



**E-Newsletter**

开卷语

**Opening  
Message**

**GUIDANCE**

- Opening Message
- Operations Review of Major Projects
- Company News
- References
- Frequently Asked Questions

Dear investors,

Happy new year!

The year of 2012 which is full of challenges has slipped away. Looking forward to 2013, many things are still uncertain. In this context, what we need is getting rid of confusion, understanding the trend rationally, and cognizing the risk comprehensively. The management of the Company will continue to adhere to our philosophy of sound operation, fully excavate our own advantages and grasp the developing beat of the industry. Holding a pragmatic attitude, the management will also adjust management strategies to explore and seek better development, making great efforts to create higher value for the enterprise and the shareholders.

On the behalf of all our colleagues, wish you a very healthy and lucky year!

Best regards,

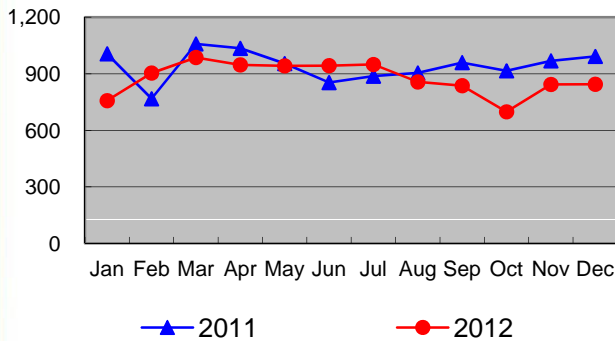
**Yang Hai**

**Chairman**

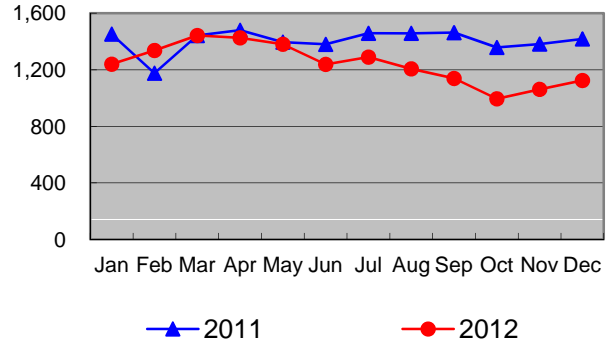


## Operations Review of Major Projects

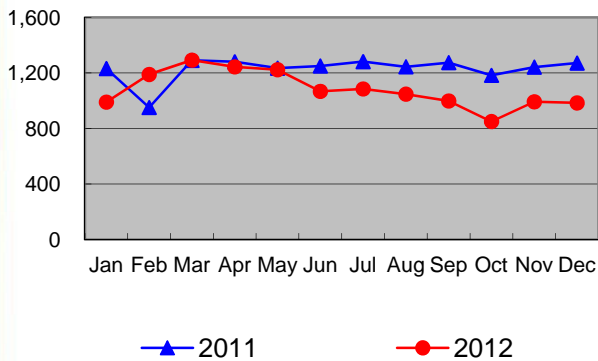
**Average Daily Toll Revenue of Meiguan Expressway (RMB'000)**



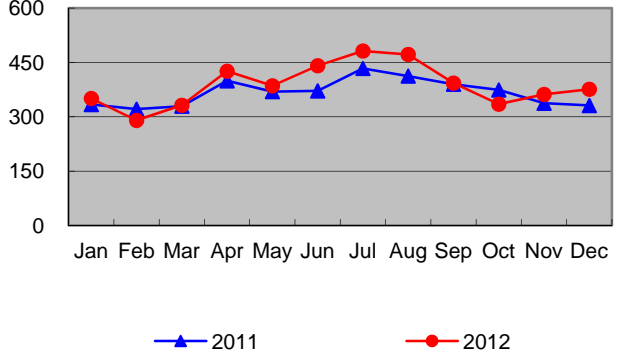
**Average Daily Toll Revenue of Jihe East Expressway (RMB'000)**



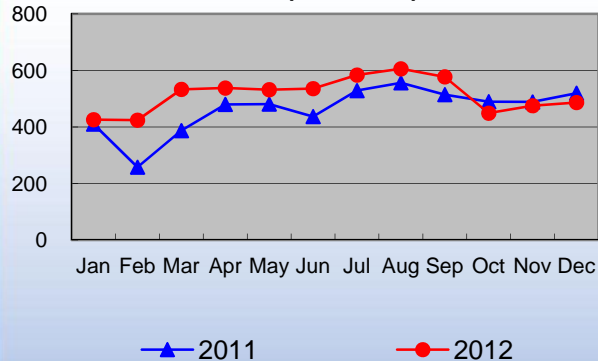
**Average Daily Toll Revenue of Jihe West Expressway (RMB'000)**



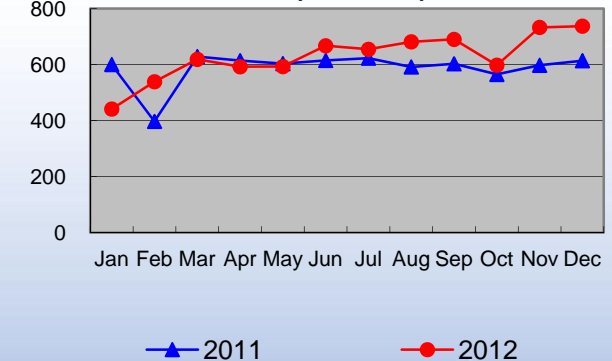
**Average Daily Toll Revenue of Yanba Expressway (RMB'000)**



**Average Daily Toll Revenue of Yanpai Expressway (RMB'000)**

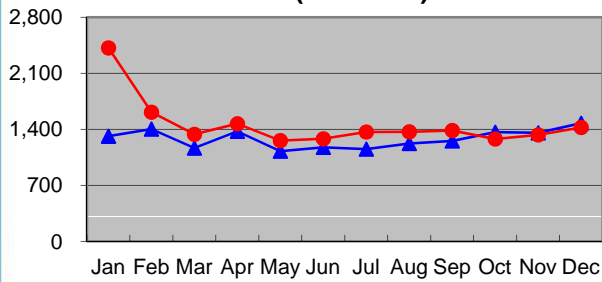


**Average Daily Toll Revenue of Nanguang Expressway (RMB'000)**





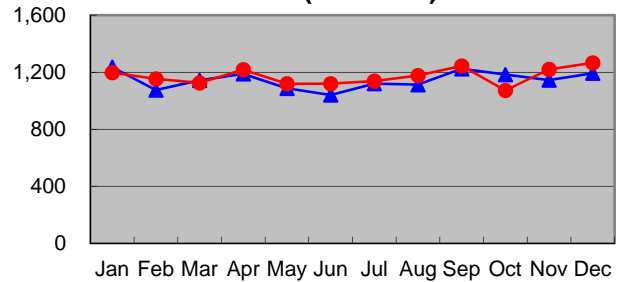
**Average Daily Toll Revenue of Qinglian Expressway (RMB'000)**



▲ 2011

● 2012

**Average Daily Toll Revenue of Wuhuang Expressway (RMB'000)**



▲ 2011

● 2012

(For Other projects' operational performances of the Group, please go to "Operational Statistics" of the Company's web-site.)

- A unified toll fees standardization ("Standardization Scheme") has been implemented to all expressway projects according to the unified toll rate, toll coefficient, calculating method for ramps and rounding principle in Guangdong Province since 1 June 2012. Subsequent adjustment was also adopted in cases that the toll fees had been increased as a result of the implementation of the Standardization Scheme. The implementation of the abovementioned policies had certain negative impact on the operational performance of Jihe Expressway, Meiguan Expressway, Shuiguan Extension, Yanpai Expressway, Jiangzhong Project, Guangwu Project and GZ W2 Expressway, while the impact on other projects in Guangdong Province was relatively limited.
- During 30 September and 7 October 2012, a toll free implementation scheme for small passenger vehicles during major holidays approved by the State Council ("Holiday Scheme") was adopted to all the expressway projects operated or invested by the Group.
- The maintenance works of Jihe East and the reconstruction and expansion works of North Section of Meiguan Expressway had certain negative impact on the toll revenues of the expressways such as Jihe Expressway and Meiguan Expressway. The main part of the maintenance of Jihe East was completed in early January 2013, and the reconstruction and expansion of North Section of Meiguan Expressway is expected to be completed by the end of 2013.

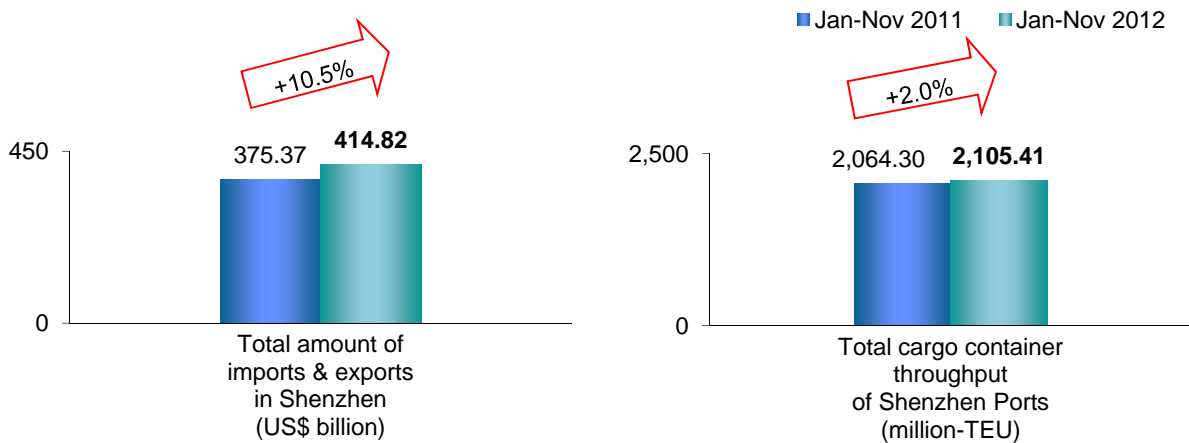


## Company News

- In order to further strengthen investor protection, the Company has carried out series of investor protection activities from September to November 2012 to help investors understand the Company through multiple channels and to actively promote the investors to establish the rational and long-term investment concept.
- The Company held an online investor meeting for the third quarterly results and investor protection from 10:00 a.m. to 11:30 a.m. on 30 October 2012. Mr. YANG Hai, Chairman, Mr. WU Yade, President, Ms. GONG Taotao, Financial Controller, and Ms. WU Qian, Company Secretary attended the meeting and had a good communication with investors on line. Please get access to <http://ircs.p5w.net/ircs/topicInteraction/bbs.do?rid=7880> for details (Chinese version only).
- In order to understand the investors' comments and suggestions on the Company's investor relations management, the Company conducted *2012 Investor Relations Management (IRM) Satisfaction Survey* through the Company's domestic and foreign IR consultant companies between October and November 2012, to help the Company review the quality of the relevant work on an ongoing basis and to improve the level of investor relations management. The result shows that more than 80% of the interviewees are satisfied or very satisfied with the Company's overall investor relations management in the past year. The interviewees gave suggestions on some specific aspects, such as diversification development and communication channels. The management of the Company will fully study these recommendations and further improve the related work accordingly.
- On 1 November 2012, the Company participated in *CITI 2012 Greater China Conference* organized by Citigroup Inc. The management of the Company communicated with foreign shareholders and institutional investors on aspects of the Company's operation and development.
- On 22 and 23 November 2012, the Company held *Investor Protection and Media Road-show 2012*. A total of 20 Shenzhen mainstream media participated in the activity. Through site visit on Coastal Project, as well as communications with the Company's management, the reporters gained a deeper understanding of the status of the Company's entrusted construction management business and the overall development strategies in future.
- On 4 December 2012, the Company participated in *J.P. Morgan Infrastructure Corporate Access* in Hong Kong. The management of the Company communicated with seven foreign shareholders and institutional investors.



## References



Source: Website of Statistics Bureau of Shenzhen Municipality (深圳市統計局)

## Frequently Asked Questions

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

A: During the period from 30 September to 7 October 2012 ("the Period"), a toll free implementation scheme for small passenger vehicles during major holidays approved by the State Council was adopted to all the expressway projects operated or invested by the Group. During the Period, the actual toll revenue of the Group's 8 projects in Shenzhen region was approximately RMB10,400,000, representing a YOY decrease of 77%. Among these, the actual toll revenue of 6 projects wholly owned by the Group was approximately RMB7,700,000, representing a YOY decrease of 79%. During the Period, the actual toll revenue of the Group's 8 projects outside Shenzhen region was approximately RMB34,700,000, representing a YOY decrease of 48%. Among these, Qinglian Expressway and Wuhuang Expressway recorded toll revenue of approximately RMB8,000,000 and RMB5,000,000 respectively, representing a YOY decrease of approximately 39% and 51% respectively. The impact of the policy is basically in line with the Company's expectation.

According to the notification of the Ministry of Transport, the above policy will also be implemented during the upcoming Spring Festival holidays. The expressway toll free period of Spring Festival 2013 for the light vehicles is from 0:00 on 9 February to 24:00 on 15 February 2013. The management of the Company are responsive, making preparation works for free passage and Spring Festival Transportation.





**2. What is the recent operational performance of Qinglian Expressway? What are the impacts of the construction plans of the surrounding road networks of Qinglian Expressway on its operation?**

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. During January to December 2012, its average daily mixed traffic volume was approximately 23,000 vehicles and its average daily toll revenue was approximately RMB1.46 million, respectively representing the YOY increases of 6% and 14%..

30 tones and above heavy lorries are prohibited to access a bridge of Guangqing Expressway, connecting in the southern of Qinglian Expressway, in current stage. Currently, 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. The current traffic conditions of the trunk between Guangzhou and Qingyuan affect the wishes of the vehicles between Hunan and Guangdong to use Qinglian Expressway, resulting a restriction to the rapid growth of traffic volume of Qinglian Expressway.

It is understood that Guangqing Expressway is expanding from 4/6 to 8. The expansion work of Guangqing Expressway will lead the south-bound traffic from Qinglian Expressway, enhance the capacity and ability of service, thereby enhance the competition of Qinglian Expressway. In addition, fifteen expressways in Hunan Province commenced operation at the end of December 2012. Among these expressways, it is expected that Yonglan Expressway (Yonglan Section of Erguang Expressway in Hunan Province), Hengwu Expressway (Hunan Section of Jingzhu Dual Expressway), and

**Road Network of Qinglian Expressway**



Xiarong Expressway (laterally connecting Yonglan Expressway and Hengwu Expressway) will bring Qinglian Expressway an new growth in traffic volume.



**Opinions Collection**

**Please give your valuable advise on the Company's dividend policy!**

**IR hotline: +86-755-82853330**

**E-mail: [ir@sz-expressway.com](mailto:ir@sz-expressway.com)**

**Website: <http://www.sz-expressway.com>**

**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.

**For further information, please contact:**

**SHENZHEN EXPRESSWAY COMPANY LIMITED**

Ms. Catherine ZHENG / Ms. Babe LIU

Tel: (86 755) 8285 3328 / 8285 3330

Fax: (86 755) 8285 3411

Email: [ir@sz-expressway.com](mailto:ir@sz-expressway.com)

**WONDERFUL SKY FINANCIAL GROUP**

Ms. Abbey ZHAO / Ms. Sarah CHAN

Tel: (852) 2851 1038

Fax: (852) 2815 1352

E-mail: [prd@wsfg.hk](mailto:prd@wsfg.hk)

**EVERBLOOM INVESTMENT CONSULTING CO., LTD.**

Ms. Weiwei XIE / Mr. Xiaodong WANG

Tel: (86 755) 8296 6116

Fax: (86 755) 8296 6226

E-mail: [sgs@everbloom.com.cn](mailto:sgs@everbloom.com.cn)