



E-Flash Report

2012 Interim Results

GUIDANCE

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2012 Interim Results Presentation

The Company held the 2012 Interim Results Presentation on 20 August in Shenzhen and Hong Kong respectively. Totally 60 investors and analysts and 26 reporters participated in the conferences. At the conferences, Mr. Wu Yade, the President of the Company, reviewed the operational performance in the first half of 2012 and answered participants' questions with other members of management.

(Please go to <http://www.sz-expressway.com/UploadFiles/2012/08/20144017BEB79C17.pdf> for the reference materials.)





Frequently Asked Questions

1. What is the impact of Toll Free Passage for Light Vehicles on Major Holidays on the Company?

A: In July, the State Council approved the implementation plan for toll free passage for light vehicles on major holidays (“Holiday Scheme”). As stipulated in Holiday Scheme, small passenger cars with seven seats or less would be toll free during four national holidays, namely Spring Festival, Tomb Sweeping Days, Labor Day and National Holidays, as well as other holidays next to the above holidays clarified by the official documents from the State Council. Based on the historical traffic volume of the major expressways operated by the Group and without taking into account any positive or negative impact on traffic volume of the road network resulting from the implementation of the Holiday Scheme, it is estimated that the annual toll revenue of the Group would decrease by approximately 3% to 4% as a result of the implementation of such scheme.

The Company will adjust its operating strategy in time and make efforts to safeguard the rights and interests of both the Company and its shareholders according to the development needs and in line with the internal and external environment.





2. What is the recent operational performance of Qinglian Expressway? When will it reach the breakeven? How does the bridge repair work carry on in Guangqing Expressway located in the south of Qinglian Expressway?

A: Yifeng Expressway, connecting with Qinglian Expressway in north opened to traffic at the end of September 2011. It contributes to Qinglian Expressway to develop its line location advantage as the essential route linking Guangdong Province and Hunan Province by attracting traffic volumes, coming from the east area of Hunan to Guangdong. In the first half of 2012, its average daily toll revenue was approximately RMB1.56 million, representing a YOY increase of 24.5%. According to the preliminary estimates, it is expected to reach the breakeven when Qinglian Expressway's average daily toll revenue reaches RMB2.60 million by using the straight-line method of depreciation and amortization. The breakeven time is closely related to the factors, such as economic condition, the improvement of surrounding road networks, and the traffic condition. The operational performance of Qinglian Expressway is going up.

As we known, 30 tones and above heavy lorries are prohibited to access the bridge of Guangqing Expressway located in the south of Qinglian Expressway. The Company is not aware of any news regarding to the termination of such restricted access measures. The Company will continue to keep track of the relevant information.

3. Does the local government have plan to repurchase Meiguan Expressway? Please talk about the progress of the relevant works.

A: The local government is planning to stop charging on the south section of or the whole route of Meiguan Expressway. But currently, due to the wide coverage and the complication of the approval procedures, no detailed plan has been formulated. The Company has already hired intermediary institution to assess the project. The Company will always adhere to the principles of protecting the interests of shareholders and ensuring the Group's long-term development when dealing with such repurchase affairs.



4. Please introduce the Company's recent maintenance plans.

A: According to the time of operation of the existing projects, the Company is planning to gradually arrange the maintenance works of Jihe East, Jihe West, etc. from this year, of which the works of Jihe East are scheduled to be commenced in the second half of 2012 and completed within the year.



5. Please introduce the changes and trends of the Company's financial expenses in coming second half of 2012.

A: In the first half of this year, the external financing environment has improved. The Company timely adjusted the capital management strategies and financing strategies according to the changing environment. It is expected that the Group's average borrowings and capital costs for the second half of the year will decrease slightly as compared with those for the first half of the year. Therefore, the financial expenses for the second half of the year as compared with those for the first half of the year is expected to decrease slightly. However, as a results of the increase in the average borrowings and capital costs, the financial expenses for whole year will increase to a certain extent as compared with that for 2011.





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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