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深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 00548)

THIRD QUARTERLY REPORT OF 2009

This announcement is made pursuant to the disclosure obligation under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

This quarterly report is prepared in accordance with relevant regulations of the China Securities Regulatory Commission (“CSRC”) on Disclosure of Information in Quarterly Reports for Listed Companies. The financial information set out in this report has been prepared in accordance with China Accounting Standards for Business Enterprises (“CAS”) and has not been audited. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

1. IMPORTANT NOTICE

- 1.1 The board of directors, the supervisory committee and the directors, the supervisors, the senior management of Shenzhen Expressway Company Limited (“Company”) warrant that the information in this report does not contain any false information, misleading representations or material omissions, and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the content thereof.
- 1.2 All directors attended this board meeting in person.
- 1.3 The financial statements for the three months ended 30 September 2009 (“Reporting Period” or “Period”) contained in the third quarterly report of 2009 of the Company has not been audited.
- 1.4 Mr. Yang Hai, Chairman, Mr. Wu Ya De, President, Ms. Gong Tao Tao, Financial Controller and Mr. Sun Bin, General Manager of Finance Department, warrant the truthfulness and completeness of the financial statements contained in this quarterly report.

2. CORPORATE INFORMATION

2.1 Principal accounting data and financial indicators (prepared in accordance with CAS)

<i>(Unit: RMB)</i>	As at the end of the Period	As at the end of the previous year	Increase/decrease at the end of the Period as compared to the end of the previous year
Total assets	23,436,230,524.21	18,205,663,955.55	28.73%
Equity attributable to equity holders of the Company	8,091,543,490.34	7,004,892,599.77	15.51%
Net assets per share attributable to equity holders of the Company	3.71	3.21	15.51%

<i>(Unit: RMB)</i>	Beginning of the year to the end of the Period	Increase/decrease as compared to the corresponding period of the previous year
Net cash flows from operating activities	427,165,646.27	-14.35%
Net cash flows from operating activities per share	0.196	-14.35%

<i>(Unit: RMB)</i>	The Period	Beginning of the year to the end of the Period	Change of the Period as compared to the corresponding period of the previous year
Profit before interests and tax	272,048,495.40	741,012,585.65	15.83%
Net profit attributable to equity holders of the Company	141,794,066.43	455,202,671.83	-5.64%
Earnings per share - basic	0.065	0.209	-5.64%
Earnings per share - diluted	0.065	0.209	-5.64%
Earnings per share excluding non-recurring items - basic	-	0.203	-
Return on equity - fully diluted	1.75%	5.63%	Decreased 0.42 percentage point
Return on equity excluding non-recurring items - fully diluted	1.69%	5.47%	Decreased 0.40 percentage point

Non-recurring item	Beginning of the year to the end of the Period (Unit: RMB)	Explanation
Profit from entrusted operation management services	10,663,500.00	Profit from entrusted management of the equity interests of Shenzhen Baotong Highway Construction and Development Company Limited and its equity interests in Shenzhen Longda Expressway Company Limited during the Reporting Period
Subsidy income	7,092,095.23	Grants received from the government for the construction of highways including Yanba Expressway and Yanpai Expressway were recognised based on the units-of-usage method during the Reporting Period, which is reflected in the accounting treatment as offsetting the amortisation of intangible assets under concession
Profit/loss arising from changes in fair value	-2,331,662.45	Loss on changes in fair values incurred in the interest rate swap transaction for a loan arranged in August 2007 and the forward transaction of foreign exchange arranged in June 2008 following changes in interest rates and exchange rates.
Other net non-operating income	-92,317.40	Other non-operating income and expenses, net
Effect on Minority interest	10,254.14	Impact of non-recurring (profit/loss) items on Minority interest
Income tax effect on non-recurring items	-3,066,323.08	Impact of non-recurring (profit/loss) items on income tax for the Period
Total	12,275,546.44	

2.1.1 Principal operating data

	Percentage of interests held by the Group	Average daily mixed traffic volume (number of vehicles in thousands)		Average daily toll revenue (RMB'000)	
		2009 Q3	Change as compared to 2008 Q3	2009 Q3	Change as compared to 2008 Q3
Toll highway					
Projects consolidated into the Group's financial statements:					
Meiguan Expressway	100%	103	7.0%	846	1.6%
Jihe West	100%	79	10.3%	1,004	2.4%
Jihe East (Note 2)	100%	100	4.2%	1,318	2.3%
Yanba Expressway	100%	20	7.5%	254	-2.5%
Yanpai Expressway	100%	39	10.6%	448	-4.8%
Nanguang Expressway (Note 3)	100%	37	98.9%	339	72.1%
Qinglian Expressway (Note 4)	76.37%	15	N/A	703	N/A
Projects not consolidated into the Group's financial statements:					
Shuiguan Expressway	40%	131	16.9%	1,193	10.9%
Shuiguan Extension	40%	36	20.3%	224	18.6%
Yangmao Expressway	25%	18	6.4%	913	10.4%
Guangwu Project	30%	11	13.9%	295	17.8%

Toll highway	Percentage of interests held by the Group	Average daily mixed traffic volume (number of vehicles in thousands)		Average daily toll revenue (RMB'000)	
		2009 Q3	Change as compared to 2008 Q3	2009 Q3	Change as compared to 2008 Q3
Jiangzhong Project	25%	54	18.8%	721	10.6%
GZ W2 Expressway(Note 5)	25%	16	61.6%	554	73.6%
Wuhuang Expressway	55%	32	7.9%	1,083	5.8%
Changsha Ring Road	51%	7.5	23.7%	62	0.6%
Nanjing Third Bridge	25%	20	4.0%	667	-0.1%

Notes:

- (1) In the third quarter of 2009, there is a positive impact on operational performance of highways from the factors such as the gradual recovery of domestic economy. The average daily traffic volume and toll revenue of most of the projects of the Group in the Period have increased as compared to the same period of last year. For the faster growth in small vehicles at present, the growth rates of toll revenue of most of the projects are less than those of traffic volume.
- (2) Jihe East had been consolidated into the scope of the Group's financial statements since 30 September 2009, please refer to relevant content in 3.1 of this report for details.
- (3) Nanguang Expressway opened to traffic at the end of January 2008, and the statistics of Nanguang Expressway for the same period of last year was on the low side. Therefore, the growth rate of Nanguang Expressway was higher than the average level of other projects in Shenzhen area as compared to the same period of last year.
- (4) The completed section of Qinglian Expressway (Fengtouling-to-Lianzhou Section and Fengbu-to-Jingkou Section) has adopted expressway toll rates since 1 July 2009. According to the joint approval from 廣東省物價局 (Guangdong Provincial Price Bureau) and 廣東省交通廳 (Guangdong Provincial Communication Department), Qinglian Expressway has adopted the current toll rates and standard of classification of four-lane expressways in Guangdong Province, in which the basic toll rate is calculated at RMB0.45 per kilometre per standard vehicle. The completed section of Qinglian Expressway is approximately 188 kilometers in length.
The above statistics exclude the operational statistics of Lianzhou-to-Fengbu Section of Qinglian Project ("Liannan Section") which adopted Class 1 Highway toll rates and Qinglian Class 2 Road held by Qinglian Company. In the Period, the overall average daily toll revenue of Qinglian Company is RMB729,000. Owing to the differences in toll rates, vehicle classifications and statistical methods for Qinglian Project between the original opened toll mode and closed toll mode of expressways, year-on-year statistics for Qinglian Expressway is not available.
- (5) Guangzhou North Ring Expressway has closed for road surface maintenance since July 2009, some vehicles were diverted to GZ W2 Expressway, which had a positive impact on the operating performance of GZ W2 Expressway.
- (6) The highways which 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, Wuhuang Expressway, Nanjing Third Bridge and Qinglian Expressway.

2.1.2 Major differences between financial statements prepared under different accounting standards

(Unit: RMB'000)	Under CAS	Under HKFRS
Net profit attributable to equity holders of the Company (Jan-Sep)	455,203	455,203
Net assets attributable to equity holders of the Company	8,091,544	8,134,009

Explanation to the differences:

In accordance with IFRIC 12 and HKFRS 11 "Construction Contracts", the Group recognised revenues and costs for construction services or reconstruction services provided under service concession arrangements by adopting the percentage-of-completion method. The revenues incurred in construction services provided

by the Group were recognised based on the fair values of considerations received or receivable and financial assets or intangible assets were recognised at the same time. Meanwhile, in accordance with the relevant requirements of the Interpretation No.2 issued by the Ministry of Finance, as the Group did not provide actual construction service but contracted out the construction of infrastructure to other parties, revenue from construction service was not recognised. Instead, financial assets or intangible assets were recognised respectively after considering the stipulations in the contract with reference to the project consideration paid in the course of construction, thereby leading to the difference in equities as at the end of the Period.

2.2 Total number of shareholders and top ten holders of non-restricted circulating shares at the end of the Period

As at the end of the Period, total number of shareholders and the top ten holders of non-restricted circulating shares of the Company based on the shareholders' registers provided by the share registrar and the transfer offices of the Company in Hong Kong and the PRC were as follows:

Total number of shareholders at the end of the Period was 42,496, of which 42,195 were holders of domestic shares and 301 were holders of H shares.

Unit: share

Top ten holders of non-restricted circulating shares		
Name of shareholder	Number of non-restricted circulating shares held	Type of shares
HKSCC Nominees Limited (Note)	675,429,098	H Share
Xin Tong Chan Development (Shenzhen) Company Limited	654,780,000	A Share
Shenzhen Shen Guang Hui Highway Development Company	411,459,887	A Share
Huajian Transportation and Economic Development Centre	87,211,323	A Share
Guangdong Roads and Bridges Construction Development Company Limited	61,948,790	A Share
Kingboard Investments limited	30,982,000	H Share
Au Siu Kwok	11,000,000	H Share
Ip Kow	11,000,000	H Share
Kingboard Chemical Holdings Limited	6,936,000	H Share
BOC - China AMC Sector Selected Securities Investment Fund (LOF)	5,133,698	A Share

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

3. SIGNIFICANT MATTERS

3.1 Significant changes of key financial statements items and financial indicators of the Company and the reasons for the changes:

Applicable Not applicable

(1) General explanations

During the Reporting Period, the Group recorded operating revenue of RMB353,132,000 (the same period of 2008: RMB285,226,000), representing an increase of 23.81% over the same period of 2008 ("YOY"). Out of this amount, toll revenue amounted to RMB332,977,000 (the same period of 2008: RMB269,102,000), representing an increase of 23.74% YOY. Profit attributable to equity holders of the Company ("Net Profit") amounted to RMB141,794,000 (the same period of 2008: RMB150,274,000), representing a decrease of 5.64% YOY, which was mainly attributable to the surging YOY increase in the Group's finance costs resulted from the cessation of capitalisation of relevant borrowing interests upon the commencement of

expressway operation of Qinglian Expressway since 1 July 2009.

During January to September 2009, the Group recorded operating revenue of RMB909,021,000 (the same period of 2008: RMB779,790,000), representing an increase of 16.57% YOY. Out of this amount, toll revenue amounted to RMB856,352,000 (the same period of 2008: RMB729,526,000), representing an increase of 17.38% YOY. The Group recorded Net Profit of RMB455,203,000 during January to September (the same period of 2008: RMB428,468,000), representing an increase of 6.24%. Excluding the related figures of the provisions for maintenance/resurfacing obligations for January to September 2009 and the same period of 2008, Net Profit of the Group for January to September would amount to RMB472,816,000 (the same period of 2008: RMB486,803,000), representing a decrease of 2.87% YOY.

Qinglian Class 1 Highway resumed traffic upon the completion of road surface works of reconstruction into expressway for Fengtouling-Lianzhou section and Fengbu-Jingkou section at the end of 2008, and commenced expressway operation on 1 July 2009. During January to September 2009, Qinglian Project recorded toll revenue of RMB149,984,000, representing an increase of 266.14% YOY. The main route of Nanguang Expressway was opened to traffic in January 2008. Following gradual enhancement of road networks and sales and marketing work implemented by the Company, toll revenue for January to September 2009 amounted to RMB75,372,000, representing an increase of 83.21% YOY. Under the continuous impact of slowdown in macroeconomic growth, toll revenue of the remaining toll highways operated by the Group recorded a YOY decrease of 2.54%, but the decrease has narrowed as compared to that of the first half of 2009.

During January to September 2009, the Group maintained a certain growth in overall toll revenue of the toll highways operated and invested. Nevertheless, as a result of traffic volume growth with the resumption of traffic of Qinglian Class 1 Highway and the commencement of operation of Qinglian Expressway, operating costs such as the amortisation cost of intangible assets increased accordingly. Upon the commencement of expressway operation of Qinglian Expressway since 1 July 2009, capitalisation of relevant borrowing interests ceased, which caused a significant YOY increase in the Group's finance costs. The above factors have resulted in a slight YOY decrease in the Group's operating results for January to September 2009.

During the Reporting Period, the Group's capital expenditure amounted to approximately RMB1,320,000,000. As at the end of the Reporting Period, total borrowings outstanding (including loans, bonds payables and bills payable) of the Group amounted to RMB10,242,000,000. Debt-to-asset ratio was 62.50%. The Group's composite borrowing costs for January to September 2009 amounted to 5.65%, in line with 2008.

On 30 September 2009, the Company completed the acquisition of 45% equity interest in Shenzhen Airport - Heao Expressway (Eastern Section) Company Limited ("Jihe East Company"). As the Company holds 100% accumulated equity interest in Jihe East Company, Jihe East Company was changed from a joint venture to a subsidiary of the Company. Pursuant to the requirements of relevant accounting standards, the Acquisition represents a business combination not under common control achieved in stages. The Company initially recognised the identifiable assets, liabilities and fair value of corresponding net assets of Jihe East Company on the date of combination, and accounted for in accordance with the requirements of accounting standards. The financial statements of Jihe East Company have been consolidated into those of the Group since 30 September 2009.

Pursuant to the requirements of relevant accounting standards, the Company initially recognised the fair value of net assets of Jihe East Company of RMB2,396,000,000 in the consolidated financial statements for the quarter with reference to the valuation report issued by a professional valuer. Of which, the fair value attributable to the 45% equity interest under the Acquisition amounted to RMB1,078,000,000, basically in line with the costs of the Acquisition, and no

goodwill arose. The increase in fair value of the 55% equity interest originally held between the original transaction date and acquisition date amounted to RMB893,000,000, which increased the capital reserve.

As at the end of the Reporting Period, total assets of Jihe East Company amounted to RMB3,381,000,000, of which cash at bank and on hand amounted to RMB160,000,000 and net intangible assets amounted to RMB3,095,000,000. Total liabilities amounted to RMB985,000,000, of which other payables amounted to RMB122,000,000, accrued liabilities amounted to RMB252,000,000 and deferred income tax liabilities amounted to RMB590,000,000. Net assets amounted to RMB2,396,000,000. Upon the consolidation of Jihe East Company into the Group, the principal accounting statement items and financial indicators of the Group were affected to different extents.

(2) Changes of key items in the financial statements, and explanations thereof

Unit: RMB'000

	As at 30 Sep 2009	As at 31 Dec 2008	Increase/ decrease (%)	Primary reasons for the change
Cash at bank and on hand	1,082,329	676,872	59.90	Increase in pledged fixed deposits of RMB450,000,000 during the Period, and consolidation of Jihe East Company
Trading financial assets	-	6,292	-100.00	The interest rate swap transaction for a loan arranged in August 2007 matured in June 2009, and the forward foreign currency sale arranged in June 2008 matured in July 2009
Interests receivable	-	2,407	-100.00	Receipt of interests of fixed deposits matured in the Period
Other receivables	1,257,280	150,085	737.71	The Company was entrusted by Shenzhen Municipal Government to construct and manage Coastal Expressway (Shenzhen Section). The payments paid on behalf of the government for this project increased during the Period (Please also refer to the explanation on other payables in this table)
Advances to suppliers	7,204	4,252	69.41	Increase in prepayments on electrical and mechanical works during the Period, and consolidation of Jihe East Company
Fixed assets	1,083,136	696,264	55.56	Transfer of the main part traffic construction works of Qinglian Expressway into fixed assets, and consolidation of Jihe East Company
Construction in progress	48,803	267,562	-81.76	Transfer of the main part traffic construction works of Qinglian Expressway to fixed assets
Short-term borrowings	1,759,767	783,377	124.64	Increase in specific loans for the acquisition of Jihe East Company during the Period
Notes payable	4,318	13,992	-69.14	Repayment of bills due during the Period
Advances from customers	12,620	9,421	33.94	Receipt of first installment of construction management fee of Longhua Extension of Longda Expressway during the Period
Employee benefits payable	12,902	39,189	-67.08	Annual bonuses accrued at the end of 2008 were paid during the Period
Taxes payable	96,756	63,736	51.81	Consolidation of Jihe East Company, and increase in toll revenue during the Period
Interests payable	18,731	42,711	-56.14	Payment of interests on corporate bonds of RMB800,000,000 and convertible bonds with warrants of RMB1,500,000,000 accrued in this quarter
Other payables	1,626,072	648,142	150.88	Receipt of fund of RMB890,000,000 in the form of borrowings for investment in Coastal Expressway (Shenzhen Section) from the government during the Period, and consolidation of Jihe East Company
Current portion of non-current liabilities	202,971	335,599	-39.52	Decrease in long-term borrowings due within one year

	As at 30 Sep 2009	As at 31 Dec 2008	Increase/ decrease (%)	Primary reasons for the change
Accrued liabilities	657,325	304,133	116.13	Increase in provisions for maintenance/resurfacing obligations, and consolidation of Jihe East Company
Deferred income tax liabilities	899,080	375,800	139.24	Recognition of deferred income tax upon acquisition of Jihe East Company
Capital surplus	3,167,096	2,273,963	39.28	Recognition of increase in fair value of original 55% equity interest in Jihe East Company

Unit: RMB'000

	2009 Q3	2008 Q3	Increase/ decrease (%)	Primary reasons for the change
Cost of services	163,240	110,769	47.37	Increase in traffic volume upon commencement of expressway operation of completed sections of Qinglian Expressway, which resulted in corresponding increase in amortisation and other operating costs
General and administrative expenses	9,391	7,106	32.16	Increase in depreciation expenses for new office building and other specific consultancy expenses
Finance expenses - net	121,694	68,298	78.18	Increase in finance costs resulted from the cessation of capitalisation of relevant borrowing interests upon commencement of expressway operation of completed sections of Qinglian Expressway
Profit arising from changes in fair value	(243)	739	-	The interest rate swap transaction for a loan arranged in August 2007 and the forward foreign currency sale arranged in June 2008 changed with fluctuation in interest rates and exchange rates. The changes were shown as loss and gain from changes in fair value in the Period and in the same period of last year, respectively
Investment income	100,765	74,691	34.91	Increase in income from investments in joint ventures and associates
Minority interest	(9,324)	(2,605)	257.88	YOY increase in loss of Qinglian Company, which resulted in corresponding increase in minority interest

3.2 Progress of major matters and the analysis on the relevant impacts and solutions

Applicable Not applicable

3.3 The fulfillment of the undertakings made by the Company, the shareholders and the de-facto controller

Applicable Not applicable

- (1) The shareholders of the Company, Xin Tong Chan Development (Shenzhen) Company Limited (“XTC Company”) and Shenzhen Shen Guang Hui Highway Development Company (“SGH Company”), each of which has more than 5% shareholding in the Company, have undertaken in the promoters’ agreement that they will not engage in any industry or business in any form in Shenzhen, which, directly or indirectly, competes with the Company. As at the end of the Period, the Company did not notice violation of such undertaking by XTC Company or SGH Company.
- (2) Shenzhen International Holdings Limited (“Shenzhen International”) and Shenzhen International Holdings (SZ) Limited (“SGJ Shenzhen”) proposed to acquire 100% equity interest in SGH Company and made undertakings in 《詳式權益變動報告書》 (“Detailed Report on the Change of Equity Interests”) published on 18 October 2007 in the securities market of PRC. The undertakings includes procuring SGH Company to continue to comply with the relevant undertakings made under the Share Segregation Reform of the Company, avoiding competition and standardizing connected transactions, etc. Details related are available in 《詳式權益變動報告書》 (“Detailed Report on the Change of Equity Interests”) published by Shenzhen

International and SGJ Shenzhen on 18 October 2007 or related contents of the annual report 2007 of the Company. As at the end of the Reporting Period, the Company did not notice violation of such undertaking by Shenzhen International and SGJ Shenzhen.

3.4 Profit warning, with reasons therefor, that the cumulative net profit from the beginning of the year to the end of the next Period may be a loss or a substantial change as compared to the corresponding period of the previous year

Applicable Not applicable

3.5 Implementation of cash dividend policy during the Period

Applicable Not applicable

Pursuant to the approval at the 2008 Annual General Meeting, the Company paid a final dividend of RMB0.12 (tax included) per share for the year 2008 to all shareholders on the basis of the total share capital comprising 2,180,700,000 shares as at the year end of 2008, totaling RMB261,684,000. Such dividend distributions were completed by 24 July 2009.

3.6 Operating information and other matters

Operating information of the projects

- (1) Due to adjustments to the planning of connecting road network, Liannan Section has commenced reconstruction into an expressway since the second quarter of 2009. The whole reconstruction work is planned to be completed in two years. As at the end of the Period, Liannan Section has completed the slope, culvert and passageway works. It was expected that the road surface works will be completed in the first half of 2010.
- (2) The proposal on the expansion of Shuiguan Expressway was considered and approved at the board meeting of the Company held on 18 September 2009. The Board resolved the Company further invest a RMB132 million in cash to Shenzhen Qinglong Expressway Company Limited (“Qinglong Company”). The Company and the other shareholders of Qinglong Company will jointly make further investment to Qinglong Company in proportion to existing shareholding for Qinglong Company to carry out the expansion work of Shuiguan Expressway. Details related are available in the announcement of the Company published on 22 September 2009 in the securities market of PRC.
- (3) The proposal on the entrusted management of Coastal Expressway (Shenzhen Section) was considered and approved at the board meeting of the Company held on 10 August 2009. The Board resolved the Company be entrusted by Shenzhen Investment Holdings Company Limited to manage Shenzhen Guangshen Coastal Expressway Investment Company Limited. Details related are available in the announcement of the Company published on 11 August 2009 in the securities market of PRC.
- (4) During the Period, the relevant procedures for industrial and commercial changes and filing in relation to the acquisition of 45% equity interest in Jihe East Company have been completed. Details related to the acquisition are available in the announcements of the Company published on 2 June 2009, 10 July 2009 and 10 October 2009 in the securities market of PRC, respectively and the circular of the Company dated 23 June 2009. Jihe East Company had been consolidated into the scope of the Group’s financial statements since 30 September 2009, please refer to relevant content of 3.1 above for details.

Changes of Directors, Supervisors and Senior Management

- (5) As approved by the extraordinary general meeting held on 10 August 2009, Mr. Zhong Shan Qun has been appointed as the shareholders' representative supervisor of the fifth session of the Supervisory Committee of the Company. Mr. Jiang Lu Ming has ceased to be a supervisor of the Company with effect from 10 August 2009. Mr. Zhong Shan Qun has been elected as the Chairman of the Supervisory Committee of the Company at the supervisors' meeting held on 10 August 2009.
- (6) The proposal on the appointment of the Senior Management of the Company was considered and approved at the board meeting of the Company held on 28 August 2009. The Board resolved the reappointment of Mr. Wu Ya De as the President of the Company, the reappointment of Mr. Li Jian, Mr. Ge Fei, Mr. Zhou Qing Ming as the Vice President of the Company, the reappointment of Ms. Gong Tao Tao as the Financial Controller of the Company, the reappointment of Mr. Wu Xian as the Chief Engineer of the Company, the reappointment of Ms. Wu Qian as the Secretary of the Board and Company Secretary of the Company, and the appointment of Mr. Liao Xiang Wen as a Vice President of the Company. The term of the office of each of the senior management abovementioned will commence on 1 September 2009 and end on 31 August 2012.

Financing

- (7) Payments of annual interest for corporate bonds: The corporate bonds in the convertible corporate bonds, in which bonds and subscription warrants are tradable separately ("07 Shenzhen Expressway Bonds"), were issued by the Company on 9 October 2007. The interest payment date for the year was 9 October 2009. Interest of RMB10 (tax included) shall be distributed for each lot of "07 Shenzhen Expressway Bonds" (with par value of RMB1,000). Payment of interests for the period was completed as required.
- (8) The Company entered into an agreement with the Industrial and Commercial Bank of China Shenzhen Branch on 29 May 2009. The Company provided a pledge of its 40% interests in Qinglong Company in favor of the bank, as security of loans of an aggregate amount of RMB1.3 billion. As stipulated by the agreement, the pledging procedure for the aforesaid interests was completed on 10 October 2009.

3.7 For definitions of the relevant toll highways set out in this report, please refer to the annual report or interim report of the Company.

By order of the Board

Yang Hai
Chairman

Shenzhen, the PRC, 29 October 2009

As at the date of this announcement, the directors of the Company are Mr. Yang Hai (Chairman of the Board), Mr. Wu Ya De (Executive Director and President), Mr. Li Jing Qi (Non-executive Director), Mr. Zhao Jun Rong (Non-executive Director), Mr. Tse Yat Hong (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. Lam Wai Hon, Ambrose (Independent non-executive Director), Mr. Ting Fook Cheung, Fred (Independent non-executive Director), Mr. Wang Hai Tao (Independent non-executive Director) and Mr. Zhang Li Min (Independent non-executive Director).

Appendix:**Consolidated Balance Sheet**

30 Sep 2009

Unit: RMB; Unaudited

Item	As at the end of the Period	As at the beginning of the year
Current assets:		
Cash at bank and on hand	1,082,328,745.32	676,872,367.35
Trading financial assets	-	6,291,915.00
Interests receivable	-	2,406,817.91
Accounts receivable	205,629,631.59	166,882,707.15
Advances to suppliers	7,203,703.02	4,252,190.05
Other receivables	1,257,279,771.88	150,084,634.67
Inventories	2,863,604.54	3,074,822.88
Total current assets	2,555,305,456.35	1,009,865,455.01
Non-current assets:		
Long-term equity investments	2,197,147,849.08	2,477,660,729.24
Investment properties	17,700,250.00	18,132,025.00
Fixed assets	1,083,135,587.82	696,264,435.87
Construction in progress	48,803,388.39	267,562,176.78
Intangible assets	17,503,859,239.19	13,735,467,623.31
Long-term prepaid expenses	685,260.31	711,510.34
Deferred income tax assets	29,593,493.07	-
Total non-current assets	20,880,925,067.86	17,195,798,500.54
TOTAL ASSETS	23,436,230,524.21	18,205,663,955.55
Current liabilities:		
Short-term borrowings	1,759,766,700.00	783,376,707.15
Notes payable	4,318,367.00	13,991,617.00
Accounts payable	1,081,997,911.73	977,126,972.94
Advances from customers	12,620,228.94	9,421,975.00
Employee benefits payable	12,902,357.70	39,189,067.20
Taxes payable	96,756,111.73	63,736,435.20
Interests payable	18,731,297.85	42,710,972.25
Other payables	1,626,071,668.71	648,142,207.14
Current portion of non-current liabilities	202,971,497.20	335,598,950.25
Total current liabilities	4,816,136,140.86	2,913,294,904.13
Non-current liabilities:		
Long-term borrowings	6,242,690,923.52	4,914,773,738.93
Debentures payable	2,032,678,660.62	1,988,955,876.45
Accrued liabilities	657,324,983.72	304,133,361.39
Deferred income tax liabilities	899,080,255.98	375,800,391.27
Total non-current liabilities	9,831,774,823.84	7,583,663,368.04
Total liabilities	14,647,910,964.70	10,496,958,272.17
Shareholders' equity:		
Share capital	2,180,700,000.00	2,180,700,000.00
Capital surplus	3,167,095,595.45	2,273,963,376.71
Surplus reserve	1,321,372,024.53	1,321,372,024.53
Undistributed profits	1,422,375,870.36	1,228,857,198.53
Total equity attributable to shareholders of the Company	8,091,543,490.34	7,004,892,599.77
Minority interest	696,776,069.17	703,813,083.61
Total Shareholders' equity	8,788,319,559.51	7,708,705,683.38
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	23,436,230,524.21	18,205,663,955.55

Balance Sheet

30 Sep 2009

Unit: RMB; Unaudited

Item	As at the end of the Period	As at the beginning of the year
Current assets:		
Cash at bank and on hand	863,246,533.37	582,494,879.85
Trading financial assets	-	6,291,915.00
Interests receivable	-	2,406,817.91
Accounts receivable	173,428,223.33	153,233,896.24
Advances to suppliers	5,204,319.80	3,728,319.74
Other receivables	1,331,257,199.79	146,948,597.87
Inventories	1,892,991.06	2,070,630.77
Total current assets	2,375,029,267.35	897,175,057.38
Non-current assets:		
Long-term receivables	807,333,334.00	818,700,000.00
Long-term equity investments	6,499,554,294.00	5,329,418,833.43
Investment properties	17,700,250.00	18,132,025.00
Fixed assets	616,739,147.20	646,073,825.92
Construction in progress	31,620,126.67	19,835,350.28
Intangible assets	5,085,467,331.43	5,075,776,001.13
Long-term prepaid expenses	685,260.31	711,510.34
Deferred income tax assets	29,593,493.07	-
Total non-current assets	13,088,693,236.68	11,908,647,546.10
TOTAL ASSETS	15,463,722,504.03	12,805,822,603.48
Current liabilities:		
Short-term borrowings	1,755,361,000.00	783,376,707.15
Notes payable	4,318,367.00	13,991,617.00
Accounts payable	220,900,334.07	282,518,719.93
Advances from customers	4,445,643.94	750,000.00
Employee benefits payable	8,929,397.74	31,797,391.89
Taxes payable	56,302,542.45	48,391,938.56
Interests payable	12,397,968.19	36,321,968.50
Other payables	1,573,897,158.22	588,666,519.09
Current portion of non-current liabilities	51,554,297.20	335,598,950.25
Total current liabilities	3,688,106,708.81	2,121,413,812.37
Non-current liabilities:		
Long-term borrowings	2,375,831,843.52	1,559,580,958.93
Debentures payable	2,041,253,299.20	1,998,031,630.26
Accrued liabilities	405,584,296.44	304,133,361.39
Deferred income tax liabilities	-	3,872,205.31
Total non-current liabilities	4,822,669,439.16	3,865,618,155.89
Total liabilities	8,510,776,147.97	5,987,031,968.26
Shareholders' equity:		
Share capital	2,180,700,000.00	2,180,700,000.00
Capital surplus	2,314,727,847.76	2,314,727,847.76
Surplus reserve	1,321,372,024.53	1,321,372,024.53
Undistributed profits	1,136,146,483.77	1,001,990,762.93
Total Shareholders' equity	6,952,946,356.06	6,818,790,635.22
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,463,722,504.03	12,805,822,603.48

Consolidated Income Statement

Unit: RMB; Unaudited

Item	The Period (Jul-Sep)	The corresponding period of the previous year (Jul-Sep)	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
1. Total revenue	353,132,377.80	285,225,673.33	909,020,934.28	779,790,137.04
Including: Revenue	353,132,377.80	285,225,673.33	909,020,934.28	779,790,137.04
2. Total cost of services	305,993,487.87	195,854,284.36	738,652,291.01	541,486,744.19
Including: Cost of services	163,240,310.41	110,768,501.18	419,595,944.74	306,361,578.53
Tax and levies on operations	11,667,863.90	9,681,762.15	31,606,033.75	26,434,617.88
General and administrative expenses	9,391,169.45	7,105,859.09	35,995,114.13	24,496,661.24
Finance expenses	121,694,144.11	68,298,161.94	251,455,198.39	184,193,886.54
Add: Profit arising from changes in fair value	-242,500.00	738,617.33	-2,331,662.45	2,082,217.33
Investment income	100,765,387.51	74,691,114.41	314,594,920.92	223,895,663.95
Including: Share of profit of associates and joint ventures	100,765,387.51	74,691,114.41	314,594,920.92	223,895,663.95
3. Operating profit	147,661,777.44	164,801,120.71	482,631,901.74	464,281,274.13
Add: Non-operating income	36,899.30	5,783.50	69,969.30	15,090.50
Less: Non-operating expenses	74,309.19	317,841.95	162,286.70	1,077,820.19
4. Total profit	147,624,367.55	164,489,062.26	482,539,584.34	463,218,544.44
Less: Income tax expenses	15,154,170.64	16,820,749.60	34,373,926.95	41,594,842.41
5. Net profit	132,470,196.91	147,668,312.66	448,165,657.39	421,623,702.03
Net profit attributable to equity holders of the Company	141,794,066.43	150,273,602.42	455,202,671.83	428,467,517.04
Minority interest	-9,323,869.52	-2,605,289.76	-7,037,014.44	-6,843,815.01
6. Earnings per Share:				
Basic earnings per share	0.065	0.069	0.209	0.196
Diluted earnings per share	0.065	0.069	0.209	0.196

Income Statement

Unit: RMB; Unaudited

Item	The Period (Jul-Sep)	The corresponding period of the previous year (Jul-Sep)	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
1. Revenue	196,385,491.08	181,979,086.44	512,089,463.02	493,960,616.44
Less: Cost of services	102,526,884.44	69,747,208.80	264,527,739.99	198,974,963.60
Tax and levies on operations	6,169,686.44	5,734,703.54	16,098,003.95	15,511,914.73
General and administrative expenses	9,391,169.45	7,105,859.09	35,994,120.06	24,378,449.19
Finance expenses	56,162,322.61	60,210,123.40	171,636,511.58	166,704,045.78
Add: Profit arising from changes in fair value	-242,500.00	738,617.33	-2,331,662.45	2,082,217.33
Investment income	130,136,863.95	97,967,066.46	372,458,256.50	388,414,049.67
Including: Share of profit of associates and joint ventures	78,136,863.92	52,964,066.56	248,458,256.50	160,199,149.70
2. Operating Profit	152,029,792.09	137,886,875.40	393,959,681.49	478,887,510.14
Add: Non-operating income	1,530.00	2,800.00	10,940.00	5,660.00
Less: Non-operating expenses	58,480.69	311,476.85	131,739.77	1,069,038.72
3. Total Profit	151,972,841.40	137,578,198.55	393,838,881.72	477,824,131.42
Less: Income tax expenses	1,838,180.10	5,379,764.40	-2,000,839.12	9,138,243.04
4. Net Profit	150,134,661.30	132,198,434.15	395,839,720.84	468,685,888.38

Consolidated Cash Flow Statement

Jan-Sep 2009

Unit: RMB; Unaudited

Item	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
1. Cash flows from operating activities:		
Cash received from rendering of services	860,992,076.82	752,461,034.35
Cash received relating to other operating activities	974,411,840.57	102,973,379.69
Sub-total of cash inflows from operating activities	1,835,403,917.39	855,434,414.04
Cash paid for goods and services	87,118,792.56	74,663,550.89
Cash paid to and on behalf of employees	82,989,246.65	72,744,324.30
Payments of taxes and levies	90,206,636.52	93,587,818.86
Cash paid relating to other operating activities	1,147,923,595.39	115,708,544.84
Sub-total of cash outflows from operating activities	1,408,238,271.12	356,704,238.89
Net cash flows from operating activities	427,165,646.27	498,730,175.15
2. Cash flows from investing activities:		
Cash received from disposals of investments	5,765,286.47	26,880,477.63
Cash received from returns on investments	195,570,691.67	250,886,275.00
Cash received from disposal of fixed assets, intangible assets and other long-term assets	3,890.00	8,583.00
Cash received relating to other investing activities	18,973,411.01	9,136,273.33
Sub-total of cash inflows from investing activities	220,313,279.15	286,911,608.96
Cash paid to acquire fixed assets, intangible assets and other long-term assets	834,898,171.58	2,063,961,205.26
Cash paid to acquire subsidiaries and other operating units	970,044,937.14	30,000,000.00
Cash paid relating to other investing activities	14,948,780.45	56,749,520.69
Sub-total of cash outflows from investing activities	1,819,891,889.17	2,150,710,725.95
Net cash flows from investing activities	-1,599,578,610.02	-1,863,799,116.99
3. Cash flows from financing activities:		
Cash received from borrowings	4,085,876,787.45	2,734,089,907.31
Cash received relating to other financing activities	116,271,396.38	-
Sub-total of cash inflows from financing activities	4,202,148,183.83	2,734,089,907.31
Cash repayments of borrowings	1,910,187,927.18	763,021,675.02
Cash payments for interest expenses and distribution of dividends or profits	602,879,896.11	613,008,607.63
Cash paid relating to other financing activities	450,250,465.56	117,925,941.47
Sub-total of cash outflows from financing activities	2,963,318,288.85	1,493,956,224.12
Net cash flows from financing activities	1,238,829,894.98	1,240,133,683.19
4. Effect of foreign exchange rate changes on cash and cash equivalents	-1,910,246.34	3,020,035.36
5. Net increase in cash and cash equivalents	64,506,684.89	-121,915,223.29
Add: Cash and cash equivalents at beginning of Period	536,292,564.27	466,990,065.73
6. Cash and cash equivalents at end of Period	600,799,249.16	345,074,842.44

Cash Flow Statement

Jan-Sep 2009

Unit: RMB; Unaudited

Item	Beginning of the year to the end of the Period (Jan-Sep)	Beginning of the previous year to the end of the corresponding period of the previous year (Jan-Sep)
1. Cash flows from operating activities:		
Cash received from rendering of services	474,013,550.71	471,812,121.53
Cash received relating to other operating activities	972,738,739.07	116,260,956.87
Sub-total of cash inflows from operating activities	1,446,752,289.78	588,073,078.40
Cash paid for goods and services	42,046,639.55	29,767,271.19
Cash paid to and on behalf of employees	55,039,888.51	47,536,921.91
Payments of taxes and levies	41,016,097.04	52,391,332.58
Cash paid relating to other operating activities	1,122,291,907.65	113,897,550.95
Sub-total of cash outflows from operating activities	1,260,394,532.75	243,593,076.63
Net cash flows from operating activities	186,357,757.03	344,480,001.77
2. Cash flows from investing activities:		
Cash received from disposals of investments	5,765,286.47	26,880,477.63
Cash received from returns on investments	319,570,691.67	424,781,504.07
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,590.00	-
Cash received relating to other investing activities	14,928,177.52	7,873,758.99
Sub-total of cash inflows from investing activities	340,267,745.66	459,535,740.69
Cash paid to acquire fixed assets, intangible assets and other long-term assets	233,832,024.52	576,319,597.58
Cash paid to acquire subsidiaries and other operating units	1,125,820,485.92	30,000,000.00
Cash paid relating to other investing activities	9,139,718.45	32,076,433.05
Sub-total of cash outflows from investing activities	1,368,792,228.89	638,396,030.63
Net cash flows from investing activities	-1,028,524,483.23	-178,860,289.94
3. Cash flows from financing activities:		
Cash received from borrowings	3,418,308,387.45	1,150,494,707.31
Cash received relating to other financing activities	160,271,396.38	44,000,000.00
Sub-total of cash inflows from financing activities	3,578,579,783.83	1,194,494,707.31
Cash repayments of borrowings	1,910,187,927.18	763,021,675.02
Cash payments for interest expenses and distribution of dividends or profits	434,296,691.26	512,881,956.96
Cash paid relating to other financing activities	450,220,310.19	117,737,744.42
Sub-total of cash outflows from financing activities	2,794,704,928.63	1,393,641,376.40
Net cash flows from financing activities	783,874,855.20	-199,146,669.09
4. Effect of foreign exchange rate changes on cash and cash equivalents	-1,906,168.56	3,745,034.88
5. Net increase in cash and cash equivalents	-60,198,039.56	-29,781,922.38
Add: Cash and cash equivalents at beginning of Period	441,915,076.77	307,783,141.49
6. Cash and cash equivalents at end of Period	381,717,037.21	278,001,219.11