currency translation differences	—	(1,153)	—	(1,153)	—	(1,153)
Profit for the period	—	—	267,241	267,241	5,141	272,382
Total recognised income for the						
six months ended 30 June 2006	—	(1,153)	267,241	266,088	5,141	271,229
Dividends relating to 2005 (Note 20)	—	—	(261,684)	(261,684)	—	(261,684)
Balance at 30 June 2006	2,180,700	3,375,777	777,548	6,334,025	48,279	6,382,304

The notes on pages 30 to 48 form an integral part of this condensed interim financial information.

Condensed Consolidated Interim Cash Flow Statement

For the six months ended 30 June 2006

	Unaudited Six months ended 30 June	
	2006 RMB'000	2005 RMB'000
Cash flows from operating activities – net	353,675	266,740
Cash flows from investing activities – net	(635,173)	(2,289,086)
Cash flows from financing activities – net	(257,857)	1,404,702
Net decrease in cash and cash equivalents	(539,355)	(617,644)
Cash and cash equivalents at start of period	892,485	1,241,838
Exchange losses	(3,433)	(6)
Cash and cash equivalents at end of period	349,697	624,188

The notes on pages 30 to 48 form an integral part of this condensed interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

1 General information

Shenzhen Expressway Company Limited (the “Company”) was established as a joint stock limited company in the People’s Republic of China (the “PRC”) on 30 December 1996. The principal activities of the Company and its subsidiaries and jointly controlled entities (collectively the “Group”) are the development, operation and management of toll highways and expressways in the PRC.

The address of the registered office of the Company is 19/F, Tower A, United Plaza, No. 5022 Binhe Road North, Shenzhen, the PRC.

The Company has its H shares and A shares listing on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange of the PRC, respectively.

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 25 August 2006.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2006 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 (the “PRC GAAP”). Appropriate restatements have been made to the PRC statutory financial statements to conform with Hong Kong Financial Reporting Standards (“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 2005.

The Group reported net current liabilities of approximately RMB1,544,717,000 as at 30 June 2006. The directors of the Company made an assessment and concluded that there is no going concern issue of the Group based on the fact that the Group has been generating positive and increasing operating cash flows and it has maintained good relationship with banks, the Group had unutilised available banking facilities of approximately RMB7.06 billion (Note 9(b)) at 30 June 2006, and the Company has also been approved to issue short-term commercial papers at a principal amount of RMB1 billion before the end of November 2006 (Note 9(a)) in order to meet its obligations and commitment. Consequently, the interim financial information has been prepared by the directors of the Company on a going concern basis.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

3 Accounting policies

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 2005, as described in the annual financial statements for the year ended 31 December 2005.

The following new standards, amendments to standards and interpretations are mandatory for the financial year ending 31 December 2006.

- Amendment to HKAS 19, “Actuarial gains and losses, group plans and disclosures”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- Amendment to HKAS 39, Amendment “The fair value option”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- Amendment to HKAS 21, Amendment “Net investment in a foreign operation”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- Amendment to HKAS 39, Amendment “Cash flow hedge accounting of forecast intragroup transactions”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- Amendment to HKAS 39 and HKFRS 4, Amendment “Financial guarantee contracts”, effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
- HKFRS 6, “Exploration for and evaluation of mineral resources”, effective for annual periods beginning on or after 1 January 2006. This standard is not relevant for the Group;
- HKFRS-Int 4, “Determining whether an arrangement contains a lease”, effective for annual periods beginning on or after 1 January 2006. The Group has reviewed its contracts. None of them are required to be accounted for as leases in accordance with HKAS 17, “Leases”;
- HKFRS-Int 5, “Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds”, effective for annual periods beginning on or after 1 January 2006. This interpretation is not relevant for the Group; and
- HK(IFRIC)-Int 6, “Liabilities arising from participating in a specific market – waste electrical and electronic equipment”, effective for annual periods beginning on or after 1 December 2005. This interpretation is not relevant for the Group.

3 Accounting policies (Continued)

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:

- HK(IFRIC)-Int 7, “Applying the Restatement Approach under HKAS 29”, effective for annual periods beginning on or after 1 March 2006. Management do not expect the interpretation to be relevant for the Group;
- HK(IFRIC)-Int 8, “Scope of HKFRS 2”, effective for annual periods beginning on or after 1 May 2006. Management do not expect the interpretation to be relevant for the Group;
- HK(IFRIC)-Int 9, “Reassessment of Embedded Derivatives”, effective for annual periods beginning on or after 1 June 2006. Management do not expect the interpretation to be relevant for the Group; and
- HKFRS 7, “Financial instruments: Disclosures”, effective for annual periods beginning on or after 1 January 2007. HKAS 1, “Amendments to capital disclosures”, effective for annual periods beginning on or after 1 January 2007. The Group assessed the impact of HKFRS 7 and the amendment to HKAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of HKAS 1. The Group will apply HKFRS 7 and the amendment to HKAS 1 from annual periods beginning 1 January 2007.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial information are discussed below.

(a) Estimate of cost of completed toll road project

In May 2006, a toll road project of the Company under construction, the Yanpai Expressway, had been completed and it was put into operation. Accordingly, the related assets were transferred from construction in progress to property, plant and equipment under the relevant categories of toll road, structures and equipment with depreciation started to be provided thereon. Due to the fact that the final determination of the total costs incurred for the construction of such assets had not been finalised up to the date of approval of this report, pending certain verification assessment and confirmations to be made by the relevant contractors and third party agents, management had made an estimate of the total costs of the assets at approximately RMB863,339,000 (Note 5) based on information such as the budgeted project costs, actual project costs incurred and the outstanding bills and claims filed by the contractors not yet settled, etc. The directors of the Company consider that it is the best current estimate of the total asset costs and they consider that there should not be material differences that would arise from the actual results derived from the final assessment to be made.

4 Critical accounting estimates and judgements (Continued)

(b) Revenue recognition relating to construction management contract

During the period, the Group recognised project management income of approximately RMB18,645,000 (Note 15(a)) in relation to a toll road construction management contract for a major construction project undertaken on behalf of the local government authorities, the phase I construction project of the Nanping Expressway (“Nanping Project”). The recognition of the related revenue was made in accordance with the established accounting policy of the Group and it rests on estimates made by the directors on the total budgeted project costs (contract price) to be approved by the authorities, as well as total estimated costs to be incurred in order to complete the project.

- The directors made the estimate of the total budgeted project costs based on the relevant communication made with the authorities as well as based on information obtained from them.
- For the total costs to be incurred up to completion of the project, the directors have made reference to the actual costs incurred to date and relevant information and third party evidence. They also applied relevant professional and industry experience where required and/or appropriate.

Were the magnitudes of the final approved project costs and the total estimated costs to be incurred for the project to differ, the Group would have to make adjustments to the previously recognised project management income in the subsequent periods.

(c) Depreciation of toll roads and recognition of deferred income

As consistent with 2005, depreciation of toll roads and recognition of deferred income are determined based on the total project traffic volume throughout the approved operating periods of the respective toll roads, which is developed based on an independent professional traffic study performed in 2001. Adjustment may need to be made to the carrying amounts of toll roads and deferred income should there be a material difference between the projected traffic volume and the actual results.

5 Capital expenditure and land use rights

	Property, plant and equipment RMB'000	Construction in progress RMB'000	Land use rights RMB'000	Intangible assets RMB'000 (Note (a))
Six months ended 30 June 2005				
Opening net book amount at				
1 January 2005	4,130,363	286,584	386,468	6,815
Additions	4,122	206,699	—	—
Transfers	3,951	(3,951)	—	—
Disposals	(89)	(32)	—	—
Depreciation/amortisation	(61,387)	—	(8,820)	—
Closing net book amount at				
30 June 2005	4,076,960	489,300	377,648	6,815
Six months ended 30 June 2006				
Opening net book amount at				
1 January 2006	4,055,081	693,443	368,830	824,585
Additions	4,976	403,348	—	—
Transfers (Note 4(a))	863,339	(863,339)	—	—
Disposals	(943)	—	—	—
Transfer out as non-current assets classified as held for sale (Note 13)	—	(42,544)	—	—
Depreciation/amortisation	(66,254)	—	(8,820)	(24,435)
Closing net book amount at				
30 June 2006	4,856,199	190,908	360,010	800,150

- (a) Intangible assets at 30 June 2006 mainly represent the toll road operating right of Wuhuang Expressway of Hubei Magerk Expressway Management Company Limited ("Magerk Company"), a jointly controlled entity of the Group.

Pursuant to the provisions of an operation contract and the related supplementary contract signed between Magerk Company and Hubei Bureau for the Administration of Higher Class Public Roads, Magerk Company is required to pay commission and management fees to the bureau in respect of the administration of Wuhuang Expressway, which are levied on Magerk Company throughout the operation of the expressway at 24.25% and 1% respectively, on the toll income derived from the expressway. The commission and management fees charged for the period amounted to RMB21,003,000 (2005: Nil) and has been included in other operating expenses in the condensed consolidated interim income statement.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

6 Interest in associates

	Note	30 June 2006 RMB'000	31 December 2005 RMB'000
Beginning of the period/year		2,966,903	870,698
Acquisition of associates		—	2,018,380
Increase in investments in associates	(a)	90,000	101,840
Share of associates' results			
– Profit/(loss) before income tax		6,605	(23,786)
– Income tax		(10,595)	(229)
		(3,990)	(24,015)
End of the period/year		3,052,913	2,966,903

Interest in associates at 30 June 2006 include goodwill of RMB75,300,000 (2005: RMB75,300,000).

- (a) According to the provisions of the investment agreements of Guangdong Jiangzhong Expressway Company Limited and Guangzhou Western Second Ring Expressway Company Limited, the Company made additional capital contributions at RMB17,500,000 and RMB72,500,000, respectively, into the two associates during the period. The contributions were made based on the funding requirements arising from the progress of construction of the projects undertaken by these two associates.
- (b) In June 2005, the Group acquired an aggregate effective equity interest 56.28% in Guangdong Qinglian Highway Development Company Limited (“Qinglian Company”). In accordance with the provisions of the relevant agreements and the revised articles of association of Qinglian Company, the Company could only exercise significant influence in the financial and operating policies of Qinglian Company. Accordingly, Qinglian Company is accounted for as an associate of the Group using the equity method of accounting.

On 8 February 2006, the Company entered into an agreement with the liquidation committee of Qingyuan Yueqing Highway Construction and Development Company Ltd (“Yueqing”, one of the equity owners of Qinglian Company) for the acquisition of Yueqing’s 20.09% equity interest held in Qinglian Company, together with its equity owner’s loan extended to Qinglian Company and all other distributable interests retained in Qinglian Company at an aggregate cash consideration of RMB484,000,000. After completion of the transactions, the Company will directly and indirectly hold 76.37% equity interest in Qinglian Company. As of the date of approval of this interim financial information, the acquisition had not been completed.

7 Trade and other receivables

	Note	30 June 2006 RMB'000	31 December 2005 RMB'000
Trade receivables	(a)	51,934	39,694
Amount due from a jointly controlled entity	(b)	435	838
Other receivables	(c)	124,938	112,304
Prepayments		3,338	4,993
		180,645	157,829

- (a) Trade receivables mainly represent amounts due from the Shenzhen Communications Bureau (“SZCB”) of RMB41,744,000 (2005: RMB33,118,000) for management services income recognised (Note 15(a)).

At 30 June 2006 and 31 December 2005, the aging analysis of the trade receivables were as follows:

	30 June 2006 RMB'000	31 December 2005 RMB'000
Within 1 year	51,907	39,694
Over 3 years	27	—
	51,934	39,694

- (b) The balance represents the amount due from Shenzhen Airport-Heao Expressway (Eastern Section) Company Limited (“Airport-Heao Eastern”), a jointly controlled entity of the Company, for the amounts paid by the Company on its behalf.

Due to the geographical layout of the toll roads of the Group, certain toll gates of the toll roads of the Company, Shenzhen Meiguan Expressway Company Limited (“Meiguan Company”, a subsidiary) and Airport-Heao Eastern are overlapped and they collect toll income for each other. During the period, toll income collected by the Company and Meiguan Company on behalf of Airport-Heao Eastern was RMB55,279,000 (2005: RMB53,981,000) while toll income collected by Airport-Heao Eastern on behalf of the Company and Meiguan Company was RMB49,166,000 (2005: RMB51,132,000) respectively. All toll income collected is generally paid back to the counter party within three days without charging any handling fees.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

7 Trade and other receivables (Continued)

- (c) In January 2006, the Company entered into another project construction management contract with the SZCB. The Company was appointed as the project manager for the construction of the Wutong Mountain Avenue (Supplementary Road) and the Airport-Heao Expressway Yantian Subsidiary Road Checkpoint Station Project (collectively referred to as the “Wutong Mountain Project”). The Company also undertook to enter into construction contracts on behalf of the government authorities with the contractors who are directly responsible for the construction of the project. Other receivables at 30 June 2006 includes an amount due from the SZCB of RMB91,526,000 (2005: RMB74,024,000) in respect of the amounts paid by the Company on behalf of the government authorities for the Wutong Mountain Project, which will be refunded by the authorities in full by funding allocated to the project. The directors consider that there is no realisation concern associated with the balance.

8 Share capital

	Opening balance at 1 January 2006 RMB'000	Transfers RMB'000 (Note (a))	Closing balance at 30 June 2006 RMB'000
Registered, issued and fully paid			
Shares without liquidity			
– Shares held by the State	654,780	(654,780)	—
– Shares held by legal persons	613,420	(613,420)	—
	1,268,200	(1,268,200)	—
Shares with liquidity but subject to certain sale restrictions			
– Shares held by the State	—	654,780	654,780
– Shares held by legal persons	—	560,620	560,620
	—	1,215,400	1,215,400
Listed shares			
– Ordinary shares, listed in the Mainland (“A shares”)	165,000	52,800	217,800
– Foreign invested shares, listed in Hong Kong (“H shares”)	747,500	—	747,500
	912,500	52,800	965,300
Total	2,180,700	—	2,180,700

8 Share capital (Continued)

- (a) Pursuant to a resolution passed in an A share shareholders meeting held on 23 January 2006, the Share Segregation Reform Proposal (the “Reform Proposal”) of the Company was approved. All the shareholders of the Company whose shares did not have liquidity in the market (“Non-circulating Shares”) undertook to transfer to the then existing A share shareholders of the Company as appeared in the share register of the Company as at the date of implementation of the Reform Proposal (i.e. 24 February 2006) 3.2 shares of their Non-circulating Shares for each 10 A shares held by the A share shareholders in return for gaining liquidity of the Non-circulating Shares in the A share market of the PRC. The Reform Proposal was completed on 27 February 2006 under the approval of the relevant authorities. Immediately after the implementation of the Reform Proposal, the shareholders of the formerly Non-circulating Shares held in total 1,215,400,000 shares of the Company while the A share shareholders held in aggregate 217,800,000 shares of A shares of the Company. The formerly Non-circulating Shares were also converted into shares with liquidity but subject to certain restrictions in their sales.
- (b) Pursuant to the Company’s articles of association, all shares are of nominal value of RMB1 each and they are all ordinary shares. Apart from certain liquidity restrictions and the currency used for distribution of dividends, all shares rank pari passu against each other.

9 Borrowings

	30 June 2006 RMB'000	31 December 2005 RMB'000
Non-current	882,797	2,230,602
Current	1,623,546	270,108
	2,506,343	2,500,710

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

9 Borrowings (Continued)

(a) Movement in borrowings is analysed as follows:

	RMB'000
Six months ended 30 June 2005	
Opening balance as at 1 January 2005	725,993
Proceeds from borrowings	2,135,000
Repayments of borrowings	(485,616)
Closing amount as at 30 June 2005	2,375,377
Six months ended 30 June 2006	
Opening balance as at 1 January 2006	2,500,710
Proceeds from borrowings	999,500
Proceeds from short-term bonds	1,000,000
Interest expense for short-term bonds	14,382
Repayments of borrowings	(2,003,952)
Exchange differences	(4,297)
Closing balance as at 30 June 2006	2,506,343

As approved by the People's Bank of China, the Company has been granted an approval to issue short-term commercial papers for an amount not more than RMB2 billion before the end of November 2006. On 6 January 2006, the Company issued a portion of the short-term commercial papers with a face value amounting to RMB1 billion, bearing interest at 3.07% per annum and having a maturity of 9 months.

(b) The Group had the following undrawn banking facilities (other than the short-term commercial papers mentioned in section (a) above) as at 30 June 2006:

	30 June 2006 RMB'000	31 December 2005 RMB'000
Floating rate		
– Expiring within one year	3,599,500	3,700,000
– Expiring beyond one year	2,550,000	2,720,000
	6,149,500	6,420,000
Fixed rate		
– Expiring beyond one year	910,000	400,000
	7,059,500	6,820,000

10 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	30 June 2006 RMB'000	31 December 2005 RMB'000
Deferred tax assets	(5,359)	(6,764)
Deferred tax liabilities	156,188	155,030
	150,829	148,266

The gross movement on the deferred income tax account is as follows:

	Six months ended 30 June	
	2006 RMB'000	2005 RMB'000
Beginning of the period	148,266	50,294
Recognised in the income statement	2,563	5,198
End of the period	150,829	55,492

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

10 Deferred income tax (Continued)

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets			Deferred tax liabilities		
	Impairment loss of property, plant and equipment RMB'000	Provision for impairment losses of other assets RMB'000	Total RMB'000	Depreciation of property, plant and equipment RMB'000	Difference of accounting base and tax base of an intangible asset RMB'000	Total RMB'000
At 1 January 2005	25,040	1,878	26,918	77,212	—	77,212
Recognised in the income statement	(191)	—	(191)	5,007	—	5,007
At 30 June 2005	24,849	1,878	26,727	82,219	—	82,219
At 1 January 2006	24,656	1,878	26,534	86,049	88,751	174,800
Recognised in the income statement	(178)	—	(178)	5,034	(2,649)	2,385
At 30 June 2006	24,478	1,878	26,356	91,083	86,102	177,185

In May 2006, the State Administration of Taxation issued a notice that the units-of-usage method for depreciation of property, plant and equipment is acceptable as an alternative method than the straight-line method for tax reporting and filing purposes. Accordingly, enterprises currently adopting the units-of-usage method of depreciation for accounting financial reporting purposes will be allowed to adopt the same policy for tax reporting instead of restating the tax depreciation according to the straight-line method. As the detailed application guidance of the notice and the change of reported tax base of toll roads of the Group have yet to be confirmed and finalised with the related tax authorities, deferred taxation has been provided on temporary differences on property, plant and equipment of the Group arising from the difference in accounting base (based on units-of-usage method of depreciation) and tax base (based on straight-line basis of depreciation) as at 30 June 2006 in the condensed interim financial information.

11 Government grants

	Note	30 June 2006 RMB'000	31 December 2005 RMB'000
Deferred income	(a)	303,173	291,408
Advance from government	(b)	54,000	72,980
		357,173	364,388

(a) Deferred income

	Six months ended 30 June	
	2006 RMB'000	2005 RMB'000
Beginning of the period	291,408	318,764
Additions	23,400	—
Government subsidies income recognised for the period	(11,635)	(15,835)
End of the period	303,173	302,929

In 2005, the Company obtained an advance of RMB18,980,000 from the relevant government authorities as a government grant for the construction of Yanpai Expressway and had been recorded as advance from government included in government grants in the balance sheet. During the period, a further advance of RMB4,420,000 had also been received from the authorities. Since the construction of Yanpai Expressway was completed in May 2006, the total advances received associated to the project amounting to RMB23,400,000 was transferred from advance from government to deferred income and the amount was also started to be amortised in the income statement over the approved operating period of Yanpai Expressway on the same basis for which depreciation is provided.

- (b) The balance at 30 June 2006 of RMB54,000,000 (2005: RMB54,000,000) represents an advance obtained from the relevant government authorities as an inducement of the Company to participate in a toll road project.

Due to the fact that the relevant government authorities has not stipulated clear provisions and regulations on the usage as well as repayment obligations of such fund, and the fact that the construction period of the toll road will extend beyond one year, the fund is presented as non-current liabilities on the balance sheet.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

12 Other payables and accrued expenses

	Note	30 June 2006 RMB'000	31 December 2005 RMB'000
Consideration payable for acquisitions		76,669	384,062
Accruals of expenditures for construction in progress		229,690	141,760
Guaranteed deposits for construction projects contracts		52,194	27,901
Project funds retained for construction management contracts	(a)	9,734	31,615
Others		114,115	85,354
		482,402	670,692

- (a) The project funds are advanced by the government relating to a project construction management contract, western section of Hengping Highway ("Hengping Project"), and they have been deposited with a bank account jointly supervised by the Company and the relevant government departments. The movement of the project funds balance on the project is summarised as follows:

	Hengping Project RMB'000
Balance of project funds at 1 January 2006	31,615
Project funds received	15,000
Construction costs paid on behalf	(36,881)
Balance of project funds at 30 June 2006	9,734

The project funds balance is presented as a restricted cash in the balance sheet with a corresponding liability of the same amount included in other payables.

During the period, the construction of Hengping Project had been suspended in accordance with a notice issued by the government authorities due to a revision of their plans. The directors consider that the Company is not required to bear overrun costs for Hengping Project, if any, due to suspension of the construction as mentioned above.

13 Non-current assets classified as held for sale

In 2005, the construction of a ropeway project undertaken by the Shenzhen Wongtongling Ropeway Company Limited ("Ropeway Company"), a subsidiary of the Company, ceased as a result of the instructions of certain government authorities. The local government authorities undertake to compensate a portion of the losses suffered by the Company associated with such a cessation. During the period, according to the arrangement made between the Company and the government authorities, the equipment and facilities relating to the project had been put under an open auction process monitored by the government authorities for realisation. Accordingly, the carrying value of RMB42,544,000, assessed to be lower than the fair value less costs to sell, were reclassified from construction in progress and presented as non-current assets held for sale on the balance sheet as at 30 June 2006.

14 Turnover

	Six months ended 30 June	
	2006 RMB'000	2005 RMB'000
Income from toll roads	532,729	399,499

No segment information is presented as all turnover of the Group is toll income earned in the PRC.

15 Other income

	Note	Six months ended 30 June	
		2006 RMB'000	2005 RMB'000
Interest income from bank deposits		3,174	4,815
Interest income from discounting of long-term receivables		—	6,527
Interest income for a loan extended to a jointly controlled entity		1,997	2,954
Income derived from construction management services	(a)	20,524	1,611
Government subsidy income	11(a)	11,635	15,835
Advertising income		7,425	4,943
Others		2,890	1,917
		47,645	38,602

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

15 Other income (Continued)

- (a) The amount mainly represents the construction management service income recognised for the Nanping Project during the period amounting to RMB18,645,000 (2005: RMB1,611,000).

Hengping Project is suspended during the period (Note 12(a)) and no service income had been recognised during the period.

As at 30 June 2006, the outcome of the construction progress of Wutong Mountain Project (Note 7(c)) could not be estimated reliably. As a result, the Company had recognised income of RMB1,879,000 (2005: Nil) to the extent of the project management expenses incurred by the Company, which are expected by the directors to be recovered with certainty from the project.

Pursuant to the provisions of the construction management contracts of the Nanping Project, Hengping Project and Wutong Mountain Project entered into between the Company and the relevant government authorities, the Company undertakes to bear overrun costs for these projects. For the Hengping Project, the Company is obliged to bear all the overrun costs incurred in construction as compared to the original budget. For the Nanping Project and the Wutong Mountain Project, the Company is obliged to bear solely all the overrun costs incurred in construction as compared to the original budget in case the overrun is less than 2.5% of the total budgeted contract costs, while the government department will share the overrun portion exceeding 2.5% jointly with the Company if the overrun exceeds 2.5% of the total budgeted contract costs. Based on the progress of these projects and the assessment and judgement of the directors, the possibility of an outflow of resources embodying economic benefits of the Group due to cost overruns of these projects is considered remote.

16 Employee benefit expenses

	Six months ended 30 June	
	2006 RMB'000	2005 RMB'000
Wages, salaries and bonus	23,504	19,730
Bonus – a share appreciation right scheme	—	4,412
Pension costs – defined contribution plans	1,715	1,373
Other staff welfare benefits	5,448	3,041
	30,667	28,556

17 Finance costs

	Six months ended 30 June	
	2006 RMB'000	2005 RMB'000
Interest on bank and other borrowings	32,247	24,198
Interest on short-term commercial papers	14,382	—
Less: interest expenses capitalised in construction in progress	(1,630)	(2,849)
	44,999	21,349
Other borrowing costs	6,332	—
Net foreign exchange transaction gains	(5,272)	—
	46,059	21,349

18 Income tax expenses

	Six months ended 30 June	
	2006 RMB'000	2005 RMB'000
Current income tax		
– PRC enterprise income tax	45,795	38,648
Deferred income tax	2,563	5,198
	48,358	43,846

The PRC enterprise income tax charged to the condensed consolidated interim income statement has been calculated based on the assessable profits of the Company and its subsidiaries and jointly controlled entities located in the PRC of the period at rates of tax applicable to the respective companies of 15% or 33% (2005: 15% or 33%).

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.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2006

19 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	
	2006	2005
Profit attributable to equity holders of the Company (RMB'000)	267,241	218,445
Number of ordinary shares in issue (thousands)	2,180,700	2,180,700
Basic earnings per share (RMB per share)	0.12	0.10

No fully diluted earnings per share is presented as the Company had no dilutive potential shares in both 2006 and 2005 interim periods.

20 Dividends

A 2005 final dividend of RMB0.12 (2004 final: RMB0.11) per ordinary share, totaling RMB261,684,000 (2004 final: RMB239,877,000) was approved by the shareholders at the Annual General Meeting of the Company, RMB251,219,000 of which was paid in June 2006 (six months ended 2005: RMB239,877,000).

21 Contingencies

Save as disclosed in Note 15(a) regarding the cost overrun sharing arrangements for the Nanping Project, Hengping Project and Wutong Mountain Project, pursuant to the provisions of the construction management contracts of Nanping Project and Hengping Project, the Company had arranged banks to issue irrevocable performance guarantees on its behalf to the SZCB and the Shenzhen Longgang Highway Bureau amounting to RMB100,000,000 and RMB30,000,000, respectively. The Company also paid a guarantee deposit of RMB15,000,000 to the Shenzhen Longgang Highway Bureau for assuring the progress, quality and safety standards for the construction of the Hengping Project.

22 Commitments

Capital expenditure and investment commitments at the balance sheet date not yet incurred are as follows:

	30 June 2006 RMB'000	31 December 2005 RMB'000
Capital commitments – construction of toll roads		
– contracted but not provided for	1,559,040	1,054,550
– authorised but not contracted for	1,705,505	2,700,800
	3,264,545	3,755,350
Investment commitments		
– contracted but not provided for	582,840	188,840
– authorised but not contracted for	—	484,000
	582,840	672,840
	3,847,385	4,428,190

In the opinion of the directors, the above commitments could be fulfilled by internal financial resources, short-term commercial papers and banking facilities made available to the Group.

23 Related party transactions

Save as disclosed in Note 7(b), the Group had not entered into any other material transactions with related parties during the period.

Supplementary Information

For the six months ended 30 June 2006

Reconciliation of interim financial information

The Group has prepared a separate set of unaudited interim financial information for the six months ended 30 June 2006 in accordance with the PRC GAAP. The major differences between the financial information prepared under PRC GAAP and HKFRS are summarised as follows:

	Unaudited	
	Profit	Capital and
	attributable to	reserves
	equity holders	attributable to
	of the Company	the Company's
	for the	equity
	six months	holders
	ended	as at
	30 June	30 June
	2006	2006
	RMB'000	RMB'000
As per PRC statutory financial information	253,459	6,283,443
Impact of HKFRS adjustments:		
Adjustment on interest in an associate based on the fair value of the net assets acquired	13,052	26,954
Depreciation of property, plant and equipment	(526)	16,180
Adjustment on a loan extended to a jointly controlled entity at amortised cost	1,997	(3,030)
Recognition of the excess of fair value of share of the acquired net assets of a jointly controlled entity over the cost of acquisition	—	34,955
Amortisation of intangible asset and related deferred income tax	(1,018)	(1,866)
Reversal of amortisation of equity investment differences arising from acquisitions under the PRC GAAP	256	768
Deferred income recognition for government grants recorded as capital reserve under the PRC GAAP	21	(23,379)
Net amount of adjustments	13,782	50,582
As restated after HKFRS adjustments	267,241	6,334,025

Definitions

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 Renminbi and are listed on SSE
Advertising Company	深圳市高速廣告有限公司 (Shenzhen Expressway Advertising Company Limited)
Board	The Board of Directors of the Company
CEPA	Closer Economic Partnership Arrangement, signed between Hong Kong Special Administrative Region and the PRC
Changsha Ring Road	Hunan Changsha Ring Road (Northwestern Section), located in Changsha City of Hunan Province
The Company, Company	Shenzhen Expressway Company Limited
Independent Director(s)	The independent non-executive Director(s) of the Company
Consulting Company	深圳高速工程顧問有限公司 (Shenzhen Expressway Engineering Consulting Company Limited)
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
GDRB Company	廣東省路橋建設發展有限公司 (Guangdong Roads and Bridges Construction Development Company Limited)
Geputan Bridge	Hubei Yungang Geputan Bridge, located in Yugang City of Hubei Province
The Group, Group	The Company and its subsidiaries and jointly controlled entities
Guangwu Expressway	The expressway from Guangzhou City to Wuzhou City (a section from Ma'an to Hekou), located in Guangdong Province
Guangyun Company	雲浮市廣雲高速公路有限公司 (Yunfu Guangyun Expressway Company Limited), which owns Guangwu Expressway
GZ W2 Expressway	Guangzhou Western Second Ring Expressway, located in Guangdong Province
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
Hengping Project	Shenzhen Hengping Class 1 Highway (Western Section), the Company has been appointed as project administrator for the project
HK\$	Hong Kong dollars, the lawful currency of the Hong Kong Special Administration Region of the PRC

Definitions

HKEX	The Stock Exchange of Hong Kong Limited
Huajian Centre	華建交通經濟開發中心 (Huajian Transportation and Economic Development Centre)
Huayu Company	深圳華昱高速公路投資有限公司 (Shenzhen Huayu Expressway Investment Company Limited), which owns Shuiguan Extension
Jiangzhong Company	廣東江中高速公路有限公司 (Guangdong Jiangzhong Expressway Company Limited), which owns Jiangzhong Expressway
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
JEL Company	Jade Emperor Limited, a company incorporated in the Cayman Islands with limited liability, which is the sole shareholder of Magerk Company
Jihe East	Jihe Expressway (Eastern Section)
Jihe Expressway	Shenzhen Jihe Expressway, comprising Jihe East and Jihe West
Jihe West	Jihe Expressway (Western Section)
Listing Rules	the Rules Governing the Listing of Securities on HKEX and/or the Rules Governing the Listing of Stocks on SSE (as the case may be)
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
Mei Wah Company	Mei Wah Industrial (Hong Kong) Limited
Meiguan Company	深圳市梅觀高速公路有限公司 (Shenzhen Meiguan Expressway Company Limited), which owns Meiguan Expressway
Meiguan Expressway	Shenzhen Meiguan Expressway
Nanguang Expressway	Shenzhen Nanguang Expressway
Nanjing Company	南京長江第三大橋有限責任公司 (Nanjing Yangtze River Third Bridge Company Limited), which owns Nanjing Third Bridge
Nanjing Third Bridge	Nanjing Yangtze Third Bridge, located in Nanjing City of Jiangsu Province
Nanping Project (Phase I)	Shenzhen Nanping Freeway (Phase I), the Company has been appointed as project administrator for the project

PRC	The People's Republic of China excluding, for the purpose of this report, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
Qinglian Class 1 Highway	Class 1 Highway from Qingyuan City to Lianzhou City, located in Guangdong Province
Qinglian Company	廣東清連公路發展有限公司 (Guangdong Qinglian Highway Development Company Limited), which owns Qinglian Project
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)
Qinglong Company	深圳清龍高速公路有限公司 (Shenzhen Qinglong Expressway Company Limited), which owns Shuiguan Expressway
The Reporting Period, The Period	For the six months ended 30 June 2006
RMB	Renminbi, the lawful currency of the PRC
Ropeway Company	深圳市梧桐嶺索道有限公司 (Shenzhen Wutongling Ropeway Company Limited) , in which the Company holds 95% interest, and the major business of which is construction and operation of Ropeway Project
Ropeway Project	Shenzhen Wutongling Ropeway Project (suspended)
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SGH Company	深圳市深廣惠公路開發總公司 (Shenzhen Shen Guang Hui Highway Development Company)
Shenchang Company	湖南長沙市深長快速干道有限公司 (Hunan Changsha Shenchang Expressway Company Limited), which owns Changsha Ring Road
Shenzhen International	Shenzhen International Holdings Limited, whose shares are listed on the main board of HKEX
Shuiguan Expressway	Shenzhen Shuiguan Expressway, also referred to as the No.2 Longgang Passage
Shuiguan Extension	An extension to the Shuiguan Expressway, also referred to as the Qingping Expressway Phase 1, located in Shenzhen City
SSE	The Shanghai Stock Exchange
Supervisor(s)	The supervisor(s) of the Company
Wuhuang Expressway	The expressway from Wuhan City to Huangshi City, located in Hubei Province

Definitions

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
XTC Company	新通產實業開發（深圳）有限公司 (Xin Tong Chan Development (Shenzhen) Company Limited), formerly known as 深圳市高速公路開發公司 (Shenzhen Freeway Development Company Limited)
Yanba Expressway	Shenzhen Yantian-Bagang Expressway, comprising Yanba A, Yanba B and Yanba C
Yangmao Company	廣東陽茂高速公路有限公司 (Guangdong Yangmao Expressway Company Limited), which owns Yangmao Expressway
Yangmao Expressway	The expressway from Yangjiang City to Maoming City, located in Guangdong Province
Yanpai Expressway	Shenzhen Yanpai Expressway, also known as Yantian Subsidiary Road to Jihe Expressway

Corporate Information

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Listing Exchanges	H Share: The Stock Exchange of Hong Kong Limited Stock Code: 0548 Abbreviation: Shenzhen Expressway A Share: The Shanghai Stock Exchange Stock Code: 600548 Abbreviation: G Shenzhen Expressway Before 27 February 2006: Shenzhen Expressway
Designated Publication Newspapers	Hong Kong: Hong Kong Economic Times The Standard PRC: Shanghai Securities News Securities Times
Designated Publication Websites	http://www.hkex.com.hk http://www.sse.com.cn http://www.sz-expressway.com

Interim Reports Available at	Hong Kong: Suites 2911-2912, 29/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
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Domestic Share Registrar and Transfer Office	China Securities Depository and Clearing Corporation Limited, Shanghai Branch 36/F, China Insurance Building, No.166, Lu Jia Zui Road East, Pudong New District, Shanghai
Investor Relations Consultant of H Shares	Rikes Communications Limited Room 1312, Wing On Centre, 111 Connaught Road Central, Hong Kong
Investor Relations Consultant of A Shares	Everbloom Investment Consultant Company Limited 12/F, Tower A, United Plaza, No.5022 Binhe Road North, Shenzhen
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