



SHENZHEN EXPRESSWAY COMPANY LIMITED

E-Flash Report

2010 Reverse Road-show

Investors and Management Meeting

On 22 and 23 November 2010, the Company held an Investors Reverse Road-show involving 23 domestic and foreign institutional investors and individual investors. In this event, the visitors had a fact-to-face communication with the Company's senior management and had site-visit on Nanguang Expressway, Jihe Expressway, Yanpai Expressway, and Yanba Expressway, as well as the entrusted construction management project — Coastal Expressway (Shenzhen Section).



Frequently Asked Questions

Q1 The toll rate in Anhui Province has been raised recently. Will it happen in Guangdong Province?

A1 In China, the standard of toll rates is set by each provincial price bureau and relevant departments. The enterprises have right to apply an adjustment of toll rates to Provincial Price Bureau, but the results should be approved by the provincial government. The government needs to comprehensively consider the balance among the industries, the masses, and other social interests when it performs its management functions. The Company has not received any information about the adjustment of the toll rates in Guangdong Province.

Recently, the Ministry Communication is pushing ahead for the amendment of *Regulation on the Administration of Toll Roads* to establish a more perfect system for toll concession and the charging standards. In the future, the concept of “low toll rate, long toll concession” would be used in the management model for those that toll concessions have been expired.

Q2 When will the construction of Yilian Expressway be completed? What will be the impact of the completion of Yilian Expressway on the operation of Qinglian Expressway?

A2 It is understood that the construction of Yilian Expressway is progressing smoothly. It is likely to complete within 2011 based on the judge to its current progress. The current traffic flow of Qinglian Expressway comprises about 80% of vehicles which traffic between Yangshan-Qingyuan and its function as a cross border passage between Guangdong Province and Hunan Province has not become prominently. After the completion of Yilian Expressway, the positive effects of road network will significantly boost the traffic volume of Qinglian Expressway.

Q3 It is heard that the toll highways in Pearl River Delta will adopt the toll-by-weight policy. If so, what is the impact on the Company?

A3 At present, the toll-by-weight policy is not enforced to launch for all toll highways in Guangdong Province. According to experiences and data of other provinces, the implementation of toll-by-weight increased the toll revenue to a certain degree while administering the overloading vehicle. However, it is possible to reduce the toll highways' traffic efficiency. The Company will pay close attention to the trend of policy.

Q4 A total of 16 measures of The State Council on Stable Consumer Price Level Security and People Living in the Notice were issued on 20th November. One of the measures is that toll fees for the legal carload fresh agricultural products carrier vehicles will be exempted in all toll roads. What will be the impact on the Company?

A4 Currently, the Company's highways which have adopted "Green Passage Toll Free Policy" for fresh agricultural products carrier vehicles pursuant to the requirements of relevant government authorities include Jihe Expressway, Yangmao Expressway, Qinglian Expressway, Wuhuang Expressway, and Nanjing Third Bridge. For the single toll road, the waived toll fees represented around 2% ~ 10% of total toll revenue. It is mainly related to the proportion of the fresh agricultural products carrier vehicles on each toll highway. Pursuant to the notice, all toll highways will adopt the "Green Passage Toll Free Policy" since 1st December. The proportion of fresh agricultural products carrier vehicles on Company's highways which have not adopted the "Green Passage Toll Free Policy", such as Meiguan Expressway is relatively low, it is expected that the new policy will have a certain influence on the Company's toll revenue but the impact will be slight. The detailed statistics will need to be further calculated.

Q5 Please introduce the progresses of the expansions of Meiguan Expressway and Shuiguan Expressway.

A5 The Company will expand the Qinghu-to-Liguang Section of Meiguan Expressway (Meiguan North Section for short, approximately 11km). The plan is to expand the existing 4 lanes into 8 lanes and the cement-based road surface will be renewed to asphalt-based road surface. The cost of construction is estimated to be RMB774 million. The Company has obtained the construction permission for the expansion and the construction teams have begun to prepare for.

The expansion of Shuiguan Expressway is progressing smoothly and it is planned to be completed at the first half of 2011. Benefited from the strong traffic demand in the area, its average daily toll revenue in October is approximately RMB1.2 million, representing a YOY increase of 12.0%.

Q6	How is the research progress of the Outer Ring Expressway?
A6	The Company is pushing an in-depth study on returns and risks of the project with the aim to verify its investment value. The Company will have the decision-making after taking due consideration of the returns of the project and the financial burden of the Company.
Q7	When will the entrusted construction management profit of Coastal Project be recognized?
A7	In accordance with relevant accounting policy, it needs to be satisfied some conditions for profit recognition of entrusted construction management projects, including that 50% construction schedule has been completed and the completion of relevant examination and approval procedure of local government. Coastal Expressway (Shenzhen Section) is planned to be completed at the end of 2012. To recognize its management profit in 2011 will depend on whether the above mentioned conditions are satisfied.
Q8	Will the Company increase the dividend payout ratio?
A8	The Company has been always endeavoring to shareholder's return since listing and has maintained around 50% dividend payout ratio for years. Since the Company's debt ratio is now in a high level, from a point of view of long-term development, it is not proper to greatly increase the dividend payout ratio in short-term. The Company will maintain a stable dividend policy in the future.

About Shenzhen Expressway

Shenzhen Expressway was established on 30 December 1996. In March 1997, the Company issued foreign capital shares (H Shares) which were subsequently listed on The Stock Exchange of Hong Kong Limited on 12 March 1997. In December 2001, the Company issued Renminbi-denominated ordinary shares (A Shares) which were subsequently listed on the Shanghai Stock Exchange on 25 December 2001. The Company is mainly engaged in the investment, construction, operation and management of toll highways.

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